O'Dwyer in his numerous attempts at being elected to public office. Mr. O'Dwyer did serve as President of the New York City Council from 1973 to 1977.

My fellow colleagues, join me in recognizing the passing of Paul O'Dwyer, a man who rigidly and without pause adhered to principle at the price of self-interest. Let us aspire in our own efforts to show such a commitment to the truth.

THE NEIGHBORHOOD IMPROVEMENT FOUNDATION OF TOLEDO, INC.

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Ms. KAPTUR. Mr. Speaker, I rise today to acknowledge The Neighborhood Improvement Foundation of Toledo, Inc., commonly referred to NIFTI, on its recent selection as a Citationist for the 1998 President's Service Awards. Awarded from a pool of approximately 3,600 nominations, NIFTI was one of thirty chosen for this prestigious recognition.

Organized in 1957, NIFTI's mission over the past 41 years has been to improve the quality of life in the Toledo metropolitan area through cleanup, beautification efforts, and by encouraging environmental awareness. NIFTI's role as a community organizer and activist has provided Toledo residents with a voice along with a viable means to eliminate urban blight, making our city a cleaner and safer place to live and work.

NIFTI volunteers, numbering in the thousands, are a collaboration of concerned individuals, corporations, local government and other community organizations. NIFTI, through its various programs, encourages volunteerism in both the adult and youth populations. In addition, NIFTI has effectively promoted neighborhood responsibility in the central city.

Mr. Speaker, it is with great pleasure that I rise today to thank NIFTI for all of its positive contributions to the city of Toledo. NIFTI's efforts toward solving serious social ills are representative of the spirit of community service that has made our nation and my congressional district a better place to live. To the Neighborhood Improvement Foundation of Toledo, Inc., congratulations on being named a recipient of such a noble award.

PRIVATE MORTGAGE INSURANCE CANCELLATION SIMPLIFICATION ACT OF 1998

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. LAFALCE. Mr. Speaker, on Wednesday, July 29, 1998, the President signed into law S. 318, the ''Homeowners Protection Act of 1998.'' While the law provides important new rights to consumers who are required to purchase private mortgage insurance in order to qualify for a home loan, I wish the law had gone further. I am particularly concerned that the Federal law pre-empts State law, unless the State had enacted a law prior to January 2, 1998. Even the eight States that have private mortgage insurance (PMI) cancellation and termination laws on the books, are prohibited from passing stronger laws two years after the date of enactment. It is my belief that the law should protect the rights of all states to pass stronger consumer protection laws.

I am also troubled that the law provides Fannie Mae and Freddie Mac, the Government Sponsored Enterprises (GSEs) that secure mortgages, broad discretion to distinguish certain borrowers as ''high risk.'' Those borrowers, under the law, are prohibited from even initiating cancellation of their mortgage insurance after 20 percent of their mortgage is satisfied, and instead are required to carry mortgage insurance for half the life of the loan. While certain types of borrowers at loan origination may be riskier than others, by the time the borrower has satisfied 20 percent of their mortgage, the lender's risks are negligible. At that point, consumers should not be required to make costly payments to the private mortgage industry.

For the above-mentioned reasons, today I am introducing the ''Private Mortgage Insurance Cancellation Simplification Act of 1998.'' The bill protects the rights of all states to enact stronger PMI cancellation and disclosure laws and provides the same cancellation rights to all consumers with conforming loans.

The text of the legislation follows:

H.R. 4435

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 ''Private Mortgage Insurance Cancellation Simplification Act of 1998''.

SEC. 2. APPLICABILITY TO HIGH-RISK LOANS.

(a) IN GENERAL.—Section 3 of the Homeowners Protection Act of 1998 (Public Law 105–216) is amended by striking subsection (f).

(b) CONFORMING AMENDMENTS.—Section 4(a) of the Homeowners Protection Act of 1998 (Public Law 105–216) is amended——

(1) in paragraph (1)——

(A) in the matter preceding subparagraph (A), by striking ''(other than a mortgage or mortgage transaction described in section 3(f)(1))'';

(B) in subparagraph (A)(ii)——

(i) in subclause (II), by inserting ''and'' after the semicolon at the end; and

(ii) by striking subclause (IV); and

(C) in subparagraph (B)——

(i) in clause (i), by inserting ''and'' after the semicolon at the end;

(ii) in clause (ii), by striking ''; and'' and inserting a period; and

(iii) by striking clause (iii);

(2) by striking paragraph (2);

(3) in paragraph (4), by striking ''through (3)'' and inserting ''and (2)''; and

(4) by redesignating paragraphs (3) and (4), as so amended, as paragraphs (2) and (3), respectively.

SEC. 3. PROTECTION OF STATE LAWS.

Section 9 of the Homeowners Protection Act of 1998 (Public Law 105–216) is amended by striking subsection (a) and inserting the following new subsection:

''(a) EFFECT ON STATE LAW.——

''(1) IN GENERAL.—This Act does not annul, alter, or affect, or exempt any person subject to the provisions of this Act from complying with, the laws of any State regarding any requirements relating to private mortgage insurance in connection with residential mortgage transactions, except to the extent that such State laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency.

''(2) INCONSISTENCIES.—A State law shall not be considered to be inconsistent with a provision of this Act if the State law——

''(A) requires termination of private mortgage insurance or other mortgage guaranty insurance——

''(i) at a date earlier than as provided in this Act; or

''(ii) when a mortgage principal balance is achieved that is higher than as provided in this Act;

''(B) requires disclosure of information——

''(i) that provides more information than the information required by this Act; or

''(ii) more often or at a date earlier than is required by this Act; or

''(C) otherwise provides greater protection for the private mortgage insurance consumer.''.

INTRODUCTION OF THE TELECOMMUNICATIONS TRUST ACT

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 6, 1998

Mr. KLINK. Mr. Speaker, today I'm introducing legislation to end the controversy over funding for the e-rate, make Federal telecommunications subsidies more explicit and stable and begin a needed national debate on the Federal role in supporting universal telecommunications service.

My bill, the Telecommunications Trust Act, will dedicate the Federal phone excise tax to Federal universal service support through a Telecommunications Trust Fund, very much like the Federal gas tax funds Federal transportation spending.

This bill will accomplish several things. First, it will remove the new line-item charges many consumers are seeing on their phone bills and end the debate over funding the schools and libraries part of universal service. That program will be funded through the Telecommunications Trust Fund, as will rural health care, rural high cost and lifeline Federal service support.

Furthermore, by dedicating the phone excise tax to universal service, we will be fulfilling the directive of the Telecommunications Act of 1996 that universal service subsidies be explicit rather than implicit.

Universal service has been subsidized implicitly for 60 years by consumers and businesses paying more for phone service so that those in high cost and rural areas could have affordable phone service. My legislation will make that support explicit and dedicate the phone excise tax to that purpose.

Furthermore, it will provide honesty to phone bills by shifting the revenue from the excise tax from the treasury to telecommunications. The Federal phone excise tax is a vestige of the Spanish-American War and has been in effect off and on for a century. It is time this tax revenue went to telecommunications, just as the gas tax goes to transportation.

Finally, I am hoping that this bill will begin a public debate on issues currently being discussed at the Federal Communications Commission (FCC) and in Congress: how should Federal universal telecommunications support be achieved in the digital age.