

full parity it would be two-tenths of 1 percent, that is from a Mathematica Policy Research study in March of 1998, a two-tenths of 1 percent increase in premiums for policyholders.

A recently published Rand study by the Rand Corporation found that removing an annual limit of \$10,000 a year on substance abuse care will increase insurance payments by 6 cents per member per year, 6 cents per member per year. Removing a limit of \$1,000 increases payments by only \$3.40 a year, or 29 cents a month.

The worst case scenario we could find, the study that showed the worst case scenario, estimated the cost would be five-tenths of 1 percent increase in premiums per month, which translates to 66 cents a month per insured.

So the bottom line, Mr. Speaker, for the cost of a cup of coffee per month we can treat 16 million Americans addicted to drugs and/or alcohol today, for the cost of a cup of coffee per month to the 113 million Americans covered by health plans. At the same time, Mr. Speaker, the American people would realize \$5.4 billion in cost savings from treatment parity, according to a recent California study.

So we could treat these 16 million American alcoholics and addicts who are addicted today, who are hooked today on alcohol and/or drugs. For the price of a cup of coffee we can treat 16 million Americans, and we can save in the process \$5.4 billion to the American taxpayers.

United States companies that provide treatment have already achieved substantial savings. Chevron, for example, reports saving \$10 for every \$1 it spends on treatment. GPU saves \$6 for every \$1 spent. United Airlines reports a \$17 return, a \$17 return for every dollar spent on treatment by United Airlines.

Mr. Speaker, no dollar value can quantify the impact that greater access to treatment will have on people who are addicted and their families. No dollar value can measure the impact on spouses, children, other family members who have been affected by the ravages of addiction. Broken families, shattered lives, broken dreams, ruined careers, messed up kids, children on Ritalin, divorces, I could go on and on with the human impact of the ravages of this epidemic that has swept our Nation. How can we put a dollar cost on those horrible factors, those horrible results of addiction?

Mr. Speaker, this is not just another public policy issue. This is a life or death issue for 16 million Americans and their families, 16 million Americans who are chemically dependent covered by health insurance but unable to access treatment.

We know one thing for sure, Mr. Speaker. Treatment taught me that addiction, if not treated, is fatal. This is a fatal disease if not treated. Last year 95 House Members from both sides came together in a bipartisan way to support and cosponsor this substance

abuse treatment parity legislation. This year let us knock down the barriers to treatment for 16 million Americans. This year let us do the right thing and the cost-effective thing and provide access to treatment. This year let us pass substance abuse treatment parity legislation to deal with the epidemic of addiction in America.

Mr. Speaker, the American people cannot afford to wait any longer. I urge all Members to cosponsor H.R. 1977, the Substance Abuse Treatment Parity Act of 1999. I ask my fellow recovering alcoholics and addicts, all 2 million of them, to write their Members of Congress, their Member of the House, their United States Senators, and urge them to cosponsor this treatment parity bill, H.R. 1977, the Substance Abuse Treatment Parity Act. That is H.R. 1977.

We need to mobilize the recovering community, we need to mobilize concerned people throughout America to pass this life and death legislation.

Finally, Mr. Speaker, I ask the loved ones of those still suffering the ravages of addiction and chemically dependent people themselves who are unable to access treatment to contact their United States Senators tomorrow, contact their United States representatives tomorrow, and urge them to cosponsor H.R. 1977, the Substance Abuse Treatment Parity Act.

Working together, Mr. Speaker, as Americans, as Members of Congress, working together we will knock down those barriers to treatment. We will provide access to treatment for those people suffering the ravages of addiction. We will, Mr. Speaker, get this done, but only only if the American people demand it. I hope and pray that the responses are there and that Congress wakes up to the need to deal with addiction, and this year passes the Substance Abuse Treatment Parity Act.

THE COMMUNITY REINVESTMENT ACT

The SPEAKER pro tempore (Mr. DEAL of Georgia). Under the Speaker's announced policy of January 6, 1999, the gentleman from Minnesota (Mr. VENTO) is recognized for 60 minutes.

Mr. VENTO. Mr. Speaker, I have taken this hour special order this evening to highlight an important law and an important policy that has existed since 1977 with regard to financial institutions, with regard to banking. It is called the Community Reinvestment Act.

What this law and policy that has been in place for these 22 years accomplishes is it requires that banks go through an examination of the nature of loans, not the nature but the place that they actually make credit available in their community.

Most banks, whether they are chartered by our national government or by our State governments, receive a franchise. They receive an area in which they can do business. Of course, those

geographic areas have changed greatly as the nature of our economy and population has moved across the landscape of our Nation. But the fact is that they receive certain benefits from that franchise of banking.

One is, for instance, that they receive support from the license from the State or the national government to do a banking business which fundamentally means they can take in deposits and they can in fact loan out on a money multiplier basis multiples of what they actually have taken as deposits. In the event that they need dollars, the Federal Reserve Board has an open window that they can of course, on a short-term basis, borrow at very low-interest rates from.

Furthermore, of course, the deposits now that are within that institution, that are placed there by individuals from across the country, their savings, are in fact, of course, insured by the Federal deposit insurance corporation under a number of different programs.

So these are substantial benefits in terms of actually a license to be in the business. It sets up a relationship between our national government and State governments and the free marketplace. It has been very successful.

Our model of banking grows out of the egalitarian roots of the times of Thomas Jefferson, and of course there are many efforts during the first century of our Nation's existence in which banking did not work out as successfully as we would like, so coming to this model was very difficult.

Of course, as in the course of most economic activities, banking has changed greatly over the years. In 1977 it was apparent that credit needs were not being met in some of the local communities, whether they be urban communities or rural communities. So then Senator Bill Proxmire from Wisconsin in 1977 was able to enact something called the Community Reinvestment Act, which provides, as it were, an examination of meeting local credit needs of the community in which these banks exist, the geographic area, and of course in a practical sense the areas that they serve and which they draw deposits from especially.

Lo and behold, through many years that examination process developed. There is one thing that banks probably do not like and probably do not really think that they need and that is more regulations. To be candid about it, I think that the early laws and rules that tried to implement CRA did in fact present more regulations. I do not think there is any banker or any citizen, for that matter, that would like to see more regulatory burden.

But the fact was that over the years that has not been a hindrance. As this law has developed and has been serving our country, the fact is that the regulators have accomplished and streamlined many aspects of the Community Reinvestment Act.

□ 1930

One of the most important legislative changes occurred in 1989 when then

Congressman Joe Kennedy added an open disclosure provision to CRA; and since then, it has really, I think, taken off and come to significant attention in terms of the public.

As that has happened, there has been a new awareness and new impetus upon making this law even more effective than it was. There are a couple of factors that have influenced that. One is, increasingly, banks do not have as many deposits as other financial institutions that are nonbanks. It is estimated that in 1977, when this law was first passed, that about two-thirds of the savings and deposits existed in our financial institutions, our banks and in our savings and loans or thrifts.

Today, it is estimated that that amount may be something less than 30 percent, less than half of what one time existed. The necessity is, of course, to try to keep existing CRA law in place.

If we look at CRA, since its inception, it is estimated that nearly \$1 trillion in loans and creditworthy instruments have been extended to these communities in which these financial institutions exist under the auspices of fulfilling the CRA requirements, which only requires banks to loan to creditworthy customers in these geographic and other service areas in which they exist.

It does not require financial institutions to make loans or take activities which, in essence, would cause them to lose money, to issue bad loans, or to issue services that would be inappropriate, that would be costly to them.

As a matter of fact, of course, I think, after the history of this is actually demonstrated, that some banks, which were perhaps reluctant to in fact make these types of loans initially, they have now discovered an entirely new book of business in terms of serving these communities.

The consequence has been dramatic in terms of expanding opportunities for some low and moderate-income people and, in some cases, people of color that before had been denied credit.

I think that most folks from the rural area well understand what the limitations are concerning credit in their own communities. After all, without the credit extension for loans in farms and ranches and, for that matter, in the urban areas, the small businesses in those cases would not be able to grow, would not be able to have the ability to in fact engage actively in the enterprise that they have chosen to participate in.

But CRA has meant that that type of credit, that that test, that type of examination falls upon these financial institutions to actually serve the community.

So, often, the demonstration where there had been problems with CRA was a case where the deposits came in from the local community, but the dollars and loans did not go out to that same local community, even though there were creditworthy applications and

loans that could have been made in those cases.

What CRA has done has caused banks, in a partnership I would say, more than anything else, to reexamine what they are doing, not just to become a deposit collector and then a purchaser of bond or securities or, in fact, even investment in other investments that maybe were not even within the borders of the United States, but might have been in a territory or someplace else where the interest rates might have been a little higher, the fact was that it has caused them to reexamine what they are doing and to reorient their business.

Now, we hold our financial institutions in this country out as being international, as being aware, and being involved. But most importantly, as we go forward, we want to make certain that the basic needs are met at home as they are justified.

CRA is now of course under attack. It is ironic, as we move to pass legislation which would modernize our financial institutions, that some have sought to attach to this banking modernization legislation provisions which would renege and which would withdraw, or at least take away, the commitment and the examination that exists under CRA.

To date, in the House, we have been successful in fighting off most of those in this session but in past sessions, indeed amendments have passed on this floor which have, in fact, pulled the rug out from under this law, this CRA law that is working and serving our families and serving our Nation so very well these last 22 years.

But in the Senate of course, they have, in fact, pulled back the requirements of CRA and in essence pulling away at the same time, I might say, that we are providing for financial modernization.

Well, one, financial modernization must indeed serve, not just the needs of the financial entities, that is banks, the insurance companies, and security firms, we must keep in mind that and focus, and the major focus should be on the people of this country that are served and the small businesses that need the type of help that only these financial institutions can offer. That in fact is the reason that of course we have in the first instance developed and provided the type of franchise and license that they have within our States and within the boundaries of this Nation.

So now more than ever, as we move to provide for these banks to have more opportunities and more powers to work together, we also need to be certain that the basic needs, the basic finance needs, the basic credit needs of our local communities are available for the small businesses, are available for home purchases, are available to serve, that they merely do not take the deposits and investments out of a community, but, in fact, they extend to that community the type of credit

needs that are essential for a viable economy in our urban areas, in our rural areas, and in many others.

In my state, we have 550 banks. Nationwide, we have only 9,700 banks. So Minnesota disproportionately has about 5 percent of the banks. But many jurisdictions, there are not as many banks.

So it is very important that in fact the banks that are there are in fact taking up the responsibility and that they have in fact accepted, when they accepted the franchise, to serve these needs.

I see some of my colleagues on the floor this that I know are interested, as I am, in maintaining this important community reinvestment act law.

Mr. Speaker, I yield to the gentleman from New York (Mr. LAFALCE), the ranking Democrat on the Committee on Banking and Financial Services.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman from Minnesota very much for yielding to me.

Mr. Speaker, I am so pleased to join the gentleman from Minnesota (Mr. VENTO), who has been a real champion of financial services reform, of housing and community development, and most especially of the Community Reinvestment Act.

There have been great successes with respect to the Community Reinvestment Act. Possibly within the next week, surely if the House passes a financial services reform bill, surely in conference with the Senate, we are going to have to take up the issue of CRA. We ought not backtrack on our commitment to the Community Reinvestment Act one iota.

Now, some within the United States Congress may seek to portray the CRA as an impediment rather than as an incentive to sound banking practice. They are absolutely wrong. The Community Reinvestment Act has resulted in a tremendous amount of capital investments in our communities. It is the Community Reinvestment Act that has caused that investment in our community.

As the gentleman from Minnesota (Mr. VENTO) said, this law was passed by the Congress in 1977. There was a reason for it. To combat discrimination by encouraging federally insured financial institutions to help meet the credit needs of the communities they serve.

When we view the 2 decades plus that have passed since 1977, we can say that it has been a resounding success. Its success results from the effective partnerships of municipal leaders, local development advocacy organizations, and community minded financial institutions. Working together, the CRA has proven that local investment is not only good for business, but critical to improving the quality of life, especially for low and moderate-income residents in the communities financial institutions serve.

We can applaud the financial institutions for the work they have done in meeting the CRA requirements, the

CRA obligations. At present, it is estimated that almost 98 percent of all financial institutions have achieved at least a satisfactory or better CRA compliance rating. So obviously it is not that difficult of a requirement if 98 percent of the institutions are being rated at least satisfactory.

In my own district, for example, CRA loans have led to the development, one example, of 138 units of low-income senior housing as well as permanent financing for a group home for the developmentally disabled. Local banks participate in the Buffalo Neighborhood Housing Services Revolving Loan Fund, the Niagara Falls Housing Services Revolving Loan Fund, et cetera. These enable local neighborhood housing service agencies to acquire and rehabilitate numerous vacant properties and resell them to low and moderate-income constituents.

CRA lending by local banks in my district has also lead to job growth. For example, local banks have worked with the minority and women-owned loan program of western New York to create pro bono counseling and monitoring services to minority and women loan applicants during the pre-application and post-loan periods of a new business.

In addition, CRA lending has resulted in the construction and financing for manufacturing facilities, which resulted in the retention of hundreds of jobs, the creation of hundreds of jobs in Niagara, Erie, Orleans, and Monroe County.

Mr. Speaker, I strongly support the Community Reinvestment Act and the successes achieved in combatting discrimination. I applaud our financial institutions for their strong compliance record. I welcome their continued success. I repeat, we will pass no banking legislation in this Congress if there is even a scintilla of a retreat from the CRA commitment.

Mr. VENTO. Mr. Speaker, I thank the gentleman from New York (Mr. LAFALCE) for his strong statement, the ranking member of the Committee on Banking and Financial Services.

I also would point out that, as he read the recognition in Buffalo, New York, his hometown, of the accomplishments, that CRA accomplishes all this without any Federal grants of dollars, without any taxation passed. It accomplishes all of that simply by permitting banks to do what banks are supposed to do, to loan money to creditworthy individuals. That is the only test here, and to be certain that that is done in the jurisdictions or service areas in which they are doing business.

It is, I think, very important to understand that this is what banks are expected to do, why they are licensed. They have a franchise. This is a law and a policy that is working, that has reoriented, that has helped banks focus on the major impetus and the nature of the business that they are involved and so fundamental to the working of our economy.

Mr. Speaker, I am happy to yield to the gentleman from Pennsylvania (Mr. KANJORSKI), the ranking member on the Subcommittee on Capital Markets, Securities and Government Sponsored Enterprises, a good friend and a strong supporter of CRA.

Mr. KANJORSKI. Mr. Speaker, I rise today in support of what the gentleman from New York (Mr. LAFALCE), our ranking member, has stated and what the gentleman from Minnesota (Mr. VENTO) has stated.

But I want to give a different perspective. I am sure that the people that are observing this discussion tonight may be asking some very fundamental questions, like what is the responsibility of government to get involved in the banking business and tell them what they have to do with their money? I want to give just some concrete examples as to why we derive that authority and why it is important.

Banking institutions are licensed in the United States, and they derive two great measures of support from the American people. That is, one, that the deposits made in national and insured banks in America are insured by the full faith and credit of the United States, so that every individual who makes a deposit in an American bank up to \$100,000 is absolutely certain that regardless of the economic circumstances that may occur in this country their money is secure and receivable by them on demand.

□ 1945

So the insured deposit feature is unique. In no other instance that I am aware of does government insure the private sector's potential losses so that their customer, the bank, can be satisfied that their money is not at risk.

The second factor and special opportunity that is offered to banks that is not offered to other private businesses in America is the fact that they have the right to use the open window at the Federal Reserve for drawing down funds to maintain solvency. No other institution that I am aware of can draw funds at Federal Treasury rates in order to see that their liquidity remains constant and sufficient to carry on the success of their business, particularly at those times when the economy gets out of whack and there may be a run on a bank or there may be an unusual demand or a need for funds. The bank knows that it can go to the open window and derive those funds and that the open window issues those funds because the United States Treasury stands behind them.

Now, that is the reason why we have a unique set of circumstances that allows the Congress to work with the private sector, the banking institutions, as to how they can better serve the community.

Quite frankly, it was my opinion that Community Reinvestment Act provisions were not working very well in the beginning. And as I traveled around my district and traveled around the State

of Pennsylvania and the Nation and I talked to bankers, there was a great deal of discomfort with CRA. And their discomfort was that there was a great deal of documentation required in order to satisfy the process and that performance or the process of documentation was extremely expensive to the banks.

I remember on one occasion being asked to come by a small bank run by a friend of mine, Paul Reichart, at Columbia County Farmers National Bank in Columbia County, Pennsylvania, and he led me in to meet with his counsel and some members of his board and himself, and a table much like the size of the table I am speaking from now was piled about a foot high with material. What he expressed to me was the little bank in Columbia County, Pennsylvania, had to go through all this documentation in order to comply with CRA.

I believe, if I recall correctly, it was 1991. And the cost of that compliance was about \$55,000. They were disturbed. And the argument, made very simply, was that as a small community bank, why do we have to spend all this money that is directly off the bottom line to document compliance with an act of Congress when, in fact, we could not survive if we were not making loans, primarily to the community and to the participants that surround us within a very small radius, maybe 30 miles. I thought they had a strong logical argument.

As a matter of fact, based on their argument, I came back to Washington and prepared an amendment in 1991 that I offered to some of the banking acts that were going through at that time which would have exempted small institutions of less than \$100 million in assets from CRA documentation requirements. At that time, the amendment did not go through, and no progress was made and frustration continued to exist for at least another year. But, luckily, the new administration of President Bill Clinton recognized that problem and, primarily as it applied to small banks, and it directed a reform of the situation.

The President directed the then-Comptroller of the Treasury, Gene Ludwig, who did a comprehensive interagency review and reform of CRA. And what he did basically reinvent and streamline the entire process of documentation and performance and, as a matter of fact, laid down the condition that it was no longer the documentation that was important it was, instead, the performance that was important. And on the basis of that, now banks with little documentation and little expense, regardless of their size, can comport with the standards in the Community Reinvestment Act to be assured that there is satisfaction and compliance.

And as my friend, the gentleman from New York (Mr. LAFALCE) just stated, 98 percent of the banks in the United States today are in satisfactory

compliance at much less cost because of the reforms made under Ludwig's administration as Comptroller of the Currency.

Today, as I travel around banks in Pennsylvania and the Nation, I do not hear the horrendous stories or complaints. As a matter of fact, I find now a new partnership has arisen between community banks and larger banks and the communities they serve. They are reaching out in ways they have never reached out before and are performing in ways they have never performed before.

Now, I have to be thorough in my disclosure, because before I came to Congress I had the opportunity to serve on a small community bank board of directors, and I know that it was extremely difficult at that time for small banks and small boards of that nature to answer to big government in Washington as to what could get done. But with the reforms that Mr. Ludwig put into place, that very bank today is operating, and when I talked to the President not more than a month ago, he is very satisfied and actually seeking out community reinvestment loans wherever they can happen.

So from the smallest community bank to the largest regional banks to the largest national banks the process has been changed, focusing away from documentation and focusing more on performance and ease and speed and less cost and less conflict in arriving at the standards to satisfy these requirements.

I think, now, in 1999, there is really not a sane, logical argument that can be made that in any way do Community Reinvestment Act requirements prohibit the private banking system or cause it any great cost or exposure, but in fact has made them address that return; that banks are private businesses but also the holders of great benefits from the licensing of their bank by the insurance they have in deposits and by access to the open window. They now know that they can perform even something better for their community by being a good citizen.

And quite frankly, I would like to take the time to congratulate these banks, the community banks, the regional banks and the large banks. Over the last 8 years, since I drafted that amendment, I think they have made major strides, proving that smart reinvented government, as instituted under President Clinton and Gene Ludwig, when he was Comptroller of the Currency, have really established a program, cleaned away the problem areas, and have led to real participation.

Let me mention some of that participation. In 1997, banks and thrifts subject to CRA reporting requirements made \$2.6 million small business loans totaling \$159 billion. And they also made \$18.6 billion in community development loans and investments.

This is an incredible record of the private sector of America recognizing

that in conjunction with a cooperative regulator and with a policy established and enunciated by this Congress that the public's interest can be well served to the benefit of not only the government and the regulators but to the communities across America. Thousands of new jobs have been created all over America and in distressed communities.

And I happen to look at CRA now from an entirely different viewpoint. This is one of the arrows in our quiver to meet the distressed areas of America in offering opportunities for community development and economic development in the place that really counts and with the private sector participation in market forces to make better judgments of economic development money than the government could ever make on its own.

This is not a panacea. This does not solve all our problems, but it certainly does show that a government program, properly administered, properly defined and judged on performance and not documentation alone, can in fact, change the opportunities, both economic and community opportunities, of many millions of American citizens.

So tonight, I come to the Congress to join my friend from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, reclaiming my time, and not to cut the gentleman off, but to have him as an ally, I must say that the anxiety that he created by challenging CRA has, I think, in that legislation that was proposed some decade or so ago, has actually been turned into a motivation. Because I think the gentleman from Pennsylvania, as always, was operating in very good faith and is of quite a significant ability. And I think the result has been that, as he pointed out, that Gene Ludwig and the other regulators were brought to the table, including the Federal Deposit Insurance Corporation and the office of Comptroller of the Currency, as well as the Federal Reserve Board, who are now all strong proponents of CRA.

In streamlining the process, we made it easier for smaller banks to comply and able to deliver the tremendous results in 1996 that the gentleman talked about. We are talking about hundreds of billions of dollars of investment. That means homes, that means jobs. Obviously, a good economy has helped, but, clearly, CRA is meeting those local needs. It is a great success, even if Congress did have something to do with crafting the policy and perhaps perfecting it and getting an administration that frankly has operated in good faith. Instead of fighting this, this administration decided to use it and to shape it and to craft it so it would serve working families across this Nation.

So I thank the gentleman from Pennsylvania (Mr. KANJORSKI), and I welcome my colleague, the gentleman from Vermont (Mr. SANDERS), who is an able member of our committee and a strong advocate of CRA and con-

sumer law generally, and I yield to the gentleman.

Mr. SANDERS. Mr. Speaker, I thank the gentleman from Minnesota (Mr. VENTO) very much for organizing this special order, and I want to go on record in agreeing with the remarks that the gentleman has made, as well as the comments of the ranking member of the committee, the gentleman from New York (Mr. LAFALCE), and the gentleman from Pennsylvania (Mr. KANJORSKI). I think what they had to say is appropriate, and I am in agreement with it.

Mr. Speaker, we see on the television virtually every night and we read in the newspapers that the economy is booming, and some people say it has never been so good. But when I speak to working families in the middle class in the State of Vermont they have a slightly different interpretation of what is going on in the economy. Because for many of those people, they are working longer hours for lower wages than they were 20 years ago. And while we are all delighted that Bill Gates saw a \$40 billion increase in his wealth last year, that is really not the case for most of the people in the State of Vermont. They are struggling hard to keep their heads above water.

One of the major problems we face in the State of Vermont has to do with affordable housing. If anything, that crisis is becoming more acute not only in my State but in States throughout this country. So it is very clear to me that one of the important tools that we have to build affordable housing, and to have the banks throughout this country play a responsible role in their communities is what we have done through the Community Reinvestment Act, which, in fact, is working extremely well in this country today and which must not be weakened.

I would agree with the gentleman from New York (Mr. LAFALCE) in his remarks of a few moments ago that if CRA is weakened, we should not pass any banking legislation that does that, and I would strongly urge the President to veto any legislation which weakens CRA.

Mr. Speaker, I recently took part in a ribbon cutting celebration to commemorate the successful redevelopment of the Applegate Housing Development in Bennington, Vermont. The successful redevelopment project involved the efforts of many good people and organizations, including the residents, who in fact came together through a strong tenants' association. A nonprofit housing developer, civic leaders, the people in Bennington and their local government played a very positive role in this effort, as well as government officials and local banks. And the CRA was a vital part of that effort.

Until recently, Applegate was an apartment complex where the plumbing water backed up into the bathtubs, vacancy rates exceeded 50 percent, and crime was a serious problem. Today,

Applegate is a completely renovated community where families can live in peace and comfort and children have the kind of opportunities to which they are entitled.

□ 2000

The truth of the matter is that the State of Vermont has a network of excellent community banks that is working with local nonprofit housing developers to build and rehabilitate housing for the benefit of low- and moderate-income families. CRA helps them make an important part the American dream, a decent and safe place to live accessible to all Vermont.

The CRA encourages federally insured financial institutions to provide deposit and credit services throughout the communities in which they do business, including low- and moderate-income areas, and it is working. I think that there should not be major disagreement in this body that we simply do not want to see banks lend to institutions and businesses that are running off to Mexico or China and investing in those countries. We want to see banks reinvest in our communities. And that is what the CRA process is about.

The CRA is helping to rebuild the economies of the stressed communities. It is making homeownership accessible to more Americans. It is helping to start small businesses and to create decent paying jobs. Since it was passed in 1977, CRA is credited with lending \$1 trillion in loans to low- and moderate-income communities. And this is a significant achievement.

CRA is good for consumers, and it is good for communities. It is also good for the banking business because it encourages financial institutions to look for business opportunities they might otherwise miss.

Mr. Speaker, as I mentioned earlier, not everyone in our society is benefiting from the growth in our economy. An estimated 10 million Americans lack decent, affordable housing. It is not uncommon in the State of Vermont and, I dare say, in Minnesota to find families paying 40, 50 or more percent of their limited income for housing. That is not affordable housing.

In rural America, more than 9 million people are living in poverty. Rural communities across the country cannot get the development funds or the consumer credit they need, and in urban areas the lack of affordable housing leaves more and more working Americans without homes.

Instead of dismantling the CRA, as some in Congress would have us do, we must strengthen it. Congress is once again considering a bill to quote, unquote modernize the financial services system. But that bill fails to modernize the CRA to preserve its effectiveness in the changing financial system. The changes taking place in today's financial marketplace threaten to make it even more difficult for low- and moderate-income families to get the bank services they need and deserve. With-

out access to private capital that the CRA provides for low- and moderate-income consumers and communities, homes will not be renovated, small businesses will not be started, new jobs will not be created, and neighborhoods will not be rebuilt.

We need to save the CRA from those in Congress who would tear it down. I urge my colleagues to resist any effort to weaken the CRA.

Again, I want to thank the gentleman from Minnesota (Mr. VENTO) for his leadership role in this.

Mr. VENTO. Mr. Speaker, I thank the gentleman from Vermont (Mr. SANDERS) for his poignant comments with regards to this.

As we look at a successful economy today with low income rates, at least we hope for the near future, and with high employment and low inflation, and the gentleman reminds us all again that while these numbers look very good in some folks' view, the fact is that nobody lives on the average. I think we want to come forward together.

One of the things that CRA has done is to try to reach back and to pull up those in our society that have not had the opportunity. We hold forth the promise in this Nation that is we work hard that we can get ahead, that we are going to be treated fairly. And of course an essential part of that is to have employment, to have a fair wage, and to have a fair opportunity to participate in the economy to achieve the American dream.

I must say that this administration has, by virtue of its goals and by virtue of the economy, been successful in achieving that. For the first time in our history, 67 percent of the families in our nation have homeownership.

That still, of course, leaves out many of those that do not. And, of course, we are experiencing higher rents and all sorts of housing programs. But CRA specifically addresses housing. One of the statistics, for example, is that from 1993, I believe these statistics are through 1998, African-Americans homeownership mortgage loans increased by 58 percent and those to Hispanics by 62 percent and to low- and moderate-income borrowers by 38.

So the low and moderate market was getting a 38-percent increase. And we can see the African-American population and the Hispanic population greatly exceeded that, which I think indicates that in fact the CRA efforts tailored and targeted to meet and to try to serve those communities are very helpful.

Now, there are many aspects that have happened simply because CRA has acted as a catalyst. In other words, the necessity is that banks need to do this and they are looking for creditworthy, sound business decisions to make in their local communities and that precipitates other organizations to come forward, whether they are community development corporations, whether they are local governments, whether

they are faith-based organizations, whether they are neighborhood housing services, some of the very laws that we put in place.

One, of course, is the Neighborhood Reinvestment Corporation, which has set up a goal over a period of years to in fact provide 25,000 new homeowners by 2002. And they are almost halfway there. And just to read the numbers, the median income for participating families is about \$25,000. And that is 36 percent below the national median income. The Neighborhood Reinvestment Corporation, 67 percent have very low incomes and 26 percent have moderate. So here they are meeting these needs. But they condition do it without the seeds.

We have some folks who for a long time the national Government provided housing programs which they paid for building it, maintaining it, paid the subsidies, paid to keep it repaired. And it produced some pretty good housing. Much of it still exists, as a matter of fact, and it is not being threatened by the opt-out. But there are a lot of Members here on the floor and some other places that think all we have to do is provide the fertilizer. And I would suggest that we need these seeds. And the seeds that make these housing programs grow are the CRA provisions, are these small programs in local organizations.

That is why local communities such as our mayor organizations, the counties, the States all are strong proponents of the Community Reinvestment Act. It works. It is a great success. And it is an insurance that banks will be questioned as to whether they are meeting those local needs and serving those working families and their service areas need to be served. So it is a tremendous success.

It is a fact, of course, that many now I think belatedly based on perhaps past problems or impressions that they have seek to try and erode this important consumer law, this important focus that we have established for financial institutions.

Mr. Speaker, I yield further to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. I would concur with what my friend from Minnesota said. But the bottom line for me is that in this great and wealthy country, we should be outraged that so many millions of families are still not latching on to the American dream despite the fact that they are working long and hard hours. Clearly an essential part of what the American dream is about is to have a decent house in a decent community.

We should also understand that, if my memory is correct, the banking industry right now is enjoying record-breaking profits. And I think, as the gentleman from New York (Mr. LAFALCE) made very clear, because of acts of the United States Congress, banks have certain benefits, among other things, the FDIC, which guarantees the money that is in those banks.

And banks, therefore, have a responsibility to their communities and many banks understand that.

But essentially, if this institution, the Congress, is to mean anything, we have got to stand up for those people who are not earning huge sums of money, those people who are not living on the mansions on the Hill. We have got to address the needs of senior citizens and working families who are paying 40, 50, 60 percent of their limited incomes for housing.

As my colleague the gentleman from Minnesota (Mr. VENTO) indicated, the CRA in fact has been an extremely successful program. It has done what it is supposed to do. It has created affordable in Vermont and throughout this country. It has helped small business create decent paying jobs.

We must stand firm against anyone in this institution who wants to weaken a program that has worked so well for working families in this country.

Mr. VENTO. Mr. Speaker, I would point out that today many large financial institutions have in fact developed departments and units within their banks that are called CRA units. So they are actively engaged.

The phenomenal effect of this law has changed in a sense the corporate structure of banks. So where before they might have been more interested in loans in the Grand Cayman Islands or some other exotic place, which obviously they thought they could make money with, and there is nothing wrong with profits, nothing wrong with financial institutions making money, but the fact is that we also want them to serve these communities. And so they have developed within their corporate structure offices that specialize in meeting these needs.

So within our large financial institutions and some middle-size institutions, they actually have assigned this responsibilities with officers that exclusively work on community reinvestment activities and they have discovered, lo and behold, they can make money out of that part of the portfolio. And so with small banks I think they have a phenomenal record.

I am looking at one small bank from my community called the University National Bank, and the comptroller has given them great credit, but I just want to give the gentleman from Vermont (Mr. SANDERS) and my other colleagues an idea that the percentage of CRA loans in their portfolio in 1994 was only 14 percent. In 1995 it was 38 percent of the portfolio. In 1996 it was 60 percent. And in 1998, it is, get this, 75 percent. It is inner city bank that was not acting much like an inner city bank. It was not an active participant in the community. This is just one example.

I know that I have Western Bank in my area that is headed by a friend, Bill Sands, this is president, long-time name in Minnesota, and is doing an excellent job both in terms of economic development and in terms of mortgage lending.

So many of these small banks, even their organizations, for instance today the American Banking Association supports the CRA law. And of course their counterpart, which represents a significant number of bank and sometimes smaller banks, the Independent Bankers Association of America, also supports and recognizes the changes made in the law have been helpful.

Now, individually there are probably some banks that are still in a state of denial with regard to this law.

Mr. SANDERS. Mr. Speaker, if the gentleman would yield further, I would comment that those banks that he is referring to I presume are not losing money, they are making money and they are making money the right way, by reinvesting in their communities.

I think, not to wander away from the subject at hand, there is a real concern throughout this country about the loss of decent paying jobs and the fact that big money interests are much more interested in investing in China or Mexico to help companies make a quick buck exploiting cheap labor in those countries rather than reinvesting in the United States, rather than reinvesting in our community.

What CRA is about, which is so essential and so right, it says reinvest in our communities, create new jobs in our communities, start small businesses in our communities, give people affordable housing in our communities. And you know what, banks? You can make money doing that. You do not have to just help people invest in China.

So I think the gentleman and I are in agreement, the CRA is a success story. And I hope very much that no one in Congress wants to come forward to dismantle it or to weaken it. And if they do, I hope that the President will do the right thing and inform them that any legislation which weakens CRA will be vetoed.

Mr. VENTO. Mr. Speaker, we are going to be certain that the banks assume these new responsibilities, that there is an opportunity to examine whether or not there is in fact CRA activity that they are meeting, that they will have satisfactory rates, and that that rating is something that holds up, that CRA rates and exams go on at the same time as other exams go on. We want banks to have enough capital. We want them to be subject to what we call our CAMEL's rates in terms of capital assets management and other liquidity and other factors that are so important.

But also, I think we want them in a sense to say CRA says you cannot just be passive, you cannot just be reactive, you have to be proactive. And that is exactly what they are doing.

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There are many ways that they can do this. There are in fact new aspects where individual companies, entities have sprung up that permit banks to buy securities that will help them meet their CRA requirement.

Supporting home ownership efforts. As the gentleman from Vermont knows from our interest in terms of housing, that very often today we need to in fact school individuals on what it is to be a homeowner. For instance, in my community, I have a large population of Southeast Asians that has emigrated from Laos. The fact is that they did not have as much information about what it is to be homeowners. Today that is turning around. Now we have realtors that are Southeast Asians that are Hmong that are in fact selling the homes. We have others of course that are buying them. They are going to be a very important part of our community. Banks reaching out, working with these communities, trying to teach how you become a homeowner. What the procedures are, the requirements, how you take care of a home, how you manage the dollars and keep it in repair are very important in terms of home ownership.

We have programs, as an example, that deal with single parent families, very often women, and trying to give them the resources and the know-how so that they can become homeowners. These are all programs that are helped and assisted by CRA, that provide some of the seed money for creditworthy types of ventures. We know that if we educate and invest in people, that they then have the ability, they may not have as much income but they have the ability then to understand what is necessary and they may have a network of support very often through a neighborhood housing services program, through a church, through social activities so that they have the network support that permits them to become successful homeowners.

We are doing the same thing, as the gentleman knows, through the community development financial institutions, programs like the PRIME program and the Microenterprise programs, all of which depend upon banks to come forward after we have built capacity in the communities to in fact invite people to become owners of business, to be involved in our economy. This is very essential in fulfilling the promise of what this Nation is about in terms of earning your own way, the sort of rugged individualism. It is fine, but we need to build the types of capacity in terms of the people that we represent and the working families, which may not be like yesterday's working families, but build the capacity so that they can be successful. Our financial institutions, have always been an important part of that. Our banks have. CRA today is one way of ensuring that they can demonstrate and pointing the way, keeping in focus the service to the geographic area and the service areas in which these financial entities derive their deposits and provide their loans and play that essential role that is the magic of our great American economy.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered into, was granted to:

The following Members (at the request of Mr. SMITH of Washington) to revise and extend their remarks and include extraneous material:

Ms. Norton, for 5 minutes, today.

Ms. Carson, for 5 minutes, today.

Mr. Allen, for 5 minutes, today.

Mrs. Maloney of New York, for 5 minutes, today.

Mr. SMITH of Washington, for 5 minutes, today.

Mr. Hinchey, for 5 minutes, today.

Mr. Lipinski, for 5 minutes, today.

The following Members (at the request of Mr. SMITH of Washington) to revise and extend their remarks and include extraneous material:

Mr. Burton of Indiana, for 5 minutes each day, on June 29 and 30.

Mr. Duncan, for 5 minutes, today.

Mr. Fossella, for 5 minutes, today.

Mr. Wamp, for 5 minutes, on June 28.

ADJOURNMENT

Mr. VENTO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 18 minutes p.m.), the House adjourned until tomorrow, Thursday, June 24, 1999, at 10 a.m.

EXECUTIVE COMMUNICATIONS,
ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2702. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting the Eighty-Fifth Annual Report of the Board of Governors of the Federal Reserve System covering operations during calendar year 1998, pursuant to 12 U.S.C. 247; to the Committee on Banking and Financial Services.

2703. A letter from the Comptroller General, transmitting a report of the Research Notification System; to the Committee on Government Reform.

2704. A letter from the Management Analyst, Office of the Inspector General, Department of Justice, transmitting the semi-annual report on activities of the Inspector General for the period October 1, 1998, through March 31, 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

2705. A letter from the Writer/Editor, Office of the Inspector General, National Science Foundation, transmitting the semi-annual report on the activities of the Office of Inspector General for the period ending March 1999, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform.

2706. A letter from the Director, Financial Services, Library of Congress, transmitting activities of the United States Capitol Preservation Fund for the first six-months of fiscal year 1999 which ended on March 31, 1999, pursuant to 40 U.S.C. 188a-3; to the Committee on House Administration.

2707. A letter from the Acting Director, Office of Sustainable Fisheries, National Ma-

rine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Other Nontrawl Fisheries in the Bering Sea and Aleutian Islands [Docket No. 990304063-9063-01; I.D. 051499A] received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2708. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Economic Exclusive Zone Off Alaska; Groundfish Fisheries by Vessels using Hook-and-Line Gear in the Gulf of Alaska [Docket No. 990304062-9062-01; I.D. 042399B] received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

2709. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Lebanon, MO [Airspace Docket No. 99-ACE-10] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2710. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Shenandoah, IA [Airspace Docket No. 99-ACE-16] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2711. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Rolla/Vichy, MO [Airspace Docket No. 99-ACE-26] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2712. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Ottawa, KS [Airspace Docket No. 99-ACE-21] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2713. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Cresco, IA [Airspace Docket No. 99-ACE-13] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2714. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29581; Amdt. No. 1934] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2715. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Neosho, MO [Airspace Docket No. 99-ACE-11] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2716. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Thedford, NE [Airspace

Docket No. 99-ACE-23] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2717. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Washington, IA [Airspace Docket No. 99-ACE-18] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2718. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29579; Amdt. No. 1932] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2719. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29580; Amdt. No. 1933] received June 10, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2720. A letter from the Director, Office of Regulations Management, National Cemetery Administration, Department of Veterans Affairs, transmitting the Department's final rule—National Cemetery Administration; Title Changes (RIN: 2900-AJ79) received June 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2721. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Medical Expense Deduction for Smoking-Cessation Programs [Rev. Rul. 99-28] received June 11, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON
PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1651. A bill to amend the Fishermen's Protective Act of 1967 to extend the period during which reimbursement may be provided to owners of United States fishing vessels for costs incurred when such a vessel is seized and detained by a foreign country (Rept. 106-197). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mrs. EMERSON (for herself, Ms. MCKINNEY, Mrs. LOWEY, Mrs. KELLY, Mrs. MALONEY of New York, and Ms. ROS-LEHTINEN):

H.R. 2316. A bill to amend the Public Health Service Act to develop monitoring systems to promote safe motherhood; to the Committee on Commerce.

By Mr. GREENWOOD (for himself, Mrs. ROUKEMA, and Mr. HOLT):

H.R. 2317. A bill to designate a portion of the Delaware River and associated tributaries as a component of the National Wild and Scenic Rivers System; to the Committee on Resources.

By Mr. HAYWORTH (for himself, Mr. SAM JOHNSON of Texas, Mr. LEWIS of