Rawls on the occasion of the celebration his tenure as Pastor of the Tabernacle Missionary Baptist Church of Chicago, Illinois.

Dr. Rawls was born July 16, 1905 in Union, Mississippi to the union of James Rawls, Sr. and Louiza Donnell. Dr. Rawls accepted the call of the Lord at the age of twenty-six. He served as pastor of Canaan Baptist Church for nearly ten years. In 1941, the Lord directed Dr. Rawls to organize the Tabernacle Baptist Church, where he has served as Pastor, preacher and teacher for the past fifty-eight years. With the power of the Holy Spirit, Dr. Rawls has felowshipped more than 23,000 souls into the church.

Dr. Rawls graduated from Wendell Phillips High School in 1928 and Moody Bible Institute in 1934. Dr. Rawls is the recipient of eight earned degrees and six honorary degrees. Dr. Rawls was a founding member of the Chicago Baptist Institute and the founder of the Illinois Baptist State Convention. He has served on numerous boards including, the NAACP, the National Association of Evangelists and the National Religious Broadcasters of America.

Building a ministry that focuses on the total man, Dr. Rawls founded the Willa Rawls Manor and the Tabernacle Community Hospital and Health Center. Dr. Rawls has worked extensively in the civil rights movement with Dr. Martin Luther King, Jr., Rev. Jesse Jackson, the NAACP and the Urban League. Dr. Rawls is a devoted and loving family man to his wife, Willa and his three children, Lou, Samuel, and Julius Lee.

Mr. Speaker, I am proud to join with thousands of family and friends who will gather in Chicago on November 27, 1999 to recognize the life achievements of Reverend Dr. Louis Rawls, Pastor of the Tabernacle Missionary Baptist Church and I want to encourage Dr. Rawls to continue to be steadfast and unmovable always abounding in the work of the Lord. I am truly honored to pay tribute to this outstanding Servant of God and am privileged to enter these words into the CONGRESSIONAL RECORD of the United States House of Representatives.

MICHAEL J. SCHULTZ

HON. FRANK MASCARA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. MASCARA. Mr. Speaker, I rise today to recognize a special constituent from my district, Michael J. Schultz. Mike is a good friend and serves as a shining example of what can be accomplished through dedication and hard work.

Mike was recently elected by his peers to lead the 12,000 employer-member Pennsylvania Builders Association (PBA) into the next century. Based upon our personal and professional relationship, I do not believe PBA could be placed in more capable hands.

Mike Schultz is a small businessman. He is the owner of Michael J. Schultz Construction and has been in the home building business for 32 years. In a long and distinguished history with the PBA, Mike has served as vice president, secretary and treasurer. Additionally, he has served as the southwestern Pennsylvania regional vice president and chairman of the public relations/public affairs committee. In 1992, he was recognized as the PBA small contractor of the year, an award I know he cherishes.

Mike has visited my Washington DC office on a number of occasions in his role as a member of the PBA's legislative committee and as a trustee for the National Association. Needless to say, he has been professional and convincing in his presentation on behalf of the home building industry. It is not surprising that he was chosen as a delegate for the White House Conference on Small Business in Washington DC.

Therefore, I am pleased to be among those to honor Mike as he assumes his duties as the President of the Pennsylvania Builders Association. Mike, I wish you success in this post and as always, I look forward to working with you and your association as we move into this millennium. I am proud that you are one of my 20th Congressional District constituents.

STUDENT LOAN INTEREST RATE INDEX

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. KANJORSKI. Mr. Speaker, I rise today to speak about H.R. 1180, the Work Incentives Improvement Act. As a senior member of the House Committee on Banking and Financial Services, I want to provide my colleagues with an explanation of one provision in this conference report.

Specifically, this legislation updates the funding formula for the Federal Family Education Loan Program by changing the lender index from the 91-day Treasury bill rate to the 90-day commercial paper rate. The interest rate index switch has a strong bipartisan backing, including the supporter of the Chairman and ranking Democratic member of both the Committee on Education and Workforce and its Subcommittee on Postsecondary Education, Training and Life-Long Learning. Additionally, this change will not in any way affect the interest rate paid by individuals on their student loans. This change only affects the index for lenders.

Importantly, this switch will not cost the taxpayers a dime. According to the Congressional Budget Office, it will reduce taxpayer expenditures by tens of millions of dollars over the next decade. The Office of Management and Budget concurs that this change will not increase costs to the federal government.

This change flows from the agreement made on lender yields during last year's debate over the Higher Education Act. The conferees on the Higher Education Act recognized that there were serious questions about whether the Treasury bill was still the appropriate index to use. Consequently, the Higher Education Act asked for a study. Over the last year, a great majority of the people who have intensively examined this matter have concluded that the Treasury bill index has serious shortcomings, which will worsen as the federal government continues to run a budget surplus and the market diminishes for Treasury securities.

Furthermore, in June 1999 testimony before the Senate Committee on Finance, Deputy Secretary of the Treasury Stuart Eizenstat acknowledged this problem. He stated, ''As the supply of Treasuries dwindles in the future, as we gradually reduce the debt held by the public, there would be a ready supply of other securities of other issuers including high quality corporations and government sponsored enterprises that would likely become benchmarks for the broader securities markets.'' Deputy Secretary Eizenstat further said that, ''The Federal Reserve currently uses Treasury securities to conduct open market operations, but it has not always been that way, nor would it have to be in the future. As with other market participants, the Federal Reserve would adapt to such a changing environment by substituting other debt securities for Treasuries.''

Mr. Speaker, that is exactly what this legislation does. It substitutes the 90-day commercial paper rate, with an appropriate adjustment determined by the Congressional Budget Office to reduce federal outlays by tens of millions of dollars, for the 91-day Treasury bill.

This change is as important for students and their families as it is for providers of student loans. Without this change, the private sector will experience periods of time, such as the majority of last year, when it cannot issue asset backed securities to fund student loans. Because the private sector finances roughly two out of every three dollars of student loans, we must stabilize this important source of funding. Stability and liquidity in the market help all participants, including students and their families, and colleges and universities.

Today, our fiscal and economic climate is dramatically different from what it was when the 91-day Treasury bill was selected as the index for the student loan program. Twenty-five years ago, the federal deficit and the Treasury bill market were both quite large, while the student loan and commercial paper markets were relatively small. Today the situation is reversed. The government has a budget surplus, and the size of the Treasury bill market is less than half of what it was as recently as 1996. Moreover, the volume of outstanding student loans has grown from $7 billion to $120 billion, and the commercial paper and London interbank offered rate (LIBOR) markets have exploded in size.

The simple truth—as anyone on Wall Street will attest, is that the overwhelming majority of private sector commercial loans are based on LIBOR and commercial paper rates, not Treasury bill rates. The federal government should recognize this change in the marketplace and revise its statutes accordingly. Changing the interest rate index will not harm students, and it will not harm the federal government. Instead it will help both by ensuring that a large and liquid market remains available for student loans.

Finally, Mr. Speaker, some people have tried to use this issue to reopen the debate between the merits of direct lending and guaranteed lending. That is a red herring. This change will not adversely affect the direct loan program or the competitive balance between direct and guaranteed loans. This change is simply a technical fix to reflect transformations in the marketplace that scores of financial experts have acknowledged.

It is time to switch the interest rate index used to calculate lender returns for the Federal Family Education Loan Program. I encourage all my colleagues to read the following recommendations from the Chairmen and ranking Democratic members of the