

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 340—EX-PRESSING THE SENSE OF THE SENATE THAT LENDERS HOLDING MORTGAGES ON HOMES IN COMMUNITIES OF LOUISIANA DEVASTATED BY HURRICANES KATRINA AND RITA SHOULD EXTEND CURRENT MORTGAGE PAYMENT FORBEARANCE PERIODS AND NOT FORECLOSE ON PROPERTIES IN THOSE COMMUNITIES UNTIL SUCH TIME THAT CONGRESS CAN CONSIDER LEGISLATION TO PROVIDE RELIEF TO THOSE HOMEOWNERS

Ms. LANDRIEU submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 340

Whereas the Gulf Coast of the United States has experienced one of the worst hurricane seasons on record;

Whereas Hurricane Katrina and multiple levee breaks destroyed an estimated 205,330 homes in Louisiana;

Whereas 18,752 businesses in Louisiana, 41 percent of the overall number of businesses in the State, sustained catastrophic damage from Hurricane Katrina and Hurricane Rita;

Whereas according to the Bureau of Economic Analysis at the Department of Commerce, personal income has fallen more than 25 percent in Louisiana in the third quarter of 2005;

Whereas in the time since Hurricanes Katrina and Rita, the Small Business Administration has only approved 20 percent of disaster loan applications for homeowners in Louisiana and has a backlog of more than 101,400 applications for this assistance as of December 20, 2005;

Whereas of the 11,644 homeowner disaster loan applications that have been approved in Louisiana by the Small Business Administration, only 835 have been fully disbursed;

Whereas, in response to these circumstances, commercial banks, mortgage banks, credit unions, and other mortgage lenders instituted 90-day loan forbearance periods after Hurricane Katrina and did not require home owners in Louisiana to make mortgage payments until on or about December 1, 2005;

Whereas after the termination of the 90-day forbearance period, many home and business owners have received notice from their lenders that they face foreclosure unless they make a lump sum balloon payment in the amount of the mortgage payments previously subject to forbearance; and

Whereas foreclosure on homes and businesses in Louisiana will have a detrimental impact on the economy of the State, will deprive property owners of their equity at a time when they can least afford it, and will have a negative impact on lenders who will be holding properties that may not be readily saleable on the open market: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) Congress should consider legislation to provide relief to homeowners in Louisiana whose properties were devastated by Hurricanes Katrina and Rita; and

(2) commercial banks, mortgage banks, credit unions, and other mortgage lenders should extend mortgage payment forbearance to March 31, 2006, in order to allow Congress the time to consider such legislation.

Ms. LANDRIEU. Mr. President, right after Katrina hit the financial services industry responded with compassion to their customers in Louisiana. Every bank, credit union, mortgage broker, and other mortgage holders instituted a 90 day forbearance period during which they did not collect mortgage payments. They deserve to be commended for this policy. They gave peace of mind to the thousands of families who lost their homes to Katrina and Rita, or whose homes were damaged by the storms.

Many of these forbearance periods have now ended, most effective December 1st. I have heard from homeowners throughout the state who are now being told by their lenders that in addition to making December's mortgage payment, they now also have to come up with a lump sum payment for the payments they missed. A lot of these people were under the impression that their loans would be restructured to add the three months on to the end of the loan term. Instead, they are getting a bill for thousands of dollars.

Can you imagine what it must be like for a person in New Orleans or St. Bernard Parish to get this notice from their lender? Their home is gone. Their community has been wiped out. We have lost over 200,000 homes in Louisiana to these storms and more than 18,000 businesses have been destroyed. Personal income in Louisiana has fallen by more than 25 percent in the third quarter of 2005. And now these homeowners—in this kind of situation—face foreclosure.

People in Louisiana are hard working and want to pay what they owe. Most lenders have reported that even with the forbearance period, close to 80 percent of borrowers continued to make their mortgage payments. People who have called my office have said that they can make the monthly payment, but the balloon payment is out of reach and will be for some time.

I was hoping that Congress could pass legislation before we adjourned to establish a Louisiana Recovery Corporation that would bring some stability and guide the redevelopment of the state after these storms. It would create an entity that will give homeowners the opportunity to sell destroyed properties if they feel that it would be in their best interest. The bill that we were working on with the leaders of the Senate Banking Committee—Chairman SHELBY and Ranking Member SARBANES—as well as Congressman BAKER in the House of Representatives, still needed a lot of work. We simply were not going to have time to complete the bill before the holidays. It will be one of my top priorities when we return in the Second Session.

In the meantime, homeowners in Louisiana need more time before they can begin making mortgage payments. Today I am submitting a sense of the Senate Resolution calling on mortgage lenders to continue their forbearance periods through March 31, 2006. This

will give the Congress more time to consider and develop legislation to restore peace of mind to our homeowners.

It is my hope that this resolution will prompt the Senate to make passing legislation to give our homeowners peace of mind a priority when we return next year.

SENATE RESOLUTION 341—COMMENDING DR. DOUGLAS HOLTZ-EAKIN FOR HIS DEDICATED, FAITHFUL, AND OUTSTANDING SERVICE TO HIS COUNTRY AND TO THE SENATE

Mr. GREGG (for himself, Mr. FRIST, Mr. CONRAD) submitted the following resolution; which was considered and agreed to:

S. RES. 341

Whereas Dr. Douglas Holtz-Eakin has served as the sixth Director of the Congressional Budget Office since February 4, 2003 and will end his service on December 29, 2005;

Whereas during his tenure as Director, he has continued to encourage the highest standards of analytical excellence within the staff of the Congressional Budget Office while maintaining the independent and non-partisan character of the organization;

Whereas during his tenure as Director, he has expanded and improved the accessibility of the Congressional Budget Office's work products to the Congress and the public;

Whereas he has expanded and enhanced the agency's macroeconomic analyses of the range of negative and positive feedbacks on the economy and budget from fiscal policy changes; and

Whereas he has earned the respect and esteem of the United States Senate: Now, therefore, be it

Resolved, That the Senate of the United States commends Dr. Douglas Holtz-Eakin for his dedicated, faithful, and outstanding service to his country and to the Senate.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. OBAMA (for himself and Ms. MIKULSKI):

S. 2149. A bill to authorize resources to provide students with opportunities for summer learning through summer learning grants; to the Committee on Health, Education, Labor, and Pensions.

Mr. OBAMA. Mr. President, I rise today to introduce a bill—the “STEP UP Act”—to establish grants for summer school enrichment programs to increase the academic skills of students in need.

According to the 2005 Nation's Report Card of Educational Progress, the gap in reading scores between fourth grade children in poverty and their more affluent peers did not decrease between 1998 and 2005. Fewer than half of the fourth graders eligible for free or reduced priced lunch are able to read at even the basic level—a level attained by more than three-quarters of wealthier students. This data confirms that too many of our children are not attaining skills at levels that will lead to success, and too often, it is the children most in need who are left behind by the educational system.