

same table. We had a pretty good rapport. I think we made a difference over the last two decades.

The other day, Tennessee's unusually Democratic newspaper, the Tennessean, in Nashville, praised President Bush's centennial initiative for national parks—\$100 million a year, \$3 billion over 10 years—to help celebrate the 100th birthday of our park system, which some have called the best idea America ever had. The Tennessean said in its editorial, and cautioned its readers:

Just because George Bush said it, doesn't mean it's wrong.

Sometimes I think I need to say the same thing to my Republican friends about climate change. Just because Al Gore said it, doesn't mean it is wrong. I think we ought to work together to celebrate the 100th anniversary of the parks, to figure out what we want to do about climate change, scenic byways, open space, protecting private property rights, and providing more outdoor recreation opportunities. We can do that and now is a good time to do it. Why not have a Third President's Commission on Americans Outdoors? I believe the next President should appoint that commission and that we who care about those issues should take time to help him or her be ready with an agenda.

For me, the great American outdoors is not about policy and politics. I grew up hiking on the edge of the Great Smoky Mountains, camping there on a regular basis. I still live there. I breathe the air I try to keep clean and hike in the park I want to maintain. I want to protect the views of the foothills because I look at them when I am home, where I am going tomorrow morning. I enjoy riding on the scenic parkways and walking on the greenways, and every summer for 25 years, our family has gone to the Boundary Waters canoe area in Minnesota because it is quiet and clean and we like to catch and eat walleyes.

I believe there is a huge conservation majority in our country, and I believe the next President can capture that majority and help us create a new conservation agenda. It is time to create a Third President's Commission on Americans Outdoors.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ISAKSON. Mr. President, I ask to address the Senate as if in morning business.

The PRESIDING OFFICER. The Senate is in morning business.

HOME OWNERSHIP

Mr. ISAKSON. Mr. President, I rise to address a very serious subject. A lot of times when we come down here to speak, we are given speeches to make, and a lot of times on topics we don't know very much about.

In my professional career, in my life before I got into politics, I spent 33 years selling houses. I had a company that sold thousands of houses every year in Atlanta, GA. I understand the joy of home ownership, the responsibility of home ownership, and the huge benefit of home ownership, I guess, as well as anybody.

I have always said that the thing which separates the United States of America from every other country in the world is the fact that we are a nation of homeowners, and the rest of the world, substantially, is nations of renters. We all know that when you have an investment in something and you own it versus you are just leasing it, you take a lot better care of it.

The single-family housing industry, the principle of our Constitution for the wide diversity in private ownership of land, is the single most important asset that binds our country together. It is the common interest that every citizen has, and it has become known, as we all know, as the American dream.

Today, the Washington Times, Washington Post, New York Times, all have carried articles regarding predatory lending, subprime mortgage markets. The Federal Reserve Chairman, Ben Bernanke, has made a statement that they will be looking at regulations to deal with the subprime market. I think that is appropriate, but it is very important we understand what the problem really is.

There are a lot of people who will tell you the problem is predatory lending. Well, predatory lending is a horrible thing, but it is like the term "obscenity" was referred to in the Supreme Court, something that is in the eyes of the beholder—you cannot necessarily define it but you know it when you see it.

The subprime market has in some cases been referred to as "predatory lending," and it is not. In fact, it is interesting history, where the subprime market came from.

Fannie Mae, which was headed about 10 years ago by Jim Johnson, who wrote a book, "Showing America a New Way Home," committed itself to widening the ownership of single-family housing. They recognized that in some cases, single-family housing was out of the reach of certain parts of society, so they created mortgage-backed securities to buy mortgages in the subprime market. The subprime market is subprime because the borrower is not necessarily a grade-A credit risk. But as we all know, at one time or another in our lives, none of us have always been a grade-A credit risk. It proliferated. That is why home ownership in the United States of America went

from 67 percent of the public live in a home they own to now to 70 percent of the public live in a home they own.

What has happened in recent months, because of some factors I am going to address, is the foreclosure rates have skyrocketed and the vast proportion of those loans that have been foreclosed on are subprime loans.

There are a lot of people rushing to talk about doing away with subprime loans. There are a lot of people talking about calling them predatory loans and regulating whether they can exist, and they are, with all due respect, missing the point. The mortgage industry has made some mistakes, but it is not the mistake of trying to show Americans a new way home; it is a mistake in five areas which I want to delineate for one second.

During the course of the subprime market's evolution and the wider distribution of home ownership, the underwriting of loans became less than what it should have been. Some examples: no documentation, where people could qualify for the loan and have it underwritten on documentation that was based basically on what they said they made and what they said they were worth; no-downpayment loans, where people could make loans with no downpayment, no equity. I want to talk about that subject for just one second.

I entered the business in 1967, and the Congress, in its wisdom—to widen the dispersity of home ownership—created the 235 FHA Program. They would loan you up to \$18,500, which doesn't sound like a lot, but that would buy a lot of house in 1967. You could borrow it for \$200 down, and the rest of it was a loan. If you did not have the \$200, they allowed sweat equity, which meant you and your wife could go in and paint the living room, dining room, and kitchen, and they would give you that credit. The loans proliferated and home ownership expanded, but because they really had no equity in the property, those houses started going into foreclosure, and the next year was one of the roughest—1969—one of the roughest years in the market.

Congress held congressional investigations. What had turned out was that an attempt to originally expand home ownership had become an opportunity to make less than good loans to a lot of people who were not ready to borrow those funds.

There is a third reason—the proliferation of loans like interest-only. Interest-only is a very sophisticated way to borrow. I understand real estate investment, and real estate investment is best when leveraged but only when leveraged right. When you loan someone 100 percent of the value of what they are buying, you have to be very careful in your underwriting criteria or else they really do not feel like they have equity in the proposition.

ARMs and variable-rate mortgages, adjustable and variable rate mortgages—they are sophisticated lending

tools and are very effective and very good loans, but they are complicated because after an initial low rate of interest, on alternating years, like every other year or the fifth year or whatever it might be, the loans adjust to the marketplace and the interest rate can go up or it can go down, but generally it is going to go up because it is generally a lower teaser rate going in than the market exists at that time.

Home ownership is a responsibility. Another thing that has happened in the marketplace is that a lot of loans have been made to people with very little regard to whether they were prepared for the responsibility of home ownership.

So my suggestion to the Fed and to all of those looking into this issue—I know Senator SCHUMER, Senator CLINTON, Senator GRASSLEY, Senator BAUCUS, and many Members of this Chamber are talking about: What are we going to do about this subprime dilemma? The first thing I hope they will look at is underwriting standards. The second thing I hope they will look at is a clear understanding through truth and disclosure and Regulation Z of borrower disclosures so that people know what they are getting into and a true look at whether borrowing 100 percent is the ideal thing to do.

I do not think we need to have an overreaction to what is obviously a problem. Instead, what we need to do is try to perfect the process so that we can continue to show Americans a new way home but have a loan that responds to those people's needs. Those needs are better documentation, better appraisals and certifications, making sure there is equity in the investment and, most importantly of all, making sure they understand the responsibilities of that home ownership.

As I said at the outset of my remarks, the wide diversity of the ownership of land and home ownership is what separates America from the rest of the world. We have the largest diversity of ownership of our land, the most homeowners, percentage-wise. In most of the world, all of the people who live there rent from someone else. It separates our country, and it separates us in a very good way.

As we deal with the subprime market, we want to make sure we do not throw the baby out with the bathwater. It is important to correct the documentation and the underwriting but not destroy what has been a tool to expand the ownership of homes to people who never thought they could live the American dream.

Let's make sure, when we underwrite them, we underwrite them right and the people who are borrowing the money understand the responsibility of the mortgage instrument and the value of home ownership.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

APPOINTMENT OF CONFEREES— H.R. 1591

The PRESIDING OFFICER. Under the previous order, the Chair appoints Mr. BYRD, Mr. INOUE, Mr. LEAHY, Mr. HARKIN, Ms. MIKULSKI, Mr. KOHL, Mrs. MURRAY, Mr. DORGAN, Mrs. FEINSTEIN, Mr. DURBIN, Mr. JOHNSON, Ms. LANDRIEU, Mr. REED of Rhode Island, Mr. LAUTENBERG, Mr. NELSON of Nebraska, Mr. COCHRAN, Mr. STEVENS, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. SHELBY, Mr. GREGG, Mr. BENNETT, Mr. CRAIG, Mrs. HUTCHISON, Mr. BROWNBACK, Mr. ALLARD, Mr. ALEXANDER, and Mr. GRASSLEY conferees on the part of the Senate.

Mr. NELSON of Nebraska. 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.

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

The PRESIDING OFFICER (Mr. NELSON of Nebraska). Without objection, it is so ordered.

KOREAN FREE TRADE AGREEMENT

Ms. STABENOW. Mr. President, I rise today to urge the Bush administration to look beyond the next 48 hours. Right now, in Seoul, Korea, U.S. negotiators are meeting nonstop with South Korean officials to finish up the so-called Korean Free Trade Agreement. They are rushing because if they don't finish it by Saturday night at midnight, the trade agreement would not be eligible for fast-track authority. My colleagues understand what that means. They would not be eligible to move it through in a way that would not allow us to change the agreement in any way but puts it on fast-track authority so that if many of us believe there are concerns with it, we would not have the full range of options that we normally do in the Senate to be able to correct it or object to it.

Mr. President, these negotiators are not discussing some minor trade deal. They are debating what could be the largest U.S. trade agreement since NAFTA, the North American Free Trade Agreement. I urge the White House and its negotiators to look beyond the final hours left on the fast-track clock. What happens in the next 48 hours could affect the American economy, American businesses, the American auto industry, and American workers for decades to come. The goal is not to race to the finish line. The goal should be to have the very best possible trade agreement—an agree-

ment that raises the standards of living for everybody by creating a level playing field, an agreement that ensures market access for both countries—not just South Korea.

This cannot be a one-way deal. It has to be an opening of markets for both American businesses, American agriculture, as well as South Korean agriculture and business, and so on, including the industry that has built the middle class of this country, which is the U.S. auto industry.

There seems to be an agreement that upholds the value of what has made this country successful. Fair competition, competition that rewards hard work, deserves our attention, and it is based very simply on what we happen to think in Michigan is just plain common sense, having the rules be the same. It is pretty simple, but even though they are basic, right now there is a question as to whether they will be included in this rush to this final trade agreement, to beat the clock.

We don't need an agreement that sells out American workers or pits American companies against foreign governments that cheat the system. In this rush to the finish line, this administration has failed to remember that there is an alternative. This Congress will pass good trade agreements without fast track. We have done it before. I have supported good trade agreements. We want to export our products, not our jobs. That is fundamentally what is at stake in this negotiation that is going on right this minute.

I believe we must be a key player in the global economy. We are a key player, and trade agreements are part of that role. In fact, the old argument of protectionism versus free trade doesn't fit anymore. When you BlackBerry your phone, the Internet can jump any wall that could be put up. There is a fundamental question for us today: How are we going to compete in a global economy and keep the middle class of this country, keep our way of life in this country? That is what is at stake in the negotiations going on right now.

Unfortunately, fast-track authority has been used in the past to pass bad agreements through Congress. We undermine the integrity of our trade policy if the administration's agreements sell out our workers or export our middle class.

Sadly, this administration makes it even worse by not enforcing our trade laws. We all know about what is happening when other countries, such as China or Japan, manipulate their currency—or, in some cases, even South Korea. We all know what happens when there are counterfeit products brought into this country and our ideas and patents are stolen, when other countries don't follow the rules. We need to make sure the rules are working and they are being enforced right now as we look to expand any agreements.

We are talking about the next 48 hours. Simply put, racing to the finish