of S. 1386, a bill to amend the Housing and Urban Development Act of 1968, to provide better assistance to low- and moderate-income families, and for other purposes.

S. RES. 118

At the request of Mr. LEVIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. Res. 118, a resolution urging the Government of Canada to end the commercial seal hunt.

S. RES. 197

At the request of Ms. MIKULSKI, the names of the Senator from Montana (Mr. TESTER), the Senator from Nevada (Mr. REID) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. Res. 197, a resolution honoring the accomplishments of AmeriCorps.

AMENDMENT NO. 1071

At the request of Mr. CARDIN, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of amendment No. 1071 proposed to H.R. 1495, a bill to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

AMENDMENT NO. 1094

At the request of Ms. SNOWE, her name was added as a cosponsor of amendment No. 1094 proposed to H.R. 1495, a bill to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

AMENDMENT NO. 1098

At the request of Mr. FEINGOLD, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of amendment No. 1098 proposed to H.R. 1495, a bill to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON of Nebraska (for himself and Mr. DURBIN):

S. 1391. A bill to amend the Elementary and Secondary Education Act of 1965 to authorize the Secretary of Education to award grants for the support of full-service community schools, and for other purposes; to the Committee on Health, Education, Labor and Pensions.

Mr. NELSON of Nebraska. Mr. President, today I join House Majority Leader STENY HOYER in introducing legislation seeking to strengthen our local communities through coordinated school-based efforts. The Full-Service Community Schools Act establishes an important grant program supporting a variety of community services, ranging from early childhood education and family literacy efforts to job training and nutrition services. Our schools have long served as the bedrock of local communities; and in a time when Federal dollars have been used as an invasive hand, I believe additional resources should be allocated to local areas supporting enterprising instruction, public health, job training and overall community and parental engagement.

The Full-Service Community Schools Act will direct the Department of Education to award grants to local educational agencies and one or more community-based organizations, nonprofit organizations, or other public/private entities. These full-service community school dollars will improve the coordination, delivery, effectiveness, and efficiency of services provided to our children and families. Funds will be awarded to those grantees coordinating at least 3 services at a school site, including early childhood programs; literacy and reading programs for youth and families; parenting education activities; community service; job training and career counseling services; nutrition services; primary health and dental care; and preventive mental health and treatment services.

Priority will be given to grantees demonstrating a record of effectiveness and serving at least two schools in which at least 40 percent of the children are from low-income families. These targeted efforts will support a more efficient use of Federal, State, local, and private-sector dollars serving the needs of children and families. A synergy of community engagement, parental enthusiasm, and local leadership is what America needs to address the growing challenges of our time; and I will continue working with my colleagues to ensure such efforts have the support of Congress. I encourage Senators to join me by cosponsoring the Full-Service Community Schools Act of 2007.

By Mr. ALEXANDER (for himself, Mr. COCHRAN, and Mr. CORNYN):

S. 1393. A bill to amend the Immigration and Nationality Act to prescribe the binding oath or affirmation of renunciation and allegiance required to be naturalized as a citizen of the United States, to encourage and support the efforts of prospective citizens of the United States to become citizens, and for other purposes; to the Committee on the Judiciary.

Mr. ALEXANDER. Mr. President, Senators from both parties are working very hard these days to put together an immigration bill. The majority leader is working hard to create an environment in which that can happen, and I appreciate his doing that. It is not easy to do. But it is absolutely essential that we have a comprehensive immigration bill.

This is not something Members of the Congress can blame on anybody else. It is not the Governors' job, it is not the mayors' job, it is not the county commissioners' job, it is not the Sheriff's job, it is our job to decide what our immigration policy should be. It is our job to secure the border. It is our job to make certain that those who come here are legally here. It is also our job to make sure that those who come here legally have an opportunity to become Americans, a chance to become part of our country.

We have a motto above our wall that says, ''One from many.'' It doesn't say ''Many from one.'' We are very proud of our magnificent diversity in this country. People come here from virtually every country in the world. Anyone who has gone to the naturalization ceremonies can attest, where last year 650,000 new citizens stood in courthouses all across America, raised their right hands and swore their allegiance to this country—nothing is more moving than that. But as much as we prize that diversity, what we prize even more is our ability to turn all that diversity into one country.

Unity is harder than diversity. There are a lot of diverse countries in the world, and they are ripped apart by their differences. We have been fortunate. As other countries struggle with the idea of becoming French, becoming German, becoming Japanese—it is hard to do. But in this country, if you become a citizen, you have to become an American.

How do you do that? You don't do it by your race. In fact, our Constitution says that race cannot be used.

You don't do it by any other form of ancestry. It doesn't matter where your grandparents came from. What does matter is that you subscribe to a few principles and that you learn a common language. Those are the most basic elements of the unity, this fragile and important unity that makes us the United States of America instead of just another United Nations.

In anticipation of the immigration debate next week, I introduce today, along with Senators COCHRAN and CORNYN, what we call the Strengthening American Citizenship Act. It is an essential part of any immigration bill because it addresses what happens after one lawfully becomes a resident of this country and begins to think about lawfully becoming a citizen.

This legislation will help legal immigrants who are prospective American citizens learn our common language and learn about our ways of government. I introduced this legislation last year, in the 109th Congress, when we considered an immigration bill. It had several cosponsors and it passed this body 91 to 1. It was an amendment to the Senate immigration bill, in April of 2006.

I hope the Senate will agree again to make it a part of the bill. It might not make the most headlines, but it will make as much lasting difference in immigration legislation as possible.

Here, in brief, is what the legislation would do. First, it would help prospective citizens learn English and it would do that in two ways. It would provide education grants of up to $500 for English courses for immigrants who declare their intent to become American citizens. They might use these grants of $500, for example, to go to any accredited agency such as ''Fuentes,'' in Los Angeles, a place I happen to know about, which can do, for that amount of money, an excellent job of helping, in that case mostly Spanish-speaking citizens, learn also to speak English. So it is a $500 voucher, in effect, to help any lawful person learn English.

Second, it will change the citizenship rules to allow those who learn to speak English fluently to reduce from 5 to 4 years the amount of time they have to wait to become a citizen. These are two ways we are trying to help people learn English and by doing that value our common language.

There are other ways to do that. Senator KENNEDY and I have talked about the fact that there are lines of people in Boston, his State, and Nashville, in my State, of adults who want to learn English, but there is no room for them in the adult education programs we fund. Perhaps when we pass the Workforce Investment Act, or other appropriations bills, we can find other ways to help people who want to learn English, learn English. But this legislation focuses specifically on prospective citizens who want to learn English by giving them a grant to help them do it and by giving them an incentive to learn the language fluently. They can become a citizen then in 4 years instead of 5.

Also, it helps prospective citizens learn more about the American way of life. Albert Shanker, the late President of the American Federation of Teachers, said the common school was created in America, the public school, to help largely immigrant children learn reading and writing and arithmetic and what it means to be an American, with the hope they would go home and teach their parents.

The last time we had such a large percentage of foreign-born people in our country was in about 1900, the turn of that century. Organizations all over America got busy helping new arrivals learn about our country, learn about our Declaration of Independence, learn about our Constitution and the ideas that were part of it because they knew that, since you do not become a citizen based upon your race or your ancestry and you do it upon the idea of America, that someone needed to help these people learn about the idea of America. Many were very eager to do that.

The legislation I introduced today would establish a foundation to support the activities of the Office of Citizenship within the Department of Homeland Security so that organizations that want to support and cooperate in efforts to reach out to prospective citizens can do so.

It would provide grants to organizations to provide classes in American history and civics. We are talking about a lot of prospective citizens—650,000 or so last year. After this immigration bill it may be more, because if you become a citizen, you are going to have to be legally here. So we want to make sure we have plenty of help for these who want to do that.

Third, codify the oath of allegiance. One of the most remarkable oaths, I suppose, in the American language, is the oath of allegiance that the 650,000 new citizens take when they become Americans. It is an oath that goes all the way back to George Washington's time and Valley Forge. It was essentially the oath that Washington and his officers took at the beginning of the American revolution. It says that I, George Washington, or I, the new citizen, declare that we owe no allegiance or obedience—in that case, to King George;

> . . . and that we renounce, refuse and abjure any allegiance or obedience to him and do swear that I will, to the utmost of my power, support, maintain and defend the said United States.

Essentially, that same oath of allegiance is the oath new citizens take. This elevates that oath of allegiance from a bureaucratic rule to a part of the law and gives it the same dignity that the Pledge of Allegiance has and the national anthem has. Finally, this legislation would celebrate new citizens by focusing on these hundreds of ceremonies that we have, in which people from all over the world wear their best clothes, prove that they have good character, that they have waited 5 years, that they have learned English, that they have passed a test about citizenship, and they are ready to say: As proud as I am of where I came from, I now pledge my allegiance to the United States of America.

We want to celebrate those events. This instructs the Secretary of Homeland Security to develop and implement a strategy to make those naturalization ceremonies more important in the fabric of our everyday life, and establish an award for citizens who have been naturalized in the last 10 years who have made an outstanding contribution to the American Nation. We all know in our own experiences that new Americans are sometimes the best Americans. They make the largest contribution. They have the best understanding of our country. We want to celebrate what they have done.

This is legislation the Senate adopted before. Senator COCHRAN, Senator CORNYN, and I are introducing it to make sure we adopt it again when immigration comes up.

I also wish to mention that I intend on looking at a comprehensive effort toward the same goal, which I like to call the American citizenship agenda; learning English and what it means to becoming an American. I have identified several areas, and I may introduce amendments in many of these areas to the immigration bill.

These were not introduced the last time, but they would include clarifying the mission of the Office of Citizenship within the U.S. Citizenship and Immigration Service, establishing State citizenship advisory boards in a number of States, coordinating efforts toward helping immigrants learning English, American history, and civics. It would create an employer tax credit for businesses that help their employees learn English. As I mentioned earlier, at the beginning of the 20th century, there were a great many businesses hiring new Americans who spent their money, their time, and their effort to make sure those new employees understood what it meant to become Americans.

One way to meet this need of a large percentage of foreign-born people in our country is to provide tax incentives to businesses that help their employees learn English. Another proposal is to require a demonstration of English language proficiency when an individual renews his or her green card; establishing a Presidential award for companies that go above and beyond in bringing their employees together as Americans; finally, asking for a Government Accountability Office study to identify the need of lawful permanent residents not speaking English and the associated costs; in other words, how many people living in our country do not speak English and what would be the cost and the most effective programs of helping them learn English.

That is my purpose today, to introduce the Strengthening American Citizenship Act, legislation that passed when we considered the immigration bill in 2006, and which Senators COCHRAN and CORNYN and I hope will be a part of this legislation; then to discuss what I call the Strengthening American Citizenship Agenda, which will be looking for a variety of other ways to help make sure we not only celebrate our diversity but we find ways to celebrate our unity.

We can look across the ocean at Europe and see the struggle in Turkey right now for that nation's identity. We can see the difficulty France and Germany are having as Muslim workers have a hard time integrating into their country. We do not want the United States of America to become a country where we have enclaves of people who have no loyalty to the idea of this Nation. We want to create an environment where everyone has an opportunity to think about loyalty to this country, where almost all have a chance to think about becoming a citizen one day, and where every single person who lives here has an opportunity to learn to speak our common language, not just for their benefit but so we do not become a tower of Babel or a United Nations, that we become a United States of America, as our Founders envisioned.

By Ms. STABENOW (for herself, Mr. VOINOVICH, Mr. KERRY, Mr. LEVIN, and Ms. SNOWE):

S. 1394. A bill to amend the Internal Revenue Code of 1986, to exclude from gross income of individual taxpayers discharges of indebtedness attributable to certain forgiven residential mortgage obligations; to the Committee on Finance.

Ms. STABENOW. Mr. President, under current law, only two categories of individuals pay tax on the sale of their principle residence: the truly fortunate who have realized a capital gain of more than $250,000, $500,000 on a joint return, or the truly unfortunate who lose equity in their home and are forced to pay tax if the lender forgives some portion of the mortgage debt. Surely this is an anomalous result.

Nevertheless, newspaper and television reports describe the burdens families all over the country are facing as lenders foreclose on borrowers who cannot make their mortgage payments. In more and more circumstances, these borrowers, often minorities and the elderly, are unable to make the escalating payments associated with subprime loans and some complex adjustable rate mortgage products.

Other media reports focus on the challenges sellers face if they live in areas with declining home values. There are instances where the value of housing in a whole market occasionally falls through no fault of the homeowner. A plant closes, environmental degradations are found nearby, a regional economic slump hits hard. This happened during the 1980s in the oil patch and in southern California and New England at the beginning of the 90s.

This is happening right now in Michigan with the depressed automotive industry. The Detroit metropolitan area had the highest percentage of households in foreclosure in the 150 largest metropolitan areas, with an average of more than 10,000 foreclosures in each quarter. The foreclosures affected 1 out of every 21 households, nearly five times the national average. Over the first quarter of 2007, Michigan had over 29,000 foreclosures and Detroit was on pace to record 11,000 for that same time period.

One thing these news reports do not mention is the tax problem that sellers or those in foreclosure will face if lenders forgive and do not require payment on some or all of a mortgage debt at the time of disposition. What happens to these people who must sell their homes during a downturn or who cannot make their payments and go into foreclosure? They must pay taxes on the amount forgiven; it is treated as income.

Below are two hypothetical scenarios where owners must have to pay taxes on the amount forgiven and those estimated taxes. The first example is a situation where there has been a downturn in the housing market. The second example is where a family, possibly because of loss of job, illness, or decrease in income or significant changes in the mortgage rate, can neither refinance the property nor sustain the payments and the lender forecloses on the property.

Decrease in home prices or "short sale"	
Mortgage	$100,000
Market Value at Purchase	100,000
Market Value at Sale	90,000
Sale Price	90,000
Debt Remaining After Sale	10,000
Taxes Due if forgiven by the lender @ 15 percent tax rate	1,500
Lender forecloses	
Mortgage	$100,000
Foreclosure Amount	80,000
Debt Remaining After Foreclosure	20,000
Taxes Due if forgiven by the lender @ 15 percent tax rate	3,000

In the "short sale" transaction, if the lender forgives the $10,000 of outstanding debt, the family will have taxable income of $10,000 on the transaction and owe $1,500, even though they have just sustained an economic loss and no cash gain.

In a second scenario, if the foreclosure sale does not cover the amount of outstanding debt on the property or $20,000, the lender might forgive remaining debt. Again, the borrower is treated as having received "income" when the debt is forgiven and in the example, would owe $3,000 in taxes on the $20,000 that was forgiven.

Clearly it is unfair to tax people on phantom income, particularly right at the time they have had a serious economic loss and have no cash with which to pay the tax. My bill, the Mortgage Relief Act, will relieve families of a tax burden when their lender forgives part of the mortgage on a principal residence.

None of us wants to learn that families in our own districts will be forced to pay taxes when they have no money and have incurred a substantial loss on what, for most, is the most significant asset they own, and possibly the only asset they have. While my legislation will not repair their credit or punish those who mislead them into inappropriate loans, it will prevent them from further financial harm.

Mr. KERRY. Mr. President, it is becoming more difficult for a middle class family to purchase a home. Last week the Senate Finance Committee held a hearing on middle class economic issues. We learned from the witnesses that families are struggling because their fixed costs are greater and one of these fixed costs is housing. Professor Elizabeth Warren testified that houses purchased now are only slightly larger than those purchased in the 1970's, but the median mortgage payment is 76 percent larger than a generation ago.

Today, there are serious problems in our mortgage lending market which need to be addressed. Too many families are unable to make the monthly mortgage payments on their homes. Foreclosure rates are increasing. Some homeowners who are facing foreclosure have received what are known as "subprime" loans which allow an adjustable rate of mortgage interest or a break on payments during the first years of the mortgage. The "subprime" lending market has been an important tool to allow people with poor credit histories to obtain access to credit including mortgages. However, in recent years some lenders have used these "subprime" mortgage loans to put homeowners into mortgage products with high interest rates that increase after a short period of time. Additionally, some homeowners have opted to buy homes they could not afford by using the "subprime" loan market. In either case, too many homeowners have been unable to keep up with the changes in their mortgage payments and have been forced into foreclosure.

Last year, the Commonwealth of Massachusetts had a record 19,487 foreclosure filings. One of every 92 U.S. households faced foreclosure and there are expected to be more disclosures in 2007. Published reports show that Massachusetts has had approximately 10,000 foreclosures filings already this year. Monthly payments on millions of loans are expected to increase dramatically as low introductory interest rates balloon as much as 50 percent. The Nonprofit Center for Responsible Lending predicts that one in five subprime mortgages done in the past 2 years will end up in foreclosure.

Today, Senators STABENOW, VOINOVICH and I are introducing the Mortgage Relief Cancellation Act of 2007. This legislation will help families who are faced with mortgages that they are unable to pay. Fortunately, some lenders are willing to modify loans and forgive some debt, but the borrower is required to pay income tax on the cancelled debt.

Under present law, the discharged debt is treated as income. Some homeowners are learning about this rule the hard way and find themselves owing a large tax bill on debt that was forgiven. The Mortgage Relief Cancellation Act of 2007 would exclude from income the debt that is forgiven for certain mortgage loans.

An example of this is a situation in which a homeowner sells their house to prevent disclosure and the proceeds do not cover the full mortgage obligation. The lender agrees to forgive the difference. Under the Mortgage Relief Cancellation Act of 2007, the amount forgiven would not be included in taxable income. This legislation also addresses forgiveness of debt as part of a restructuring arrangement.

I urge you to support this legislation.

By Mr. LEVIN (for himself and Mrs. MCCASKILL):

S. 1395. A bill to prevent unfair practices in credit card accounts, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. LEVIN. Mr. President, I am introducing today, along with Senator MCCASKILL, the Stop Unfair Practices in Credit Cards Act.

Credit cards are a fixture of American family life today. People use them to buy groceries, to rent a car, shop on the Internet, pay college tuition, and even pay their taxes. In 2005, the average family had five credit cards. American households used nearly 700 million credit cards to buy goods and services worth $1.8 trillion. Credit cards fuel commerce, facilitate financial planning, help families deal with emergencies. But credit cards have also contributed to record amounts of household debt. Some credit card issuers have socked families with sky-high interest rates of 25 and 30 percent and higher. They have hit consumers with hefty fees for late payments, for exceeding a credit card limit, and other transactions. In too many cases, credit card issuers have made it all but impossible for working-class families to climb out of debt.

That is why in 2005, the Permanent Subcommittee on Investigations, which I chaired, on which Senator MCCASKILL serves, initiated an in-depth investigation into unfair and abusive credit card industry practices.

In the fall of 2006, the Government Accountability Office, the GAO, released a report which I had requested, which for the first time in years provided a comprehensive examination of the interest rates and fees being charged by credit card companies. Following the release of that report, and continuing through today, the subcommittee has been deluged with calls and letters from Americans expressing anger and frustration at the way they have been treated by their credit card companies, and sharing stories of unfair and often abusive practices. The subcommittee has been examining those allegations of unfair treatment and has identified many troubling credit card industry practices which should be banned or restricted.

Our first hearing in March focused on industry practices involving grace periods, interest rates, and fees. It revealed a number of unfair, often little-known, and sometimes abusive credit card practices, which prey upon families experiencing financial hardships, and squeezed even consumers who pay their credit card bills on time.

The legislation we are introducing today is aimed at stopping abusive credit card practices that trap too many hard-working families in a downward spiral of debt. American families deserve to be treated honestly and fairly by their credit card companies. Our bill would help ensure that fair treatment. Here are a few things our bill would do. It would stop credit card companies from charging interest on debt that is paid on time. It would crack down on abusive fees, including repeated late fees and over-the-limit fees, and fees to pay your bill.

It would also prohibit the charging of interest on those fees. It would establish guidelines on interest rate increases, including a cap on penalty interest rate hikes at no more than 7 percent. It would require that increased interest rates apply only to future credit card debt and not the debt already incurred.

Our bill will be referred to the Senate Banking Committee, which has primary jurisdiction over credit card legislation, and which has been holding its own hearing on unfair credit card practices. Our friend, Senator DODD, the committee chairman, has a long history of fighting credit card abuses. Senator SHELBY, the ranking Republican, as well as many other members of the committee, has also expressed concern about a number of credit card problems.

It is my hope our bill and the legislative record being compiled by our Permanent Subcommittee on Investigations will help the Banking Committee in its deliberations and help build momentum to enact legislation halting the unfair credit card practices that outrage American consumers. Credit card abuse is too harmful to American families, our economy, and our economic future to let these unfair practices continue.

Let me describe the key provisions of our bill in more detail. The first section of the bill would put an end to an indefensible practice that imposes little known and unfair interest charges on many unsuspecting, responsible consumers. Most credit cards today offer what is called a grace period. Cardholders are told that, if they pay their monthly credit card bill during this grace period, they will not be charged interest on the debt for which they are being billed. What many cardholders do not realize, however, is that this grace period typically provides protection against interest charges only if their monthly credit card bill is paid in full. If the cardholder pays less than 100 percent of the monthly bill—even if the cardholder pays on time—he or she will be charged interest on the entire billed amount, including the portion that was paid by the specified due date.

An example shows why this billing practice is unfair and should be stopped. Suppose a consumer who usually pays his or her credit card account in full and owes no money as of December 1 makes a lot of purchases in December. The consumer gets a credit card bill on January 1 for $5,020, due January 15. Suppose the consumer pays that bill on time, but pays $5,000 instead of the full amount owed.

Most people assume that the next bill would be for the $20 in unpaid debt, plus interest on that $20. But that commonsense assumption is wrong. That is because current industry practice is to charge the consumer interest not only on the $20 that wasn't paid on time, but also on the $5,000 that was paid on time. Let me say that again. Industry practice is to force the consumer to pay interest on the portion of the debt that was paid on time. In other words, the consumer would pay interest on the entire $5,020 from the first day of the billing month, January 1, until the day the $5,000 payment was made on January 15, compounded daily. So much for a grace period. After that, the consumer would be charged interest on the $20 past due, compounded daily, from January 15 to the end of the month.

The end result would be a February 1 bill that more than doubles the $20 debt. Using an interest rate of 17.99 percent, for example, in just one month, the $20 debt would rack up interest charges of more than $35.

Charging $35 of interest over one month on a $20 credit card debt is indefensible, especially when applied to a consumer who paid over 90 percent of their credit card debt on time during the grace period. Our legislation would end this unfair billing practice by amending the Truth in Lending Act to prohibit the charging of interest on any portion of a credit card debt that is paid on time during a grace period. Using our example, this prohibition would bar the charging of interest on the $5,000 that was paid on time, and result in a February balance that reflects what a rational consumer would have expected: the $20 past due, plus interest on the $20 from January 1 to January 31.

The second section of our bill would address a related unfair billing practice, which I call ''trailing interest.'' Charging trailing interest on credit card debt is another widespread, but little known industry practice that squeezes responsible and largely unsuspecting consumers for still more interest charges.

Going back to our example, you might think that once the consumer gets gouged in February by receiving a bill for $55 on a $20 debt, and pays that bill on time and in full, without making any new purchase, that would be the end of that credit card debt for the consumer. But you would be wrong. It would not be the end.

Even if, on February 15, the consumer paid the February 1 bill in full and on time—all $55—the next bill would likely have an additional interest charge related to the $20 debt. In this case, the charge would reflect interest that would have accumulated on the $55 from February 1 to 15, which is the time from when the bill was sent to the day it was paid. The total interest charge in our example would be about 38 cents. While some credit card issuers will waive trailing interest if the next month's bill is less than $1, a common industry practice is to fold the 38 cents into the next bill if a consumer makes a new purchase.

Now 38 cents isn't much in the grand scheme of things. That may be why many consumers don't notice this extra interest charge or bother to fight it. Even if someone had questions about the amount of interest on a bill, most consumers would be hard pressed to understand how the amount was calculated, much less whether it was correct. But by nickel and diming tens of millions of consumer accounts with trailing interest charges, credit card issuers reap large profits.

This little known billing practice, which squeezes consumers for a few more cents on the dollar, and targets responsible cardholders who pay their bills on time and in full, goes too far.

If a consumer pays a credit card bill on time and in full—paying 100 percent of the amount specified by the date specified in the billing statement—it is unfair to charge that consumer still more interest on the debt that was just paid. Our legislation would put an end to trailing interest by prohibiting credit card issuers from adding interest charges to a credit card debt which the consumer paid on time and in full in response to a billing statement.

A third problem examined by the subcommittee involves a widespread industry practice in which credit card issuers claim the right to unilaterally change the terms of a credit card agreement at any time for any reason with only a 15-day notice to the consumer under the Truth in Lending Act.

As the National Consumer Law Center testified at our hearing, this practice means that smart shoppers who choose a credit card after comparing a variety of card options are continually vulnerable to a change-in-terms notice that alters the favorable terms they selected, and provides them with only 15 days to accept the changes or find an alternative. By asserting the right to make unilateral changes to credit card terms on short notice, credit card issuers undermine not only the bargaining power of individual consumers, but also principles of fair market competition. Such unilateral changes are particularly unfair when they alter material terms in a credit card agreement such as the interest rate applicable to extensions of credit.

That is why our bill would impose two types of limits on credit card interest rate hikes. First, for consumers who comply with the terms of their credit card agreements, the bill would prohibit a credit card issuer from unilaterally hiking an interest rate that was represented to, and included in the disclosures provided, to a consumer under the Truth in Lending Act, unless the consumer affirmatively agreed in writing to the increase at the time it is proposed. This prohibition is intended to protect responsible consumers who play by the rules from a sudden hike in their interest rate for no apparent reason—a complaint that the subcommittee has heard all too often. Under our bill, issuers would no longer be able to unilaterally hike the interest rates of cardholders who play by the rules.

The bill's second limit would apply to consumers who, for whatever reason, failed to comply with the terms of their credit card agreement, perhaps by paying late or exceeding the credit limit. In that circumstance, credit card issuers would be permitted to impose a penalty interest rate on the account, but the bill would place a cap on how high that penalty interest rate could go.

Specifically, the bill would limit any such penalty rate hike to no more than a 7 percent increase above the interest rate in effect before the penalty rate was imposed. That means a 10 percent rate could rise no higher than 17 percent, and a 15 percent rate could not exceed 22 percent. This type of interest rate limit is comparable to the caps that today operate in many adjustable mortgages. The effect of the credit card cap would be to prohibit penalty interest rates from dramatically increasing the interest rate imposed on the cardholder, as happened in cases examined by the subcommittee where credit card interest rates jumped from 10 percent or 15 percent to as much as 32 percent. Penalty interest rate hikes that double or triple existing interest rates are simply unreasonable and unfair.

If a credit card account were opened with a low introductory interest rate followed by a higher interest rate after a specified period of time, it is intended that the penalty rate cap proposed in the bill would apply to each of those disclosed rates individually. For example, suppose the credit card account had a 0 percent introductory rate for 6 months and a 12 percent rate after that. Suppose further that, during the 6-month introductory period, the cardholder exceeded the credit limit. The bill would allow the card issuer to impose a penalty interest rate of up to 7 percent for the rest of the 6 month period. Once the 6-month period ended, it is intended that the 12 percent rate would take effect. If the consumer were to again exceed the limit, it is intended that any penalty rate imposed upon the account be no greater than 19 percent.

If a card issuer were to analyze an account and conclude that a penalty rate increase of up to 7 percent would be insufficient to protect against the risk of default on the account, the issuer could choose to reduce the credit limit on the account or cancel the account altogether. If the card issuer chose to cancel the account, it is intended that the consumer would retain the right to pay off any debt on the account using the interest rate that was in effect when the debt was incurred.

The point of the bill's penalty interest rate cap is to stop penalty interest rate hikes which are disproportional; which too often stick families with sky-high interest rates of 25 percent, 30 percent, and even 32 percent; and which too often make it virtually impossible for working American families to climb out of debt.

Still another troubling practice involving credit card interest rate hikes is the problem of retroactive application. Industry practice today is to apply an increased interest rate not only to new debt incurred by the cardholder, but also to previously incurred debt.

Retroactive application of a higher interest rate means that pre-existing credit card debt suddenly costs a consumer much more to repay. Take, for example, a $3,000 credit card debt that a consumer was paying down each month with timely payments. Suddenly, the cardholder falls ill, misses a payment or pays it late, and the card issuer increases the interest rate from 15 percent to 22 percent. If applied to the existing $3,000 debt, that higher rate would require the cardholder to make a much steeper minimum monthly payment and pay much more interest than originally planned. That is often enough to sink a working family into a deepening spiral of debt from which they cannot recover.

By making it a common practice to institute after-the-fact interest rate hikes for existing credit card debt—in effect unilaterally changing the terms of an existing loan—the credit card industry has unfairly positioned itself to reap greater profits at consumers' expense. Our bill would fight back by limiting the retroactive application of interest rate hikes to lessen the financial impact on American households. Specifically, our bill would provide that interest rate hikes could be applied only to future credit card debt and not to any credit card debt incurred prior to the rate increase. Instead, any earlier debt would continue to accrue interest at the rate previously in effect.

The first set of provisions in our bill addresses unfair practices related to interest rates. The next set of provisions targets unfair practices related to fees imposed on cardholders by credit card companies.

The need for proconsumer fee protections is illustrated by the story of Wes Wannemacher of Ohio, a witness featured at the subcommittee's March hearing. In 2001 and 2002, Mr. Wannemacher charged about $3,200 on a new Chase credit card to pay for expenses mostly related to his wedding. Over the next 6 years, he paid about $6,300 toward that debt, yet in February 2007, Chase said that he still owed them about $4,400.

How could Mr. Wannemacher pay nearly double his original credit card debt and still owe $4,400? As he explained in his testimony, in addition to repaying the original debt of $3,200, Mr. Wannemacher was socked with $4,900 in interest charges, $1,100 in late fees, and 47 over-limit fees totaling $1,500, despite going over his $3,000 credit limit by a total of $200. These facts show that Mr. Wannemacher paid $2,600 in fees on a $3,200 debt. In addition, those fees were added to his outstanding credit card balance, and he was charged interest on the fee amounts, increasing his debt by hundreds if not thousands of additional dollars. There is something so wrong with this picture, that Chase didn't even defend its treatment of the account at the subcommittee hearing; instead, Chase forgave the $4,400 debt that it said was still owing on the Wannemacher credit card.

It is no secret that credit card companies are making a great deal of money off the fees they are imposing on consumers. According to GAO, fee income now produces about 10 percent of all income obtained by credit card issuers. The GAO report which I commissioned on this subject identified a host of different fees that have become common practice, including fees for transferring balances, making a late payment, exceeding a credit limit, paying a bill by telephone, and exchanging foreign currency. According to GAO, late fees now average $34 per month and over-limit fees average $31 per month, with some of these fees climbing as high as $39 per month. As Mr. Wannemacher discovered, these hefty fees are not only added to the credit card's outstanding balance, they also incur interest. The higher the fees climb, the higher the balances owed, and the higher the interest charges on top of that.

Charging interest on money borrowed is certainly justified, but squeezing additional dollars from consumers by charging interest on transaction fees goes too far. Steep fees already deepen household debt from credit cards; those fees should not also generate interest income for the credit card issuer. Our bill would ban this industrywide practice by prohibiting credit card issuers from charging or collecting interest on the fees imposed on consumers.

Mr. Wannemacher exceeded the $3,000 limit on his credit card on three occasions in 2001 and 2002 for a total of $200. Over the following 6 years, however, he was charged over-the-limit fees on 47 occasions totaling about $1,500. In other words, Chase tried to collect over-the-limit fees from Mr. Wannemacher that were seven times larger than the amount he went over the limit.

At our March hearing, Chase did not attempt to defend the 47 over-the-limit fees it imposed; instead, it announced that it was changing its policy and would join with others in the industry in imposing no more than three over-the-limit fees in a row on a credit card account with an outstanding balance that exceeded the credit limit. While Chase's voluntary change in policy is welcome, it doesn't go far enough in curbing abusive practices related to over-the-limit fees.

First, if a credit card issuer approves the extension of credit that allows the cardholder to exceed the account's established credit limit, the issuer should be allowed to impose only one over-the-limit fee for that credit extension. One fee for one violation—especially when the card issuer facilitated the violation by approving the excess credit charge.

Second, the fee should be imposed only if the account balance is over the credit limit at the end of the billing cycle. If a cardholder exceeds the limit in the middle of the billing cycle and then takes prompt action to reduce the balance below the limit, perhaps by making a payment or obtaining a credit for returning a purchase, there is no injury to the creditor and no justification for an over-the-limit fee.

Third, a credit card issuer should impose an over-the-limit fee only when an action taken by the cardholder causes the credit limit to be exceeded, and not when a penalty imposed by the card issuer causes the excess charge. The card issuer should not be able to pile penalty upon penalty, such as by assessing a late fee on an account and then, if the late fee pushes the credit card balance over the credit limit, also imposing an over-the-limit fee.

In addition, the bill would require credit card issuers to offer consumers the option of establishing a true credit limit on their account—a credit limit that could not be exceeded, because the account would be programmed to refuse approval of any extension of credit over the established limit. In too many cases, credit card issuers no longer provide consumers with the option of having a fixed credit limit, preferring instead to enable all of their cardholders to exceed their credit limits only to be penalized by a hefty fee, added interest, and, possibly, a penalty interest rate.

There is more. Another unfair but common fee is what I call the ''pay-to-pay fee.'' It is the $5 to $15 fee that many issuers charge consumers to pay their credit card bill on time by using the telephone. To me, charging folks a fee to pay their bills is a travesty. My bill would prohibit a credit card issuer from charging a separate fee to allow a credit cardholder to pay all or part of a credit card balance.

Another fee that has raised eyebrows is the one charged by credit card issuers to exchange dollars into or from a foreign currency. A number of issuers today charge an amount equal to 2 percent of the amount of currency being exchanged in addition to a 1-percent ''conversion fee'' charged by Visa or Master Card, for a total of 3 percent Our bill responds by requiring foreign currency exchange fees to reasonably reflect the actual costs incurred by the creditor to perform the currency exchange, and requiring regulators to ensure compliance with that standard.

In addition to unfair practices involving interest rates and fees, the subcommittee investigation uncovered several unfair industry practices involving how credit cardholder payments are applied to satisfy finance charges and other credit card debt. One such practice that has caught the subcommittee's attention is the industrywide practice of applying consumer payments first to the balances with the lowest interest rates.

Right now, a single credit card account often carries balances subject to multiple interest rates. Credit cards typically use one interest rate for purchases, another for cash advances, and a third for balance transfers. Many card issuers also offer new customers low introductory interest rates, such as 0 or 1 percent, but limit these ''come on'' rates to a short time period or to a balance transferred from another card. Moreover, many of these interest rates may vary over time, since it is a common practice to offer variable interest rates that rise and fall according to a specified rate or index.

When a consumer payment is made, credit card issuers currently have complete discretion on how to apply that payment to the various balances bearing different interest rates. Consumers are typically given no option to direct where their payments are applied. Today, virtually all credit card issuers apply a consumer payment first to the balance with the lowest interest rate. After that balance is paid off, card issuers apply the payment to the balance with the next lowest interest rate, and so on.

This payment practice clearly favors creditors over consumers. It allows the card issuers to direct payments first to the balances that provide them with the lowest returns, and minimize payments to the balances bearing the highest interest rates so those balances can accumulate more interest for a longer period. Consumers who want to pay off a cash advance bearing a 20 percent interest rate, for example, are told that they cannot make that payment until they first pay off all other balances with a lower interest rate.

Our bill would replace this unfair industrywide practice with a proconsumer approach. Reversing current industry practice, the bill would require cardholder payments to be applied first to the balance bearing the highest interest rate, and then to each successive balance bearing the next highest rate, until the payment is used up. The bill would also require credit card issuers to apply cardholder payments in the most effective way to minimize the imposition of any fees or interest charges to the account.

In addition, the bill would prohibit credit card issuers from imposing late fees on consumers if the issuer was itself responsible for the delay in crediting the payment. For example, if a card issuer changed the mailing address for payments, had to shut down its mail sorting equipment for repairs, or mistakenly routed a consumer payment to the wrong department, the issuer would not be allowed to assess a late fee on the cardholder for the resulting late payment. Instead, if the card issuer caused the late payment, it would be barred from assessing a late fee on the consumer.

In addition to provisions to improve practices related to interest rates, fees, and consumer payments, the bill would add two new definitions to the Truth in Lending Act, intended to further address concerns related to unfair credit card practices.

The first definition involves use of the term, ''prime rate.'' Many credit card issuers today use variable interest rates that are linked to the ''prime rate'' or ''prime interest rate'' and vary over time. For example, a disclosure may indicate that a credit card will bear an interest rate equal to the prime rate plus a specified number of percentage points. Since the 1950s, the term ''prime rate'' has been commonly understood to mean the lowest interest rate offered by U.S. banks to their most creditworthy borrowers. That is how the term is defined, for example, in Webster's Collegiate Dictionary.

The problem, however, is that no current statute or regulation defines the prime rate referenced in credit card disclosures under the Truth in Lending Act, and some card issuers have stated expressly that the prime rate used in credit card agreements does not necessarily match the lowest interest rates they provide to their most creditworthy borrowers. Litigation has also arisen between cardholders and card issuers as to what is meant by the term and whether cardholders are being misled. A cite is *Lum* v. *Bank of America*, 361 F.3d 217 (3d Cir. 2004).

To remedy this gap in the law, the bill would require credit card disclosures under the Truth in Lending Act that reference the prime rate to use the bank prime loan rate published by the Federal Reserve Board. This published rate is widely accepted in the financial community as an accurate depiction of the lowest interest rate offered by U.S. banks to their most creditworthy borrowers, and the rate is readily available to the public on the Federal Reserve Web site. By mandating use of this published rate, the bill will ensure that consumers are not deceived by a credit card issuer using a misleading definition of the commonly used term ''prime rate.''

The second definition added by the bill to the Truth in Lending Act involves specifying the ''primary federal regulator'' of a credit card issuer. Today, many credit card issuers are federally chartered or regulated banks subject to one or more Federal bank regulators. The bill would make it clear that when a card issuer is a Federal bank, its primary Federal regulator is the same primary regulator assigned to the bank under Federal banking law. The provision would also make it clear that the primary Federal regulator is responsible for overseeing the bank's credit card operations, ensuring compliance with credit card statutes and regulations, and enforcing the prohibition against unfair or deceptive acts or practices in the Federal Trade Commission Act. Another provision in the bill would make it clear that Federal regulators are expected to conduct at least annual audits to ensure card issuer compliance with the statutes and regulations seeking to ensure fair and effective credit card operations.

The next section of the bill would improve current credit card data collection efforts. Right now, credit card issuers file periodic reports with the Federal Reserve providing information about credit card interest rates and profits. This data plays a critical role in credit card oversight efforts, as well as financial and economic analyses related to consumer spending and household debt. The bill would strengthen current data collection efforts by requiring more specific information on interest rates and fees. For example, current data reports cannot be used to determine how many credit card accounts have interest rates of 25 percent or greater, what types of fees are imposed on consumers, or how many cardholders are affected by such interest rates and fees. The new bill would ensure that regulators, credit card users, and the public have the information needed to answer those basic questions.

The bill would also require the development of credit card industrywide estimates of the approximate relative income derived from interest rates, fees imposed on cardholders, fees imposed on merchants, and any other material source of income. GAO provided this information for the first time in its 2006 report, estimating that the credit card industry now derives about 70 percent of its income from interest charges, 20 percent from interchange fees imposed on merchants, and 10 percent from fees imposed on consumers. This valuable information should continue to be collected so that regulators, credit card users, and the public gain a more informed understanding of the credit card industry.

The bill's data collection requirements are largely modeled upon and intended to replicate key interest rate, fee, and revenue data presented by GAO in its 2006 report, ''Credit Cards: Increased Complexity in Rates and Fees Heightens Need for More Effective Disclosures to Consumers.'' Credit card experts were also consulted to determine what information would be most helpful to strengthen credit card oversight.

The final provision in the bill would provide a 6-month transition period for credit card issuers to implement the bill's provisions.

Credit card issuers like to say that they are engaged in a risky business, lending unsecured debt to millions of consumers, and that's why they have to set interest rates so high and impose so many fees. But the data shows that, typically, 95 to 97 percent of U.S. cardholders pay their bills. And it is clear that credit card operations are enormously profitable. For the last decade, credit card issuers have reported year after year of solid profits, maintained their position as the most profitable sector in the consumer lending field, and reported consistently higher rates of return than commercial banks. Credit card issuers make such a hefty profit that they sent out 8 billion pieces of mail last year soliciting people to sign up.

With profits like those, credit card issuers can afford to stop treating American families unfairly. They can give up charging interest on debt that was paid on time, give up charging consumers a fee to pay their bills, give up hiking interest rates from 15 percent to 32 percent, and give up imposing repeated over-the-limit fees for a single over-the-limit purchase. As one Michigan businessman expressed it to the subcommittee, ''I don't blame the credit card issuers for putting me into debt, but I do blame them for keeping me there.''

Some argue that Congress doesn't need to ban unfair credit card practices; they contend that improved disclosure alone will empower consumers to seek out better deals. Sunlight can be a powerful disinfectant, which is why I have strongly urged the Federal Reserve Board to expedite its regulatory effort to strengthen credit card disclosure and help consumers understand and compare how various credit cards work. But credit cards have become such complex financial products that even improved disclosure will frequently not be enough to curb the abuses—first because some practices are so complex that consumers can't easily understand them, and second because better disclosure does not always lead to greater market competition, especially when virtually an entire industry is using and benefiting from practices that disadvantage consumers.

So when we find credit card practices that are inherently unfair, consumers are often best served, not by greater disclosure, but by stopping the unfair practices that take advantage of them. Among those practices identified in this bill are unfair interest charges that squeeze consumers who pay their credit card debt on time; unilateral and retroactive interest rate hikes that deepen and prolong credit card debt; unreasonable fees; and payment allocation practices that prevent consumers from paying off the credit card debts bearing the highest interest rates first.

Congress needs to enact proconsumer legislation that puts an end to unfair credit card practices. I am afraid that these practices are too entrenched, too profitable to the credit card companies, and too immune to consumer pressure for the companies to change them on their own. Our bill offers measures that would combat a host of unfair practices that plague consumers and unfairly deepen and prolong their debt. I look forward to working with my colleagues to address these problems.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1395

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stop Unfair Practices in Credit Cards Act of 2007''.

SEC. 2. STOP UNFAIR INTEREST RATES AND FEES.

Section 163 of the Truth in Lending Act (15 U.S.C. 1666b) is amended—

(1) by striking the section title and all that follows through ''If an open'' and inserting the following:

''§ 163. Billing period and finance charges

''(a) BILLING PERIOD.—

''(1) FOURTEEN-DAY MINIMUM.—If an open'';

(2) by striking ''(B) Subsection (a)'' and inserting the following:

''(2) EXCUSABLE CAUSE.—Subsection (a)''; and

(3) by adding at the end the following:

''(b) NO INTEREST CHARGE ON DEBT THAT IS PAID ON TIME.—If an open end consumer credit plan provides a time period within which an obligor may repay any portion of the credit extended without incurring an interest charge, and the obligor repays all or a portion of such credit within the specified time period, the creditor may not impose or collect an interest charge on the portion of the credit that was repaid within the specified time period.

''(c) NO INTEREST ON DEBT THAT IS PAID ON TIME AND IN FULL.—In an open end consumer credit plan, if a billing statement requests an obligor to repay within a specified time period all of the credit extended under the plan and related finance charges, and the obligor pays all of the specified amount within the specified time period, the creditor may not impose or collect an additional interest charge on the amount that was paid in full and within the specified time period.

''(d) LIMITS ON INTEREST RATE INCREASES.——

''(1) IN GENERAL.—With respect to a credit card account under an open end consumer credit plan, the creditor shall not increase the periodic rate of interest applicable to extensions of credit while such account remains open, unless—

''(A) such increase is pursuant to the expiration of an introductory rate which was disclosed under section 127(c)(6);

''(B) such increase is pursuant to the application of a variable rate which was disclosed under section 127(c)(1)(A)(i)(II);

''(C) such increase is pursuant to the application of a penalty rate which was disclosed under subsections (a)(4) and (c)(1)(A)(i) of section 127; or

''(D) the obligor has provided specific written consent to such increase at the time such increase was proposed.

''(2) LIMIT ON PENALTY INTEREST RATE.—If an obligor fails to repay an extension of credit in accordance with the terms of a credit card account under an open end consumer credit plan, and the creditor determines to apply a penalty rate, as described in paragraph (1)(C), notwithstanding paragraph (1)(D), such penalty rate may not, while such account is open, exceed 7 percentage points above the interest rate that was in effect with respect to such account on the date immediately preceding the first such penalty increase for such account.

''(e) INTEREST RATE INCREASES LIMITED TO FUTURE CREDIT EXTENSIONS.—With respect to a credit card account under an open end consumer credit plan, if the creditor increases the periodic interest rate applicable to an extension of credit under the account, such increased rate shall apply only to extensions of credit made on and after the date of such increase under the account, and any extension of credit under such account made before the date of such increase shall continue to incur interest at the rate that was in effect on the date prior to the date of the increase.

''(f) NO INTEREST CHARGES ON FEES.—With respect to a credit card account under an open end consumer credit plan, if the creditor imposes a transaction fee on the obligor, including a cash advance fee, late fee, over-the-limit fee, or balance transfer fee, the creditor may not impose or collect interest with respect to such fee amount.

''(g) FIXED CREDIT LIMIT.—With respect to each credit card account under an open end consumer credit plan, the creditor shall offer to the obligor the option of obtaining a fixed credit limit that cannot be exceeded, and with respect to which any request for credit in excess of such fixed limit must be refused, without exception and without imposing an over-the-limit fee or other penalty on such obligor.

''(h) OVER-THE-LIMIT FEE RESTRICTIONS.—With respect to a credit card account under an open end consumer credit plan, an over-the-limit fee, as described in section 127(c)(1)(B)(iii)—

''(1) may be imposed on the account only when an extension of credit obtained by the obligor causes the credit limit on such account to be exceeded, and may not be imposed when such credit limit is exceeded due to a penalty fee, such as a late fee or over-the-limit fee, that was added to the account balance by the creditor; and

''(2) may be imposed only once during a billing cycle if, on the last day of such billing cycle, the credit limit on the account is exceeded, and no additional over-the-limit fee shall be imposed in a subsequent billing cycle with respect to such excess credit, unless the obligor has obtained an additional extension of credit in excess of such credit limit during such subsequent cycle.

''(i) OTHER FEES.—

''(1) NO FEE TO PAY A BILLING STATEMENT.—With respect to a credit card account under an open end consumer credit plan, the creditor may not impose a separate fee to allow the obligor to repay an extension of credit or finance charge, whether such repayment is made by mail, electronic transfer, telephone authorization, or other means.

''(2) REASONABLE CURRENCY EXCHANGE FEE.—With respect to a credit card account under an open end consumer credit plan, the creditor may impose a fee for exchanging United States currency with foreign currency in an account transaction, only if—

''(A) such fee reasonably reflects the actual costs incurred by the creditor to perform such currency exchange;

''(B) the creditor discloses publicly its method for calculating such fee; and

''(C) the primary Federal regulator of such creditor determines that the method for calculating such fee complies with this paragraph.

''(j) ANNUAL AUDIT.—The primary Federal regulator of a card issuer shall audit, on at least an annual basis, the credit card operations and procedures used by such issuer to ensure compliance with this section and section 164, including by reviewing a sample of billing statements to determine when they were mailed and received, and by reviewing a sample of credit card accounts to determine when and how payments and finance charges were applied. Such regulator shall promptly require the card issuer to take any corrective action needed to comply with this section.''.

SEC. 3. STOP UNFAIR APPLICATION OF CARD PAYMENTS.

Section 164 of the Truth in Lending Act (15 U.S.C. 1666c) is amended—

(1) by striking the section heading and all that follows through ''Payments'' and inserting the following:

''§ 164. Prompt and fair crediting of payments

''(a) IN GENERAL.—Payments''; and

(2) by adding at the end the following:

''(b) APPLICATION OF PAYMENT.—Upon receipt of a payment from a cardholder, the card issuer shall—

''(1) apply the payment first to the card balance bearing the highest rate of interest, and then to each successive balance bearing the next highest rate of interest, until the payment is exhausted; and

''(2) after complying with paragraph (1), apply the payment in the most effective way to minimize the imposition of any finance charge to the account.

''(c) CHANGES BY CARD ISSUER.—If a card issuer makes a material change in the mailing address, office, or procedures for handling cardholder payments, and such change causes a material delay in the crediting of a cardholder payment made during the 60-day period following the date on which such change took effect, the card issuer may not impose any late fee or finance charge for a late payment on the credit card account to which such payment was credited.''.

SEC. 4. STOP DECEPTIVE DISCLOSURE.

Section 127(e) of the Truth in Lending Act (15 U.S.C. 1637(e)) is amended by adding at the end the following:

''(3) INTEREST RATE LINKED TO PRIME RATE.—If a credit card solicitation, application, agreement, or plan specifies use of a variable interest rate established by reference to a 'prime rate', 'prime interest rate', or similar rate or index, the referenced rate shall be disclosed and defined as the bank prime loan rate posted by a majority of the top 25 (by assets in domestic offices) United States chartered commercial banks, as published by the Board of Governors of the Federal Reserve System. To avoid an unfair or deceptive act or practice, a card issuer may not use the term 'prime rate' to refer to any other type of interest rate.''.

SEC. 5. DEFINITIONS.

Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following:

''(cc) PRIMARY FEDERAL REGULATOR.—

''(1) IN GENERAL.—The term 'primary Federal regulator', when used with respect to a card issuer that is a depository institution, has the same meaning as the term 'appropriate Federal banking agency', under section 3 of the Federal Deposit Insurance Act.

''(2) AREAS OF RESPONSIBILITY.—For each card issuer within its regulatory jurisdiction, the primary Federal regulator shall be responsible for overseeing the credit card operations of the card issuer, ensuring compliance with the requirements of this title, and enforcing the prohibition against unfair or deceptive acts or practices.''.

SEC. 6. STRENGTHEN CREDIT CARD INFORMATION COLLECTION.

Section 136(b) of the Truth in Lending Act (15 U.S.C. 1646(b)) is amended—

(1) in paragraph (1)—

(A) by striking ''The Board shall'' and inserting the following:

''(A) IN GENERAL.—The Board shall''; and

(B) by adding at the end the following:

''(B) INFORMATION TO BE INCLUDED.—The information under subparagraph (A) shall include, as of a date designated by the Board—

''(i) a list of each type of transaction or event for which one or more of the card issuers has imposed a separate interest rate upon a cardholder, including purchases, cash advances, and balance transfers;

''(ii) for each type of transaction or event identified under clause (i)—

''(I) each distinct interest rate charged by the card issuer to a cardholder, as of the designated date; and

''(II) the number of cardholders to whom each such interest rate was applied during the calendar month immediately preceding the designated date, and the total amount of interest charged to such cardholders at each such rate during such month;

''(iii) a list of each type of fee that one or more of the card issuers has imposed upon a cardholder as of the designated date, including any fee imposed for obtaining a cash advance, making a late payment, exceeding the credit limit on an account, making a balance transfer, or exchanging United States dollars for foreign currency;

''(iv) for each type of fee identified under clause (iii), the number of cardholders upon whom the fee was imposed during the calendar month immediately preceding the designated date, and the total amount of fees imposed upon cardholders during such month;

''(v) the total number of cardholders that incurred any interest charge or any fee during the calendar month immediately preceding the designated date; and

''(vi) any other information related to interest rates, fees, or other charges that the Board deems of interest.''; and

(2) by adding at the end the following:

''(5) REPORT TO CONGRESS.—The Board shall, on an annual basis, transmit to Congress and make public a report containing an assessment by the Board of the profitability of credit card operations of depository institutions. Such report shall include estimates by the Board of the approximate, relative percentage of income derived by such operations from—

''(A) the imposition of interest rates on cardholders, including separate estimates for—

''(i) interest with an annual percentage rate of less than 25 percent; and

''(ii) interest with an annual percentage rate equal to or greater than 25 percent;

''(B) the imposition of fees on cardholders;

''(C) the imposition of fees on merchants; and

''(D) any other material source of income, while specifying the nature of that income.''.

SEC. 7. CONFORMING AMENDMENT.

Section 8 of the Fair Credit and Charge Card Disclosure Act of 1988 (15 U.S.C. 1637 note) is repealed.

SEC. 8. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective 180 days after the date of enactment of this Act.

By Mr. REID (for himself and Mr. COCHRAN):

S. 1398. A bill to expand the research and prevention activities of the National Institute of Diabetes and Digestive and Kidney Diseases, and the Centers for Disease Control and Prevention with respect to inflammatory bowel disease; to the Committee on Health, Education, Labor, and Pensions.

Mr. REID. Mr. President, I rise today to introduce legislation focused on a devastating condition known as inflammatory bowel disease, IBD.

Crohn's disease and ulcerative colitis, collectively known as inflammatory bowel disease, IBD, are chronic disorders of the gastrointestinal tract which afflict approximately 1.4 million Americans, 30 percent of whom are diagnosed in their childhood years. IBD can cause severe abdominal pain, fever, and intestinal bleeding. Complications related to the disease include; arthritis, osteoporosis, anemia, liver disease, growth and developmental challenges, and colorectal cancer. Inflammatory bowel disease represents a major cause of morbidity from digestive illness and has a devastating impact on patients and families.

In the 108th Congress, I sponsored bipartisan legislation focused on IBD. Several important provisions of that bill were incorporated into legislation known as the Research Review Act which was enacted in 2005.

The legislation I am introducing today builds on the progress made in 2005 by calling for an increased Federal investment in biomedical research on IBD. The hope for a better quality of life for patients and families depends on basic and clinical research sponsored by the National Institute of Diabetes and Digestive and Kidney Diseases, NIDDK, at the National Institutes of Health. The Inflammatory Bowel Disease Research Act calls for an expansion of NIDDK's research portfolio on Crohn's disease and ulcerative colitis in order to capitalize on several exciting discoveries that have broadened our understanding of IBD in recent years. By increasing our investment in this area, we will maximize the possibility that we will be able to offer hope to millions of Americans who suffer from this debilitating disease. At the same time, progress in this area could also mean we would save millions of dollars in net health care expenditures through reduced hospitalizations and surgeries.

In addition to biomedical research, this legislation also calls on the Centers for Disease Control and Prevention to expand its IBD epidemiology program to include additional studies focused on pediatric IBD. As I mentioned earlier, 30 percent of individuals with IBD are diagnosed in their childhood years. Children with IBD often miss school activities for reasons related to IBD and run the risk of having delayed puberty and impaired growth as a result of this illness. It is therefore appropriate that we also dedicate resources to efforts that will allow us to better understand pediatric IBD.

Mr. President, I urge all Senators to join me in this important cause by cosponsoring the Inflammatory Bowel Disease Research Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Inflammatory Bowel Disease Research Enhancement Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Crohn's disease and ulcerative colitis are serious inflammatory diseases of the gastrointestinal tract.

(2) Crohn's disease may occur in any section of the gastrointestinal tract but is predominately found in the lower part of the small intestine and the large intestine. Ulcerative colitis is characterized by inflammation and ulceration of the innermost lining of the colon. Complete removal of the colon in patients with ulcerative colitis can potentially alleviate and cure symptoms.

(3) Because Crohn's disease and ulcerative colitis behave similarly, they are collectively known as inflammatory bowel disease. Both diseases present a variety of symptoms, including severe diarrhea, abdominal pain with cramps, fever, and rectal bleeding. There is no known cause of inflammatory bowel disease, or medical cure.

(4) It is estimated that up to 1,400,000 people in the United States suffer from inflammatory bowel disease, 30 percent of whom are diagnosed during their childhood years.

(5) Children with inflammatory bowel disease miss school activities because of bloody diarrhea and abdominal pain, and many adults who had onset of inflammatory bowel disease as children had delayed puberty and impaired growth and have never reached their full genetic growth potential.

(6) Inflammatory bowel disease patients are at high risk for developing colorectal cancer.

SEC. 3. NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES; INFLAMMATORY BOWEL DISEASE RESEARCH EXPANSION.

Subpart 3 of part C of title IV of the Public Health Service Act (42 U.S.C. 285c et seq.) is amended by adding at the end the following:

''SEC. 434B. INFLAMMATORY BOWEL DISEASE.

''(a) IN GENERAL.—The Director of the Institute shall expand, intensify, and coordinate the activities of the Institute with respect to research on inflammatory bowel disease. Such research may be focused on, but not limited to, the following areas:

''(1) Genetic research on susceptibility for inflammatory bowel disease, including the interaction of genetic and environmental factors in the development of the disease.

''(2) Research targeted to increase knowledge about the causes and complications of inflammatory bowel disease in children.

''(3) Animal model research on inflammatory bowel disease, including genetics in animals.

''(4) Clinical inflammatory bowel disease research, including clinical studies and treatment trials.

''(5) Expansion of the Institute's Inflammatory Bowel Disease Centers program with a focus on pediatric research.

''(6) The training of qualified health professionals in biomedical research focused on inflammatory bowel disease, including pediatric investigators.

''(7) Other research priorities identified by the scientific agendas 'Challenges in Inflammatory Bowel Disease Research' (Crohn's and Colitis Foundation of America) and 'Chronic Inflammatory Bowel Disease' (North American Society for Pediatric Gastroenterology, Hepatology and Nutrition).

''(b) AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated $80,000,000 for fiscal year 2008, $90,000,000 for fiscal year 2009, and $100,000,000 for fiscal year 2010.''.

SEC. 4. CENTERS FOR DISEASE CONTROL AND PREVENTION; EXPANSION OF INFLAMMATORY BOWEL DISEASE EPIDEMIOLOGY PROGRAM.

Part A of title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by adding at the end the following:

''SEC. 310A. CENTERS FOR DISEASE CONTROL AND PREVENTION; EXPANSION OF INFLAMMATORY BOWEL DISEASE EPIDEMIOLOGY PROGRAM.

''(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Director of the Centers for Disease Control and Prevention shall expand the Inflammatory Bowel Disease Epidemiology Program within the National Center for Chronic Disease Prevention and Health Promotion to include additional studies focused on—

''(1) the incidence and prevalence of pediatric inflammatory bowel disease in the United States;

''(2) genetic and environmental factors associated with pediatric inflammatory bowel disease;

''(3) age, race or ethnicity, gender, and family history of individuals diagnosed with pediatric inflammatory bowel disease; and

''(4) treatment approaches and outcomes in pediatric inflammatory bowel disease.

''(b) CONSULTATION.—The Director shall carry out subsection (a) in consultation with a national voluntary patient organization with experience serving the population of individuals with pediatric inflammatory bowel disease and organizations representing physicians and other health professionals specializing in the treatment of such populations.

"(c) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $5,000,000 for fiscal year 2008, and such sums as may be necessary for each of fiscal years 2009 and 2010.".

By Mr. BIDEN:

S. 1399. A bill to amend the Internal Revenue Code of 1986 to combine the Hope Scholarship Credit and the deduction for qualified tuition and related expenses into a refundable college affordability and creating chances for educational success for students (ACCESS) credit, to establish an Early Federal Pell Grant Commitment Demonstration Program, and to increase the maximum Federal Pell Grant Award; to the Committee on Finance.

Mr. BIDEN. Mr. President, I rise today to introduce the College Affordability and Creating Chances for Educational Success for Students Act of 2007, or College ACCESS Act. It will make a 2-year or 4-year college degree affordable for every student.

The United States is the largest economy in the world, and our skills, our brains, are the foundation of our economic strength. However, if we do not substantially expand access to higher education, we will not be able to count on continued dominance. Consider the facts: China and India both produce twice as many engineers a year as we produce. One out of five U.S. scientists and engineers are foreign-born. An Indian engineer costs only 20 percent of an American engineer. By 2010, the U.S. will produce about 15 percent of the world's science and engineering doctorate degrees. This is down from 50 percent, half the world total, in 1970. High-speed access to information has leveled the playing field, radiologists in India are reading x-rays from American hospitals.

This is a global economy. In a world where America's competitive advantage gap is closing fast, we should be ensuring guaranteeing that every student can pursue higher education. The importance of a college degree has never been greater, but over the next decade 2 million students will forgo college because of cost. The price tag of a degree at a four year public college has risen 35 percent in the last 5 years, the largest increase in tuition and fees in any 5-year period in the last 30 years. We can not approach college as if it is a luxury, rather than a necessity. And we should be worried about the rising costs that are putting college out of reach for more and more Americans. We aren't giving students and their families enough financial support to obtain their educational goals, it is that simple.

We need to act, and we need to act now, and that is why I am introducing the College ACCESS Act. This legislation addresses some of the disparities in our current system with innovative new ways to help Americans pay for college.

First, my College ACCESS Plan fully covers the average cost of tuition and fees at a 2-year public college and covers more than half of the average cost of tuition and fees at a public 4-year college.

Right now, students and their families can take advantage of either the Hope Credit or the tuition and fees deduction, obtaining a maximum benefit of $1,120 or $1,650, respectively. Although these incentives help to make college more affordable, they fall far short of providing the level of relief needed to ensure that all students can afford college.

By replacing the Hope Credit and the tuition and fees deduction with a single $3,000 credit, the equivalent of a $12,000 deduction, and making it refundable, middle class and low income families will get real help with college costs. My College ACCESS tax credit simplifies this process and is indexed annually for inflation. So, when the cost of college goes up, the amount of assistance goes up as well.

Second, my College ACCESS proposal increases Pell Grants. When this program was established, it covered most of the cost of tuition at a 4-year public college. This is no longer the case. Currently, the maximum annual Pell Grant award is $4,310, and the average annual cost of tuition and fees at a 4-year public college is $5,800. Students are seeing their tuition costs rise every year while the levels of Federal funding fail to keep up. This reality is one that more and more students are facing every day, a reality that says, you can go to college, but only if you can afford it, and you won't get much help from us.

My College ACCESS Act seeks to remedy this by raising the maximum Pell Grant award to $5,100 for 2007–2008, followed by increases of $300 per year for the next 5 years, for a maximum Pell Grant in 2011–2012 of $6,300.

Finally, the College ACCESS Plan would provide funding for a demonstration program in four states that would commit a maximum Federal Pell Grant award to eligible 8 grade students so they know they're going to get this assistance when they graduate. By using the same eligibility criteria as the National School Lunch Program, students would be identified based on need, and then provided with information on the Pell Grant program, the costs of college, and what Federal and State financial assistance is available to them.

Right now, students don't find out if they are eligible for Federal aid until their senior year, much less how much they will receive. If you've ever put kids through college, like I have, you know that this time frame doesn't allow much leeway for planning ahead. An earlier promise of Federal aid will begin the conversation about college early and continue it through high school. That way, students and their families can visualize college in their future, and this goal can sustain them through the moment they open that acceptance letter.

My mother has an expression that I think rings true in the larger scope of America: "Children tend to become that which you expect of them." I want a country where we expect much from America's children. Our future, and our economic security, depend on it.

I ask unanimous consent that a summary of this bill be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE COLLEGE ACCESS ACT OF 2007

TITLE I—COLLEGE ACCESS TAX CREDIT

Consolidate two existing tax incentives—the Hope Scholarship Credit and the tuition and fees deduction—and replaces them with a single $3,000 refundable tax credit that is the equivalent of a $12,000 deduction. The College ACCESS Tax Credit would fully cover the average cost of tuition and fees at a public two-year college, $2,300, and would cover more than half of the average cost of tuition and fees at a public four-year college, $5,800. Currently, the tuition and fees deduction has a maximum value of $1,120, about 20 percent of the average cost of tuition and fees at a public four-year college. The Hope Scholarship Credit is more valuable, with a maximum value of $1,650, about 28 percent of the average cost of tuition and fees at a public four-year college.

Expand eligibility for the tax credit to ease the burden of paying for college for more families. Currently, the Hope Scholarship Credit is phased out for married couples earning $90,000 to $110,000, $45,000 to $55,000 for individuals. Married couples earning $130,000 to $160,000, $65,000–$80,000 for individuals, are eligible only for a reduced tuition and fees deduction. The College ACCESS Tax Credit expands eligibility, providing the full credit to married couples whose adjusted gross income is less than $130,000, $65,000 for individuals and phasing out the credit for married couples with incomes between $130,000 and $166,000, $65,000 and $83,000 for individuals. Broadening the income limits for this credit would result in approximately 4 million more hard working American families being eligible for this assistance than under the current tax incentives and limits. Recognizing that the cost of college rises each year, both the income limits and phase-out range for the credit would be adjusted annually for inflation. Furthermore, families could claim a credit for more than one eligible dependent in a school year. In pursuing their education, individuals will be eligible for credits totaling up to $12,000 toward an undergraduate degree, associate's degree, certificate, or continuing education as well as credits totaling up to $6,000 toward a graduate degree; as long as they are enrolled at least half-time.

Make the tuition tax credit refundable. Making the College ACCESS Tax Credit refundable would expand this incentive to the very students and families that need it the most, low income families. This credit would allow low income families to qualify for up to $3,000 to cover tuition payments that aren't covered by Pell Grants. Low income students who do attend college often face prohibitive costs even after receiving aid from the government and their institution.

TITLE II—EARLY FEDERAL PELL GRANT COMMITMENT DEMONSTRATION PROGRAM

Fund a demonstration program that would commit Pell Grants to students in 8 grade. Currently, most students find out whether or not they will receive a Pell Grant during their senior year of high school. Starting the financial aid process earlier would allow families and students to plan ahead for college and develop an expectation that the future includes higher education. The proposal provides funding for an Early Pell Grant Commitment Demonstration Program in four States, each of which would commit Pell Grants to two cohorts of up to 10,000 8 grade students, one in school year 2007–2008, and one in school year 2008–2009. Participation would be contingent on students' 8 grade eligibility for free or reduced price meals under the National School Lunch Program. Participants would qualify for the Automatic Zero Expected Family Contribution on the Free Application for Federal Student Aid, FAFSA, guaranteeing them a maximum Pell Grant, $4,310 for 2007–08. Additionally, the act requires an independent evaluation to be conducted to determine the impact and effectiveness of the program.

Provide students with essential information regarding the costs of college as well as available State and Federal assistance. The Early Pell Grant Demonstration Project would provide funding for States, in conjunction with the participating local education agencies, to conduct targeted information campaigns beginning in the 8 grade and continuing through students' senior year. These campaigns would inform students and their families of the program and provide information about the cost of a college education, State and Federal financial assistance, and the average amount of aid awards. A targeted information campaign, along with a guarantee of a maximum Pell Grant, would provide information essential to the college-planning process and would help break down the barriers that cost and information often form.

TITLE III—INCREASE FEDERAL PELL GRANT MAXIMUM AWARD

Expand the maximum Pell Grant from $4,310 to $5,100. In 1975, the maximum Pell Grant covered 84 percent of the cost of tuition, fees, room, and board at a four-year public college (Pell Grants, unlike tax incentives, can be used to pay for the cost of room and board). The maximum Pell Grant this year covered 33 percent of the average cost of tuition, fees, room, and board at a public four-year college, $12,115. While Congress increased the maximum Pell Grant for 2007–2008 to $4,310, a more substantial increase is long overdue, as the cost of tuition has outpaced the growth in family income for the last two decades. The College ACCESS Act would increase the maximum Pell Grant to $5,100 for 2007–2008, followed by increases of $300 per year for the next five years, for a maximum Pell Grant in 2011–12 of $6,300.

ESTIMATED FIVE-YEAR COSTS

Title I—$24.1 Billion
Title II—$35 billion
Title III—$36.5 million

By Mr. ENZI (for himself, Mr. ALEXANDER, Mr. ALLARD, Mr. BURR, Mr. ISAKSON, and Ms. MURKOWSKI):

S. 1400. A bill to amend the Higher Education Act of 1965 to improve the information and repayment options to student borrowers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. ENZI. Mr. President, I rise to speak about the Student Information Means a Positive Loan Experience Act, the SIMPLE Act, which I, along with Senators ALEXANDER, ALLARD, BURR and ISAKSON, am introducing today. With the increasing debt level of many students, it is important to make sure borrowers have good options for managing their debt and good information on the available options so they make wise, informed decisions.

We are calling this the SIMPLE Act for a reason. We have heard testimony from experts and comments from borrowers and other stakeholders about the information borrowers receive currently. On the one hand, borrowers receive so much information that they have ''information overload,'' which leads to confusion. On the other hand, many borrowers do not receive good information about the full range of tools available to help them repay their loans. What has come through loud and clear is that we need to simplify the information and spell out the impact of selecting various options. Borrowers need better, clearer information to help them make better decisions, not more repayment plans and confusing choices.

There are already four repayment plans in the Federal Family Education Loan program and four in Direct Loans. From the data we have obtained, it is clear that the vast majority of borrowers with Stafford loans have a standard repayment plan. Many borrowers are not taking advantage of the graduated, extended or income sensitive/income contingent repayment plans currently available.

Rather than adding another repayment plan, this bill makes the existing repayment plans more flexible, by providing borrowers with the option to pay only the interest on their loans for the first 2 years they are in repayment, regardless of their repayment plan. The bill also expands access to the extended repayment plan to borrowers with $20,000 of student loan debt, instead of the $30,000 currently needed to qualify for extended repayment plans.

The bill also revises the definition of economic hardship, raising the eligibility cut-off point to 150 percent of the poverty line and taking family size into account when making the determination of eligibility.

To make sure borrowers understand the availability of the various options, and the impact different repayment plans would have on their payments, the bill expands and clarifies the information to be provided to borrowers during their exit interview. Information on repayment plans available will include a discussion of the different features of each plan, average anticipated monthly payment amounts, and the ability of the borrower to prepay their loans or to change repayment plans.

The bill requires borrowers to be provided with clear information on the availability of deferment and forbearance. These are two excellent debt management tools, but borrowers must understand the potential impact on their loan principal and total interest paid on their loans when they choose these options.

During exit counseling, borrowers must also be provided with information on the effect of consolidating student loans on the borrower's underlying loan benefits, including grace periods, loan forgiveness and cancellation. Borrowers must be informed that different lenders offering consolidation loans may offer different borrower benefits.

Last, but not least, borrowers must be given notice that information on their student loans is housed in the National Student Loan Database and they must be told how to access their information. It will help them keep track of the status of their loans and the outstanding principal.

All of this is designed to help borrowers ask questions first, then make decisions that are right for them. The concept is simple, and requires a few, but essential changes to the Higher Education Act to put them into effect.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Student Information Means a Positive Loan Experience Act of 2007''.

SEC. 2. PURPOSE.

The purpose of this Act is to improve—

(1) the repayment plans available to borrowers of loans under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.); and

(2) borrowers' understanding of—

(A) the repayment plans available for such loans;

(B) the conditions under which such loans may be cancelled or forgiven; and

(C) the availability of deferments, forbearance, and consolidation for such loans, and the impact on the balance of such loans and total interest paid of using those options.

SEC. 3. FLEXIBLE REPAYMENT PLANS.

(a) STUDENT LOAN REQUIREMENTS.—Section 427(a)(2)(H) of the Higher Education Act of 1965 (20 U.S.C. 1077(a)(2)(H)) is amended by inserting '', and, if applicable, the option of electing to delay repayment or principal for the first 2 years of the repayment period'' before the semicolon at the end.

(b) FFEL REPAYMENT PLANS.—Section 428(b)(9) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(9)) is amended—

(1) in subparagraph (A)—

(A) in the first sentence of the matter preceding clause (i), by inserting '', and the election described in subparagraph (C)'' after ''thereon'';

(B) in clause (ii), by inserting '', which plan shall be established by the lender with the informed agreement of the borrower'' before the semicolon at the end; and

(C) by striking clause (iv) and inserting the following:

''(iv) for new borrowers on or after October 7, 1998, who accumulate outstanding loans under this part totaling more than $20,000, an extended repayment plan, with a fixed annual or graduated repayment amount paid over an extended period, not to exceed 25 years, except that the borrower shall repay annually a minimum amount determined in accordance with paragraph (1)(L)(i).''; and

(2) by adding at the end the following:

''(C) OPTION FOR FIRST 2 YEARS.—A lender shall offer each new borrower of loans on or after October 7, 1998, the opportunity to elect, for the first 2 years of repayment of such loans, to delay the repayment of principal, regardless of the repayment plan selected under this paragraph.''.

(c) DIRECT LOAN REPAYMENT PLANS.—Section 455(d) of the Higher Education Act of 1965 (20 U.S.C. 1087e(d)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) in the first sentence, by inserting '', and the election described in paragraph (6)'' after ''the loan''; and

(ii) in the third sentence, by striking ''may choose'' and inserting ''shall choose from''; and

(B) in subparagraph (C), by striking ''428(b)(9)(A)(v)'' and inserting ''428(b)(9)(A)(iv)''; and

(2) by adding at the end the following:

''(6) OPTION FOR FIRST 2 YEARS.—The Secretary shall offer each new borrower of loans on or after October 7, 1998, the opportunity to elect, for the first 2 years of repayment of such loans, to delay the repayment of principal, consistent with section 428(b)(9)(C).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans for which the first disbursement is made on or after October 7, 1998.

SEC. 4. REVISED DEFINITION OF ECONOMIC HARDSHIP.

Section 435(o)(1) of the Higher Education Act of 1965 (20 U.S.C. 1085(o)(1)) is amended—

(1) in subparagraph (A)(ii), by striking ''100 percent of the poverty line for a family of 2'' and inserting ''150 percent of the poverty line applicable to the borrower's family size''; and

(2) in subparagraph (B)(ii), by striking ''to a family of 2'' and inserting ''to the borrower's family size''.

SEC. 5. USEFUL AND COMPREHENSIVE STUDENT LOAN INFORMATION FOR BORROWERS.

(a) INSURANCE PROGRAM AGREEMENTS.—Section 428(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)) is amended—

(1) in subparagraph (X), by striking ''and'' after the semicolon;

(2) in subparagraph (Y)(ii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(Z) provides that the lender shall, at the time the lender grants a deferment to a borrower who received a loan under section 428H and is eligible for a deferment under section 427(a)(2)(C), provide information to the borrower to enable the borrower to understand the impact of capitalization of interest on the borrower's loan principal and total amount of interest to be paid during the life of the loan.''.

(b) GUARANTY AGREEMENTS.—Section 428(c)(3)(C) of the Higher Education Act of 1965 (20 U.S.C. 1078(c)(3)(C)) is amended—

(1) in clause (i), by striking ''and'' after the semicolon;

(2) in clause (ii), by striking ''and'' after the semicolon;

(3) by inserting after clause (ii) the following:

''(iii) the lender shall, at the time of granting a borrower forbearance, provide information to the borrower to enable the borrower to understand the impact of capitalization of interest on the borrower's loan principal and total amount of interest to be paid during the life of the loan; and

''(iv) the lender shall contact the borrower not less often than once every 180 days during the period of forbearance to inform the borrower of—

''(I) the amount of unpaid principal and the amount of interest that has accrued since the last statement of such amounts provided to the borrower by the lender;

''(II) the fact that interest will accrue on the loan for the period of forbearance;

''(III) the amount of interest that will be capitalized, and the date on which capitalization will occur;

''(IV) the ability of the borrower to pay the interest that has accrued before the interest is capitalized; and

''(V) the borrower's option to discontinue the forbearance at any time; and''.

(c) LENDER AGREEMENTS.—Section 428C(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078–3(b)(1)) is amended—

(1) in subparagraph (E), by striking ''and'' after the semicolon;

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following:

''(F) that the lender shall, upon application for a consolidation loan, provide the borrower with information about the possible impact of loan consolidation, including—

''(i) the total interest to be paid and fees to be paid on the consolidation loan, and the length of repayment for the loan;

''(ii) whether consolidation would result in a loss of loan benefits under this part or part D, including loan forgiveness, cancellation, and deferment;

''(iii) in the case of a borrower that plans to include a Federal Perkins Loan under part E in the consolidation loan, that once the borrower adds the borrower's Federal Perkins Loan to a consolidation loan—

''(I) the borrower will lose all interest–free periods that would have been available for such loan under part E, such as the periods during which no interest accrues on the Federal Perkins Loan while the borrower is enrolled in school at least half-time, the grace period, and the periods during which the borrower's student loan repayments are deferred under section 464(c)(2); and

''(II) the borrower will no longer be eligible for cancellation of part or all of a Federal Perkins loan under section 465(a);

''(iv) the ability of the borrower to prepay the consolidation loan, pay such loan on a shorter schedule, and to change repayment plans;

''(v) that borrower benefit programs for a consolidation loan may vary among different lenders;

''(vi) the consequences of default on the consolidation loan; and

''(vii) that by applying for a consolidation loan, the borrower is not obligated to agree to take the consolidation loan; and''.

(d) INFORMATION DISSEMINATION.—Subparagraph (M) of section 485(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1092(a)(1)(M)) is amended to read as follows:

''(M) the terms and conditions of the loans that students receive under parts B, D, and E;''.

(e) EXIT COUNSELING.—Subparagraph (A) of section 485(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1092(b)(1)(A)) is amended by striking the subparagraph designation and all that follows through ''465.'' and inserting the following: ''(A) Each eligible institution shall, through financial aid offices or otherwise, provide counseling to borrowers of loans that are made, insured, or guaranteed under part B (other than loans made pursuant to section 428C or loans made to parents pursuant to section 428B), or made under part D (other than Federal Direct Consolidation Loans or Federal Direct PLUS Loans made to parents) or E, prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include—

''(i) information on the repayment plans available, including a discussion of the different features of each plan and sample information showing the difference in interest paid and total payments under each plan;

''(ii) the average anticipated monthly repayments under the standard repayment plan and, at the borrower's request, the other repayment plans for which the borrower is eligible;

''(iii) such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness;

''(iv) an explanation that the borrower has the ability to prepay each such loan, pay the loan on a shorter schedule, and change repayment plans;

''(v) the terms and conditions under which the student may obtain full or partial forgiveness or cancellation of principal or interest under sections 428J, 460, and 465 (to the extent that such sections are applicable to the student's loans);

''(vi) the terms and conditions under which the student may defer repayment of principal or interest or be granted forbearance under subsections (b)(1)(M) and (o) of section 428, 428H(e)(7), subsections (f) and (l) of section 455, and section 464(c)(2), and the potential impact of such deferment or forbearance;

''(vii) the consequences of default on such loans;

''(viii) information on the effects of using a consolidation loan to discharge the borrower's loans under parts B, D, and E, including, at a minimum—

''(I) the effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;

''(II) the effects of consolidation on a borrower's underlying loan benefits, including all grace periods, loan forgiveness, cancellation, and deferment opportunities;

''(III) the ability of the borrower to prepay the loan or change repayment plans; and

''(IV) that borrower benefit programs may vary among different loan holders; and

''(ix) a notice to borrowers about the availability of the National Student Loan Data System and how the system can be used by a borrower to obtain information on the status of the borrower's loans.''.

(f) CONFORMING AMENDMENT.—Section 455(g) of the Higher Education Act of 1965 (20 U.S.C. 1087e(g)) is amended by striking ''428C(b)(1)(F)'' and inserting ''428C(b)(1)(G)''.

SEC. 6. REPORT REQUIRED.

Section 141(c) of the Higher Education Act of 1965 (20 U.S.C. 1018(c)) is amended—

(1) in the subsection heading, by striking ''PLAN AND REPORT'' and inserting ''PLAN, REPORT, AND BRIEFING''; and

(2) by adding at the end the following:

''(4) BRIEFING ON ENFORCEMENT OF STUDENT LOAN PROVISIONS.—The Chief Operating Officer shall provide an annual briefing to the members of the authorizing committees on the steps the PBO has taken and is taking to ensure that lenders are providing the information required under clauses (iii) and (iv) of section 428(c)(3)(C) and sections 428(b)(1)(Z) and 428C(b)(1)(F).''.

By Mr. ENZI (for himself, Mr. ALEXANDER, Mr. ALLARD, Mr. BURR, Mr. ISAKSON, Mr. ROBERTS, and Ms. MURKOWSKI):

S. 1401. A bill to improve the National Student Loan Data System; to the Committee on Health, Education, Labor, and Pensions.

Mr. ENZI. Mr. President, I rise to speak about the Student Financial Aid Data Privacy Protection Act, which I, along with Senators ALEXANDER, ALLARD, BURR, ISAKSON and ROBERTS, am introducing today. In a climate where our personal financial information is at risk, it is now more important than ever to ensure that the Department of Education is providing appropriate safeguards around one of the world's largest databases, National Student Loan Data System.

The Department of Education has not inspired confidence in its ability to protect its data systems from those bad actors who would misuse the financial information of students and parents. Indeed in 2006 the House Committee on Oversight and Government Reform gave the Department of Education a failing grade for its efforts to improve the security of its data systems in compliance with the Federal Information Security Management Act.

More recently, on April 17 of this year the Department of Education suspended the access of lenders, services and guaranty agencies to the National Student Loan Data System. While I am pleased to see that the Department of Education is monitoring this database, it is clear from the information provided by the Department of Education that this unprecedented restriction of access was done without having in place clear standard operating procedures for limiting and restoring access to the database.

The National Student Loan Data System is a vital tool for lenders, universities and students. It is a system that is absolutely essential to the efficient functioning of our country's higher education loan and grant programs. When the operation of this system suffers, students suffer.

Students and parents depend on this system to consolidate their loans. Lenders and guaranty agencies depend on this system to verify whether students should be entering their repayment period. And our institutions of higher education depend on this system to determine whether students are exceeding caps on how much they should be borrowing to attend college.

This bill sets out operating principles for the National Student Loan Data System, to ensure that the Department of Education continues to manage this database in manner that advances the best interests of students. The bill requires the Department of Education establish protocols for limiting access to the database when there are suspicions that the system is being used inappropriately, and the steps to be taken in order to restore access.

This bill also requires the Department of Education, lenders and guaranty agencies to assist students and parents in better understanding how their sensitive, financial information is entered into the National Student Loan Data System and then accessed by thousands of lenders, consolidators and guaranty agencies across the country.

Finally, the bill prohibits nongovernmental researchers and policy analysts from accessing sensitive borrower-specific information, and directs the Secretary of Education to explore ways to empower students and parents to control which lenders are accessing their sensitive, financial information.

We must help the 14.3 million students and their families who trust the Department of Education to protect their personal financial information. Action is needed to restore confidence in the ability of the Department of Education to manage the National Student Loan Data System. I want to thank Senators ALEXANDER, ALLARD, BURR, ISAKSON and ROBERTS for joining me in this effort, and look forward to this bill being included in our efforts to reauthorize the Higher Education Act.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1401

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Student Financial Aid Data Privacy Protection Act''.

SEC. 2. NATIONAL STUDENT LOAN DATA SYSTEM.

Section 485B of the Higher Education Act of 1965 (20 U.S.C. 1092b) is amended—

(1) by redesignating subsections (d) through (g) as subsections (e) through (h), respectively;

(2) by inserting after subsection (c) the following:

''(d) PRINCIPLES FOR ADMINISTERING THE DATA SYSTEM.—In managing the National Student Loan Data System, the Secretary shall take actions necessary to maintain confidence in the data system, including, at a minimum—

''(1) ensuring that the primary purpose of access to the data system by guaranty agencies, eligible lenders, and eligible institutions of higher education is for legitimate program operations, such as the need to verify the eligibility of a student, potential student, or parent for loans under part B, D, or E;

''(2) prohibiting nongovernmental researchers and policy analysts from accessing personally identifiable information;

''(3) creating a disclosure form for students and potential students that is distributed when such students complete the common financial reporting form under section 483, and as a part of the exit counseling process under section 485(b), that—

''(A) informs the students that any title IV grant or loan the students receive will be included in the National Student Loan Data System, and instructs the students on how to access that information;

''(B) describes the categories of individuals or entities that may access the data relating to such grant or loan through the data system, and for what purposes access is allowed;

''(C) defines and explains the categories of information included in the data system;

''(D) provides a summary of the provisions of the Federal Educational Rights and Privacy Act of 1974 and other applicable Federal privacy statutes, and a statement of the students' rights and responsibilities with respect to such statutes;

''(E) explains the measures taken by the Department to safeguard the students' data; and

''(F) includes other information as determined appropriate by the Secretary;

''(4) requiring guaranty agencies, eligible lenders, and eligible institutions of higher education that enter into an agreement with a potential student, student, or parent of such student regarding a loan under part B, D, or E, to inform the student or parent that such loan shall be—

''(A) submitted to the data system; and

''(B) accessible to guaranty agencies, eligible lenders, and eligible institutions of higher education determined by the Secretary to be authorized users of the data system;

''(5) regularly reviewing the data system to—

''(A) delete inactive users from the data system;

''(B) ensure that the data in the data system are not being used for marketing purposes; and

''(C) monitor the use of the data system by guaranty agencies and eligible lenders to determine whether an agency or lender is accessing the records of students in which the agency or lender has no existing financial interest; and

''(6) developing standardized protocols for limiting access to the data system that include—

''(A) collecting data on the usage of the data system to monitor whether access has been or is being used contrary to the purposes of the data system;

''(B) defining the steps necessary for determining whether, and how, to deny or restrict access to the data system; and

''(C) determining the steps necessary to reopen access to the data system following a denial or restriction of access.''; and

(3) by striking subsection (e) (as redesignated by paragraph (1)) and inserting the following:

''(e) REPORTS TO CONGRESS.—

''(1) ANNUAL REPORT.—Not later than September 30 of each fiscal year, the Secretary shall prepare and submit to the appropriate committees of Congress a report describing—

''(A) the results obtained by the establishment and operation of the National Student Loan Data System authorized by this section;

''(B) the effectiveness of existing privacy safeguards in protecting student and parent information in the data system;

''(C) the success of any new authorization protocols in more effectively preventing abuse of the data system;

''(D) the ability of the Secretary to monitor how the system is being used, relative to the intended purposes of the data system; and

''(E) any protocols developed under subsection (d)(6) during the preceding fiscal year.

''(2) STUDY.—

''(A) IN GENERAL.—The Secretary shall conduct a study regarding—

''(i) available mechanisms for providing students and parents with the ability to opt in or opt out of allowing eligible lenders to access their records in the National Student Loan Data System; and

''(ii) appropriate protocols for limiting access to the data system, based on the risk assessment required under subchapter III of chapter 35 of title 44, United States Code.

''(B) SUBMISSION OF STUDY.—Not later than 3 years after the date of enactment of the Student Financial Aid Data Privacy Protection Act, the Secretary shall prepare and submit a report on the findings of the study to the appropriate committees of Congress.''.

By Mr. GRASSLEY:

S. 1402. A bill to amend the Investment Advisors Act of 1940, with respect to the exemption to registration requirements; to the Committee on Banking, Housing, and Urban Affairs.

Mr. GRASSLEY. Mr. President, I would like to introduce an important piece of legislation aimed at closing a loophole in our securities laws. This bill, The Hedge Fund Registration Act, is pretty simple. It's only two pages long. All it does is clarify that the Securities and Exchange Commission has the authority to require hedge funds to register, so the government knows who they are and what they're doing.

Technically speaking, this bill would amend section 203(b)(3) of the Investment Advisers Act of 1940. It would narrow the current exemption from registration for certain investment advisers. This exemption is used by large, private pooled investment vehicles, commonly referred to as ''hedge funds.'' Hedge funds are operated by advisers who manage billions of dollars for groups of wealthy investors in total secrecy. They should at least have to register with the SEC, like other investment advisors do.

Currently, the exemption applies to any investment adviser who had fewer than 15 clients in the preceding year and who does not hold himself out to the public as an investment adviser. The Hedge Fund Registration Act narrows this exemption and closes a loophole in the securities laws these hedge funds use to avoid registering with the SEC and operate in secret.

Much has been reported during the last few years regarding hedge funds and the market power they yield because of the large amounts of capital they invest. In fact, some estimates are that these pooled investment vehicles account for nearly 30 percent of the daily trades in U.S. financial markets. The power and influence of that amount of volume is not some passing fad. It represents a new element in our financial markets. Congress needs to ensure that the SEC knows who is controlling these massive pools of money to ensure the integrity and security of the markets.

The failure of Amaranth and the increasing interest in hedge funds as investment vehicles for public pension money means that this is not just a high stakes game for the super rich. Hedge funds affect regular investors. They affect the markets as a whole.

My recent oversight of the SEC has convinced me that the Commission and the Self-Regulatory Organizations, SROs, need much more information about the activities of hedge funds in order to protect the markets from institutional insider trading and other potential abuses.

This legislation is one small, simple step toward greater transparency. All it does is require that hedge funds register and tell the regulators who they are. This is not a burden. It is just common sense. Organizations that wield hundreds of billions of dollars in market power every day need to register with the agency that Americans rely on to regulate the financial markets.

The SEC has already attempted to do this by regulation. Congress needs to act because of a decision made last year by a Federal appeals court. In 2006, the DC Circuit Court of Appeals overturned an SEC administrative rule that required registration of hedge funds. That decision effectively ended all registration of hedge funds with the SEC, unless and until Congress takes action.

The Hedge Fund Registration Act would respond to that court decision by narrowing the current registration exemption and bring much needed transparency to hedge funds.

Most people say the devil is in the details. Well here they are. This bill would authorize the SEC to require all investment advisers, including hedge fund managers, to register with the SEC. Only those that meet all four of the following criteria would be exempt: 1. managed less than $50 million, 2. had fewer than 15 clients, 3. did not hold himself out to the public as an investment advisor, and 4. managed the assets for fewer than 15 investors, regardless of whether investment is direct or through a pooled investment vehicle, such as a hedge fund.

The Hedge Fund Registration Act is a first step in ensuring that the SEC simply has clear authority to do what it already tried to do. Congress must act to ensure that our laws are kept up to date as new types of investments appear.

That said, this legislation didn't have many friends the last time I introduced it as an amendment. These funds don't want people to know what they do and have fought hard to keep it that way. Well, I think that is all the more reason to shed some sunlight on them to see what they're up to.

I urge my colleagues to cosponsor and support this legislation, as we work to protect all investors, large and small.

By Mr. INHOFE:

S. 1404. A bill to provide for Congressional authority with respect to certain acquisitions, mergers, and takeovers under the Defense Production Act of 1950; to the Committee on Banking, Housing, and Urban Affairs.

Mr. INHOFE. Mr. President, this is an important issue, one I have raised many times over the years. I have testified before the Banking Committee, and introduced numerous bills.

It is not a new issue. There have been at least four high-profile times in the last 12 years where proposed foreign acquisitions in the U.S. have threatened our security.

In 1998, President Clinton tried to turn over management of a 144-acre terminal at the former U.S. Naval Station in Long Beach to the Chinese Ocean Shipping Company, COSCO—a subsidiary of the People's Liberation Army.

I am going to quote from an LA Times article from that time:

> The embattled COSCO deal came to an end Thursday night, when congressional conferees submitted to Congress the 1998–99 Defense Authorization Bill . . . Leading the effort to block COSCO from the facility were Sen. James Inhofe (R-OK) and Rep. Duncan Hunter [of the] San Diego area.

That was one battle that we won.

Since working in 1995 to prevent Los Angeles ports from being controlled by Chinese interests, I have continued my pressure on the issue. For example, I expressed my concern with the CFIUS process over 2 years ago in the spring of 2005 when I delivered four speeches on China. While examining this issue I came across a disturbing example of China buying the U.S. company, Magnequench Inc., and moving it piecemeal back to mainland China.

Let me read from the floor speech I gave on April 4, 2005:

> I believe that CFIUS does not have a broad enough conception of U.S. security. One example of CFIUS falling short is with Magnequench International Incorporated. In 1995 Chinese corporations bought GM's Magnequench, a supplier of rare earth metals used in the guidance systems of smart-bombs. Over twelve years, the company has been moved piecemeal to mainland China, leaving the U.S. with no domestic supplier of a critical component of rare-earth magnets. CFIUS approved this transfer.

The United States now has no domestic supplier of rare earth metals, which are essential for precision-guided munitions.

That was one we lost.

Following this series of four speeches that spring, on July 20, 2005, I introduced Senate amendment No. 1311 as an amendment to the annual National Defense Authorization Act for Fiscal Year 2006. My amendment prompted the very beginning of the legislative pursuit of this issue in recent years. For example, my amendment prompted another, later, second-degree amendment, Senate amendment No. 1335, by Senator SHELBY, then the chairman of the Senate Banking Committee.

I also testified before the U.S.-China Commission on July 21, 2005. The U.S.-China Economic and Security Review Commission is a bipartisan committee created in 2000 to monitor, investigate, and submit to Congress an annual report on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China.

The Commission is composed of 12 members, 3 of whom are selected by each of the majority and minority leaders of the Senate, and the Speaker and the minority leader of the House. The Commissioners serve 2-year terms.

Their recommendations are consistent with the amendment I introduced to the Defense authorization bill that would have made some of the necessary changes to CFIUS.

On September 28, 2005, the Government Accountability Office issued a report on CFIUS that is right in line with the recommendations of the US-China Commission. So this has not just been me saying that CFIUS is in need of critical change—it's the U.S.-China Commission and the GAO as well.

When my amendment stalled over a committee jurisdictional point, on September 29, 2005, I chose to introduce the changes as a stand-alone bill, the Foreign Investment Security Act of 2005, S. 1797, which was referred to the Banking Committee. That bill was the first bill introduced in recent years on this topic.

Later the Banking Committee held a hearing on the GAO report, and I testified before them on October 20, 2005, at that hearing.

In all of these ways I have just mentioned, the Banking Committee was prompted by me to pursue this topic.

In the past couple of years, several high profile business deals have been approved by CFIUS that would allow foreign-owned companies, in particular companies that are owned or controlled by foreign governments, to acquire other companies doing business in the United States.

More recently I was concerned with China's state-owned CNOOC attempted to buyout Unocal, a US oil company. We won this one because of Congressional pressure, and CNOOC withdrew its bid. Over the past 2 years, I have been pointing out that the CFIUS process has ignored some major issues which threaten our national security.

The most publicized deal was the state owned Dubai Ports World, DPW, purchase of Peninsular and Oriental Steam Navigation, P&O, that would have allowed DPW to take over the operations at various east coast ports in the United States. The public outcry against this deal lead DPW to abandon its plans to operate the U.S. ports and that portion of the takeover was sold to U.S. based companies. However since the DPW-P&O deal was canceled, other transactions have been approved by CFIUS that are just as questionable.

CFIUS has received over 1,600 notifications and investigated under 40. Of those, only one acquisition has been stopped by the President.

This is a critical issue at a critical time. CFIUS seems to only get scrutiny when some major deal is in the papers. I have been paying attention to it all along. It needs reform, and I hope we can make some progress.

I am glad that Congress is now taking a closer look at CIFIUS reform. Rest assured that I continue to push for this badly needed reform and as Congress addresses this issue, I will keep your thoughts in mind.

Note too that I will ensure in particular that the national security aspects of this work are appropriately attended to. I will not stand idly by and allow a bill that is weak on national defense to pass.

Let us all work together to ensure that the legislative process performs appropriately to defend our Nation, and let this bill I am introducing today be a new start.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 199—CALLING FOR THE IMMEDIATE AND UNCONDITIONAL RELEASE OF DR. HALEH ESFANDIARI

Mr. SMITH (for himself and Mrs. CLINTON) submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 199

Whereas Dr. Haleh Esfandiari is one of the United States's most distinguished analysts of Iranian politics and is the Director of the Middle East Program at the Woodrow Wilson International Center for Scholars;

Whereas Dr. Esfandiari is a dual citizen of Iran and the United States;

Whereas Dr. Esfandiari has served as a communications bridge between the United States and Iran, advocating diplomacy and dialogue;

Whereas Dr. Esfandiari travels to Iran twice a year to visit with her mother;

Whereas, in late December 2006, Dr. Esfandiari traveled to Iran to visit her ailing 93 year old mother for 1 week;

Whereas the current Iranian President, Mahmoud Ahmadinejad, has initiated a crackdown on scholars and journalists including Dr. Esfandiari, Canadian-Iranian philosopher Ramin Jahanbegloo, and journalist Parnaz Azima;

Whereas, on December 30, 2006, Dr. Esfandiari was robbed of her Iranian and American passports and travel documents at knife-point by 3 masked men on the way to the airport to return to the United States;

Whereas Dr. Esfandiari was held in Iran under house arrest for 4 months, interrogated under conditions of intimidation and threat, and, on May 8, 2007, was imprisoned in the notorious Evin prison in Tehran;

Whereas Dr. Esfandiari has been falsely accused by a news agency in Iran of being a spy for Mossad, of serving as the head of the Iran section of the American Israel Public Affairs Committee, and of encouraging an uprising against the regime in Tehran; and

Whereas senior government officials have conveyed the United States's opposition to this unjustified imprisonment: Now, therefore, be it

Resolved, That the Senate—

(1) condemns the arrest, interrogation, and imprisonment of Dr. Haleh Esfandiari as a deliberately provocative and illegal act;

(2) deplores the continuing crackdown in Iran on journalists and scholars and the deliberate dissemination of misinformation regarding their activities; and

(3) demands the immediate, safe, and unconditional release of Dr. Haleh Esfandiari from custody, the reissuance of appropriate travel documents for Dr. Esfandiari, and the provision of safe passage out of Iran.

SENATE RESOLUTION 200—COMMENDING LOUISIANA JOCKEYS FOR THEIR CONTINUED SUCCESS IN THE KENTUCKY DERBY AT CHURCHILL DOWNS

Mr. VITTER. (for himself and Ms. LANDRIEU) submitted the following resolution; which was referred to the Commitee on the Judiciary:

S. RES. 200

Whereas jockey Calvin Borel successfully won the 133rd running of the Kentucky Derby at Churchill Downs on May 5, 2007;

Whereas Calvin Borel rallied Street Sense from 19th place to pass the pacesetting Hard Spun in the stretch and draw away to a 2¼-length victory;

Whereas the victory was Calvin Borel's first in the Kentucky Derby;

Whereas Calvin Borel was born on November 7, 1966, in St. Martinsville, Louisiana;

Whereas Calvin Borel hails from South Louisiana, the heart of Cajun Country, famous for its production of many top jockeys during the last 20 years; and

Whereas Calvin Borel's victory in the 133rd running of the Kentucky Derby solidifies his place in a tradition of Louisiana jockeys who have won the Kentucky Derby, such as Eric Guerin (1947), Edward Delahoussaye (1982, 1983), Craig Perret (1990), and Kent Desormeaux (1998, 2000): Now, therefore, be it

Resolved, That the Senate—

(1) commends Louisiana jockeys for their continued success at one of America's most heralded thoroughbred horseracing events, the Kentucky Derby at Churchill Downs;

(2) recognizes jockey Calvin Borel for winning the 133rd running of the Kentucky Derby on May 5, 2007;

(3) recognizes the achievements of all the owners, trainers, and support staff who were instrumental in helping Calvin Borel and Street Sense to victory; and

(4) recognizes the achievements of all current and former Louisiana jockeys in the Kentucky Derby.

SENATE RESOLUTION 201—SUPPORTING THE GOALS AND IDEALS OF ''NATIONAL LIFE INSURANCE AWARENESS MONTH''

Mr. CHAMBLISS. (for himself and Mr. NELSON) submitted the following resolution; which was referred to the Commitee on Banking, Housing, and Urban Affairs:

S. RES. 201

Whereas life insurance is an essential part of a sound financial plan;

Whereas life insurance provides financial security for families by helping surviving members meet immediate and long-term financial obligations and objectives in the event of a premature death in their family;

Whereas approximately 68,000,000 United States citizens lack the adequate level of life insurance coverage needed to ensure a secure financial future for their loved ones;

Whereas life insurance products protect against the uncertainties of life by enabling individuals and families to manage the financial risks of premature death, disability, and long-term care;

Whereas individuals, families, and businesses can benefit from professional insurance and financial planning advice, including an assessment of their life insurance needs; and

Whereas numerous groups supporting life insurance have designated September 2007 as ''National Life Insurance Awareness Month'' as a means to encourage consumers to—

(1) become more aware of their life insurance needs;

(2) seek professional advice regarding life insurance; and

(3) take the actions necessary to achieve financial security for their loved ones: Now therefore, be it

Resolved, That the Senate—

(1) supports the goals and ideals of ''National Life Insurance Awareness Month''; and

(2) calls on the Federal Government, States, localities, schools, nonprofit organizations, businesses, and the citizens of the United States to observe the month with appropriate programs and activities.