the gentleman from Utah (Mr. MATHESON).

The amendment was agreed to.

The Acting CHAIRMAN. The Committee will rise informally.

The Speaker pro tempore (Mr. MAHONEY of Florida) assumed the chair.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the House by Ms. Evans, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

HOMEOWNERS DEFENSE ACT OF 2007

The Committee resumed its sitting.

AMENDMENT NO. 12 OFFERED BY MS. GINNY BROWN-WAITE OF FLORIDA

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I offer an amendment.

The Acting CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 Offered by Ms. GINNY BROWN-WAITE of Florida:

Page 22, line 11, strike ''and''.

Page 22, after line 17 insert the following new subparagraph:

(F) prohibit price gouging in any disaster area located within the State; and

Page 24, after line 3 insert the following new paragraph:

(3) PRICE GOUGING.—The term ''price gouging'' means the providing of any consumer good or service by a supplier related to repair or restoration of property damaged from a catastrophe for a price that the supplier knows or has reason to know is greater, by at least the percentage set forth in a State law or regulation prohibiting such act (not withstanding any real cost increase due to any attendant business risk and other reasonable expenses that result from the major catastrophe involved), than the price charged by the supplier for such consumer good or service immediately before the disaster.

Page 24, line 4, redesignate paragraph (3) as paragraph (4).

Page 24, line 8, redesignate paragraph (4) as paragraph (5).

Page 24, line 10, redesignate paragraph (5) as paragraph (6).

The Acting CHAIRMAN. The gentlewoman is recognized for 5 minutes.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, for too long, Congress has taken a reserved and reactionary approach to helping victims of disasters. For too long, Members have fallen back on a naive notion that a national plan would only put taxpayers at risk. We have refused to admit that in the event of a natural disaster, we either pay now or we pay later, and paying later is a whole lot more expensive.

Please consider this: in 2005 the insurance industry, not the taxpayers, paid out $61.2 billion for the 24 disasters that occurred that year; $40 billion of that went to the insured losses of Hurricane Katrina. That same year, Congress, using taxpayer dollars, awarded over $89 billion in post-disaster assistance, $89 billion that will never be recouped, that came from hardworking constituents from Illinois, for example, from my colleague who offered the amendment before, from West Virginia, from the State of the lady who is handling the bill on this side. Unless these constituents were directly affected by these events, they will never see a return of those dollars that the Federal Government provided. What is the lesson here? When Congress pays later, it's with taxpayer money that's never paid back.

For the first time, this bill and the manager's amendment provide a national plan to protect against losses. H.R. 3355 provides incentives to States to join a national consortium to issue catastrophic bonds. These bonds act as an alternative to costly reinsurance. It also provides some loans to the States that take the time to plan for their insured needs.

The amendment that we have at the desk today also relates to when a natural disaster strikes. How many natural disasters have we heard about, whether it's a tremendous snowstorm in the Northeast, whether it's a hurricane, whether it's an earthquake in California, where price gouging takes effect?

My amendment says, in order to qualify for the loans and Federal catastrophe fund under the bill, the various States would have to establish anti-price gouging laws for post-event materials, that's goods and materials that people need after a catastrophe. The amendment defines price-gouging as a supplier charging a price he knows is greater post-event than he charged pre-event, notwithstanding any reasonable business increases.

Certainly, this kind of an amendment would help stem the double-whammy of a natural disaster. You might, for example, have your home damaged, and then when someone comes in to put a blue tarp on the roof, the price is outrageous, or even the delivery of goods and services after such a disaster. We need to protect homeowners from people who would rip them off, people who are simply trying to rebuild their lives after such an event.

I urge the Members to support the anti-price gouging amendment that is before us today.

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. KLEIN OF FLORIDA TO THE AMENDMENT OFFERED BY MS. GINNY BROWN-WAITE OF FLORIDA

Mr. KLEIN of Florida. Mr. Chairman, I offer an amendment to the amendment.

The Acting CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. KLEIN of Florida to the amendment offered by Ms. GINNY BROWN-WAITE of Florida:

In the matter proposed to be inserted at page 22, after line 17, strike ''prohibit'' and insert ''discourage''.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. KLEIN of Florida. Thank you, Mr. Chairman, and I would like to thank the gentlelady from Florida on this work on price-gouging. She and I served in the legislature in Florida and worked together with many others on price-gouging legislation. I don't think anybody can condone any kind of price-gouging in a natural disaster or at any other time, but certainly in a time of a natural disaster.

What the amendment to the amendment does is it provides some flexible language in the implementation of this. It certainly is something that we want to encourage States to move forward on as part of their eligibility, but recognizing we also want to make sure we're not creating impediments in terms of many States getting involved in the natural disaster consortium as quickly as possible.

So I am in full support of this flexibility language, and that's exactly what the amendment does.

Ms. GINNY BROWN-WAITE of Florida. Mr. Chairman, I move to strike the last word.

The Acting CHAIRMAN. The gentlewoman is recognized for 5 minutes.

Ms. GINNY BROWN-WAITE of Florida. The gentleman from Florida, with whom I have worked so closely on this issue, and I obviously disagree. We disagree because I would like to have this as absolutely a mandatory part of participation, and he would prefer to have it as a suggestion.

I still believe that we need to make this mandatory. It's like, you know, somebody once said, the Ten Commandments are now a suggestion, they're not commandments. I don't want to just suggest it; I want to make sure that the price-gouging language is strong so that we do protect people at that time of a natural disaster.

Most States do have good price-gouging laws already on the books. I'm not very happy with the term ''encourage.'' I think we need to mandate this as part of the process.

Mr. Chairman, I yield back the balance of my time.

Mr. MAHONEY of Florida. Mr. Chairman, I move to strike the last word.

The Acting CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. MAHONEY of Florida. I appreciate the work the gentlelady from Florida has done on helping us do this bill. And I agree with her that I am also concerned, and we are concerned in this legislation about price-gouging.

Again, the issue is what's the role of the Federal Government with regard to this legislation? And the problem that we have with her amendment is that what she is proposing is to define for each State the definition of price-gouging. And while we accept and support the idea of encouraging legislation, the problem is when you take the next step and you start defining what price-gouging is, it's a relative standard that may or may not fit the circumstance; and, so, therefore, it may