

The trust is usually a private company with an investing firm. The trust then slices those bundles of loans into different categories called tranches, and investors purchase security interests in the tranches.

The trust is considered the owner of the loan, and the investors are represented by a trustee who acts on behalf of the trust. A servicer, possibly the original lender, possibly another company, services the loan on behalf of the trust, meaning they collect and remit payments, monitor the accounts, and provide monthly reports to the trustees.

Because the servicer is the only one in direct contact with the homeowner, most homeowners think the servicer is actually the owner of their loan. If the home goes into foreclosure, it is the trust that forecloses. But for the homeowner, they may not know who is foreclosing on them.

Even if a homeowner had a predatory loan and has a good argument against foreclosure, if that homeowner cannot identify the owner of the loan and hold them liable, they cannot save their home. That is the life of a loan. It is no wonder it is a process few understand. Essentially, the loan is a hot potato. It gets tossed from the broker to the lender to the trustee. Along the way each one wipes their hands of responsibility after they send the loan on down the chain. When a bad deal is made, each one points the finger at the previous owner.

Well, it is time to stop passing the buck. For me, that buck must stop with Wall Street. We cannot allow Wall Street to purchase loans without scrutinizing the details of that loan. If the trustee had to make sure each loan was a good loan, that it meets specific standards and practices, and the lender had to make sure it was a good loan, the brokers would have to stop making bad loans because they would not be able to sell them if they did.

That is why I support a strong liability standard. If a loan is made illegally or contains illegal terms, the homeowner should be able to sue the owner of their loan. Otherwise, whom do they hold accountable? Their broker and lender could both be long gone. Nearly 100 subprime lenders have gone out of business in the last year alone, and then where does the borrower go for protection? They have to be able to reach the holder of the loan.

Without assignee liability, a subprime bill has no teeth. Yes, of course, we need stronger broker and lender standards, but we also need a standard for Wall Street.

Let me be clear. I am not talking about holding specific investors accountable who act much like shareholders in a public company. They would see a reduction in the value of their stock if the company experienced financial losses but would not be personally responsible for those losses. I am talking about the trusts, the company who owns the loan. That is who must be liable.

This is not a popular provision I am calling for, but I think it is the right thing to do. We are in a crisis in America. It is going to take bold decisions to get the system back on track.

These are not kinks that are going to work themselves out. We have seen that the industry is not going to police itself. Voluntarily changes are needed, but the bottom line is, without accountability, we are not going to see responsible behavior.

As I said at the opening of these remarks, I am standing today for the American homeowner. If we want to prevent a similar problem from happening again in 5 or 10 years' time, our final subprime bill must hold Wall Street accountable.

There are steps we must take today in order to help tomorrow's homeowners. We cannot kick the can down the road. Let's make sure our homeowners get fair, sustainable mortgages and that future homeowners are not caught in a future subprime storm. Enough is enough. It is time for real changes.

I have enjoyed working with Chairman DODD on this issue over the past few months. I look forward, under his leadership, to passing a strong subprime lending bill to help millions of American families.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

ABANDONED MINE LANDS PROGRAM

Mr. BARRASSO. Mr. President, I rise today in anger, in disbelief, and in disgust over the bureaucratic inner workings of Washington. There is a program called the Abandoned Mine Lands Program. It was created as a Federal-State partnership. The Federal Government collects the money and then it is designed to return half to the States.

Over many years, administrations of both parties have failed to honor the Federal Government's responsibility and commitment to the States and to the tribes. I recently learned the Office of Surface Mining has decided to delay and withhold \$600 million in funding owed to the people of Wyoming and to deny hundreds of millions of dollars more owed to States nationwide.

They have used an internal policy memo to manipulate the law. Doing so is nothing short of outrageous. This most recent decision reeks of bureaucratic doublespeak, and it does it to achieve an outcome I believe was predetermined. I cannot attempt to explain their decision or their reasoning because the decision, to me, was already predetermined.

This action represents a sad example of why so many Americans, and why my constituents back home in Wyoming, have lost faith in Washington. The words of the Washington bureaucrats ring hollow. I am, frankly, amazed, amazed the bureaucrats can take the clear language, the language

from this body that says: Payments shall be made in seven equal installments. And then they twist those words into a grant program requiring review and making an application. Their interpretation is inconsistent with the law that was debated by this body last year and signed by the President.

Their interpretation is nothing less than nonsense and obstructive. This summer, 17 days after I was sworn into the Senate, I opposed the nomination of the Director of the Office of Surface Mining in the Energy Committee over this very issue.

I asked specific questions and did not get specific answers. Now this. I take our legislative oversight responsibilities very seriously. I pledge to you, I pledge to the people of Wyoming, and I pledge to the people of the other States and the other tribes to whom Washington owes money that I will explore every avenue, every avenue available, to right this wrong.

Let's be clear: This money is not Washington's money. This money belongs to the States and to the people. It does not belong to Washington. It does certainly not belong to Washington's evasive bureaucracy.

I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. I ask unanimous consent that the order for the quorum call be rescinded.

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

SUBPRIME MORTGAGE CRISIS

Mr. SCHUMER. Mr. President, for months since the writing has been on the wall about the depth and magnitude of the subprime loan crisis, I have said time and time again that the Bush administration needs to take off its ideological handcuffs and act quickly to prevent millions of families from losing their homes. To the credit of Treasury Secretary Paulson, he seems to have loosened the administration's ideological handcuffs when it comes to the subprime mortgage crisis. But the burning question is whether this administration's plan, announced today, will go far enough in helping families in need, particularly when it is being announced at the exact same time Republicans in Congress are blocking critical commonsense help targeted toward these same borrowers. The President and Secretary Paulson say they are for FHA reform. Yet, a half hour ago, when Senator REID asked for it to come to the floor, Republican colleagues blocked the bill. Has the White House stopped sending memos to the Republicans in the House and the Senate? What is going on here?

While I agree with Secretary Paulson that wide-scale loan modifications are key in helping prevent the foreclosure