NEW DIRECTION FOR ENERGY INDEPENDENCE, NATIONAL SECURITY, AND CONSUMER PROTECTION ACT AND THE RENEWABLE ENERGY AND ENERGY CONSERVATION TAX ACT OF 2007—Continued

The PRESIDING OFFICER (Ms. KLOBUCHAR). The majority leader is recognized.

Mr. REID. Madam President, we are in a situation that is hard for me to comprehend, but that is where we are. We have an amendment pending, the Durbin amendment, and we cannot get a vote. That is unfortunate.

We have been told by the minority they want a 60-vote threshold. I cannot understand—there are a lot of people who have been in the Senate a lot longer than I have. But I do not know where we came up with a 60-vote deal.

We should legislate. If someone on the minority side would offer a motion to table and that motion fails, they still are protected with the 60-vote margin. I do not understand why we cannot move forward on this legislation. It appears we cannot. It appears we cannot.

It appears we have legislated our hearts out to try to arrive at a bipartisan arrangement. Let's go back and start at the beginning.

Madam President, we offered a Democratic package. In good faith, Senators DODD and SHELBY, along with the Finance Committee chair and ranking member, came with a package for us. If you look at it, the only thing taken out of the Democratic package was the bankruptcy amendment. Many other provisions were changed drastically, but that was the only one that was taken out.

Senator DURBIN has offered to send it to the bill. During the negotiations, Senators DODD and SHELBY knew we on this side of the aisle wanted that bankruptcy amendment in the bill, so the minority would have to take it out. But negotiating in good faith, and recognizing that a legislator is someone who needs to be able to compromise, in the presence of Senator DODD we agreed to take that provision out.

That is where we are. We are not going to agree to a 60-vote margin. It is unfair. It is unfair that every time someone thinks they may lose, they want a 60-vote margin. I do not comprehend that. It has not been that way until the recent minority came into power, or lack of power, whatever the case may be.

Today about 8,000 people will be told: You are out of your home forever. Someone else owns your home. Foreclosure is over with—Friday, tomorrow, another 8,000 people. Because of our inaction today and tomorrow, that is 16,000 people. Fortunately, foreclosure finalizations do not occur on weekends. That is standard law around the country. So we come back Monday. It is a nonvote day that has been scheduled for several months. That will be another 8,000 people. Now we are up to 24,000 people and their families. I don't know how many it would add up to, but their families are out. So if on some phantom matter of principle the Republicans are going to say: You are going to have to get 60 votes on this, then I guess we will not have a bill. I ask my friends who have been in the Senate much longer than I why we have to do that.

I think we are in an impossible situation. I admire, I have said many times, the good work done by Senators DODD and SHELBY. I have also said the substitute amendment that is before us is far from being perfect. I have had members of my own party say: Why did you give up on that or why did you add that? For example, Senator SHELBY, why did we raise the downpayment to 3.5 percent? It was a compromise. The House wanted 1 percent. People over here wanted 6 percent. We compromised. The whole substitute before us is a compromise. Legislation is the art of compromise. I would be satisfied if we walked out of this Chamber today with just the substitute amendment as having been agreed upon.

Some think we have done too much for certain segments of society and we haven't done enough, on my side, for the middle class. ''Other side'' people think we have done far too much, that we should back off. Government is involved in this too much.

I repeat, that is what legislation is all about. It is compromising. The American people are waiting for us to act. Someone please explain to me, I say to my friend, the Republican leader, why do we need to have 60 votes on every amendment that comes along? We have another amendment sponsored by Senators FEINSTEIN and MARTINEZ. There are some people who are concerned about that. They don't like it. It is a licensing provision. All kinds of special interest groups have weighed in on this. Should we have 60 votes on that? Senator SCHUMER has been somewhat aggrieved at both me and Senator DODD because of a provision in here for counseling that is not $500 million. It is $100 million.

It was a compromise. Our bill had $200 million. Senator SCHUMER wanted $500 million. But do we need to have 60 votes on that? If that is the case, we would not get 60 votes on anything.

There may be a point that there are so many amendments offered that I would consult with the Republican leader and say: Well, maybe we need to file cloture on this bill. We have been here since 9:30 this morning on this bill, and we have not had a single vote.

Again, through the Chair, I ask the distinguished Republican leader, why can't we move forward and try to dispose of, affirmatively or negatively, the Durbin amendment?

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Madam President, with all due respect to my good friend the majority leader, this is somewhat of a manufactured controversy. Where are we? We have an underlying bill, negotiated on a bipartisan basis by Senator SHELBY and Senator DODD. Then we have, with all due respect to our friends on the other side, an expression of incredulity that 60 votes might be required for something in the Senate.

Let me quote my good friend the majority leader who said last year:

> In the Senate, it has always been the case you need 60 votes. I don't have 60 votes.

Senator REID said in January of last year:

> Sixty votes are required for just about everything. We may have to come up with a number of resolutions that require 60 votes.

My point is—I say this with the greatest respect and admiration for my counterpart—acting like this is unusual is—well, it is clearly not the case.

Why would Members on my side want to subject this proposal to a 60-vote threshold? It is the most controversial provision in the bill. It is the principal reason my side was unwilling to go to the bill as previously crafted. So why would anyone feel aggrieved that the most controversial part of the bill, the issue which needed to come out in order to craft a bipartisan beginning, which Senators DODD and SHELBY did, why would anybody be incredulous that 60 votes would be required for this? That is routine in the Senate. It is also frustrating to the majority. I was in the majority recently. But that is the way it is. To act like it is somehow unusual strikes me as somewhat odd.

I would be happy to propose a unanimous consent request now, if the majority leader would like me to, that we have a vote on this amendment in the very near future at a 60-vote threshold. It is quite routine and common in the Senate. It would allow us to dispose of the Durbin amendment and move on to completion of the bill in the near future, something most of my Members would like to do. I assume, based on what my good friend said, that he would object to that, so I would not propose it, but I would be happy to. It would allow us to do what I think he wants to do, which is to go on and vote on the Durbin amendment and move ahead with amendments on both sides of the aisle.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Madam President, I apologize. I was interrupted. Did the Senator make a suggestion? What was that?

Mr. MCCONNELL. I did not make a consent request. But I said I would be happy, if you would like me to, that we vote on the Durbin amendment shortly with a 60-vote threshold, which is pretty common around here on all matters of controversy. I was pointing out that this Durbin amendment is the most controversial part of the bill. Both sides knew that. I don't know why we don't have a vote at 60 like we do on virtually everything of controversy in the Senate. Then dispose of the Durbin amendment and move on.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Is there objection?

Ms. STABENOW. Madam President, there is an objection on behalf of the majority leader. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to call the roll.

The legislative clerk continued with the call of the roll.

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

The PRESIDING OFFICER. Is there objection to dispensing with the quorum call?

Without objection, it is so ordered.

VOTE EXPLANATION

Mr. CHAMBLISS. Madam President, I was unavoidably detained on the last vote. Had I been present to vote on S. Res. 501, I would have voted in the affirmative. I would like to be recorded as such.

The PRESIDING OFFICER. The RECORD will so note the Senator's position.

Mr. CHAMBLISS. I thank the Senator.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I say to my friend from Georgia, we vote in a very hurried fashion lots of times. It is a wonder we do not make more mistakes. I have done the same thing the Senator from Georgia has done. You should not be embarrassed. It happens all the time. I am glad the RECORD reflects your feelings. We know your feelings on this issue.

Mr. CHAMBLISS. Thank you.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

AMENDMENT NO. 4388

Mr. DURBIN. Madam President, in the interest of moving forward this important housing stimulus bill as quickly as possible, I move to table the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from California (Mrs. BOXER), the Senator from New York (Mrs. CLINTON), the Senator from Hawaii (Mr. INOUYE), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Missouri (Mr. BOND) and the Senator from Arizona (Mr. MCCAIN).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 36, as follows:

[Rollcall Vote No. 88 Leg.]

YEAS—58

Alexander	Dole	McConnell
Allard	Domenici	Murkowski
Barrasso	Ensign	Nelson (NE)
Baucus	Enzi	Pryor
Bennett	Graham	Roberts
Brownback	Grassley	Sessions
Bunning	Gregg	Shelby
Burr	Hagel	Smith
Byrd	Hatch	Snowe
Carper	Hutchison	Specter
Chambliss	Inhofe	Stevens
Coburn	Isakson	Sununu
Cochran	Johnson	Tester
Coleman	Kyl	Thune
Collins	Landrieu	Vitter
Corker	Lieberman	Voinovich
Cornyn	Lincoln	Warner
Craig	Lugar	Wicker
Crapo	Martinez	
DeMint	McCaskill	

NAYS—36

Akaka	Feingold	Murray
Bayh	Feinstein	Nelson (FL)
Biden	Harkin	Reed
Bingaman	Kennedy	Reid
Brown	Kerry	Rockefeller
Cantwell	Klobuchar	Salazar
Cardin	Kohl	Sanders
Casey	Lautenberg	Schumer
Conrad	Leahy	Stabenow
Dodd	Levin	Webb
Dorgan	Menendez	Whitehouse
Durbin	Mikulski	Wyden

NOT VOTING—6

Bond	Clinton	McCain
Boxer	Inouye	Obama

The motion was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Madam President, I had the good fortune in 1982 to be elected to the House of Representatives, one of the biggest thrills of my life. As a result of that, I have made some very good friends. One of the people who came in that class of 1982 was RICHARD DURBIN of Illinois.

What everybody here witnessed was an act of unselfishness. Senator DURBIN procedurally moved to table his own amendment. That is unheard of in the Senate. He did that in an effort to move this along. He knew where the votes were. I want the RECORD to be spread with the fact that this is a fine legislator, a good human being. The people of Illinois are so fortunate to have this man who cares so much about people. In front of all of my colleagues, Democrats and Republicans, I express my appreciation to DICK DURBIN for doing something that is unheard of here, something very unselfish, for which he gets no credit.

Mr. KYL. Will the leader yield for a question?

Mr. REID. Yes.

Mr. KYL. Madam President, I served in the House of Representatives with the Senator from Illinois as well. This isn't the first time he has done something unheard of. I was in the minority in the House of Representatives and on a particular vote—I don't know how many were on the floor, but probably about a dozen altogether—DICK DURBIN was in the chair as Presiding Officer. He called the vote—a voice vote. It was supposed to be ''the ayes have it,'' but there were a bunch of Republicans on the floor and, in full-throated voice, we said ''no.'' I think one timid soul said ''aye.'' The Presiding Officer said: ''The nos appear to have it, the nos do have it.'' He called the vote, but not the way his side of the aisle wanted it called. Of course, about 10 minutes later, the appropriate number of people were on the floor and the vote was reversed. So this is not the first time the Senator from Illinois has done something unusual and in a way to move the process along and be fair in it. I always have appreciated that.

The PRESIDING OFFICER. The Senator from Ohio is recognized—the Senator from Louisiana is recognized.

Ms. LANDRIEU. Madam President, may I inquire about the order of amendments that will be offered? Is there an order?

Mr. DODD. May I ask the Senator from Ohio to yield without giving up his right to the floor?

Mr. VOINOVICH. Yes.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Senator SHELBY will be coming over shortly. A lot of Members have amendments they want to offer. We wish to obviously accommodate as many people as we can. I don't know what the leader's intentions are for this evening, but we will try to accommodate people and go back and forth in the normal process. We will be here while Senator VOINOVICH is offering his amendment. I know Senator SCHUMER is next in line. We will have to sit down and work out an order after that.

Ms. LANDRIEU. Madam President, reserving the right to object—

Mr. DODD. Reserving the right to object, I will try to accommodate everybody.

Ms. LANDRIEU. My suggestion is that we get an order now.

Mr. DODD. I am going to try to do that.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

AMENDMENT NO. 4406 TO AMENDMENT NO. 4387

Mr. VOINOVICH. Madam President, I send amendment No. 4406 to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. VOINOVICH], for himself, Ms. STABENOW, Mr. HATCH, Mr. ROCKEFELLER, Mr. SMITH, Ms. CANTWELL, Mr. VITTER, and Mr. LEVIN, proposes an amendment numbered 4406.

Mr. VOINOVICH. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To protect families most vulnerable to foreclosure due to a sudden loss of income by extending the depreication incentive to loss companies that have accumulated alternative minimum tax and research and development tax credits)

At the end of title VI, insert the following:

SEC. _____. ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.

(a) IN GENERAL.—Section 168(k), as amended by this Act, is amended by adding at the end the following new paragraph:

''(5) ELECTION TO ACCELERATE AMT AND R AND D CREDITS IN LIEU OF BONUS DEPRECIATION.—

''(A) IN GENERAL.—If a corporation which is an eligible taxpayer (within the meaning of paragraph (4)) for purposes of this subsection elects to have this paragraph apply—

''(i) no additional depreciation shall be allowed under paragraph (1) for any qualified property placed in service during any taxable year to which paragraph (1) would otherwise apply, and

''(ii) the limitations described in subparagraph (B) for such taxable year shall be increased by an aggregate amount not in excess of the bonus depreciation amount for such taxable year.

''(B) LIMITATIONS TO BE INCREASED.—The limitations described in this subparagraph are—

''(i) the limitation under section 38(c), and

''(ii) the limitation under section 53(c).

''(C) BONUS DEPRECIATION AMOUNT.—For purposes of this paragraph—

''(i) IN GENERAL.—The bonus depreciation amount for any applicable taxable year is an amount equal to the product of 20 percent and the excess (if any) of—

''(I) the aggregate amount of depreciation which would be determined under this section for the taxable year if no election under this paragraph were made and if this subsection applied only to eligible qualified property, over

''(II) the aggregate amount of depreciation allowable under this section for the taxable year.

''(ii) ELIGIBLE QUALIFIED PROPERTY.—For purposes of clause (i), the term 'eligible qualified property' means qualified property under paragraph (2), except that in applying paragraph (2) for purposes of this clause—

''(I) 'March 31, 2008' shall be substituted for 'December 31, 2007' each place it appears in subparagraph (A) and clauses (i) and (ii) of subparagraph (E) thereof,

''(II) only adjusted basis attributable to manufacture, construction, or production after March 31, 2008, and before January 1, 2009, shall be taken into account under subparagraph (B)(ii) thereof, and

''(III) in the case of property which is a passenger aircraft, the written binding contract limitation under subparagraph (A)(iii)(I) thereof shall not apply.

''(iii) MAXIMUM AMOUNT.—The bonus depreciation amount for any applicable taxable year shall not exceed the applicable limitation under clause (iv), reduced (but not below zero) by the bonus depreciation amount for any preceding taxable year.

''(iv) APPLICABLE LIMITATION.—For purposes of clause (iii), the term 'applicable limitation' means, with respect to any eligible taxpayer, the lesser of—

''(I) $50,000,000, or

''(II) 50 percent of the sum of the amounts determined with respect to the eligible taxpayer under clauses (ii) and (iii) of subparagraph (D).

''(v) AGGREGATION RULE.—All corporations which are treated as a single employer under section 52(a) shall be treated as 1 taxpayer for purposes of applying the limitation under this subparagraph and determining the applicable limitation under clause (iv).

''(D) ALLOCATION OF BONUS DEPRECIATION AMOUNTS.—

''(i) IN GENERAL.—Subject to clauses (ii) and (iii), the taxpayer shall, at such time and in such manner as the Secretary may prescribe, specify the portion (if any) of the bonus depreciation amount which is to be allocated to each of the limitations described in subparagraph (B).

''(ii) BUSINESS CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(i) shall not exceed an amount equal to the portion of the credit allowable under section 38 for the taxable year which is allocable to business credit carryforwards to such taxable year which are—

''(I) from taxable years beginning before January 1, 2006, and

''(II) properly allocable (determined under the rules of section 38(d)) to the research credit determined under section 41(a).

''(iii) ALTERNATIVE MINIMUM TAX CREDIT LIMITATION.—The portion of the bonus depreciation amount allocated to the limitation described in subparagraph (B)(ii) shall not exceed an amount equal to the portion of the minimum tax credit allowable under section 53 for the taxable year which is allocable to the adjusted minimum tax imposed for taxable years beginning before January 1, 2006.

''(E) CREDIT REFUNDABLE.—Any aggregate increases in the credits allowed under section 38 or 53 by reason of this paragraph shall, for purposes of this title, be treated as a credit allowed to the taxpayer under subpart C of part IV of subchapter A.

''(F) OTHER RULES.—

''(i) ELECTION.—Any election under this paragraph (including any allocation under subparagraph (D)) may be revoked only with the consent of the Secretary.

''(ii) DEDUCTION ALLOWED IN COMPUTING MINIMUM TAX.—Notwithstanding this paragraph, paragraph (2)(G) shall apply with respect to the deduction computed under this section (after application of this paragraph) with respect to property placed in service during any applicable taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007, in taxable years ending after such date.

Mr. VOINOVICH. Madam President, along with my colleague from Michigan, Senator STABENOW, we have worked to craft an amendment to help struggling companies and their employees during this time of economic downturn. The two of us have been joined by a bipartisan group of cosponsors, including Senators HATCH, SMITH, VITTER, LEVIN, CANTWELL, and ROCKEFELLER.

Without a job and financial security, it is extremely difficult to keep paying your mortgage and keep your home out of foreclosure. A job is the first step in ensuring that Americans can achieve the dream of home ownership.

My hometown of Cleveland is the epicenter of the foreclosure crisis, and with Ohio ranked No. 1 in foreclosures nationwide, according to the Mortgage Bankers Association, addressing this issue is of critical importance to me and all of my constituents in the great State of Ohio. The reason Ohio is experiencing a foreclosure crisis has nothing to do with speculators. It has to do with a bubble of rapidly rising prices. Ohio has a foreclosure crisis despite the fact that house prices never did increase there as they did in other parts of the country. Ohio families have been losing their homes because Ohio manufacturing workers have been losing their jobs.

It is the same story next door in Michigan. Our amendment is one step in the plan to turn things around for workers in these and other manufacturing States so families have the income to stay in their homes.

Our amendment will help unprofitable companies—many of which are in Ohio—to use existing AMT and R&D credits in 2008 to stimulate their businesses, turn profits, and create new jobs. The amendment would allow companies operating in the red to use the AMT and R&D credits already on their books instead of bonus depreciation deductions, as long as the money is used to expand operations in the United States.

Bonus depreciation has already been included in the economic stimulus package, but it left out companies that don't have income against which to deduct their expenses because they are not making any money. This is an important thing. Ironically, these are the companies that are most in need of relief during a strained economy, but they are not receiving it.

My colleagues should also note that this amendment is fiscally responsible because it simply allows for the speedier use of tax credits that would be used anyway in the future. In other words—and I wasn't aware of this—companies that are not making money pay an AMT corporate tax, and what happens is when they do start making money, they deduct the corporate AMT from the taxes, so in effect they get credit for that corporate AMT. We are basically saying let's let those companies—because they cannot use the bonus depreciation—use that AMT credit so they can create jobs and keep people working. So this basically lets them use these credits speedier than they would ordinarily be used if we waited over a longer period of time.

I want everybody to know we will continue to work with the Joint Committee on Taxation to get a fiscally responsible revenue estimate. We have every reason to believe it is going to be very small during this 10-year period. As a matter of fact, if you take into consideration that these companies, down the road, would use the R&D or their corporate AMT, it could end up being a wash.

This bipartisan amendment has wide-ranging support from the biotech industry, to the American auto industry, to the coal industry. All of these industries are hurting and need a boost to get back on track. This amendment would give them that boost to make investments now and create jobs so Americans can keep their homes. I urge my colleagues to support this amendment and work to protect their constituents' jobs and homes.

I yield the floor to the Senator from Michigan, whom I appreciate joining me on this amendment. It is something the two of us have been working on for quite some time. I am glad we have a bipartisan group that understands how important it is to our respective States and to this country.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Madam President, I first give thanks to my colleague and friend from Ohio. We have been working together on this issue. Michigan and Ohio are part of the epicenter as we have seen the downturn in the economy since 2000. We have seen 3 million manufacturing jobs—middle-class jobs that created the standard of living in this country—that have been lost.

This amendment addresses those companies that have done the right thing, that have paid good wages, provided health insurance, provided pensions, that now find themselves in a challenging time but that we want to continue to support so they can continue to keep great American jobs in this country.

I am so pleased we are joined by others in a truly bipartisan effort. We have four Democrats and four Republicans cosponsoring the amendment. We have Senators HATCH, ROCKEFELLER, CANTWELL, VITTER, LEVIN, and SMITH coming together from all parts of the country, representing important American industries that are asking to be recognized and to basically allow them to use the AMT and R&D credits they have already accumulated. They have made investments and we want them to make more, and we want to create a mechanism that allows them to benefit from the mechanisms we are putting into place to support industries that need assistance in this difficult time and need to be ready to come out of this economic downturn as quickly as possible.

There is no question that we are in a housing and economic crisis in America. Few States have been hurt worse than Michigan and Ohio. In Michigan alone, right now, we rank No. 6 in the number of foreclosures. Last year, 87,000 households were foreclosed upon; 87,000 families faced the loss of their homes and their piece of the American dream.

Last year, Michigan lost 62,000 good-paying jobs. Unfortunately, we are not alone. In February, the manufacturing sector lost 52,000 jobs. Over the last 7 years, manufacturing has lost more than 3.6 million jobs. Again, these are middle-class jobs and these companies have stepped forward to do the right thing and pay health care, pensions, and provide a standard of living that has been unsurpassed in the world.

Yet the Labor Department announced that the number of new people signing up for unemployment benefits last week shot up to the highest levels in more than 2 years, from a seasonal adjusted 38,000 people to 407,000 people.

In Michigan alone, right now, our unemployment rate is 7.2 percent. American families are in a state of crisis. They are losing their homes, their jobs and, of course, we cannot ignore this situation. We need to do everything possible to be able to support families, workers, and businesses that are being affected.

The Voinovich-Stabenow amendment would help save many of these important middle-class jobs and keep families out of foreclosure. From manufacturing States such as Michigan, families are not losing their homes because of a housing bubble, they are losing their homes because they lost their jobs, their livelihood. They have exhausted their unemployment benefits and they have spent all of their savings, probably dipped into the equity in their houses, and they cannot afford to pay the mortgages anymore. This is a daily reality for the families I represent in Michigan.

The bonus depreciation provision we passed in the stimulus package earlier this year gave manufacturers a strong incentive to increase their capital investments in an effort to stimulate the economy. Unfortunately, that did nothing for manufacturers that are struggling the most right now, the ones that are not profitable, that are being forced to shut down plants and lay off workers.

Our amendment would also give these struggling manufacturers an incentive to be here in America and invest in American jobs. By utilizing the AMT and R&D credit provision, manufacturers in this loss position that have built up AMT and research and development tax credits will now be able to use their credits, stimulate the economy, and create new jobs. These manufacturers will be able to recover their accumulated credits—in other words, they have invested and developed credits. They just cannot use them because they are currently not making a profit. This will allow them to recover those credits after they have made new investments, which will help them to fully realize the intended benefits of the bonus depreciation provision and put them on equal ground with profitable companies.

This amendment will not only allow these manufacturers to stay afloat in this time of economic uncertainty, but will help them invest, expand, and create more American jobs. It will allow them to avoid laying off more workers, many of whom are the most vulnerable when it comes to the issue of foreclosure, losing their home.

Adopting this amendment is an important first step in addressing the crisis facing our Nation. It cannot wait for another day. We would very much appreciate strong bipartisan support for this amendment that is a very important piece of addressing what is happening to so many millions of American families across this country.

I urge colleagues to join us in this bipartisan amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, I hope the tabling motion that the Senate has dealt with has broken the logjam and we can move to the amendments, such as the one we are now on, and work our way through the evening. The reason I say that is because there are a good many of us, well over a month ago, who said if you want to fix the economic trouble in our country today, solve the housing crisis.

I did not agree with the stimulus package we debated a month ago. I did not agree with borrowing $150 billion and standing on street corners and handing out $500 bills. That helps someone, but it does not help the economy in general because that money has not been handed out yet.

What we do today, and if it were to become law in a reasonable period of time, would deal with one of the bigger industries in our country. I think few people, unless you look at it, recognize the value of the housing industry to our country, its breadth and its depth.

One of the things I monitor in Idaho, and I know my colleague from Montana, who is on the floor, monitors as chairman of the Finance Committee is mill closures; that is, sawmill closures, across the United States since the first of the year because the timber industry is flat. It is at a 40-year low in prices of dimensional lumber.

Why is it? Because the housing industry is flat. Talk to plumbing fixture manufacturers and everybody else out there and look at the breadth and the depth of the housing economy.

So it is time we deal with the real problem. Had we dealt with it a month ago, possibly the House would have been done with it, it could have been signed into law, and, more importantly, it would be recognized in the marketplace today as a reality and the marketplace would be adjusting. That is the banking industry, that is the mortgage industry, that is the housing industry.

There are real problems out there, and they are very real problems if you are involved in it. If you have been conned into a subprime loan and it sounded so good at the time you took it and it turned south on you and your values drop, that is one thing and you are out on the street or you simply walked because you used the ''credit card'' economy of the subprime market to buy a house.

If I am across the street from you and you have left your house and the bank now has it and they knock it down 20 percent in the market, what does that do to the value of your home? You may be in better shape. You may have a fixed-rate 30-year mortgage. You may not be losing your job or you may not be in a subprime market, but your house went down 20 percent because the house across the street that is comparable went down 20 percent.

That is the reality of the world in which we are playing, and that is why I was so extremely pleased when Senator DODD and Senator SHELBY came to grips with this issue in a very real, honest, brokered bill in a bipartisan way and have brought to the floor the bill before us. I hope the House will respond quickly, and we can get this to the President and it actually can become law in our timeframe so the markets can begin to react.

Back at the time we were debating the $150 billion bailout, I and Senator

ISAKSON and others said: Wait a moment, that is all well pleasing and it may be politically correct for the time and the White House and the majority party in the Congress may agree with it, but when will it get to the ground and how much will it stimulate?

I had a lot of people in Idaho say: LARRY, we are not going to buy anything; we are going to pay off the credit card debt; in other words, we are not going to move the money through the market in a way to stimulate the economy, we are simply going to put it in savings or pay off a debt. We are not going to go out and buy a new Chinese or Japanese television set or anything in the market that was not produced in our market that is oftentimes the kind of consumer product that kind of money buys today.

So Senator ISAKSON and I said we ought to go back and look at history and what worked. In the seventies, we had a housing bubble, and it broke. The housing industry said we have a 3-year inventory. At that time—and I was not here; some who serve today were here—they put a tax credit out there, and they said: If you are going to be an owner occupant and you are going to buy out of inventory or repo or bankruptcy, you get the credit. What was supposedly a 3-year glut in the market of housing inventory turned into a 12- to 15-month glut, and the lights came on in our sawmills, workers went back to work, contractors went back to work, and we were able to effectively get that economy stabilized.

In December of 2007, housing starts fell to the weakest level since May of 1991. As a whole, housing starts were down 24.8 percent in 2007, the second largest decline on record, and housing prices declined almost 9 percent in the final quarter of 2007, the largest year-to-year drop in a 20-year history of the index. That is what we were looking at in February and in January and saying to this Senate in a bipartisan way: Let's fix this problem; let's do it now; let's do it sooner rather than later.

It is now later, and I wish it had been done earlier. But, most importantly, the Congress has recognized it, or at least the Senate has recognized it. Leaders such as Senators DODD and SHELBY have recognized it and they have come to an agreement. I hope we stick to that agreement.

There are amendments floating around that ought not pass, and if they do pass, all of us will have to reevaluate the compromise because the compromise, in large part, is a bipartisan effort to solve this problem.

We owe it to the American people this time to get it right, this time to fix the underlying primary problem that is dragging the economy down, threatening everyone out there in that industry, in the mortgage banking industry, and we ought to get it done in a way that makes it work.

I believed all along that a timely targeted housing stimulus bill would focus on the builders and the buyers, and I think this housing legislation is workable and does that.

Overall, I think it is a pretty good package, as I have said, and I will support it as long as we do not mess it up with more partisan-like amendments that might make their way to the final text.

I believe in compromises when it is necessary and appropriate and when issues are as big as this issue is, when the problem is as big as this problem is, whether it is Boise, ID, or Las Vegas, NV, or San Diego, CA, or Seattle, WA, it is a problem that deserves to be dealt with in a timely and an appropriate way.

Extending the carryback period for net operating losses will allow these companies, these builders to receive the infusion of cash helping them stay in business and pay their employees. The legislation will also help the buyer, as I have mentioned. We are proposing to provide additional money to tax-exempt private activity bonds authority to be used to refinance subprime loans which will keep families in their homes and make it easier for them, the home buyers, to buy that home.

We are also going to allow taxpayers who do not itemize on their Federal taxes, which tends to be middle-class and lower income families, to deduct property taxes from their Federal tax liability. Frankly, that is a good deal. That makes sense in this interim period of time.

Finally, the last tax provision in this legislation, in my opinion, is one of the most important provisions in the bill because it is the Isakson concept I listened to, helped develop, bought into very early on several months ago as we were looking at this problem, and that is giving taxpayers a $7,000 direct tax credit to buy homes that have been foreclosed on, payable over a 2-year period of time.

Foreclosed homes are a significant problem in any housing market. For the reasons I explained a few moments ago, they drive down the prices of everybody else's values. They are oftentimes not maintained, they are attracted to vandalism and burglary, and they become eyesores in communities if banks and those companies that hold them are not doing the due diligence to make sure the lawns are mowed and the house is maintained and at least the house looks as if it is being occupied.

Oftentimes, if there are too many in the market, that simply does not happen. This tax credit will help clear our housing inventory sitting in today's market. I talked about the seventies. There is no reason to believe we cannot clear the inventory in a reasonable period of time.

Lastly, let me once again turn to Senator DODD and Senator SHELBY and thank them. We are all partisan, but we are all bipartisan when we see big issues that deserve a solution, that demand it, and these two Senators stepped up and, in my opinion, have put a very good package together. It is certainly a package I wish to support, that I hope we can move in a timely and responsible way to conclude because it is, in my opinion, the greatest stimulus to the biggest problem in the economy today.

In Idaho, a State that has experienced phenomenal growth over the last good number of years, those foreclosures are beginning to develop. But unlike some States, we have something else happening. We have sawmills going down and lights going out and hard-working men and women simply not having their jobs in the housing industry because the housing industry is flat.

This kind of legislation, when it becomes law, will work in the marketplace to solve those problems and allow the markets to adjust in a way we ought to be allowing them to do, not to step in and fix it with a Federal bailout but to allow the markets to adjust, the buyers to adjust, and those who may have been victimized, in part, by the uniqueness of the loan packages of a few years ago, to make sure they can be helped a bit. But more importantly, they have learned their lesson that there is no free ride, that you cannot buy a house with a credit card, that a little savings and a little investment and a little fortuitousness can help you into probably one of the largest investments you will make in your lifetime and historically—and it will be true tomorrow as it was true yesterday—will be the best buy you have ever made in your lifetime and that is to own a home in a community of your interest and your support.

I hope we can work this through the evening. I hope we can move to final passage with the quick handling of these amendments. It is important we get this work done and say to the American people: You see, when there is a big problem out there, the Congress can respond in a responsible way.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Madam President, I first thank the Senator from Idaho for his very generous comments about the effort. We appreciate that very much. His willingness to work with us will be of help to see if we cannot move this legislation along.

I am going to ask consent to get a batting order of amendments. Madam President, we have already considered the Durbin amendment. We are now considering the Voinovich-Stabenow amendment. Following that amendment, Senator MURRAY and Senator SCHUMER have an amendment, Senator SPECTER—I should refer to them by number. The Voinovich amendment is amendment No. 4406, the Murray-Schumer amendment is No. 4397, the Specter amendment is No. 4392, the Feinstein-Martinez amendment is No. 4393, and an amendment offered by Senator KYL of Arizona is No. 4407. I ask unanimous consent that those amendments

be considered in the order I announced them; that the underlying amendment, the Voinovich amendment, at the conclusion of debate, be set aside and we move to consider these next amendments. We will try to complete four or five of these amendments, I am told by the leadership, with the possibility of votes on one or all these amendments this evening, with a couple more tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I want to ask the chairman of the Banking Committee to read those amendments off one more time.

Mr. DODD. Be happy to. Presently, we are considering the Voinovich-Stabenow amendment, No. 4406. The next amendment would be the amendment offered by Senators MURRAY and SCHUMER, No. 4397. There is then an amendment offered by Senator SPECTER, No. 4392; an amendment offered by Senators FEINSTEIN and MARTINEZ, which is amendment No. 4393; and an amendment offered by Senator KYL, No. 4407. There are other amendments, but these are the four or five we are going to try to deal with here by setting aside the underlying amendment and debating them.

Mr. BAUCUS. I object, Madam President. There is one in there I don't want on that list, so I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAUCUS. It is the Ensign amendment. Take that off the list.

Mr. DODD. It is not on there.

Mr. BAUCUS. It is not on there? OK, good. I am okay as long as that amendment is not on there.

The PRESIDING OFFICER. Is the objection withdrawn?

Mr. BAUCUS. Yes.

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

Mr. DODD. May I also just request that Members let the staff know how much time they may need. It would help us to inform other people about when their amendments are coming up. So if you need a half hour, 15 minutes, or whatever to explain your amendment, we can let others know about coming over and offering their amendments in a timely fashion.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Madam President, I believe the Voinovich amendment is the pending amendment. I have spoken to that amendment and at this point cannot agree to it. It costs about $3 billion over 10 years. I have spoken to the sponsors and asked them to rewrite that amendment and talk to the Joint Committee on Taxation to get the score down to about $1 billion, and they are working on that right now. I very much hope they can get that amendment down to a billion because then it would be in a much more acceptable form. But right now, the size and scope of it is just too large. And I think it is appropriate, when we consider these tax amendments, to be somewhat prudent when we consider them and not go overboard. I do believe the current scope of the Voinovich amendment is too large, and they are very agreeable and are working with Joint Tax in amending the language to get it down to about $1 billion over 10 years.

Mr. DODD. Madam President, if I may, since the Senator from Montana has spoken on this amendment, I wish to advise Members that any amendment that is within the jurisdiction of the Finance Committee, I am going to defer entirely to the Senator from Montana and his colleague from Iowa as to their advice and counsel. So if you have any amendment that impacts the Finance Committee, I am happy to see you, but I will turn you right over to see the Senator from Montana to talk about it. So I am going to make it clear we are going to rely entirely on the judgment of the Finance Committee on any amendments that affect that committee.

Mr. BAUCUS. Thank you very much.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 4397 TO AMENDMENT NO. 4387

Mrs. MURRAY. Madam President, I ask unanimous consent to set aside the Voinovich amendment in order to call up amendment No. 4397.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY], for herself, Mr. SCHUMER, Mr. CASEY, and Mr. BROWN, proposes an amendment numbered 4397.

Mrs. MURRAY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To increase funding for housing counseling resources)

On page 58, line 10, strike ''$100,000,000'' and all that follows through ''2008'' on line 11, and insert the following: ''$200,000,000, to remain available until December 31, 2008''.

Mrs. MURRAY. Madam President, I offer this amendment for myself and Senator SCHUMER, Senator CASEY, and Senator BROWN.

I am extremely happy that we do have a bipartisan bill now that provides a solution to the problem at the very center of our Nation's economic downturn—the housing crisis—that has shaken communities across this country. We know that each month this year thousands of homeowners will see their interest rates rise, and many more will find themselves underwater as the housing market in their region continues to suffer. If the Federal Government doesn't take action, as many as 2 million American families are going to lose their homes to foreclosure this year. Each one of those foreclosures represents a family whose dream of a comfortable home and a secure future is going to be dashed, and each one of those foreclosures really weakens the foundation of a community.

This crisis has already rippled across our economy. If we don't take aggressive steps to prevent it from becoming worse, it is going to take that much longer for our neighborhoods and our hometowns to recover. That is why I rise this afternoon to offer an amendment with Senators SCHUMER, CASEY, and BROWN which I believe will help make this bill much stronger. Our amendment will provide an additional $100 million for housing counselors, who really are our front line of defense in the fight to prevent more families from losing their homes. What our amendment does is double the money for housing counseling that is in this bill. It builds on our efforts we started last year.

In last year's omnibus budget, we included $180 million through the NeighborWorks America Program for housing counseling to help 450,000 homeowners who are in trouble today. As chairman of the Appropriations Subcommittee on Transportation and Housing, I worked hard with my colleague, Senator BOND, to push for that money. The bill before us today would provide the resources to help another 250,000 homeowners, and our amendment would enable us to bring the total number of families helped through this bill to 500,000.

Many homeowners today don't know that they can get help if they get behind on their mortgage. Too many of them don't make contact with their lender when they miss their first payment, and too many just feel intimidated or don't trust their bank enough to make a call. But housing counselors can help these families. They can help them negotiate with their lender, readjust their payment, or learn how to budget their expenses better.

The last couple of years have really proven that this kind of assistance may be the most cost-effective and important piece of the solution to the housing crisis, and that is why we believe we must ensure that counseling agencies get more resources as soon as possible if we are going to turn around this economic crisis.

According to the Secretary of Housing and Urban Development, 96 percent of the families who get counseling avoid foreclosure. Let me say that again. Ninety-six percent of the families who get counseling avoid foreclosure. That means almost all the people who seek help from an expert will not lose their homes.

We know the demand is there. Last year, the demand for the $180 million made available for counseling in the omnibus was twice as high as the money available, and that happened even though counseling agents across

the country had only 2 weeks last year to apply for the grants. In just the couple of months that have passed since then, several States have seen a dramatic increase in their foreclosures, and people in those communities and other communities across the country are very worried. We all know that foreclosures have left our neighborhoods full of vacant homes. Families are distressed, they are in trouble, and State and local governments are seeing their tax revenues drop now, even as the needs out there are piling up.

These counseling agencies we provide the funding for are telling us they need desperately more resources to help address this. In my home State of Washington, the number of calls to counselors doubled in just the first few months of this year, and we know that is true across the country. But if the numbers aren't compelling enough, let me tell you personally about a few people I know who have been helped.

One of them is a man named Clifford. He is a gentleman from my State, and I don't want to use his last name to protect his privacy, but he told me what happened to him. He and his family thought they had achieved the American dream by owning a home. Their home represented stability. It was an important investment in their future. But they started having trouble with their mortgage because Clifford lost his factory job, and pretty soon his wife got sick and she needed surgery. Before they knew it, they were a couple of months behind and were struggling with their mortgage company about how they could ever catch up. They turned eventually to Consumer Counseling Northwest, got a counselor who gave them help and advice, and he told me that made all the difference. Clifford's housing counselors were able to help him get his payments reduced, and now his family has been able to pay the mortgage and keep their home.

Madam President, there are many families like Clifford's across the country—people who are teetering on the edge and just need a little bit of help and counseling to avoid a crisis.

Earlier this year, at an event with Senators BOND and COCHRAN—and with Representatives OLVER and KNOLLENBERG from the House—I had an opportunity to meet a single mom from Ohio. She told us she had fallen on very hard times, which in turn led her to fall behind, and she soon found out she couldn't pay her mortgage. But thanks to help from NeighborWorks America, she told us that she and her children didn't lose their home and they were able to stay there. She told me that when she got behind, she just got completely overwhelmed. She told me she didn't know what to do. She said: You know, this is not something they teach you in school.

Well, these counselors made a difference in her life and thousands of others. We should not turn our back on families today who want to make a call and get help, who want to get their mortgages back in line and keep their homes. The economic health of this country depends on Americans having a safe and stable place to live and raise their families. We want every family who is facing a challenge today to know that there is help out there, and when they call, we want to make sure there is a knowledgeable counselor on the other end of the line who can give them the help they need.

So here is the bottom line. We know we have millions of people who need help, and we know housing counseling can make a difference. So I think it would be unconscionable not to provide this money, and I urge my colleagues to support this amendment that will put the resources out there to make sure families in all our communities can pick up their phone, make a call, get the help they need, and keep their investment in their home and their security for the future.

Madam President, I have been proud to work with the Senator from New York, as well as others, on this bill, and I know he is on the floor and ready to speak as well.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Madam President, I am proud to rise in support of the amendment offered by the Senator from Washington, the Senator from Pennsylvania, the Senator from Ohio, and myself, and I first wish to thank Senator MURRAY for her leadership on this issue. This is crucial, and when Senators CASEY, BROWN, and I sent her a request to include this money first in the appropriations bill and then in the omnibus bill, Senators DODD and BOND offered an amendment for another $100 million, and by the time we got through with conference, $180 million was offered. So I thank all my colleagues. We also have Senators CLINTON, MENENDEZ, and KERRY as cosponsors of our amendment.

Madam President, as you know, we are in the midst of a massive spike in mortgage delinquency and foreclosures. Housing prices are going down at record levels. We haven't seen housing prices go down this much since the Depression. Our economy, the national economy, is heading south. Yet where is the President? The President has been in Bucharest, both literally and figuratively. The President is literally in Bucharest today, but he has been in Bucharest for months when it comes to the economy and housing. He is nowhere to be seen here.

Foreclosure filings are soaring. They are up 57 percent in January. From December to January alone, foreclosures increased 8 percent. The 57-percent figure is over the year. Home foreclosure filings topped 1.3 million in 2007, and more than 2 million are likely now. We are all more than aware of the havoc this has wreaked in neighborhoods, on Main Street, on Wall Street, and throughout the Nation and even the world. So it is amazing that with all of these problems rippling out from housing foreclosures, a simple addition could greatly ameliorate the problem, and that addition is mortgage counselors. Why, you ask? Why should a mortgage counselor help solve not just problems of individual foreclosures but of declining home prices and declining economy and financial ripples throughout the world, in London and Shanghai? The answer is simple: The majority of those in foreclosure do not have to have their houses foreclosed upon. They have the resources, and the price of their home is such that a simple refinancing would work.

In the old days—when banks were the only issuer of mortgages, they issued them and held them—none of this would have happened. The mortgage counselor from the bank would have gone over to the homeowner and helped him or her rework this. Madam President, 60 percent of those in foreclosure or about to go into foreclosure are prime borrowers; most of them, the majority, are in home refinancings, not new homes; and many of them were duped through no fault of their own.

A mortgage counselor on the scene, provided there are dollars to refinance, can help that homeowner refinance.

I ask unanimous consent that Senator KLOBUCHAR, the Presiding Officer, be added as a cosponsor of our amendment.

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

Mr. SCHUMER. I thank her for always being on top of things.

In any case, a mortgage counselor could easily do the job in so many cases, but there are none around. Foreclosure counselors are skilled and work. There are groups throughout the country that do this and do it well, with very little waste and much dedication. That is why Senators CASEY, BROWN, and I went to Senator MURRAY and asked her to put this in the omnibus bill. That is why she did it, and that is why Senators BOND and DODD added additional money in an amendment. We need these people.

I wish to tell a story. I have told it before on this floor, but I want to make sure people hear about it. It shows the need for counselors. It is about Frank Ruggiero, a homeowner from Ozone Park in Queens. Frank is a retired subway motorman. He had a pension of $28,000 a year, Social Security of $11,000 a year—$39,000 income a year. He lived in his nice little brick house with a mortgage of $1,100 a month or about $12,000 a year and happily paid the mortgage for 16 years of the 30-year mortgage.

Then Frank got diabetes. He needed $50,000 for some kind of treatment that his medical plan would not pay for. Instead of going to the bank, which was Frank's mistake—because banks have not caused this problem; it is the independent mortgage companies, unregulated, that caused it—he saw an ad in the paper for one of these fiends—they are not all fiends but this person was—

that said ''get quick cash; refinance your home.''

Frank called, and he came over. Frank said: How much more will I pay?

He said: You will pay $100 more in January.

And Frank says: I can easily afford $1,200 a month to cure my diabetes. That is worth it. He signed a new 30-year mortgage and sure enough, his mortgage only went up to $1,200 in January.

What he was never told was that the following January his mortgage would go up to $3,900 a month. That is easy math. That is about $47,000 a year. Frank's total income was $39,000 a year. Even if he didn't pay one nickel for the whole year for any food or heat or taxes, he couldn't pay it.

What happened? This more relates to the amendment of my colleague from California—the mortgage broker was paid a huge commission to dupe Frank. He duped him legally because there are no regulations. It said on the big document Frank signed, on page 23—I am a lawyer, but I couldn't understand it—6 points above LIBOR after 4 months, after this, after that—it said the mortgage would go up that much, but no right person would understand it. It wasn't in plain English, and it wasn't available. The mortgage broker made a huge fee, walked off into the sunset, and Frank was about to lose his home.

The irony is, Frank was a prime borrower. He had never missed a payment on his mortgage, he had never missed a payment on his credit card. His FICO score was above 700. He easily could refinance. Frank is a good customer for a lending institution. But there was no one to help him. There was no bank. It was a mortgage broker, independent, who got money from a mortgage company, independent, both unregulated. That relates to the amendment of my friend from California. They are off into the sunset with their profits, and Frank is stuck and no one is there. The mortgage company didn't hold the mortgage, they chopped it up in 40 pieces and gave it to some investment house that sold securities, and it is now scattered among thousands of investors in little tiny pieces in different degrees of reliability.

So Frank is out there alone. If there were a mortgage counselor on the scene, that mortgage counselor could easily help Frank refinance.

You say, where would they get the money for refinancing? Good news; finally, after months of prodding by myself and Senator DODD and others, Fannie Mae and Freddie Mac have made $200 billion available for these kinds of mortgages.

But the dollars are not going to walk over to Frank's house in Ozone Park, Queens, and say: Here we are. You need a mortgage counselor. And that is what the amendment of the Senator from Washington and the Senator from Pennsylvania and the Senator from Ohio and my amendment does. It simply provides more mortgage counselors. It is not huge science. You do not need a Ph.D. in mathematics or an accounting degree to be a mortgage counselor. You have to take a little course and learn it. It is easy for the various groups that have done this for years but were not faced with a flood of foreclosures to do it again. We could probably prevent about 50 percent of all the foreclosures that are about to happen, maybe even more, because 60 percent are prime borrowers, and even some of the nonprime borrowers could be helped by this, depending on the value of the home and the cost of their mortgage and the mortgage processing agreement.

That is all we want to do. In this package originally that we offered about 3 weeks ago, there was $200 million. That is not enough. Senator MURRAY and I and others wanted to ask for $500 million, but we were asked by the majority leader to keep the cost down so we offered $200 million. Madam President, $200 million is not enough. We need more than that.

We did appropriate $180 million in the omnibus bill, as I mentioned before, that Senator MURRAY put together—at least her part of it. Now there is talk we don't need the $180 million; they have not even spent that. Why give them more?

Here is a letter. I ask unanimous consent the letter be printed in the RECORD.

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

APRIL 2, 2008.

Hon. CHRISTOPHER DODD,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

Hon. RICHARD SHELBY,
Ranking Member, Senate Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR CHAIRMAN DODD AND RANKING MEMBER SHELBY: As you consider the current housing stimulus legislation we urge you to restore essential funding for foreclosure prevention counseling. We respectfully request that you fund this program for not less than $200 million as was initially proposed by Senator Reid in S. 2636.

As you well know, the nation is experiencing a serious spike in mortgage delinquency and foreclosures. In 2006 more than 1.3 million homes were in default, up 42 percent from the year before. Foreclosures are expected to be greatest in 2008 when one in three loans is predicted to end in default as a result of mortgage payment resets on adjustable rate loans. The crisis is widespread and not just confined to the urban housing market. Increasingly, rural borrowers are subject to harsher prepayment penalties and targeted lending discrimination so the prosperity and stability of rural counties, like their urban and suburban counterparts, is becoming jeopardized.

The FY 2008 HUD Appropriations Act provided $180 million for use by the Neighborhood Reinvestment Corporation to provide mortgage foreclosure prevention counseling. Neighborhood Reinvestment received applications for $340 million in grants to combat the foreclosure crisis. With only two weeks to apply for funds, demand was nearly twice the $180 million that Congress appropriated for these mitigation activities. Several states were underrepresented in the applicant pool, in part because those states had not seen high rates of foreclosure up to that point. Now, however, many of the states that did not apply or receive an initial grant have seen a dramatic increase in home foreclosures and are in desperate need of these supplemental counseling resources.

In particular, there is a need to expand the capacity of housing counselors to assist delinquent homeowners with accurate and honest information and options, budget and workout plans, loan modifications, refinancing or responsible sales of the residence. It is also essential given the nature of this crisis to ensure an ongoing, adequate level of support for mortgage foreclosure activities.

We urge you to fund the foreclosure mitigation counseling program at no less than $200 million in order for housing counselors to keep pace with rising rates of foreclosure in rural and urban neighborhoods. Thank you for your consideration of this important request.

Sincerely,

PEG MALLOY,
President, NNA.

DAVID C. BROWN,
Executive Director, NNA.

Mr. SCHUMER. It is a letter dated yesterday, to Senator DODD and Senator SHELBY, signed by about 100 organizations that do this, saying the following:

We respectfully request that you fund this program for not less than $200 million as was initially proposed by Senator Reid in S. 2636.

They said they have received applications for $340 million in grants, twice the $180 million Congress appropriated. Several States were underrepresented in the original applicant pool because they had not seen high rates of foreclosure, but now many of them have applied. Of the $180 million, $130 million has already been spent in a short 6 weeks. The only reason the rest has not been spent is they are keeping it aside for a very rainy day. They could spend that in a minute if we were to ask them to in report language, should this bill get that far, which I hope and pray it does.

So we need the money. It is not much money. We are putting $4 billion in for CDBG. That is worthy, but it is not as important as mortgage counselors. We are putting $6 billion in for the loss carryback provisions, the FOLs, to help homebuilders. We can't afford a needed $100 million more for mortgage counselors, who do more good to prevent foreclosure and provide more bang for the buck than any other part of this bill, bar none?

Why the $100 million was cut out—I was told they said they didn't need it. This letter proves conclusively they need it. It is now in the RECORD. I urge my colleagues to look at it. We desperately need it.

I hope we will have bipartisan support for this amendment. Senator BOND, who has been a leader on these issues, supported the amendment, with Senator DODD, to put in the original $200 million. This is hardly a partisan issue. This is not a bill that costs $15 billion. Another $100 million is not

going to make that much difference, especially when we are doing $6 billion for the loss carrybacks, and $4 billion for CDBG. I urge my colleagues to support it. It is a much needed amendment that will do tremendous good. It will help the Frank Ruggieros and the millions of others like him to keep their homes. It will prevent housing prices in their neighborhoods and in the country from declining more than they have to. It will stabilize mortgage markets and thus stabilize many of our largest banks and institutions, both here and abroad.

So this little amendment is like Mighty Mite—it is small, it is at the center, but it has tremendous power to ripple outward and affect us positively.

I urge my colleagues on both sides of the aisle to support it so we might strengthen this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Madam President, I do not see anyone on the Republican side on the floor, although if they are coming, now would be a good time. I believe Senator MARTINEZ and I are up, after a Republican, for an amendment. I am prepared to proceed.

Madam President, although I spoke about this amendment this morning, I wish to speak about it again. This amendment is called the SAFE Mortgage Licensing Act, ''licensing'' being the dispositive word. I am very proud to work with this with Senator MARTINEZ of Florida. He is on his way and he will be making a statement following mine. This amendment is cosponsored by Senators BOXER, OBAMA, DOLE, DURBIN, SALAZAR, and CLINTON.

One of the things I didn't realize is how big scams are a part of the subprime market. I remember picking up a USA Today newspaper in January and the headline reading, ''Housing Scams Rising, FBI Says. 2007 Convictions More Than Doubled.''

As we began to look at this, we found there was a very real problem. The problem is that there is but a thin patchwork of State regulations. They vary. Some do not have any. Some are pretty good; some are not so good. So we put together this bill, Senator MARTINEZ and I, and I am very proud to say it is supported by the National Association of Mortgage Brokers, by the Conference of Bank Supervisors, by the mayor of Los Angeles, and by the National Association of Realtors. I wish to read, if I might, the realtors letter because I think it is important to the discussion.

On behalf of over 1.3 million members of the National Association of REALTORS, I want to share our views on the SAFE Mortgage Licensing Act offered by Senators Feinstein and Martinez.

We believe this amendment will go far towards preventing another subprime market failure that would further erode confidence in the Nation's housing finance system. While responsible subprime lenders have played an important role in helping millions of consumers achieve homeownership, abusive subprime lending has occurred much too often. As a result, roughly 2.2 million American households have been projected to lose their homes, and as much as $164 billion due to subprime mortgage foreclosures.

Many of the provisions of the amendment are consistent with NAR's ''Responsible Lending Principles.'' We believe our principles provide an appropriate basis for legislation that would help eliminate irresponsible practices such as making loans without sufficient regard to the borrower's ability to repay the loan and avoid foreclosure.

The National Association of REALTORS supports responsible lending, mortgage servicing, and appraisal practices. We support this amendment that will help close the door on abusive lending practices.

I wish to say on behalf of the cosponsors of this amendment and myself, thank you to the National Association of Realtors.

We are very grateful for the support. The fact is, mortgage fraud complaints have jumped more than 700 percent over the last 5 years, from 5,623 in 2002 to 46,717 last year. Mortgage fraud complaints in my State, California—Senator BOXER's and my State—have increased 400 percent over the last 5 years, from 1,143 in 2002 to 4,060 last year.

All you have to do is take a look at the jump in these complaints and the jump in convictions to know there are scams going on and we need to stop them. The best way to stop them is to license these brokers and lenders so we prevent the 25-year-old scam artist—I do not pull this out of the air; this is a fact—who can come in, get on a telephone, and tell lenders or tell individuals what they can do to refinance their house and do it all in a bogus manner.

We have 10 States that are mortgage fraud hot spots in the United States. They are California, New York, Texas, Florida, Georgia, Utah, Illinois, Indiana, Ohio, and Michigan. These are mortgage fraud hot spots because of the number of complaints and convictions of mortgage fraud coming from these States. So the time has come to do something about it.

Now, there are some people in this body who say: Do not pass this bill today; put it in regular order. Let it go to the committee.

Let it go to the committee, and it will be another year before this bill is before us. And I will bet any amount of money the mortgage fraud will continue because all of the conditions are ripe for it.

The only way to handle it is to pass this bill so we set into motion some minimum national standard and allow the States to carry out this minimum standard and add to it anything the States might want.

As I say, the 1.3 million-member National Association of Realtors is in support of this amendment. And the group that regulates them is in support of the amendment as well. Today, subprime mortgages are 30 percent of all the mortgages in the largest State in the Union. Thirty percent of every mortgage is subprime in California. This is a community because they are mainly working class, not necessarily college graduates, who are eager pawns for bad actors in the mortgage and lending business.

Now, having said that, not all brokers are bad actors; many of them are honorable professionals. The fact is, this is a profession. This is what you do as a mortgage broker, as a lender.

You should have standards. You should have to pass a test. You should have to get a license, and you should have to renew that license periodically. How else can you be able to go out, get on a phone, call people and say: Look, I can refinance your house at 4 percent. You bring in the eager homeowner, and then the reality is something very different.

These bad actors must be stopped. There is only one way to stop them; that is, have minimum Federal standards, allow the States—and in my State it would be the Corporation Department that would do this, that sets up the licenses, that sets up the training. And individuals would go through the training, they would have their background checked, they would get a license, and the license would go up for renewal annually.

Some object to it. My goodness, attorneys have to renew their licenses. Why not someone who puts out mortgages which is very often everything an individual owns? Why is it not important for them to have a license and have that license renewed?

Once again, I would like to tell you about this family. I do so because I met them in Los Angeles last week. This is the Simmons family. Look at their house. It is not a mansion. It is a one-story, well-kept stucco home with flowers planted, bushes trimmed.

The gentleman, Mr. Simmons, was an employee of Northrop Grumman for 20 years; his wife employed as a food checker at Alpha Beta for 26 years. They have owned this home for 39 years. Mr. Simmons had a stroke. They found they needed cash. They received a cold call, a phone call from somebody. They wanted $500,000, to be able to get a loan, take this out, use it for medical expenses.

They offered them a $629,000 loan with $25,000 cash back, 4.5 percent interest rate, and monthly payments of $2,000. Now, they are not college graduates. These are working people who did everything they could to buy a home, who have kept that home up for 39 years in good condition, and who today are going to lose that home.

And here is why: There was no cash back, different from what they were promised. The interest was 11.2 percent on this loan. The monthly payments were not $2,000 as they were told; it was $5,300. When they had to make the first payment, they called the broker and said: You told us $2,000. Why is it $5,300?

The broker said: It is only that for 4 months, to draw down the interest rate.

They said: Ok, I guess we can do it for 4 months. It was not only for 4 months, it was for the length of the mortgage. And the broker walks off with a $20,000 fee.

Now, in my book this is fraud. There are some who say: Oh, people get the papers. Let them read through them.

You have bought a home, Mr. President. I have bought a home. I did not read all of the fine print on all of the documents. I depend on the word of the broker. And I believe most people do that.

Now, I am not a lawyer. I do have a college degree. What if I only had a high school degree or not even that? I worked all my life. I do not understand the fine print. This is why you have professionals representing you to tell you the truth.

There is a penalty—should be—if they do not tell you the truth. Buying a home should not be a scam. Refinancing a home should not be a scam. So we then went on the Internet. Let's see what companies advertising to employ brokers say. And here is one of them. Here is the source. We accessed it on February 27 for brokers: No experience, education, or exam is necessary. No experience, education, or exam is necessary.

They go on to say to the company: You can hire unlicensed sales agents to originate loans under your company license.

I do not think they should be able to do that because it is these people who pick up the phone and call the homeowners and offer that second mortgage. Particularly in the subprime market, where many people have very little, if any, downpayment, this presents enormous difficulty.

Consequently, we have a real problem. I hope this amendment passes today. Perhaps some people do not like this or that. It can be worked out in conference. But when we are passing this bill, we ought to pass something that says once and for all the Federal Government is willing to step in, set minimum standards; you, the State, set up your laws, set up your licensing requirements. These are the minimum standards, and you can add to them and see that those people, mortgage brokers and lenders, are licensed.

The legislation also creates a database so that I, Joe Doe, about to buy a house, can go into my computer, if I have one, and see that my mortgage broker is licensed, know that he has been to school, know that he has been informed of ethics, know that he does not have a felony background right now, you can have a felony background—and know that his license is renewed annually so he is kept up to date on ethics and best practices.

This industry, real estate, because it controls such a large proportion of most people's wealth, their homes—their home is their rock. Everything flows from that home ownership. And for most people buying a home is truly the American dream. Owning, having that equity, building that equity over the years, being able to finance retirement from the equity in a home when they choose to sell it is such a big deal. And to have bad actors, flim-flam artists going around suckering in people makes me angry. So I would hope this body, on behalf of Senator MARTINEZ and me, will be willing to pass this legislation today.

I ask unanimous consent to add Senator KLOBUCHAR as a cosponsor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). Without objection, it is so ordered.

Mrs. FEINSTEIN. I ask unanimous consent to add to the RECORD letters from the State Bank Supervisors and the National Association of Mortgage Brokers in support of this amendment.

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

CONFERENCE OF
STATE BANK SUPERVISORS,
Washington, DC, April 3, 2008.

DEAR SENATOR: The Conference of State Bank Supervisors (CSBS) supports the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S. 2595 the SAFE Mortgage Licensing Act of 2008) introduced by Senators Feinstein and Martinez.

The SAFE Mortgage Licensing Act of 2008 will help protect borrowers from unscrupulous lenders and brokers and improve transparency in the mortgage lending process. CSBS encourages Congress to include this bipartisan reform in a legislative package to address the current mortgage crisis.

State regulators recognize that this reform effort builds on state initiatives to modernize our mortgage regulatory system. Specifically, the legislation establishes a nationwide mortgage lending database that coordinates with the Nationwide Mortgage Licensing System currently being operated by CSBS and the American Association of Residential Mortgage Regulators (AARMR).

By January of this year, 42 state agencies representing mortgage regulators in 40 states have signed a statement of intent indicating their commitment to participate in the CSBS/AARMR Nationwide Mortgage Licensing System. Eventually, CSBS and AARMR expect all 50 will transition onto the System. The System successfully began operations on January 2, with 7 states launching the system. An additional 9 states will be on by the end of 2008 with the rest of the states rolling on in 2009 and beyond.

Again, we strongly encourage you to include the provisions of the SAFE Mortgage Licensing Act in legislation designed to resolve the current mortgage crisis.

Sincerely

NEIL MILNER,
President and CEO.

NATIONAL ASSOCIATION OF REALTORS,
Washington, DC, April 3, 2008.

Hon. DIANE FEINSTEIN,
U.S. Senate,
Washington, DC.
Hon. MEL MARTINEZ,
U.S. Senate,
Washington, DC.

DEAR SENATORS FEINSTEIN AND MARTINEZ: On behalf of over 1.3 million members of the National Association of REALTORS, I want to share our views on the SAFE Mortgage Licensing Act amendment offered by Senators Feinstein and Martinez.

We believe this amendment will go far toward preventing another subprime market failure that would further erode confidence in the Nation's housing finance system. While responsible subprime lenders have played an important role in helping millions of consumers achieve homeownership, abusive subprime lending has occurred much too often. As a result, roughly 2.2 million American households have been projected to lose their homes and as much as $164 billion due to subprime mortgage foreclosures.

Many of the provisions of the amendment are consistent with NAR's ''Responsible Lending Principles.'' We believe our principles provide an appropriate basis for legislation that would help eliminate irresponsible practices such as making loans without sufficient regard to the borrower's ability to repay the loan and avoid foreclosure.

The National Association of REALTORS supports responsible lending, mortgage servicing and appraisal practices. We support this amendment that will help close the door on abusive lending practices.

Sincerely,

RICHARD F. GAYLORD,
2008 President.

Mrs. FEINSTEIN. I yield to the distinguished Senator from Florida, Mr. MARTINEZ.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MARTINEZ. I thank the Senator from California. What a pleasure it is to work with the Senator on this bill, this important piece of legislation. She has stated it so well.

I want to perhaps go over a few items I think ought to be also said. I know when I first became Secretary of Housing and Urban Development I was shocked at the role, ever-increasing and prominent role, that mortgage brokers play in the home purchasing process.

When there is such a close working relationship with a customer—there are issues that deal with premiums, there is the question of fiduciary responsibility—all of these issues arise because of that relationship, and oftentimes it is the closest point of contact with the customer. And many times they are the most vulnerable of customers.

So that is why I am delighted to join with the Senator from California in the Safe Mortgage Licensing Act. I hope, like her, that we can get at it and talk about it, and I would like for us to work with the managers of the bill. I know there are some concerns that the Senator mentioned perhaps that can be resolved in conference. But I look forward to working with the bill managers toward the resolution of those small issues that may remain.

With foreclosures at record levels and home prices in steady decline, we must act quickly to restore consumer confidence in the housing market. Florida has the dubious distinction of ranking No. 2 in the Nation in foreclosures. In February, Florida had one foreclosure filing for every 254 households, up more than 7 percent from January's rate—truly frightening.

Last year, more than 2 percent of Florida's households entered some form of foreclosure, and that is a 124-percent increase from the year of 2006. Many of these foreclosures can be attributed to predatory lending practices

of unscrupulous mortgage brokers. And while the mortgage broker industry ought to be commended for supporting this bill, and to my own profession of law, there are always bad actors out there. That is what this is getting at.

Let me point out, in the State of Florida we have the dubious distinction of leading the country when it comes to foreclosures. This is the list of the top cities across the country. And you can see why the Senators from Florida and California are here talking about this. We have been hit hard.

No. 1 leading the country is Cape Coral-Fort Myers, FL, at 5.8 percent. Then we have No. 2, which is Port St. Lucie, FL, at 3.9 percent. Then Miami, Miami Beach, and Kendall at 3.1 percent; Fort Lauderdale, Pampano, Deerfield Beach at 3 percent. And then after a couple of California communities and Ohio, we have Naples-Marco Island, FL, at 2.7 percent. This is concentrated in some of the better areas of Florida where home prices have been in a dramatic rise for many months and years in the recent past.

The current system provides little coordination between State regulators and, therefore, exposes consumers to predatory loan originators who have crossed State lines. The creation of a nationwide system will eliminate bad actors by keeping track of those who violated the law, had their licenses revoked or failed to fulfill appropriate educational requirements that will benefit families and eventually the marketplace.

It would give home buyers more transparency and more peace of mind as they make one of the most important decisions and, frankly, maybe the largest financial decision of their lives. The SAFE Mortgage Licensing Act would, for the first time, establish a national professional licensing standard for mortgage brokers and lenders. This would ensure that all mortgage professionals are trained in Federal lending laws, ethics, consumer protection, and subprime market lending. The legislation also would create a national database that consumers can use to verify the credentials of the brokers and lenders. This amendment would require all residential mortgage loan originators to be licensed, provide fingerprints, and a summary of work experience, and consent to a background check.

States are given 12 months to develop licensing standards to ensure that applicants meet the following minimum criteria: No felony convictions; no similar license ever revoked; a demonstrated record of financial responsibility; successful completion of educational requirements; and passage of a written exam. If this does not occur, the Housing and Urban Development Secretary is empowered to develop the national database and license, generating revenue for its implementation through fees to license applicants. The Federal Reserve, Treasury, and FDIC must also register all residential mortgage loan originators employed by national banks within 12 months of this legislation being enacted.

The SAFE Act has been endorsed by mortgage regulators in 40 States, and the National Association of Realtors agrees with and supports this amendment.

I thank the Senator from California for working with me on this important piece of legislation. We need to do more to empower families who have worked hard, who look to home ownership as an important piece of their American dream. While there are details to be worked out, I look forward to working with Chairman DODD and Ranking Member SHELBY to see if we cannot eliminate any concerns that might be out there. We don't want to throw the net so wide it may ensnare people for whom we are not intending this to be their concern, but we also are committed to getting this done. This is an important step forward. I look forward to moving the process along.

I appreciate working with the distinguished Senator from California.

I thank the Chair, yield the floor, and suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. KYL. Mr. President, I ask unanimous consent that the pending amendment be laid aside for the purpose of my offering an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 4407 TO AMENDMENT NO. 4387

Mr. KYL. Mr. President, I ask that amendment No. 4407 be called up. I believe it is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 4407 to amendment No. 4387.

Mr. KYL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to adjust for inflation the dollar limitation for the principal residence gain exclusion)

At the end add the following:

TITLE __—PRINCIPAL RESIDENCE GAIN EXCLUSION

SEC. __01. INFLATION ADJUSTMENT FOR PRINCIPAL RESIDENCE GAIN EXCLUSION DOLLAR LIMITATION.

(a) IN GENERAL.—Section 121(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any calendar year after 2008, the dollar amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting 'calendar year 2007' for 'calendar year 1992' in subparagraph (B) thereof.

Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $1,000.''.

(b) CONFORMING AMENDMENT.—So much of subparagraph (A) of section 121(b)(2) of the Internal Revenue Code of 1986 as precedes clause (i) thereof is amended to read as follows:

''(A) LIMITATION FOR CERTAIN JOINT RETURNS.—Paragraph (1) shall be applied by doubling the dollar amount specified in such paragraph if—''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2008.

Mr. KYL. Mr. President, this amendment is actually very simple, and I think it will be another one of the things that we can do to help promote home ownership and the transfer of property to make it less expensive for people and, frankly, to advance a policy that we should have advanced a long time ago.

Most people know under current law they can exclude $250,000—for a married couple it is $500,000—from the capital gains when they sell their principal residence. In other words, even though you may make $250,000 on the value of your home when you sell it, that is excluded from the capital gains that would otherwise have to be paid.

You are limited by some requirements. You have to live in the home for 2 years. You have to own and occupy the home in 2 of the previous 5 years from the sale. But you are able to exclude from the capital gains $250,000. The problem is, as we found out with the alternative minimum tax, inflation can drive the value of this exclusion down.

So what this amendment does, simply, is index the exclusion for inflation. It is very simple. I cannot imagine it would be controversial. What this would do, of course, is to preserve the value of this deduction that we have all taken advantage of for the future and thereby encourage individuals to purchase a new home. Of course, much of what we are trying to do in this legislation is encourage home ownership but, more than that, encourage people to purchase homes or be able to transact the sale and purchase of a home.

There is another point I want to make, and it is important because some people have been caught in an innocent situation with regard to the foreclosures we are concerned about. People do not buy homes, for the most part, to make money. Now, it is true there were speculators in this red hot housing market and, obviously, we are in no mood to bail out speculators. But most people buy a home to raise their family, and they live in the home.

This exclusion, of course, requires they live in the home for 2 years out of 5 years before the sale. So we are not

talking about the situation where brokers would buy a home and then wait a couple months and flip it and sell it and make a big profit. This is for legitimate folks who bought a home to live in and have their family live in it and then sold it.

A large portion of a capital gain on a home is now inflation. That is the hard reality of it. I do not think any of my colleagues believe it should be subject to taxation. Unfortunately, inflation now is around 4 percent. It is growing faster than that. Therefore, for the future I think this is an important amendment as well.

So this amendment protects homeowners from unexpected changes in family status, employment, and health. It would help elderly taxpayers who sell their home and choose to move into less expensive housing during their retirement. Frequently, there is a capital gain on their longtime residence, and it would help them avoid having to pay a capital gains tax.

It clearly simplifies tax administration and record keeping. It would provide people with a much easier situation for acquiring a home.

Mr. President, there are some additional arguments that I could make. Let me cite a couple statistics. Then I am hoping I can perhaps engage some of my colleagues in a discussion to see if there would actually be a need to vote on this amendment or whether we could agree to it.

Let me cite a couple statistics. Usually we do not like to get into this much detail, but I think in this case it makes sense. We have seen housing prices now fall from what some call their bubble highs—the value that was driven up so dramatically, and now it has fallen. Alan Greenspan famously called it the froth in the housing market.

But housing prices are still much higher than they were in 1997. I think about my State. I think about the Senator from California, her State, and those States where property values appreciated, but a lot of that appreciation is now due to inflation.

Here are a couple of interesting stats: The median single-family home price in 1997 was $146,000. A decade later, in 2007, the median home price was $247,200—over $100,000 more in just 10 years. The median home price in California 10 years ago was $186,500, roughly. In February of 2008 it was $409,240—in other words, an increase of $222,750.

So, very clearly, there is a huge inflation factor going into the value of these homes, and we are going to have to pay capital gains tax on that above the $250,000 level if we do not index that amount for inflation.

So I could go on. I think it is so simple. It is a proposition that I would assume would have support from both sides of the aisle. There is nothing political about this, of course, and it would certainly help a lot of our homeowners at a time when we are searching for ways to do exactly that.

So I would pause at this point to see if anyone has any objection or questions about it. I will yield the floor otherwise. But I would love the opportunity to get into a discussion about it and see if there is any concern on anybody's part about it.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, if I may, let me say to my friend from Arizona, I do not know. I have asked Senator BAUCUS and Senator GRASSLEY, with matters involving tax policy, to come over and defer to them.

Mr. KYL. I appreciate that.

Mr. DODD. This is within their jurisdiction, and I just do not feel competent to address this as an issue. I am told by staff we are waiting for a score on this, how you would score it. That much I do know, that you have to score tax amendments. So I will let them come over and make a case for or against when they arrive. They should be here at some point to respond to the Senator from Arizona. I apologize to him, but I just do not feel—

Mr. KYL. Mr. President, I appreciate that. We have an estimated cost, but perhaps we should wait until my colleagues get here. I will be happy to discuss that aspect of it as well.

With that, if there is no further discussion, then I will be happy to yield the floor. But I certainly hope my colleagues will take a look at this amendment and join me in supporting this amendment for the benefit of homeowners all over the United States of America.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I ask unanimous consent to lay the pending amendment aside so I can offer the amendment I spoke on earlier today.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 4389 TO AMENDMENT NO. 4387

Ms. LANDRIEU. Mr. President, I call up amendment No. 4389 for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Louisiana [Ms. LANDRIEU], for herself, Mr. COCHRAN, Mr. VITTER, and Mr. WICKER, proposes an amendment numbered 4389 to amendment No. 4387.

Ms. LANDRIEU. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to allow use of amended income tax returns to take into account receipt of certain hurricane-related casualty loss grants by disallowing previously taken casualty loss deductions, and to waive the deadline on the construction of GO Zone property which is eligible for bonus depreciation)

At the end add the following:

TITLE __—HURRICANE-RELATED CASUALTY LOSSES

SEC. __01. USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN HURRICANE-RELATED CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.

Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer claims a deduction for any taxable year with respect to a casualty loss to a personal residence (within the meaning of section 121 of such Code) resulting from Hurricane Katrina or Hurricane Rita and in a subsequent taxable year receives a grant under Public Law 109-148, 109-234, or 110-116 as reimbursement for such loss from the State of Louisiana or the State of Mississippi, such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed and disallow such deduction. If elected, such amended return must be filed not later than the due date for filing the tax return for the taxable year in which the taxpayer receives such reimbursement or the date that is 4 months after the date of the enactment of this Act, whichever is later. Any increase in Federal income tax resulting from such disallowance shall not be subject to any penalty or interest under such Code if such amended return is so filed.

TITLE __—GO ZONE PROPERTY

SEC. __01. WAIVER OF DEADLINE ON CONSTRUCTION OF GO ZONE PROPERTY ELIGIBLE FOR BONUS DEPRECIATION.

(a) IN GENERAL.—Subparagraph (B) of section 1400N(d)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) without regard to 'and before January 1, 2009' in clause (i) thereof,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

Ms. LANDRIEU. Mr. President, I really appreciate the cooperation of the manager because this is a very important amendment for the gulf coast. It is an amendment I offer with the support of the Senators from Mississippi—Mr. COCHRAN and Mr. WICKER—as well as Senator VITTER from Louisiana.

We have been waiting for some time now for some housing bill to get to the floor of the Senate where we could offer a small number of amendments that are essential to give aid during the ongoing housing crisis that exists in the gulf today.

I say to the Presiding Officer, as you know, as you remember because you have been down to Louisiana, to New Orleans particularly—and we are very grateful for the support that so many Senators have given—throughout the gulf coast, literally from Mobile to Beaumont, and particularly from Biloxi to Cameron Parish, there is still a tremendous crisis in housing and reconstruction.

I am not going to belabor the point—only to say that I have had Secretary Chertoff on the record as late as 3 weeks ago, Chief Paulson today, the IG of the Homeland Security Committee today in Homeland Security saying the Stafford Act was not intended to handle catastrophic disasters and that FEMA has yet to make any substantial progress in getting ready to handle catastrophic disasters. They have made

moderate progress. They have made modest but not substantial progress.

Our people need substantial everything. They needed it yesterday. They need it today. This amendment will help them get a little bit of it now. My amendment basically will allow the people of Mississippi and Louisiana and Texas and Alabama—those who are affected by Katrina, Rita, and Wilma, which was one of the worst seasons of hurricane disaster, in 2005—to basically receive the aid we have already sent to them through the community development block grants. In Louisiana we call it the Road Home Program. These programs were designed at the State level, but they were funded by us. In Mississippi it is called the Mississippi Homeowner Assistance Program. It has literally sent direct lifesaving aid to over 150,000 families in Louisiana and about probably 50,000 to 75,000 in Mississippi. I do not have the Mississippi numbers.

My amendment will help to correct this great injustice that is occurring now. We did not intend for this to occur, but it is going to occur if this amendment or something like this amendment is not adopted.

We sent under a design, basically designed by this Congress, an approximately $150,000 grant to homeowners to help close the gap between what their insurance covered and the total cost of their loss. As I have said many times, homes that were worth $1 million or $2 million were totally destroyed, as well as homes that were worth $50,000.

Many of these homes were not in the flood plain. They were not required to have flood insurance. They were destroyed by the failure of a Federal levee system that collapsed, as well as historic highs of flooding and water coming from Hurricane Rita, which was one of the toughest and most aggressive storms on record.

So the long and short of it is, when we sent this $150,000 grant—we are still in the process of sending it. It has been very slow, very frustrating, and just so aggravating to so many people who are holding on by their fingernails to try to save what equity they had in their homes, which, as you know, for most American families that is their personal wealth. I think 95 percent of all Americans have almost 100 percent of their entire personal wealth tied up in their home. So this issue of helping homeowners in the gulf coast is literally trying to help restore to them a lifetime of work. In some instances, generations of work have been lost in this storm.

Now, we are not making everybody whole. Believe me, there has been enough pain in the gulf coast to go around for a century or more. But what happens is, when they receive their $150,000 grant—and most people have received an average of about $65,000. The authorized level is $150,000, but you have to qualify for that amount. So the average is about $60,000, which sounds like a lot of money, but if your house was worth $500,000, and your insurance has refused to pay you, it is not a whole lot of money to rebuild your house with labor costs that are going up at 20 percent or more since the storm.

So what is happening now is, when they receive these grants—and under the tax law, they can take a casualty deduction. If they did that last year, what happens this year—by April 15, which is in about 2 weeks—for that family who makes $75,000 a year—let's say the Smith family—let's take the Jones and Smith families. They make about the same amount of money. One family this year who took the casualty loss deduction is going to have to pay $24,000 in taxes. The family only makes $75,000, if they are lucky enough to have the job they had before Katrina and Rita struck.

Now, this amendment is not cheap. I make no bones about it. It is about $1 billion. It can be done on an emergency basis. This most certainly is an emergency in housing.

So that is the essence of the amendment. The Finance Committee is well aware of it. We have been talking about it with them for over a year now actually. We have just been waiting for a time to get it fixed.

Now, again, this is an emergency. It is a real problem. It is almost April 15. We have, I would argue, families in America who need the most help on housing. I feel very sorry for people who are losing their homes in foreclosure, and I am not even going to try to say whether they are suffering more than the people in the gulf south. All I can say is the people in the gulf south didn't take out any adjustable mortgages. The people in the gulf south, most of them had already paid their 30-year mortgage. They own their house scot-free. They paid for it. Now they have lost everything, and we are trying to help them, but in my view, everything we try to do to help them kind of—sometimes it turns out to not help them as much as we would like. There is no textbook. There is no Stafford Act. There is no way to help people who lost everything because of levees that should have held but didn't. We are making it up as we go along, and this is part of my job here to do this. So we have to fix this, and that is what this amendment will do. I am very proud that the Senators from both States have agreed to cosponsor this.

On behalf of Senator COCHRAN, at his request—and I am happy to support it—there is also a small change in this amendment which will allow this deduction—this goes on the accelerated depreciation piece that we gave to help some of our businesses. We lost 20,000 businesses that weekend. I think Mississippi lost 1,800. That is a lot of businesses to lose over a weekend. To help those businesses and people get back on their feet, this Congress extended to them a way to accelerate their depreciation, but we said: The way to get that accelerated depreciation is you have to start your project by a certain time and finish by a certain time. The problem is, the recovery has been so much slower than everybody anticipated because we have never really gone through this catastrophic situation. Senator COCHRAN is right when he says we should eliminate the start date. We are not asking for an extension, so technically it really shouldn't add money. We are not asking to extend it to any time or to let a lot of new people come in. But for the same universe, just don't make them start their project the way it said, but let them end it. That is also in my amendment. So we will solve two big problems: We will help our businesses, many small businesses, get the full benefit of what we wanted to give them anyway, actually work for them, and we will make this grant program work for them.

Now, let me be clear. When we pass this amendment, which I hope we will do by unanimous consent or get a large vote on it because I think we really should do it in a bipartisan way, the people to whom we give this tax break—this will lower their rate to their regular rate they will have to pay. They have to go back and reimburse the Treasury for that deduction they took. So, in other words, we are not allowing them to take two benefits. They are going to have to lower their tax this year, eliminate the tax on Road Home, and go back and pay the Federal Government the benefit they took. Their CPAs will have to figure that out. But if we don't do this, there will be people who will be stuck with a tax bill they could not possibly pay, and they shouldn't have to; they have suffered enough.

So I know the Senator from Connecticut, the chairman of the Banking Committee, knows full well what is happening down in the gulf. This is only one thing we are attempting to fix. I have several other amendments I intend to offer, if my colleagues would allow me, at an appropriate time, but this is the amendment I wanted to get in. April 15 is right around the corner, and they need to know what our intention is. This will help so many people. I appreciate it. I will ask for this amendment to be voted on when the first group, however large that group is—2, 5, 6, 10—whenever the first group of amendments is voted on, I would like for this to be included in that group. I ask unanimous consent for that to be the case.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Mr. President, I will repeat for the Senator from Connecticut that I will be happy to take this amendment whenever, but I would like it to be voted on in the first group of amendments, however big that group is and whenever that group will be taken up.

Mr. DODD. Mr. President, if I may, reserving the right to object, I would say to my colleague, this is a tax

amendment, and I am very carefully deferring any questions regarding tax matters to the Finance Committee, to Senator BAUCUS and Senator GRASSLEY, as to how they want to proceed. So I really would be hesitant about agreeing to—no votes have been agreed to on anything at this point. I would strongly recommend that my colleague from Louisiana talk to Senator BAUCUS about this.

Ms. LANDRIEU. I appreciate that. Let me tell my colleague that I have, and it is included in their tax package. So just so the Senator from Connecticut knows, I will not agree to any votes going forward unless this amendment is in the group. So I am fine, and I will just stay here. The Finance Committee is well aware of this, and they have actually put it in their package. My concern is that their package may not ever really sort of get to the floor. There are some things in that package that I think really need to be voted on. So that is OK. I will just stay here, and we will work on what we can do. I really appreciate it.

Mr. DODD. Mr. President, further, having spoken with Senator BAUCUS and his staff on this matter, they are trying to accommodate the various amendments that are being posed in the area the Senator is also suggesting some ideas for, and I think they are desirous of accommodating as many as they can, provided it can be worked out. I don't know enough about this to say any more than that. They are working on it. It might make more sense to work with them to make sure we are OK.

Ms. LANDRIEU. Mr. President, again, I just want to be clear that I would expect this to be in the first group of votes that are taken as we proceed on this bill. Whether it is 2 or 3 or 10 or 20, this needs to be in it or I will object to going forward. Thank you.

The PRESIDING OFFICER. Does the Senator withdraw her unanimous consent or is there objection?

Mr. DODD. I have to object to any unanimous consent request at this time.

The PRESIDING OFFICER. Objection is heard.

Mr. DODD. Does my colleague from Louisiana need to be heard any further on the amendment?

Ms. LANDRIEU. No. Thank you.

Mr. DODD. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4401 TO AMENDMENT NO. 4387

Mr. SANDERS. Mr. President, I ask unanimous consent to lay the pending amendment aside so I may call up my amendment No. 4401 and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. SANDERS] proposes an amendment numbered 4401.

Mr. SANDERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish a national consumer credit usury rate, and for other purposes)

At the appropriate place, insert the following new section:

SEC. ____. NATIONAL CONSUMER CREDIT USURY RATE.

Section 107 of the Truth in Lending Act (15 U.S.C. 1606) is amended by adding at the end the following:

''(f) NATIONAL CONSUMER CREDIT USURY RATE.—The annual percentage rate applicable to any extension of credit may not exceed by more than 8 percentage points the rate established under section 6621(a)(2) of the Internal Revenue Code of 1986, as determined by the Board.''.

Mr. SANDERS. Mr. President, this amendment is extremely important because it addresses not only the foreclosure crisis we are seeing in this country, but it is also an issue that impacts millions and millions of Americans every single day of their lives well above and beyond the housing crisis.

What this amendment essentially says is the time is long overdue for this Congress to have the courage to stand up to the banks, credit card companies, and mortgage lenders who are charging outrageously high interest rates and ripping off the American people. I know when I go back to Vermont, I talk to people who say: Why is it I am paying 20, 25, 28 percent interest rates on my credit card? I can tell you, as a former member of the Financial Services Committee in the House, we heard horror story after horror story about payday lending.

We know mortgage brokers are, in some cases, bringing forth unscrupulously dishonest packages that drive interest rates up far beyond what should be charged in this country. This is an issue we must address, and now is the time to do that.

Specifically, this amendment would cap all interest rates at 8 percent above what the IRS charges income tax deadbeats. Currently, the IRS charges a 6-percent interest rate to Americans who are late on paying their income tax returns. The IRS adjusts these rates every quarter based on the Federal funds rate. If the Federal funds rate rises, the interest rate the IRS charges late filers goes up as well. If the Federal funds rate goes down, so does the interest rate the IRS charges late filers.

If the amendment I am offering were to become law today, all interest rates would be capped in this country at 14 percent, including subprime mortgages, credit cards, auto loans, payday loans, and income tax refund anticipation loans.

Why 14 percent? How did we come up with that magical number? Well, it is interesting. I will tell you why we came up with that number. In 1991, our former colleague, the Republican Senator from New York, the former chairman of the Banking Committee, as I recall, Al D'Amato, offered an amendment that would cap credit card interest rates at 14 percent. Senator D'Amato was not remembered as a radical extremist. He was the chairman of the committee. Here is what is interesting. That amendment to cap interest rates at 14 percent for credit cards won on the floor of the Senate by a vote of 74 to 19; it was not even close. It had strong bipartisan support.

If I might, obviously, 1991 was a while ago and many people who served are no longer here. But a number of people who served in 1991 are still here today. These are the people who voted in 1991 for the D'Amato amendment to cap credit card interest rates at 14 percent in alphabetical order: Senators AKAKA, BAUCUS, BIDEN, BYRD, COCHRAN, CONRAD, DODD, DOMENICI, GRASSLEY, INOUYE, KENNEDY, KERRY, KOHL, LAUTENBERG, LEAHY, LEVIN, LIEBERMAN, MCCAIN, MIKULSKI, REID, ROCKEFELLER, SHELBY, SPECTER, STEVENS, and WARNER. Those 25 Members, in 1991, voted to cap interest rates at 14 percent on credit cards.

In truth, this amendment goes beyond credit cards to other areas where people are today paying very high interest rates. Similar to my amendment, the D'Amato amendment of 1991 was also pegged slightly above the interest rates for late income tax filers. We are using the same formula D'Amato used.

Let me quote Senator D'Amato on the floor in 1991:

> Fourteen percent is certainly a reasonable rate of interest for banks to charge customers for credit card debt. It allows a comfortable profit margin but keeps banks in line so that interest rates rise and fall with the health of the economy.

Other people went to the floor and also spoke on this issue. Senator LIEBERMAN spoke on it and Senator DOMENICI spoke on it as well.

What I say to my colleagues is, if this legislation, which passed with overwhelming support in 1991, made sense then, let me tell you, it makes a lot more sense today. A recent report published by Tamara Draut, the director of the Economic Opportunity Program at Demos, found that one-third of all credit card holders in this country are paying interest rates above 20 percent and as high as 41 percent—more than double what they paid in interest in 1990. So if we had over 70 Members of the Senate voting to cap interest rates at 14 percent in 1991, today the vote should be even higher because the crisis is far more severe.

Between 1989 and 2006, Americans' overall credit card debt grew by 315

percent, from $211 billion to $876 billion. All over this country, people who are not earning enough money to pay for basic needs are buying groceries and gasoline to fill up their car with credit cards. And then, in turn, what happens is they are paying 20, 25 percent interest rates, and we have the cycle of misery going around and around, where they are too poor to pay with cash, so they pay with credit, and credit card interest rates are soaring, and they go deeper into debt.

I know this is a hard vote. It is no secret to anybody in the Senate that the financial services industry is enormously powerful. But it is time for us to think about the folks back home who are going deeper into debt and to stand with them and put a cap on interest rates.

One-third of low- and middle-income families reported going into credit card debt to pay for rent, utilities, and food in 2006. That same year, Americans charged $51 billion worth of fast food on their credit card, a 29-fold increase since 2001.

All of this, and more, has allowed credit card companies to earn $90 billion in interest in 2006 alone. I will repeat that.

But credit card companies are not the only ones charging outrageous interest rates. That is why this amendment I am offering expands on the D'Amato amendment to cover all forms of loans.

For example, the Center for Responsible Lending has found some American consumers are paying interest rates for payday loans as high as 800 percent. I think all the Senators understand this. These types of outrageous interests should not be allowed to continue. When the Federal Reserve has slashed the Federal funds rate five times, from a high of 5.25 percent to 2.25 percent, credit card interest rates should be going down, not up. Interest rates for payday loans should be going down, not up. If the Fed is cutting interest rates, how in God's name—and why—are people paying higher and higher interest rates on their credit cards, their mortgages, and in other areas?

One of the reasons for this scam, this rip-off, is the virtual lack of regulation in this country when it comes to interest rates. For example, credit card companies are able to raise interest rates at any time for any reason. I suspect I am not the only Member of the Senate who talked to a constituent who said: I pay my credit card bill on time every single month, and I used to be paying 9 percent, but now they raised it to 14 percent. What did I do wrong? Why are they raising my interest rates?

Every Member of the Senate has, himself or herself, received, along with everybody else in this country, all these fancy prospectives that come from the credit card companies, saying zero percent interest rate or 2 percent interest rate. But they forget to tell you in big bold print what is in the little print on page 4: They can raise interest rates any time for any reason. You don't even have to be late paying your phone bill or rent. They can raise it for any reason whatsoever.

One of the interesting facts, in terms of credit cards, is people would be stunned to know that the credit card companies send out, every single year—do you know how many of these things they send out? Four billion. We are a country of 300 million people. I thought I was getting all of them but apparently not. They seem to come to my house twice a day. Apparently, others are getting them as well. They send out 4 billion of these fancy brochures, urging you to buy into the credit card thing and it costs them a fortune. But, obviously, they can afford to do that because they are ripping off the American people, and they are charging 20, 25, and 30 percent, in some cases, in interest. This is unacceptable behavior. Lenders should not be able to raise interest rates at any time for any reason.

I am not going to go into a religious theme now. I am not going to do that. But I know the Presiding Officer is a religious person and probably more familiar with the Bible than I am. But he will know that the word ''usury'' is mentioned in the Bible on many occasions. I will not quote from them, but in Leviticus chapter 25, verses 35 to 37, the issue about usury rates is, in fact, addressed.

I will talk about Dante's ''Divine Comedy.'' In the ''Divine Comedy'' by Dante, he speaks about a special place for people who charge usurious interest rates, and that is the inner ring of the Seventh Circle of Hell.

I don't particularly wish that on the banking industry and all the lobbyists who come here every day. I don't wish that on them. But I do wish they would take a deep breath and understand that this is not just an economic issue, it is a moral issue. People who are struggling to pay their bills, who are going into debt, through no fault of their own, should not have to pay 25 or 30 percent interest rates.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

Mr. SANDERS. I will be very happy to yield to the Senator from Illinois.

Mr. DURBIN. I direct my question through the Chair to the Senator and thank him for offering the amendment and say to the Senator from Vermont that over a year ago, while making a phone call to someone in a financial institution in New York on an unrelated issue, the person said to me: Watch out for subprime mortgages. It did not register with me, but I should have paid closer attention. A few months ago, while making a similar call to a financial institution in New York, the fellow said: Watch out for credit cards because people are shifting their debt now into credit card debt with the sky-high interest rates.

Many people listening may ask what is this about. This is supposed to be about housing. It is not about housing. It is about the credit vulnerability of America. Housing is the first canary in the cage the Senator shared, if he will allow me to use that analogy. Credit cards will quickly follow.

I say to the Senator from Vermont, when we debated bankruptcy reform on the floor of the Senate 3 or 4 years ago, the credit card industry was pushing that bill because they wanted credit card debt to survive bankruptcy so you could carry it to the grave. I put a provision in that bill that said on a monthly statement for a credit card asking for a minimum monthly payment, you have to disclose to the person holding the credit card how long it would take them to pay off the balance if they paid the minimum monthly payment. The credit card industry refused, saying it was technically impossible to calculate. Does anybody believe that?

I say to the Senator from Vermont, they had a feature on ''NOVA,'' which I think is an extraordinary program, about credit cards. They heralded this one man who is the guru of credit cards who dreamed up lowering the percentage of minimum monthly payments from 5 percent a month to 2 percent because he created an endless stream of debt. If you pay 2 percent, you will never catch up with yourself. You will pay debt forever.

So those who think this amendment of the Senator from Vermont is unrelated to our conversation about housing are wrong.

The last point I will make is, I thank the Senator from Vermont for mentioning payday loans. They rip off members of the military like no other entity in America, and they are a blight on America's credit horizon.

I thank the Senator for offering this amendment. My question is, Can I sign on as a cosponsor?

Mr. SANDERS. With pleasure. I thank the Senator from Illinois.

Mr. President, I will conclude because the Senator from Illinois made the point better than I can make it. Every Member of the Senate knows this is a huge issue. In their heart, every Senator knows there is something immoral, that there is something outrageous about hard-working people paying 25, 30 percent, especially at a time when the Fed is lowering interest rates.

I say to my colleagues, it is no great secret. The financial services industry is very powerful. We all know that. They make huge campaign contributions. They have a lot of power here. But I hope that on this amendment, we have the courage to stand up to them.

In concluding, I remind my colleagues that in 1991, when Senator D'Amato offered a similar amendment, there was overwhelming bipartisan support. The American people want us to act on this issue. As the Senator from Illinois indicated, this is directly related to the housing crisis, and I think it is time we move forward and put a cap on interest rates.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mrs. MCCASKILL. Mr. President, I commend Senator SANDERS on his amendment and look forward to supporting it. We have a lot of work to do on credit cards. It is much worse than people realize in terms of some of the practices the credit card industry has employed. One of my favorites is trying to lure people to their limit on credit, and when they get them there, raising their interest rates and telling them: Well, you are at your credit limit.

I can give many examples of how that practice is utilized, including sending people the check already made out so if they sign their name on that check and use it, then they are at their credit limit and up pops their interest rate. All kinds of tricks are used to try to—by the way, don't ever try to pay off a bunch of credit cards because it is hard to pay them off. First, they don't want you to pay in full every month and they don't want you to pay them off. For gosh sakes, they don't want you to cancel a card. They will immediately take notice you lost your card because they are on the hook. In fact, I pointed out in one of the hearings we had to the credit card executives, the only thing that is easy to understand on this is the first line which says if you lose your credit card or your credit card is stolen, call this phone number because they know they are on the hook if the credit card is lost or stolen, so they are interested in you getting to them in those circumstances. All the other circumstances you press this number and maybe you will get someone who will talk to you after you have hung on the phone for 2 hours.

I do not rise to talk about credit cards today. I rise to talk about reverse mortgages. I have an amendment that will be called up at a later time. I am proud we have been working on this amendment. We had a hearing on this subject in the Aging Committee. We have been working with Senator SHELBY and his staff. We have been working with HUD. AARP has been helping with this amendment. They did a massive report that they issued about reverse mortgages.

If we look at the subprime mess and sit back and say, what caused the problem, the root of the problem is the people selling the subprime mortgages had no risk. If you have a risk, you are careful. If you have no risk, then it is very simple: I just have to close the sale.

We are doing the exact same thing with reverse mortgages. If you are watching any cable TV—and probably way too many people in this Chamber are watching way too much cable TV right now because everybody is watching the cable news channels because we are all addicted to the Presidential race and every twist and turn it encompasses—if you are watching any of the cable news shows, you are seeing advertisements over and over again by Robert Wagner, Pat Boone, and all these familiar, trusted faces saying: You know, don't miss out. There are advertisements that are being marketed to elderly people across this country that are saying: Don't pass up this Government benefit you are entitled to.

I have to tell the truth, I don't think anybody envisioned reverse mortgages were going to be called ''a Government benefit you are entitled to.'' Why are they saying that? They are saying that because ultimately the taxpayers are on the hook for these loans.

Guess what. The people who are selling them are making commissions, and they have no risk. We kind of like these reverse mortgages around here because, guess what, we make some money on it, too. That is, the Federal Government. So there is a push to lift the lid on how many reverse mortgages can be marketed to elderly people because the Federal Government is getting some of the money when they are sold. But we are going down a dangerous path because we are marketing a product that is complicated and expensive to the most vulnerable population in America.

For many of these elderly people, all they have is their home. For many of these elderly people, they do not have a loved one with whom they can talk about whether this financial instrument is a good idea.

Don't get me wrong, some reverse mortgages are good and they may be appropriate in some circumstances. But here is what is not appropriate: We require counseling. We have appropriated a whopping $300 million for counseling. They have to have counseling in every case, so guess who is paying for the counseling? Bad news: The lenders are paying for the counseling. So the same people who want to close the loans are paying the counselors who are supposed to be giving these elderly people advice that is unbiased as to whether this is a good idea for them.

The amendment will step up to the plate and say we are not going to repeat the subprime fiasco with the Nation's ''greatest generation.'' We are going to, in fact, fund the counselors so they get good, independent information. We are going to make sure those counselors are certified. Right now, they can have a criminal record, they can have no training. This is the wild, wild west out there selling a financial product that is expensive and complicated to our elderly. It does not take a rocket scientist to figure out that is a dangerous combination.

The other thing this amendment does is it is going to prohibit someone who is marketing one of these reverse mortgages from being able to sell another product. Believe it or not, there are actually some people who are sitting down with elderly people right now in America saying: We are going to get you a reverse mortgage and, by the way, at the same time, we are going to sell you a deferred annuity. I don't know how these people look themselves in a mirror.

We had a witness in front of our committee whose mother was in her eighties and sold a deferred annuity and a reverse mortgage at the same time. It is unconscionable to make the sale and make the money. It is a get-rich-quick scheme for some of these sales people. If we can provide certified counselors who are truly independent to make sure that every elderly person understands exactly what they are getting into, and if we can make sure they are not being marketed products that are inappropriate by the same people who are selling them reverse mortgages, and if we can make sure we are not closing a blind eye to this because we are benefiting in the short run from the marketing of these products, then I think reverse mortgages have an appropriate place as one potential help to people in their elderly years who need to get the equity out of their homes for emergencies or medical bills or even to send a loved one to college. Right now, it is a dangerous situation.

I look forward to hopefully having unanimous, bipartisan support for this amendment. As I say, HUD has been very helpful in drafting this language, along with AARP, along with our colleagues on the other side of the aisle. It is well thought out. I think it is very appropriate, noncontroversial. It is not opposed by the industry. There are many good guys who are doing this work. We want to make sure we are protecting the elderly from the bad guys and making sure we are not standing here 5 years from now saying: Why didn't we do something about reverse mortgages? It is the same kind of dangerous mix we have in the subprime mortgages.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The chairman of the Banking Committee.

Mr. DODD. Mr. President, before our colleague from Missouri leaves the floor, I thank her. She has done a terrific job on this proposal. I know she is working with Senator SHELBY and others on the committee in crafting this proposal in a way that can make a difference.

Our colleague is absolutely correct in describing this problem. It is despicable in many ways how people are being lured into arrangements they cannot afford. It would be devastating for them economically. I thank her for the proposal and let her know we are going to do everything we can in these hours of trying to work this out to accommodate this very important idea. She has put in tremendous effort on this issue and needs to be recognized. I thank the Senator from Missouri, and we will try to be helpful on this amendment. I thank the Senator for raising it.

My colleague from Vermont, Senator SANDERS, who has left the Chamber, offered his amendment. I listened to my colleague from Missouri. I spent the

last 20 years or so dealing with the credit card industry and various problems with it. I have not done terribly well, I might point out, trying to modify some of these ideas that have become outrageous. Senator CARL LEVIN of Michigan cares deeply about the issue as well. We have been preoccupied with the housing issue, obviously, in the Banking Committee over the last year, but we are also crafting legislation dealing with the credit card companies.

Many are doing the right things today. Some of the major companies are. I don't want to suggest here it is an indictment of every credit card company, nor do any of us have any objection to credit cards. It has been a tremendously valuable vehicle for a significant number of consumers. But an abuse of the process, and where literally they are targeting some of the most vulnerable people in our society and targeting them in such a way where the slightest delay, even an hour or so, can add significant cost, fees, and an interest rate climb, makes it virtually impossible for some people to ever get out from underneath their credit card debt.

The average person in this country today, an adult, has a revolving debt exceeding $9,300, getting close to $10,000, I was told the other day. And 95 percent of that is credit card debt. This is, obviously, heading in the wrong direction at a time when we have a negative savings rate and consumer debt is mounting. We need to be doing everything we can to make it possible for people to have credit cards, for the credit card industry to make a legitimate profit in that industry—that is critically important—but not to make it impossible for people to pay off these obligations and to get their lives in order.

This is one of the concerns I had with the bankruptcy bill a few years ago when it was adopted; that bankruptcy legislation made it so difficult for people with credit cards to get out from under those obligations if they took the bankruptcy act. So there are a lot of issues to talk about, and Senator SANDERS has raised an important issue and certainly Senator MCCASKILL has as well in talking about these problems. I want my colleagues to know that at some point we are going to craft legislation dealing with this issue in a comprehensive and thoughtful manner so we don't allow the abuses to go on where people never, ever can manage to climb out from under those obligations, saddling them with lifelong economic burdens and making it impossible for them to accumulate wealth and provide for the needs of their families.

So I appreciate very much their raising these concerns as they have this evening.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Nevada.

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

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

Mr. ENSIGN. Mr. President, I ask unanimous consent to set aside the pending amendment and call up amendment No. 4419 and ask for its immediate consideration.

Mr. DODD. Reserving the right to object, Mr. President, I see my colleague from Montana is here, and we need to see the amendment, first of all. I have no idea what the amendment is.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Nevada.

Mr. ENSIGN. Mr. President, the amendment I was attempting to offer is a bipartisan amendment on renewable energy at a time when our country is looking for cleaner sources of energy. We are also looking for more domestic sources of energy and at ways to help our economy. This housing bill is not just a housing bill, it is a bill to help our economy. It is a bill to keep us from going further into recession. The amendment I introduce is a bill Senator CANTWELL and I have worked on for the last several weeks because there has been an impasse on renewable energy legislation. The offsets that were included in the original bill were unacceptable. And because there are going to be very few vehicles that are moving this year, we are trying to get this amendment on this bill to try to get renewable tax credits included so it can be signed into law this year.

The problem is, if you wait too long on these renewable tax credits, these businesses will shut down because they require time in advance for planning and business development. So it is critical we get this done.

I know the chairman of the Finance Committee is working on a bill, he is working on some offsets, but the problem I see with what he is doing is it may not pass later on in the year, and it also may be too late. So this bill may be the best vehicle we have to ensure America becomes less dependent on foreign sources of oil and other energy sources. It may be the last chance we have to preserve over 100,000 jobs in the United States that have been and can be created in the renewables industry. And it may be the last chance we have this year to significantly help the environment in America.

So I appreciate that the Democratic chairman of the Finance Committee has objected to us bringing up this amendment, but we are going to continue to try to get this amendment on this bill. Mr. President, I think it is a mistake at this critical time for renewables and for our country that an objection has been made to our offering of this amendment at this time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, all of us are concerned about ways to protect and to make our country more self-sufficient in the production of energy. We have made many attempts on this floor, in fact a major bill was voted on last year and was actually one vote shy of the necessary 60 votes.

Many of us are working here, including the Senator from Nevada, as well as the Senator from Washington, Senator CANTWELL, to find a way to bring up a significant energy bill later this year. There are various candidate bills for that. One is something called the extenders, and I think that is one of several ways where we can get this done. Extenders is going to pass. That is not an idle bill. It is going to pass.

The amendment offered by Senator ENSIGN is unpaid for, and, to be honest, I frankly think the other body—some of them are called Blue Dogs—is not going to put up with it. We have to pay for an energy bill, and we are working on the offsets so we can get it paid for and so we can get it enacted into law.

So I think, at this point, it would be a mistake to bring up this version because it would not survive a point of order challenge, and I urge the Senator from Nevada to work with the Finance Committee, work with others together, in a concerted way, to get something passed rather than going solo and trying on his own to push something that is not part of a team but, rather, as an individual. Because individual efforts are not going to be as successful as team efforts, and so I urge the Senator to be a part of the team so we can get this thing passed.

Mr. ENSIGN. Will the Senator yield for a question?

Mr. BAUCUS. Through the Chair, I will be glad to.

Mr. ENSIGN. Mr. President, we have over 20 cosponsors of the bill we introduced today. It is a bipartisan effort. We are working as part of a team. What we are trying to do is work together.

So I would ask the Senator: With 20 Republicans and Democrats cosponsoring this bill together, does he consider them to be working as individuals or as part of a team? We will probably have over 50 cosponsors by the early part of next week. It seems to me that the way the Senate works is getting people together and not worrying about whether you are a Republican or Democrat but worrying about what is right for the American people. That is what we are attempting to do.

Mr. BAUCUS. I deeply appreciate the Senator wanting to be part of the team. There is another number here called 60. And it is my judgment that with more working together on measures with others, the greater the likelihood we will get this passed. We all want it passed. Let us do it in the context and in a forum in which we can get it passed.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

Mr. CARDIN. Mr. President, I ask unanimous consent that the pending amendment be set aside so I can offer an amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CARDIN. Mr. President, I ask unanimous consent to withdraw that amendment for a moment so we can make sure everyone has copies of it. I will use this time now to speak on the amendment, and then I will offer it when I have completed.

The PRESIDING OFFICER. The amendment is not yet pending.

AMENDMENT NO. 4421 TO AMENDMENT NO. 4387

Mr. CARDIN. Mr. President, the amendment I will be offering shortly, along with Senator ENSIGN, is an amendment that would try to help the housing market itself. It would provide a tax credit, a temporary tax credit just for this next year, for residential home purchases. It is for someone who is using the house as their primary residence. It would be a $7,000 credit spread out over 2 years. It would be aimed at trying to get people to buy homes today.

As I am sure you are aware and as has been explained on this floor, there is a glut on the housing market. There are so many homes that people are trying to sell, and potential buyers are reluctant to come in to purchase a home because they don't know whether the value will go down. They are waiting. They are sitting it out.

It was the housing market that triggered our current downturn in the economy. We need to pay attention to the housing market in order to get our economy back on track.

The intent of this amendment is to get more interest by home buyers so they will buy homes today knowing that the Government, through a tax credit, is covering some of their risks and making it more affordable for them to be able to buy a home. That is exactly what this amendment would do.

Senator ENSIGN and I have crafted this amendment so it is temporary. It is available only for the next year. We have crafted it so it is targeted. It only applies to first-time home buyers, those who are most in need. In the Nation, approximately 35 percent of those who buy homes are first-time home buyers. In my own city of Baltimore, it is closer to 65 percent. So it is a large number of people who are potentially in the market, but they are the most reluctant—those who do not own homes today are the most reluctant to come in and buy a home because of the uncertainty in the market. It is targeted in that it only applies to those of limited income, middle-income families. It uses the same dollar limits that are currently used in the District of Columbia tax credit that has been so successful in encouraging families to buy homes within our Nation's Capital. About 3,000 to 4,000 individuals every year take advantage of the tax credit we provide for the residents of the District to buy a home.

This credit, which is temporary and which is targeted, which is aimed at middle-income families, which is aimed at first-time home buyers, which is aimed at getting more interest among consumers into our housing so we can try to help our economy—I think it is the right complement to the legislation that is before us.

The legislation before us is aimed at trying to help people to be able to find mortgages. It is aimed at dealing with homes that are in foreclosure, trying to allow people to stay in their homes, and allowing local governments to have more ability to deal with refinancing homes for those who have subprime mortgages. I have already talked on the floor about this issue. It is aimed at trying to get better advice to people who may be buying homes, and it also has a tax credit. I acknowledge Senator ISAKSON, who has worked on that. It deals with distressed properties. I would also like to acknowledge that my colleague, Senator STABENOW, has been a longtime proponent of tax credits to stimulate home buys. This amendment is aimed at generating more interest in home buys so we can help bring our economy back to recovery.

I thank my colleague, Senator ENSIGN, for his input in helping to craft this amendment and his cosponsorship of it. I urge our colleagues to consider that.

Mr. President, I now offer that amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Maryland [Mr. CARDIN], for himself and Mr. ENSIGN, proposes an amendment numbered 4421 to amendment number 4387.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to allow a credit against income tax for the purchase of a principal residence by a first-time homebuyer)

At the end, insert the following:

TITLE __—FIRST-TIME HOMEBUYERS' TAX CREDIT

SEC. __01. CREDIT FOR FIRST-TIME HOMEBUYERS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25D the following new section:

"SEC. 25E. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an individual who is a first-time homebuyer of a principal residence in the United States during any taxable year, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to so much of the purchase price of the residence as does not exceed $7,000.

"(2) ALLOCATION OF CREDIT AMOUNT.—The amount of the credit allowed under paragraph (1) shall be equally divided among the 2 taxable years beginning with the taxable year in which the purchase of the principal residence is made.

"(b) LIMITATIONS.—

"(1) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—The amount allowable as a credit under subsection (a) (determined without regard to this subsection) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the credit so allowable as—

"(i) the excess (if any) of—

"(I) the taxpayer's modified adjusted gross income for such taxable year, over

"(II) $70,000 ($110,000 in the case of a joint return), bears to

"(ii) $20,000.

"(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of paragraph (1), the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

"(2) LIMITATION BASED ON AMOUNT OF TAX.—In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this section and section 23) for the taxable year.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) FIRST-TIME HOMEBUYER.—

"(A) IN GENERAL.—The term 'first-time homebuyer' has the same meaning as when used in section 72(t)(8)(D)(i).

"(B) ONE-TIME ONLY.—If an individual is treated as a first-time homebuyer with respect to any principal residence, such individual may not be treated as a first-time homebuyer with respect to any other principal residence.

"(C) MARRIED INDIVIDUALS FILING JOINTLY.—In the case of married individuals who file a joint return, the credit under this section is allowable only if both individuals are first-time homebuyers.

"(D) OTHER TAXPAYERS.—If 2 or more individuals who are not married purchase a principal residence—

"(i) the credit under this section is allowable only if each of the individuals is a first-time homebuyer, and

"(ii) the amount of the credit allowed under subsection (a) shall be allocated among such individuals in such manner as the Secretary may prescribe.

"(2) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121.

"(3) PURCHASE.—

"(A) IN GENERAL.—The term 'purchase' means any acquisition, but only if—

"(i) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only the individual's spouse, ancestors, and lineal descendants), and

''(ii) the basis of the property in the hands of the person acquiring it is not determined—

''(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

''(II) under section 1014(a) (relating to property acquired from a decedent).

''(B) CONSTRUCTION.—A residence which is constructed by the taxpayer shall be treated as purchased by the taxpayer.

''(4) PURCHASE PRICE.—The term 'purchase price' means the adjusted basis of the principal residence on the date of acquisition (within the meaning of section 72(t)(8)(D)(iii)).

''(d) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowed under any other provision of this chapter.

''(e) RECAPTURE IN THE CASE OF CERTAIN DISPOSITIONS.—In the event that a taxpayer—

''(1) disposes of the principal residence with respect to which a credit is allowed under subsection (a), or

''(2) fails to occupy such residence as the taxpayer's principal residence,

at any time within 24 months after the date on which the taxpayer purchased such residence, then the remaining portion of the credit allowed under subsection (a) shall be disallowed in the taxable year during which such disposition occurred or in which the taxpayer failed to occupy the residence as a principal residence, and in any subsequent taxable year in which the remaining portion of the credit would, but for this subsection, have been allowed.

''(f) BASIS ADJUSTMENT.—For purposes of this subtitle, if a credit is allowed under this section with respect to the purchase of any residence, the basis of such residence shall be reduced by the amount of the credit so allowed.

''(g) PROPERTY TO WHICH SECTION APPLIES.—The provisions of this section shall apply to a principal residence if the taxpayer's date of acquisition of the residence (within the meaning of section 72(t)(8)(D)(iii)) and date of settlement on such residence are during the period beginning on the date of the enactment of this section and ending on the date that is 1 year after such date.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 24(b)(3)(B) of the Internal Revenue Code of 1986 is amended by striking ''and 25B'' and inserting '', 25B, and 25E''.

(2) Section 25(e)(1)(C)(ii) of such Code is amended by inserting ''25E,'' after ''25D,''.

(3) Section 25B(g)(2) of such Code is amended by striking ''section 23'' and inserting ''sections 23 and 25E''.

(4) Section 25D(c)(2) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(5) Section 26(a)(1) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(6) Section 904(i) of such Code is amended by striking ''and 25B'' and inserting ''25B, and 25E''.

(7) Subsection (a) of section 1016 of such Code is amended by striking ''and'' at the end of paragraph (36), by striking the period at the end of paragraph (37) and inserting '', and'', and by adding at the end the following new paragraph:

''(38) to the extent provided in section 25E(f).''.

(8) Section 1400C(d)(2) of such Code is amended by striking ''and 25D'' and inserting ''25D, and 25E''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 25D the following new item:

''Sec. 25E. Purchase of principal residence by first-time homebuyer.''.

Mr. CARDIN. I now yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. ENSIGN. Mr. President, I wish to applaud the Senator from Maryland, Mr. CARDIN, for his great work. It has been a pleasure working with his staff and with him personally on this very important amendment.

We are trying to help the housing situation in the United States. My State, Nevada, leads in foreclosures. I saw a statistic the other day that, after a record month of foreclosures in February, foreclosures in March were up another 50 percent over February. So it is a huge problem. There are a lot of young people out there—first-time home buyers—who want to get into the marketplace to try to participate in the American dream. That is what this amendment is about. It is targeted right at those young people, or the single person, who is trying to buy a home for the first time. And maybe they might even be a little older but have never been able to afford a home until now. This might be the economic incentive to get them into owning their home for the first time.

There are so many benefits to home ownership. There is more of a sense of community when you are paying property taxes; you care more about the schools; you care more about where those taxes are going.

So this is an excellent amendment at a great time when we are trying to help the housing market. But we will also be helping individual Americans with this tax credit at the same time. I wish to applaud the leadership of Senator CARDIN on this. We worked together well when we were both on the Ways and Means Committee in the House of Representatives. This is another example of what bipartisanship can be about. It is about putting the country before your party and looking for solutions that actually work. So I am proud to cosponsor this amendment and be the lead Republican on it. I hope this amendment can be adopted as part of the final package.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. CARDIN. Mr. President, let me say to my colleague again from Nevada, the two of us did work together very closely in the other body, and now it is a real pleasure to serve together in this body. It is a great honor.

I think the comments the Senator has made about home ownership are so important. Home ownership is critically important to our country. We know where there is home ownership, schools are better, the crime is less.

One of the statistics I found very interesting was a study in Chicago that there was a distinct relationship in a neighborhood between the number of foreclosures and the rise of violent crime. This is an issue that should involve all of us.

I also wish to thank Senator DODD. He has done a great service to our Nation in being able to bring forward a bill that has bipartisan support. That is not easy today; it is very difficult. We now have the opportunity to move forward.

I was explaining to Senator DODD that one of my constituents a little bit earlier this evening said: You know, we are so encouraged that Democrats and Republicans could come together on a housing bill, that there is now hope we can act quickly.

What he said to me is interesting. He said: You know, there are a lot of good things in this bill. I think I could have done it better. There are some things I would like to have seen in there. But what I like is you are able to move, you are able to get something done. It is a real signal to this country that Congress is engaged on the housing crisis and wants to do something to help that person who today is in danger of losing his or her home because of a foreclosure, or is in danger of walking away.

One of the things I found amazing is 50 percent of people walk away from their homes; they do not even try. This bill will give them hope that the Government is on their side. It can provide some additional financing, it is going to provide some additional help and counseling, it is going to provide an opportunity for that person to maintain the American dream.

The American dream is about being able to succeed in this country. The most visible sign is owning a home. A lot of people are going to lose their homes as a result of this recession. This legislation will make it possible for more Americans to save their homes.

The amendment Senator ENSIGN and I are offering is a way in which we believe, I think our colleagues believe, that this body has a responsibility to help build our economy. One of the ways we can do it is by encouraging more home ownership.

This amendment, by providing a tax credit, is saying: The Government is on your side. Go now, buy a home, we will help you hedge against the potential risk and make it a little more affordable for you to own a home.

I encourage my colleagues to accept that amendment.

I yield the floor.

Mr. ISAKSON. Would the Senator yield for a question?

Mr. CARDIN. I yield.

Mr. ISAKSON. Mr. President, I wish to ask the Senator from Maryland a point of clarification for the Members. This amendment is an additional tax credit in addition to the one that is already in the bill; is that correct?

Mr. CARDIN. That is correct.

Mr. ISAKSON. So what you are doing, you leave targeted the stimulus

to absorb the foreclosed properties, but you add a stimulus for first-time home buyers in the marketplace?

Mr. CARDIN. The Senator is correct.

Mr. ISAKSON. I wanted to make sure that is reflected in the RECORD.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I wish to thank my colleague from Maryland for his generous comments about the effort and to also commend him and Senator ENSIGN and others who are working on these ideas to provide some relief and some opportunity for people. I think he said it well.

It becomes almost axiomatic, maybe it is becoming overused, but it certainly captures what all of us feel. That is, there is no greater wealth creator, there is nothing more to stabilize a family or a community, there is nothing that does more for families than having a stable, reliable home. It sounds maybe silly to some people.

I am old enough to remember when this issue was never a partisan issue. In fact, some of the strongest advocates of affordable shelter came from some of the most conservative Members of this body historically. Going back, I recall as a young man growing up listening to the distinguished Senators from Alabama and others, they were ''Mr. Housing'' in those days. They made a huge difference. This was an issue where we all worked together to see to it that families and individuals had the opportunity to have affordable shelter.

So our colleague from Maryland is absolutely correct. In fact, you could make the case even more so today. And to watch what has happened over the last relatively short period of time, values decreasing, prices falling, which has been good news to some degree, except that obviously as supply increases demand and neighborhoods deteriorate—we were talking about the city of Baltimore.

I do not know if my colleague heard me talking about Bridgeport, CT, the other day. I have a new mayor that got elected, Bill Finch, former State Senator in Connecticut. He got elected to be mayor in my biggest city in Connecticut. He walks in to be mayor, he has got between 5,000 and 6,000 foreclosures in a city in Fairfield County, one of the most affluent counties in America, hearing as many as 6,000 families could be losing their homes in the coming days.

So his point here about how to make sure we rehabilitate, provide opportunity, create those ideas and thoughts that will make it possible for people to move into a home, to acquire a home, is critically important.

I commend him for that, thank him for his generous comments about the effort here tonight.

Mr. CARDIN. Let me thank again the Senator from Connecticut. The circumstances in Baltimore, in Maryland, in June we ranked 40th in the Nation in foreclosures. We now rank in the teens, 18th in foreclosures. The number of foreclosures in communities where we never thought we would see foreclosures is recordbreaking. That is not the type of records we want to have.

So as the Senator knows, it not only affects that homeowner who is going to potentially lose his or her home, it affects every house in the community. I was talking with some of the housing authority people, some of the people from the nonprofit community who work with these neighborhoods, and the cost to the neighborhood is staggering when you have foreclosed properties. So we are going to have to do something about that.

But it would be a lot better investment that we prevent the foreclosures for those who are financially able to stay in their homes. I think that is what your legislation does. I applaud you for that. Every person we can keep in the home who can afford to stay there will benefit many more people in that community. By the way, it is good for local Government. It will help their property tax revenues. It is good for local governments; I think it will reduce their costs. I think it is a win-win situation. So I congratulate you for bringing forward a bill we can act on quickly, in order to save homes for people who otherwise are likely to lose their homes and to strengthen neighborhoods that would otherwise be suffering as a result of those foreclosures.

I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. NELSON of Florida. Mr. President, I wish to first extend my appreciation to the Senator in the chair for the courtesy he extended to me earlier with regard to the duties of the Presiding Officer. The Senator from Vermont is very kind.

Later on, I will be offering an amendment with Senator COLEMAN, and we think this is an amendment that will possibly be accepted. So I am going to wait and not offer the amendment until Senator COLEMAN is able to be here.

But I wish to go on and set the record of what this amendment would be. Under current law, if a person has a 401(k) retirement plan and they want to buy a house and it is to be their principal residence, they can take up to $10,000 out of their retirement plan for the purchase of that house and not pay the penalty under law for taking assets out of their retirement plan.

Now, since that is available to us under current law, would it not make sense for a person, if they are about to lose their home, their principal residence, to be able to take money out of their retirement plan in order to save their home from foreclosure, if it were done in a limited period of time, if it were the principal residence for them, not to have to pay that 10-percent penalty?

So that is the essence of the amendment. It would allow a person, under these circumstances, and this would only be available for 2 years, given the fact that now is the time of the foreclosure crisis, that the homeowner, on their principal residence, could then take $25,000 out of their retirement plan without having to pay that penalty.

Now, of course, if they keep it out, they are then going to have to pay income tax on that, which has up to that point been nontaxable because it has been in the retirement plan. But if they put it back in within a 3-year period, they would avoid the income tax.

So we are trying to make it available under the theory that if it is going to purchase a home and to give someone a break by going into their retirement savings, then it ought to be good public policy to help them save their home from foreclosure by going into their retirement savings in order to save their home.

That is why we think, at least from the early signals from the staff on both sides of the aisle, this would be a salutary amendment that may get some serious consideration to accept.

This benefit is limited to 2 years, so it is not going to be permanent. So it will address the situation here. Why? Because in most instances, for Americans, their home is the single source of wealth for those Americans. So it makes sense, it makes common sense, to allow homeowners to use every tool available to stay in their own home and avoid foreclosure and save their greatest investment.

So I am certainly encouraging my colleagues to support this amendment, and at the appropriate time, with the approval of the chairman of the committee, we will actually offer the amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DODD. Mr. President, I ask unanimous consent that at 7:40 tonight, the Senate proceed to vote in relation to the following two amendments, with no amendments in order to the amendments prior to the vote; that if a point of order is raised against any of the amendments covered in this agreement for tonight and Friday and a motion to waive the appropriate point of order is made, then there be 2 minutes of debate with respect to the waiver prior to a vote on the motion to waive, equally divided and controlled in the usual form; and that upon the use or yielding back of the time, the Senate proceed to vote in relation to the amendments in the order listed for today and Friday: Murray-Schumer amendment No. 4397, and the Kyl amendment No. 4407; that when the Senate resumes consideration of the bill on Friday, the Senate then proceed to vote in relation to the following two amendments: Voinovich-

Stabenow amendment No. 4406 and the Landrieu, et al., amendment No. 4389, with no amendment in order to the amendments prior to a vote; that in the sequence of votes for today and Friday, after the first vote, the remaining vote be 10 minutes in duration.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. Mr. President, reserving the right to object, but I will not object, it is my understanding it would be the intention of the majority leader that immediately following the prayer and pledge and the opening of the session, we would begin the votes, that there would not be a long period of leader time taken in speaking by the leaders; is that correct?

The PRESIDING OFFICER. The majority leader.

Mr. REID. I say to my friend, I am always very short in my speeches. But we will have to talk to Senator MCCONNELL. I am happy to set a good example and have about a minute and a half.

Mr. KYL. I appreciate that very much. I do not object, therefore.

Mr. DODD. Mr. President, I said 7:40. Let me modify the request and say 7:30. I was trying to provide a little leeway.

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

The Senator from Arizona.

AMENDMENT NO. 4397

Mr. KYL. Mr. President, with respect to Murray-Schumer amendment No. 4397, I make a point of order that the amendment violates section 201(a) of S. Con. Res. 21 of the 110th Congress.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, pursuant to section 201(b) of S. Con. Res. 21 of the 110th Congress, I move to waive the point of order for the consideration of the pending amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the order, there are 2 minutes to be equally divided for debate.

The Senator from Washington.

Mrs. MURRAY. Mr. President, what our amendment simply does is provide an additional $100 million for counseling so families do not go into foreclosure. There is $15 billion in spending in this underlying bill, all of which is being declared an emergency. It seems to me that $100 million of it, which is a small additional amount compared to that $15 billion, that we know has a 96-percent success rate of keeping families in their home so they do not go into foreclosure, is a very smart investment.

I think it would be very foolish to block this on a budget point of order because it is one of the few issues in this bill that will actually keep people in their homes and prevent this crisis from getting larger.

I urge my colleagues to vote against the budget point of order.

Mr. President, I ask unanimous consent that Senator JACK REED of Rhode Island be listed as a cosponsor of this amendment.

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

Is there further debate on the motion to waive?

The Senator from Alabama.

Mr. SHELBY. Mr. President, Senator DODD and I agreed to provide an additional $100 million for foreclosure counseling. This is already in addition to the $180 million provided for the same purpose earlier.

It is my strong belief that we should conduct some due diligence on the money we have already provided to ensure that it is being spent properly and, most importantly, that it is actually helping people.

In the interest of reaching an accommodation, I agreed to provide an additional $100 million. It is in the amendment. This brings the total spending for counseling for 2008 up to $280 million, an amount that represents a $238 million increase from last year. That is a lot of money.

If there is a gap between what we have provided and what is needed, that need can be addressed through the normal appropriations process.

I think a point of order has already been raised. I hope it will be sustained.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion to waive.

The yeas and nays were previously ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New Mexico (Mr. BINGAMAN), the Senator from California (Mrs. BOXER), the Senator from West Virginia (Mr. BYRD), the Senator from New York (Mrs. CLINTON), the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Illinois (Mr. OBAMA), and the Senator from Virginia (Mr. WEBB) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from Idaho (Mr. CRAPO), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted ''no.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 44, nays 40, as follows:

[Rollcall Vote No. 89 Leg.]

YEAS—44

Akaka	Johnson	Reed
Baucus	Kerry	Reid
Bayh	Klobuchar	Rockefeller
Bond	Kohl	Salazar
Brown	Landrieu	Sanders
Cantwell	Leahy	Schumer
Cardin	Levin	Smith
Carper	Lincoln	Snowe
Casey	McCaskill	Specter
Coleman	Menendez	Stabenow
Collins	Mikulski	Tester
Durbin	Murray	Voinovich
Feingold	Nelson (FL)	Whitehouse
Feinstein	Nelson (NE)	Wyden
Harkin	Pryor	

NAYS—40

Alexander	Dole	Martinez
Allard	Ensign	McConnell
Barrasso	Enzi	Murkowski
Bennett	Graham	Roberts
Brownback	Grassley	Sessions
Burr	Gregg	Shelby
Chambliss	Hagel	Stevens
Coburn	Hatch	Sununu
Cochran	Hutchison	Thune
Corker	Inhofe	Vitter
Cornyn	Isakson	Warner
Craig	Kyl	Wicker
DeMint	Lieberman	
Dodd	Lugar	

NOT VOTING—16

Biden	Conrad	Lautenberg
Bingaman	Crapo	McCain
Boxer	Domenici	Obama
Bunning	Dorgan	Webb
Byrd	Inouye	
Clinton	Kennedy	

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment falls.

AMENDMENT NO. 4407

The PRESIDING OFFICER. The question is on agreeing to the Kyl amendment No. 4407.

The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I raise a point of order that the pending amendment violates section 401 of Senate Concurrent Resolution 21 of the concurrent resolution for the budget for fiscal year 2008.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Mr. President, under section 904, I move to waive the Budget Act, and I will ask for the yeas and nays after the presentation by Senator BAUCUS and myself.

The PRESIDING OFFICER. Who yields time on the motion to waive?

Mr. BAUCUS. Mr. President, I will take 30 seconds out of my time.

This is not a proper amendment—

Mr. DODD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAUCUS. Mr. President, this amendment essentially indexes the capital gains exclusion for the sale of a home. The problem is that homes are decreasing in value, not that they are increasing, and most people who are trying to sell their homes have a much lower market value for their house. Therefore, this is not a necessary provision for them.

This amendment would apply to others who are not subprime candidates who are in good shape and have nothing to do with the subprime issue, and I don't think we want to index for them at this point. It is $50 billion that is the cost. It is unpaid for. This swallows up the housing bill. This is not the proper time, and that is why the point of order should stand because it violates the budget.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Arizona is recognized.

Mr. KYL. Mr. President, this amendment is very simple. We all know that for individuals, there is a $250,000 exclusion from capital gain when you sell your owner-occupied property. For a couple, it is $500,000. But just like the AMT, it is not indexed for inflation. This amendment indexes that for inflation. That is all it does.

Now, to my colleague saying that home values are going down, here are two statistics. I will cite one for the Nation and one for one State. Ten years ago, the median family priced home was $146,000. Today, it is $247,000. That is $100,000. In California, the median price 10 years ago was $186,000, roughly. It was $409,000 in February of this year, an increase of $222,000. The reality is that inflation has caused a tremendous increase in the value of homes, and when they are sold, people are going to have to pay the capital gains tax above $250,000.

Could we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator's time has expired.

Mr. KYL. Well, Mr. President, might I ask unanimous consent for 15 seconds to make the point that the cost of this is $2.1 billion over 5 years, not the number the chairman indicated.

Mr. BAUCUS. Mr. President, on my remaining time, the cost is $15 billion over 10 years.

Mr. KYL. Ten years.

Mr. BAUCUS. We are taking 10-year numbers here. That is all we are talking about is 10 years, $15 billion.

Second, this is not targeted to people who need it the most. Who needs it the most are those people whose homes are declining in value, not those homes that are increasing in value.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion to waive the Budget Act.

Mr. KYL. Mr. President, I thought the yeas and nays had been ordered, but I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from West Virginia (Mr. BYRD), the Senator from New York (Mrs. CLINTON), the Senator from North Dakota (Mr. CONRAD), the Senator from North Dakota (Mr. DORGAN), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Illinois (Mr. OBAMA), and the Senator from Virginia (Mr. WEBB) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from Idaho (Mr. CRAPO), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Arizona (Mr. MCCAIN).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted ''yes.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 41, nays 44, as follows:

[Rollcall Vote No. 90 Leg.]

YEAS—41

Alexander	DeMint	Martinez
Allard	Dole	McConnell
Barrasso	Ensign	Murkowski
Bayh	Enzi	Roberts
Bennett	Graham	Sessions
Bond	Grassley	Shelby
Brownback	Gregg	Smith
Burr	Hagel	Specter
Chambliss	Hatch	Stevens
Coburn	Hutchison	Sununu
Cochran	Inhofe	Thune
Coleman	Isakson	Vitter
Cornyn	Kyl	Wicker
Craig	Lugar	

NAYS—44

Akaka	Johnson	Pryor
Baucus	Kerry	Reed
Bingaman	Klobuchar	Reid
Brown	Kohl	Rockefeller
Cantwell	Landrieu	Salazar
Cardin	Leahy	Sanders
Carper	Levin	Schumer
Casey	Lieberman	Snowe
Collins	Lincoln	Stabenow
Corker	McCaskill	Tester
Dodd	Menendez	Voinovich
Durbin	Mikulski	Warner
Feingold	Murray	Whitehouse
Feinstein	Nelson (FL)	Wyden
Harkin	Nelson (NE)	

NOT VOTING—15

Biden	Conrad	Kennedy
Boxer	Crapo	Lautenberg
Bunning	Domenici	McCain
Byrd	Dorgan	Obama
Clinton	Inouye	Webb

The PRESIDING OFFICER. On this vote, the yeas are 41, the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected, the point of order is sustained, and the amendment falls.

Mr. DODD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4389, AS MODIFIED

Mr. ROBERTS. Mr. President, I ask unanimous consent that the pending Landrieu amendment be modified to include my amendment No. 4422.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

The amendment, as modified, is as follows:

At the end add the following:

TITLE __—HURRICANE-RELATED CASUALTY LOSSES

SEC. __01. USE OF AMENDED INCOME TAX RETURNS TO TAKE INTO ACCOUNT RECEIPT OF CERTAIN HURRICANE-RELATED CASUALTY LOSS GRANTS BY DISALLOWING PREVIOUSLY TAKEN CASUALTY LOSS DEDUCTIONS.

Notwithstanding any other provision of the Internal Revenue Code of 1986, if a taxpayer claims a deduction for any taxable year with respect to a casualty loss to a personal residence (within the meaning of section 121 of such Code) resulting from Hurricane Katrina or Hurricane Rita and in a subsequent taxable year receives a grant under Public Law 109-148, 109-234, or 110-116 as reimbursement for such loss from the State of Louisiana or the State of Mississippi, such taxpayer may elect to file an amended income tax return for the taxable year in which such deduction was allowed and disallow such deduction. If elected, such amended return must be filed not later than the due date for filing the tax return for the taxable year in which the taxpayer receives such reimbursement or the date that is 4 months after the date of the enactment of this Act, whichever is later. Any increase in Federal income tax resulting from such disallowance shall not be subject to any penalty or interest under such Code if such amended return is so filed.

TITLE __—GO ZONE PROPERTY

SEC. __01. WAIVER OF DEADLINE ON CONSTRUCTION OF GO ZONE PROPERTY ELIGIBLE FOR BONUS DEPRECIATION.

(a) IN GENERAL.—Subparagraph (B) of section 1400N(d)(3) of the Internal Revenue Code of 1986 is amended to read as follows:

''(B) without regard to 'and before January 1, 2009' in clause (i) thereof,''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

TITLE __—DISASTER TAX RELIEF ASSISTANCE

SEC. _____. TEMPORARY TAX RELIEF FOR KIOWA COUNTY, KANSAS AND SURROUNDING AREA.

The following provisions of or relating to the Internal Revenue Code of 1986 shall apply, in addition to the areas described in such provisions, to an area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (FEMA-1699-DR, as in effect on the date of the enactment of this Act) by reason of severe storms and tornados beginning on May 4, 2007, and determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act with respect to damages attributed to such storms and tornados:

(1) SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.—Section 1400S(b)(1) of the Internal Revenue Code of 1986, by substituting ''May 4, 2007'' for ''August 25, 2005''.

(2) EXTENSION OF REPLACEMENT PERIOD FOR NONRECOGNITION OF GAIN.—Section 405 of the

Katrina Emergency Tax Relief Act of 2005, by substituting ''on or after May 4, 2007, by reason of the May 4, 2007, storms and tornados'' for ''on or after August 25, 2005, by reason of Hurricane Katrina''.

(3) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY MAY 4 STORMS AND TORNADOS.—Section 1400R(a) of the Internal Revenue Code of 1986—

(A) by substituting ''May 4, 2007'' for ''August 28, 2005'' each place it appears,

(B) by substituting ''January 1, 2008'' for ''January 1, 2006'' both places it appears, and

(C) only with respect to eligible employers who employed an average of not more than 200 employees on business days during the taxable year before May 4, 2007.

(4) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED ON OR AFTER MAY 5, 2007.—Section 1400N(d) of such Code—

(A) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' each place it appears,

(B) by substituting ''May 5, 2007'' for ''August 28, 2005'' each place it appears,

(C) by substituting ''December 31, 2008'' for ''December 31, 2007'' in paragraph (2)(A)(v),

(D) by substituting ''December 31, 2009'' for ''December 31, 2008'' in paragraph (2)(A)(v),

(E) by substituting ''May 4, 2007'' for ''August 27, 2005'' in paragraph (3)(A),

(F) by substituting ''January 1, 2009'' for ''January 1, 2008'' in paragraph (3)(B), and

(G) determined without regard to paragraph (6) thereof.

(5) INCREASE IN EXPENSING UNDER SECTION 179.—Section 1400N(e) of such Code, by substituting ''qualified section 179 Recovery Assistance property'' for ''qualified section 179 Gulf Opportunity Zone property'' each place it appears.

(6) EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.—Section 1400N(f) of such Code—

(A) by substituting ''qualified Recovery Assistance clean-up cost'' for ''qualified Gulf Opportunity Zone clean-up cost'' each place it appears, and

(B) by substituting ''beginning on May 4, 2007, and ending on December 31, 2009'' for ''beginning on August 28, 2005, and ending on December 31, 2007'' in paragraph (2) thereof.

(7) TREATMENT OF PUBLIC UTILITY PROPERTY DISASTER LOSSES.—Section 1400N(o) of such Code.

(8) TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO STORM LOSSES.—Section 1400N(k) of such Code—

(A) by substituting ''qualified Recovery Assistance loss'' for ''qualified Gulf Opportunity Zone loss'' each place it appears,

(B) by substituting ''after May 3, 2007, and before on January 1, 2010'' for ''after August 27, 2005, and before January 1, 2008'' each place it appears,

(C) by substituting ''May 4, 2007'' for ''August 28, 2005'' in paragraph (2)(B)(ii)(I) thereof,

(D) by substituting ''qualified Recovery Assistance property'' for ''qualified Gulf Opportunity Zone property'' in paragraph (2)(B)(iv) thereof, and

(E) by substituting ''qualified Recovery Assistance casualty loss'' for ''qualified Gulf Opportunity Zone casualty loss'' each place it appears.

(9) TREATMENT OF REPRESENTATIONS REGARDING INCOME ELIGIBILITY FOR PURPOSES OF QUALIFIED RENTAL PROJECT REQUIREMENTS.—Section 1400N(n) of such Code.

(10) SPECIAL RULES FOR USE OF RETIREMENT FUNDS.—Section 1400Q of such Code—

(A) by substituting ''qualified Recovery Assistance distribution'' for ''qualified hurricane distribution'' each place it appears,

(B) by substituting ''on or after May 4, 2007, and before January 1, 2009'' for ''on or after August 25, 2005, and before January 1, 2007'' in subsection (a)(4)(A)(i),

(C) by substituting ''qualified storm distribution'' for ''qualified Katrina distribution'' each place it appears,

(D) by substituting ''after November 4, 2006, and before May 5, 2007'' for ''after February 28, 2005, and before August 29, 2005'' in subsection (b)(2)(B)(ii),

(E) by substituting ''beginning on May 4, 2007, and ending on November 5, 2007'' for ''beginning on August 25, 2005, and ending on February 28, 2006'' in subsection (b)(3)(A),

(F) by substituting ''qualified storm individual'' for ''qualified Hurricane Katrina individual'' each place it appears,

(G) by substituting ''December 31, 2007'' for ''December 31, 2006'' in subsection (c)(2)(A),

(H) by substituting ''beginning on June 4, 2007, and ending on December 31, 2007'' for ''beginning on September 24, 2005, and ending on December 31, 2006'' in subsection (c)(4)(A)(i),

(I) by substituting ''May 4, 2007'' for ''August 25, 2005'' in subsection (c)(4)(A)(ii), and

(J) by substituting ''January 1, 2008'' for ''January 1, 2007'' in subsection (d)(2)(A)(ii).

VOTE EXPLANATIONS

Mr. DURBIN. Mr. President, my colleague from Delaware, Senator BIDEN, was unable to get back to the Capitol in time for the two rollcall votes tonight.

He is a cochair of the Congressional Fire Services Caucus and, at the time of the votes tonight, he was addressing his many friends in the fire service who were attending the 20th Annual National Fire and Emergency Services Dinner.

Mrs. BOXER. Mr. President, had I been present for the vote today to table the Durbin amendment to help families save their homes in bankruptcy, I would have cast a vote of nay. I am a cosponsor and strong supporter of the Durbin proposal, which could have helped more than 600,000 of these financially troubled families keep their homes by allowing them to modify their mortgages in bankruptcy.

Mr. ROBERTS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that the Senate proceed to a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

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

HONORING OUR ARMED FORCES

SERGEANT FIRST CLASS LANCE S. CORNETT

Mr. MCCONNELL. Mr. President, I rise today to speak for a soldier from Kentucky who has fallen in the war on terror. SFC Lance S. Cornett of London, KY, was killed while engaging the enemy in a firefight near Ramadi, Iraq, on February 3, 2006. He was 33 years old.

As a special operations soldier, Sergeant First Class Cornett was among the most elite of the men and women who make up our fighting forces. A veteran of nearly 15 years, he received many awards, medals, and decorations throughout his career, including nine Army Achievement Medals, four Army Commendation Medals, the Joint Service Commendation Medal, the Defense Meritorious Service Medal, the Purple Heart, and three Bronze Star Medals for Valor.

As a highly trained member of a special operations team, Sergeant First Class Cornett also earned the prestigious Ranger and Sapper tabs.

''He was a very dedicated soldier, loving husband, and devoted father and grandfather,'' says Lance's wife, Sandra. ''Lance lived by and died by the words 'Don't Ever Give Up.' He taught us all to do the same.''

Lance's 10-year-old daughter, Cheyenne, adds simply, ''I hope to follow in my dad's footsteps one day, and it was truly an honor to be his daughter. He was a true American soldier.''

Lance's father, Rhudell Cornett, served as a Marine for 22 years, rising to the rank of master gunnery sergeant. But having a Marine sergeant for a father did not stop young Lance from sometimes getting into trouble. I'll let his mother, Karen McMullen, explain.

''While Lance's father was in the Marines, when Lance was three and his sister was four, and we were temporarily assigned to a base in Albany, GA, Lance decided to use the neighbor's golf cart and take his sister for a ride,'' she says. ''They went through the side of a trailer.''

Growing up, young Lance loved to camp, fish, ski, and go caving. He enjoyed outdoor sports. He collected dragon figurines. ''Eye of the Tiger,'' from the movie ''Rocky III,'' was his favorite song.

Lance's sister, Cristal Chesnut, has fond memories of her brother. ''He was my best friend,'' Cristal says. ''We went to school together. We worked together at McDonald's and we did everything together.''

Lance went on to graduate from London's Laurel County High School. Following in the footsteps of his father and other veteran relatives, Lance enlisted in the U.S. Army as an infantryman in August 1991.

He made the Army his career and sought to advance as far as he could, eventually becoming a special operations soldier. Special operations soldiers serve as the tip of the spear in our country's war on terrorism. Sergeant First Class Cornett had to endure rigorous military training to earn that position.

That training included successful completion of the air assault course, the basic airborne course, the sniper