

for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Madam Speaker, the director of "A Christmas Story," Bob Clark, was killed by an illegal immigrant drunk driver in Los Angeles. An illegal gang member shot three students in Newark, New Jersey, execution style. He was free on bail and was facing charges of aggravated assault and sexual abuse of a child at the time of the murders. Another illegal immigrant was arrested after DNA matched him to a series of rapes of teenage girls in Chandler, Arizona.

Sadly, I could go on and on, remembering thousands of victims of crimes committed by illegal immigrants. They are a reminder that we need to enforce all of our immigration laws to prevent these crimes from happening.

This means enforcing our work site laws against employers and illegal workers, supporting local law enforcement agencies who want to arrest illegal immigrants, and passing a long-term reauthorization of E-Verify, the Federal Government's program that helps employers hire legal workers.

ATTORNEY GENERAL ERIC  
HOLDER

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Madam Speaker, Attorney General Eric Holder is about ready to make a decision to release violent terrorists who have trained in al Qaeda training camps who are now down in Guantanamo Bay into our neighborhoods—into our neighborhoods. Members of the Congress on both sides have asked the Attorney General to allow FBI agents and Department of Homeland Security personnel to come up and brief Members, and he will not allow it.

How does this Congress provide the oversight when they're about ready to release groups like ETIM? Go on the video and see what this group ETIM is. They're about ready to release individuals into our neighborhoods, and Eric Holder is prohibiting career people from coming to the Hill.

In some respects, Madam Speaker, this is a cover-up by the Attorney General of the United States.

□ 1030

HONORING THE 100TH ANNIVERSARY OF THE ETOWAH CHAPTER OF THE DAR

(Mr. GINGREY of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGREY of Georgia. Madam Speaker, I rise to recognize the 100th anniversary of the Etowah Chapter of the Daughters of the American Revolution in Bartow County's 11th Congressional District. The Etowah Chapter of DAR was formally organized April 20,

1909, in Cartersville, Georgia, as 24 enthusiastic and patriotic women were declared the charter members.

Over the past 100 years, the Etowah Chapter has been instrumental in promoting education and pride in the history of our county. In fact, during its first year, the Chapter placed a framed copy of the Declaration of Independence in each of the 50 schools in Bartow County and has since been instrumental in securing monuments for the graves of 13 local Revolutionary War soldiers, heroes.

Each year the Etowah Chapter sponsors an American History Essay Contest. It awards Good Citizen medals to the local students, and it supports DAR schools, such as Berry College in Rome, Georgia.

Furthermore, the members of the Etowah Chapter are proud of their heritage and patriotic service to Cartersville and Bartow County. I ask that all my colleagues join me in recognizing the positive impact that the Etowah Chapter of the Daughters of the American Revolution have made upon their community.

PROVIDING FOR CONSIDERATION OF H.R. 1728, MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

Ms. PINGREE of Maine. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 400 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 400

*Resolved*, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services. After general debate, the Committee of the Whole shall rise without motion. No further consideration of the bill shall be in order except pursuant to a subsequent order of the House.

The SPEAKER pro tempore. The gentleman from Maine is recognized for 1 hour.

Ms. PINGREE of Maine. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. SESSIONS). All time yielded during consideration of the rule is for debate only.

I yield myself such time as I may consume.

GENERAL LEAVE

Ms. PINGREE of Maine. Madam Speaker, I ask unanimous consent that

all Members be given 5 legislative days in which to revise and extend their remarks on House Resolution 400.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Ms. PINGREE of Maine. Madam Speaker, House Resolution 400 provides for initial consideration of H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act. The rule provides for 1 hour of general debate to be controlled by the Chair and ranking member of the Committee on Financial Services. After the general debate, there will be no further consideration of the bill except pursuant to the subsequent rule.

Homeownership has always been a key part of the American Dream. Unfortunately, for hundreds of thousands of Americans, that dream has been shattered by predatory lenders that entice them to accept loans they could not afford.

Now, across this country, hard-working families are unable to pay loans they can't afford, and they are losing their homes to foreclosure in unprecedented numbers. On top of this, many would argue that the extreme problems in the mortgage industry have been one of the most serious causes of our current, economic problems.

This week we have the opportunity to rein in these lending practices. H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009 is a major step forward in curbing abusive and predatory lending. This Congress has already passed legislation aimed at invigorating the housing market, by helping new homebuyers purchase homes and dispensing of many of the toxic assets that have had our economy in a stranglehold.

The bill we take up today is the second and equally important step of building a stronger foundation. The regulations that are proposed will put a new face on the mortgage system that has become rife with fraud.

H.R. 1728 would outlaw many of the worst industry practices, while also preventing borrowers from deliberately misrepresenting their income to qualify for a loan. The message is simple: Lenders can't give loans to people who can't afford them and borrowers have to tell the truth about their finances when applying for a loan. If you can't play by the rules, you will be held accountable.

This bill draws upon everything that was once fundamentally sound about our banking system. It takes us back to a time when community bankers knew their consumers, to when they understood clearly what they could afford and to when they worked with them to offer loans that worked best for their families.

This is a far cry from some of the practices developed during the real estate boom, when mortgages became far more risky and terms like "no-doc

lending” and “liars loans” became part of our language.

Madam Speaker, this bill sets minimum standards for mortgages requiring that consumers must have a reasonable ability to pay the loan back, and that mortgage refinancing must provide a net tangible benefit to the consumer.

All mortgage originators will be licensed and registered. Securitizers and other participants in the secondary mortgage market, for the first time, under Federal law, will be liable for supporting irresponsible lending.

The bill also prohibits financial incentives that encourage mortgage originators to steer consumers to higher cost and more abusive mortgages. In other words, lenders can't sell consumers loans that aren't good for them.

Over the last decade, many subprime loans were made to borrowers who, due to their weak credit histories, were high credit risks. This bill will make sure that, instead of rewarding originators for pumping out high volumes of costly mortgage loans, there will be incentives for lenders to give borrowers the best possible price and stick with the borrower over the course of the loan.

And any creditor that violates the standard set forth in this bill will be liable to the consumer. They will be required to either rescind the loan and pay for all the legal fees or work with them in a timely fashion to modify or refinance the loan at no additional cost to the borrower.

Somewhere along the line, our mortgage system has lost its way at a great cost to our economy. The affordable, 30-year fixed rate mortgage that allowed generations to experience the American Dream of homeownership has been tragically replaced with a subprime loan, teaser rates, and unaffordable payments.

Commonsense principles, like having the ability to pay, were abandoned in favor of schemes that involved collateralized debt obligation and credit default swaps. And as this financial house of cards collapsed, it is now the American taxpayers that are left holding the bag.

Madam Speaker, I hope we have learned our lesson. It is time to bring responsibility and accountability back to mortgage lending and to make sure we don't face another crisis like this. This bill is essential if we are to stabilize the housing market, to end these abusive practices, and to get our economy back on track.

I commend my colleagues, Mr. MILLER, Mr. WATT, and Chairman FRANK for their determination to this critical issue and their hard work in bringing it to the floor today.

I reserve the balance of my time.

Mr. SESSIONS. I thank the gentleman.

As I rise today, before I begin my formal statements, I would like to acknowledge that the gentleman, Mr.

FRANK, the chairman of the committee, has come to the floor, and I want to personally thank the gentleman for engaging with me and perhaps other members of the Republican Party on working on this bill. I want to personally thank the chairman for that engagement and believe that it will result in the opportunity for Republicans to have a better say on the bill that will be before the House today, and I want to personally thank the gentleman.

Madam Speaker, I do rise today, however, in opposition to H.R. 1728, which is the majority's misled attempt to bring stability back into the mortgage market. As the American people will soon see, many provisions of the bill are a destructive force to both the lending industry and, in turn, the American homebuyer.

First, the new Federal Reserve regulations already exist and are about to be implemented in October of this year, which means that this work on predatory lending has already taken place.

Second, this bill establishes a new group of qualified mortgages, which limits consumer choice of mortgages and unduly burdens the mortgage industry.

Third, it establishes new credit risk retention rules, which dramatically limit the successful functioning of the secondary market, especially small, nonbank lenders.

And, fourth, it authorizes a \$140 million slush fund for legal defense funds.

Last July, the Federal Reserve issued new regulations under the Home Ownership and Equity Protection Act which implemented many provisions of the predatory lending legislation of Congress last year. As part of this implementation, new Federal rules have been developed which address predatory practices and products, bringing an end to a variety of issues which have haunted the subprime market, such as poor underwriting standards. These rules already are set to take effect in October of this year.

My colleagues from both sides of the aisle understand that these new regulations will soon be in effect, and certainly cleaning up the lending industry is important. Even Chairman FRANK has previous knowledge, and I quote, that “the Federal Reserve has adopted regulations so that the predatory and deceptive lending practices that led to the subprime crisis will be prohibited,” already done.

But rather than allowing the Fed's carefully constructed regulations to take effect, this new majority has decided to draft their own mortgage reform bill with their own unique twist. Unfortunately, this twist includes new and untested mandates and duties, that even if they can be implemented, they may end up punishing the very consumers that this majority party is trying to protect.

My question is simple: Why is Congress meddling with regulations that

will soon yield significant and expected benefits in combating mortgage fraud, eliminating the bad actors of the industry, and providing greater protection to the consumer?

While this legislation attempts to correct past excesses in the mortgage market by establishing new standards for mortgage origination, and imposing greater legal liability on the secondary market, this bill, in fact, injects legal uncertainty into the lending process, thereby raising the cost and reducing the availability of mortgage credit to consumers. Allowing a slush fund for people to sue is a prime example of what we are talking about. I would like to say this is an unintended consequence. I think it's an intended consequence.

One of the primary provisions which contribute to the higher cost and reduced availability of loans is the misconstrued establishment of a new class of loans called qualified mortgages. Any loans deemed as qualified mortgages are, in theory, protected under the bill's limited safe harbor and are exempt from the new lending risk retention requirements.

All other nonqualified mortgages are excluded from this safe harbor and siphoned into the category of subprime mortgages. In turn, any lender can be sued for selling nonqualified mortgages.

The kicker, however, is that H.R. 1728 makes all real safe harbor mortgages rebuttable, meaning that borrowers can sue any creditor for any mortgage.

Under the terms of this bill, no mortgages are protected by safe harbor laws and all lenders can be sued. That is going to have a direct and devastating consequence on the marketplace.

When the bill was introduced in Congress, the last Congress, the bill appropriately filtered most mortgages into three types of loans. For the sake of explanation, let's call them green, yellow and red mortgages.

Green light mortgages are good, traditional, protected mortgages. Yellow light mortgages are potentially hazardous mortgages. In this case, the consumer has the right to sue for loss in the case of predatory lending, while the lender maintains the right to a fair defense.

□ 1045

Lastly, red mortgages are simply mortgages presumed bad and the law allows the consumer to sue for any loss.

Unfortunately, according to this year's version of the bill, the law will only allow for green and red light mortgages, and, most importantly, neither of them will have a real safe harbor because borrowers can sue any creditor for any mortgage. Regardless of how safe and affordable and how well an alternative mortgage may have served the borrower, lenders will begin making fewer and more expensive loans out of fear of being sued.

At the end of the day, what is the purpose of this mortgage reform? A

government-mandated mortgage structure enforced by the very taxes paid by the American homeowner, or providing for consumer choice of loans which best suits the needs of responsible homebuyers with the assurance of meaningful customer protection? I think we can see what we are going to get.

Madam Speaker, I have a concern also with the new "credit risk retention" requirements. This provision will force any loan originator to hold 5 percent of any mortgage that does not fit the bill's narrow safe harbor, what is known as the "qualified mortgage." The "credit risk retention," as it is referred to, requirement is a far-reaching requirement that leaves my colleagues and me confused as to how certain groups, such as smaller lenders, will even survive.

The fact stands that many smaller nonbank lenders do not have the same reliable sources of funding as depository institutions. These lenders would be unable to compete, let alone to operate, at a competitive level. They simply cannot compete. Additionally, this provision will necessitate that larger lenders increase their capital. This is the wrong approach during a time when the government is concerned that lenders are insufficiently capitalized; moreover, during a time in which the government is making the taxpayer pay for these insufficiencies. David Kittle, chairman of the Mortgage Bankers Association, testified in front of the Financial Services Committee on April 23 of this year. And here is what he said, "at a time when policymakers are focusing so much of their efforts on injecting capital into the financial services sector, this provision would force an inefficient use of capital across all types of institutions and threaten to further impair their ability to lend at all." This will simply narrow choices, lessen credit and increase costs for borrowers and taxpayers, as well as increasing lawsuits.

While a critical element of mortgage reform should be giving incentives for greater accountability to lenders without damaging the mortgage market, H.R. 1728 imposes huge liability on all groups involved in issuing a loan while circumventing any investor liability. Unfortunately, the bill magnifies the already substantial legal risks faced by participants in the mortgage market, dramatically reducing any incentives for lenders to partake in the mortgage market.

And as if new litigation were not enough, this bill authorizes \$140 million for legal assistance grant funds to legal organizations to provide taxpayer-funded legal defenses for homeowners in default or facing eviction. Simply put, this bill sets up lenders for failure by burdening them with undue liabilities and funding trial lawyers. This bill lacks the key taxpayer and lender protections, opening the door to taxpayer-financed frivolous civil lawsuits which will ultimately ruin the

mortgage industry. I'm sure it will empower a bigger Federal Government, however.

Additionally, this bill subjects the taxpayer to involuntarily funding groups like ACORN, who will be eligible for receiving grants from this legislation. My colleague from Minnesota was able to add a provision which sufficiently blocks any organization that has been indicted from receiving any funds—for example, ACORN. Unfortunately, the majority is actively making efforts to reopen groups like ACORN to taxpayer funds with no regard for past indiscretions.

Restructuring the mortgage industry is essential in returning safety and security to the housing industry. We don't debate that. Unfortunately, the majority party is choosing to streamline an overzealous mortgage bill without allowing the Federal Reserve regulations to first go into effect, not to mention the destructive nature of this bill on the lending industry and what the impact of this bill will have on every single American who is striving for the dream of homeownership, namely, making it more expensive and less available to those people who need it the most.

H.R. 1728 is a jackpot for trial lawyers, kryptonite for the mortgage industry, and ultimately crushes dreams of homeownership for many Americans. Therefore, Madam Speaker, I oppose the rule and the underlying legislation, and I hope my colleagues do the same.

I reserve the balance of my time.

Ms. PINGREE of Maine. Madam Speaker, I yield 3 minutes to the gentleman from Massachusetts, the Chair of the Committee on Financial Services, Mr. FRANK.

Mr. FRANK of Massachusetts. Madam Speaker, I am grateful for this very clear delineation of the Republican philosophy, "do nothing about subprime mortgages." Now, the gentleman from Texas did say, well, the Federal Reserve is doing it. Understand that in 1994, a Democratic Congress gave the power to the Federal Reserve to promulgate those regulations. Alan Greenspan refused to use them. From 1995 on, he refused to use them.

At some point in the late 1990s and the early part of this century, it became clear to many of us, led by my colleagues from North Carolina, Mr. MILLER and Mr. WATT, that we had problems in the subprime area. And people tried to get Mr. Greenspan to do it, and he wouldn't do it. So we then said, "okay, we had better act legislatively in the absence of the Federal Reserve doing it." We were blocked from doing it by the Republican leadership of the House.

The gentleman from North Carolina (Mr. WATT), the gentleman from North Carolina (Mr. MILLER) and I tried to get some legislation. Some Republican Members were ready to cooperate with us. But the decision came from the Republican leadership "no." So from 1994, when Congress voted authority to the

Federal Reserve, until 2007, after the Democrats had come back into the majority, nothing was done to block subprime mortgage abuses. Nothing. And not a single piece of legislation came forward when the Republicans were in control.

Now, I would add, by the way, that in 2007 we did a bill, we had some bipartisan cooperation, not a majority of Republicans, the bill passed the House but failed in the Senate. It didn't come up. Now we are doing it again. At no point have we seen a Republican alternative. The gentleman from Texas had some criticisms. We have never seen a Republican proposal to deal with subprime mortgages. Now they might say, "well, we are in the minority, what is the point?" But they were in the majority, Madam Speaker, from 1995 to 2006.

The gentleman from Texas (Mr. HENSARLING) submitted an amendment to the bill which talks about how subprime mortgages skyrocketed in percentage from 2002 to 2006 under the Bush administration and under Republican control of Congress. Members on the Democratic side said, "let's do something it about it." The Republican answer was "no." So we have here the clearest demonstration of the Republican approach of "do nothing." But then the gentleman said, "oh, no, the Federal Reserve has done it." Well, first of all, understand the inconsistency between conservative attacks on the undemocratic nature of the Federal Reserve in some context and the decision to allow Congress to let them legislate instead of the Congress.

The notion, we heard it on credit cards and we heard it today, the notion that the elected officials of this country should not intrude when the Federal Reserve has proposed legislation turns democracy on its head and is wholly inconsistent with other arguments we get. Beyond that, while I appreciate what Mr. Bernanke has done—

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. PINGREE of Maine. I yield the gentleman 2 additional minutes.

Mr. FRANK of Massachusetts. Mr. Bernanke, to his credit, repudiated the no-regulation, extreme conservative philosophy of Mr. Greenspan and promulgated rules, but only after a Democratic Congress began to act on this. And I think he did a good job and deserves credit.

The problem is that there are things he cannot do. The Federal Reserve cannot change statute. So, yes, this bill goes beyond what the Federal Reserve did. I'm glad the Federal Reserve is doing it. I'm glad that Mr. Bernanke reversed the Greenspan position which had been supported by the Republicans to do nothing. We will debate individual cases of this. As to legal services, yes, we have had examples of individuals being evicted, being foreclosed inappropriately. What this does is to say that they can get some legal help.

This is a defensive measure for people who are going to be losing their homes. And we found that there were some problems there.

As to securitization, we will get into this. But, yes, I do agree we have people who have come to us and said, "you know what? We don't have any money. Why don't you let us make loans?" Well, we don't think people should be lending money they don't have and immediately selling the loans. Here is the point, Madam Speaker, we will get into it later. The extension of loans to people who shouldn't have gotten them, partly the fault of the borrowers, partly the fault of the lenders, whatever the reason, that was the single biggest cause of the subprime crisis.

And the record of the Republican Party, from taking office in 1995 until today, is to oppose overwhelmingly any effort to do anything about it, from Mr. Greenspan's refusal to use the authority he was given to the failure of the Republicans to this day to come forward with any constructive legislative alternative. So, yes, there might be room for debate, but as between doing something to prevent this and doing nothing, I believe "something" wins.

Mr. SESSIONS. Madam Speaker, I find myself in a position of making sure that this body does understand that lots of debates have taken place. I know the gentleman, Mr. FRANK, has been on the committee for a long time and has argued very vehemently for years that the crisis was not about to happen, that the crisis and the changes that were made to Fannie and Freddie and subprime mortgages and all these things, that there was no crisis that was getting ready to happen. And I would respectfully say to the gentleman, it seems like Mr. Greenspan agreed with that. Something did happen. And it is up to us as thoughtful Members to make sure that we appropriately then take action where necessary. This was done last year. The Federal Reserve understood it, went through a deliberative process, took feedback from the industry and took feedback from consumers. The damage had been done.

We are now talking about predatory lending. We are not talking about what got us in the problem in the first place. We are talking about now that people are in trouble, how do we help save them? How do we help work with them? How do we make sure that the system properly works not just for people who might be in trouble, but people who might be in the future? The Federal Reserve has already done this. We already know that those rules will take place in October.

What I would argue with the gentleman about is going then too far, not doing something. I wouldn't argue with the gentleman. The gentleman is really very thoughtful in much of what he does. But the legislation will narrow choices, lessen credit and increase costs for borrowers and taxpayers. And

at some point there has to be some balance. We are in agreement that we ought to move forward, that we ought to do things, that the laws that will take place through the regulation of the Fed are proper, necessary and needed. But we are not for making lawsuits a better part of what we are doing, providing money for people to sue, narrowing choices, lessening credit and increasing costs. And that is our decisionmaking point where we disagree with not only this legislation but perhaps moving this bill in the first place.

I reserve the balance of my time.

□ 1100

Ms. PINGREE of Maine. Madam Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Madam Speaker, the gentleman from Texas is wrong to say we didn't want action. Yes, in the early part of the century we thought there wasn't a crisis. We tried to get Alan Greenspan to use the authority we gave him.

In 2003 I said that Fannie Mae and Freddie Mac were in crisis, as I didn't think they were, as Wachovia wasn't and Merrill Lynch.

In 2004, the Bush administration ordered Fannie Mae and Freddie Mac significantly to increase the subprime mortgages and low-interest mortgage rates. At about that time, and as Mr. HENSARLING's amendment shows, it was around that time that the Bush administration presided over a great increase in subprime mortgages.

Beginning in 2003, we tried to get legislation adopted, and the Republicans said no. The Republicans wouldn't do it. It wasn't until 2007 that there was any action at all. And it is not a coincidence that the Fed was given authority under a Democratic Congress in 1994 and didn't exercise it until a Democratic Congress came back in 2007. Yes, I was in the Congress. I was in the minority, and I was frustrated by the failure of the Republicans to do anything.

The SPEAKER pro tempore. The gentleman's time has expired.

Ms. PINGREE of Maine. I yield an additional minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Now under Mr. Oxley, he did try to amend the rules to regulate Fannie Mae and Freddie Mac, and a bill passed the House in 2005. I voted for it in committee, but opposed it on the floor because it restricted organizations like the Catholic Church from participating in affordable housing. But the bill failed after 2005. The bill to regulate Fannie Mae and Freddie Mac, which passed the House, where I served, it died later on in part because, as Mr. Oxley has made clear, the Bush administration and he got into a disagreement.

So the Republicans had authority to pass bills on Fannie Mae and Freddie Mac and subprime lending for 12 years

and did nothing. We, in 2007 when we came into the majority, very promptly passed a bill to regulate Fannie Mae and Freddie Mac and to regulate subprime lending over consistent Republican opposition.

Mr. SESSIONS. Madam Speaker, you know, two points: first of all, we are sitting here blaming each other. I hope I am not doing that about the past. We were talking about today's bill, the right way to balance what needs to be done now with the understanding that the Fed has already acted, notwithstanding whether the gentleman, Mr. FRANK, thinks that they should have acted or whether the chairman of the Fed should have done something. The bottom line is that the gentleman was right there with him the whole time. "There is no problem. There is no systemic risk." And that was the constant message that we heard from the gentleman, Mr. FRANK, about the same big issue.

But I would like to take issue with one point, and that is Republicans have done nothing. Well, I would like to say that there was Republican-authored legislation called the SAFE Act. And the SAFE Act which created licensing and registration for the mortgage industry was enacted last year.

The Conference of State Bank Supervisors had called ranking member, oh, yes, he is a Republican, SPENCER BACHUS' bill "the most significant mortgage reform in years."

So let's be a little bit clear: Republicans were not here doing nothing. Our friends, the majority party, were offering public comment about what was not going to happen, and the subprime mortgage effort did happen. And now what we are trying to do is work with a set of rules and regulations that have been agreed to by the Fed, well understood, and the industry as well down the line to make sure this October we know what those rules are. And now we are going to have our friends in the majority party to overlay new rules that empower trial lawyers that will narrow choices, lessen credit, and increase costs. There has got to be some balance.

Mr. Speaker, I would argue today that notwithstanding the gentleman from Massachusetts (Mr. FRANK) and the gentleman from Alabama (Mr. BACHUS) and the gentleman from Texas (Mr. HENSARLING), who has been mentioned a couple of times, have been very active for 6 or 8 years on this issue. Doing nothing would not be an accurate description. Saying that Republicans blocked attempts would not be a correct assertion. But saying that there has been work in the aftermath to try and do the right thing that is right on target already exists and we don't need to add to that would be equally true also.

I reserve the balance of my time.

Ms. PINGREE of Maine. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, first I reiterate, yes, I did say

in 2003 I didn't think we had a crisis. As the Bush administration increased the number of subprime loans that it required Fannie Mae and Freddie Mac to take, and as we saw the subprime crisis, I said we did have one and pushed for legislation. But most importantly, the gentleman referred to what is called the SAFE Act. It did not pass as a standing bill. First of all, during the period when the Republicans controlled the House for 12 years, they passed no such legislation. It never even came up in committee. When the Democrats took power, we passed a subprime bill. The provision he is talking about was the section of the subprime bill that was passed over the objection of a majority of the Republicans.

My guess is that the gentleman from Texas probably voted against the bill he has just hailed. We can check the RECORD.

But, yes, there was an amendment offered by the gentleman from Alabama that we worked on. It became a part of the Democratic bill that was passed over the objections of a majority of Republicans, and the gentleman from Alabama was severely criticized by most Republicans for voting for the bill.

The SPEAKER pro tempore (Mr. ROSS). The gentleman's time has expired.

Ms. PINGREE of Maine. I yield the gentleman an additional 30 seconds.

Mr. FRANK of Massachusetts. During the period of Republican rule, nothing happened. When the Democrats took over, we did pass a subprime bill of which the SAFE Act was a part. It was opposed in final passage by a majority of the Republicans. The author, Mr. BACHUS, was criticized by many Republicans for supporting the bill. And I would be interested in knowing whether the gentleman from Texas voted for the bill which he has just hailed.

Mr. SESSIONS. Mr. Speaker, I am very pleased to engage the gentleman, and I appreciate him doing this. But, Mr. Speaker, my point would be the gentleman is trying to get into a political argument especially about how I may or may not have voted. He supposes I would have voted against the bill because it was a reasonable bill. I think that is what he is trying to say. I don't know how I voted on the bill, this section of the bill, at all.

What I would say to you is that you can't have it both ways. You can't say Republicans did nothing and then say, oh, Republicans, a handful of Republicans did something, but the vast majority of Republicans voted against it. That is, Mr. Speaker, trying to take what we are attempting to do here today, making public policy wise choices in the open, and by the way, Republicans are for doing this on the floor to talk about every amendment, to talk about the processes, to talk about the expectations of performance, to talk about what we expect the laws to do; and now he is trying to have it both ways to say, I guess it was a Republican idea, but most Republicans

opposed it. It was a Republican idea by the ranking member of Financial Services, SPENCER BACHUS, who is a Republican, and who moved forth in those responsibilities an opportunity for something to become law. And it is obvious the gentleman, Mr. FRANK, at the time was willing to engage in that, and that should make all of us feel good.

But I don't think we should turn around later and diminish that effort just because we want to make political points here today. And I don't mind making political points because here are the political points I would make: today we are going to narrow choices, lessen credit, and increase costs for borrowers and taxpayers. We are going to provide at a time when our country should be trying to lessen spending of money, we are going to provide an extra \$140 million for people to go sue in court to overload our courts when resolution should be done by the legislation, but in fact also by the rules that are already provided by the Federal Reserve.

Republicans aren't here just to say no and to come to fight. We are after good public policy. We are after public policy that will work for people and a marketplace so there are lenders in every single community.

This bill that we are here today on will lessen, take away the number of qualified lenders who are available because now the costs are going to go up, fewer consumers will be able to get the loans and will pay more money because now we are going to give from the Federal Government \$140 million to go sue somebody.

Legislation should be about finding a balance. I'm not opposed to remedies. I'm not opposed to courts and people litigating for the right reasons. I am simply not interested in now that it is over, trying to find a way to beat up people when resolution, keeping people in their homes, finding a way for that balance to work.

And today we will give full credit to Mr. FRANK. He wants political credit; let's give him full political credit. All the Democrats will get full political credit today for doing essentially two things: number one, reworking what is already laws that are going to begin in October by the Federal Reserve; and, secondly, we will give you credit for these principles, narrowing choices, lessening credit, and increasing costs for borrowers and taxpayers. Making it more difficult at a time when America and Americans need the chance to go get a home loan, we are now going to add more rules and regulations to the mortgage industry.

This is exactly where Republicans do draw the line. We are for well-balanced, well-meaning, thoughtful articulation on this floor to make sure we understand what we are doing. We are not for suing people and not for adding costly rules and regulations. The industry has already told us that is exactly what the intended outcome of this bill will be.

I reserve the balance of my time.

Ms. PINGREE of Maine. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. FRANK), the chairman of the Committee on Financial Services.

Mr. FRANK of Massachusetts. Mr. Speaker, the record is relevant because when you—

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair notes a disturbance in the gallery in contravention of the law and rules of the House.

The Sergeant at Arms will remove those persons responsible for the disturbance and restore order to the gallery.

Mr. FRANK of Massachusetts. Mr. Speaker, as I was saying, the notion that the differences between the parties is irrelevant, I understand why, given the Republican's record, they want to argue this.

The fact is, yes, the gentleman from Alabama had a good idea. He was chairman of the subcommittee during the 12-year period and could have brought it to the floor. But because of the Republican position that no regulation was appropriate, he couldn't do that. The gentleman from Texas said this was a very good idea. I agreed; that's why I supported it.

By the way, the gentleman from Texas voted against the bill, along with two-thirds of the Republicans that embodied it. So we wouldn't have had it if he had carried his way.

But the fact is that for 12 years after the subprime crisis broke, the Republican Party wouldn't allow the gentleman from Alabama, who was then chairman of the subcommittee, to bring his bill up. We did bring the bill up, yes, in a bipartisan way. Unfortunately, the gentleman from Alabama was then criticized by Members of his party on the conservative side and has been forced to withdraw it a little bit.

The SPEAKER pro tempore. The gentleman's time has expired.

Ms. PINGREE of Maine. I yield 15 seconds to the gentleman.

Mr. FRANK of Massachusetts. Differences between the parties are relevant. For 12 years, the Republicans wouldn't allow the gentleman from Alabama to bring his bill to the floor. In our first year, we did and I was glad to work with him, but it was a minority position opposed by the great majority of the Republicans, including the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, I appreciate this one-sided debate about how bad Republicans are, how we did nothing; but I believe the gentleman has already well answered that question and heard it that Republicans in fact have been proactive during this entire time.

Mr. Speaker, I include for the RECORD a letter dated May 5, 2009, from the Mortgage Bankers Association whose title is "Investing in Communities."

MORTGAGE BANKERS ASSOCIATION,  
Washington, DC, May 5, 2009.

Hon. NANCY PELOSI,  
Speaker of the House, U.S. House of Representatives,  
Washington, DC.

Hon. JOHN BOEHNER,  
Republican Leader, U.S. House of Representatives,  
Washington, DC.

DEAR SPEAKER PELOSI AND LEADER BOEHNER: On behalf of the 2,400 members of the Mortgage Bankers Association (MBA), we are writing with regard to H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, a bill the House is scheduled to consider later this week.

Congress is facing a once-in-a-generation opportunity to improve the mortgage lending process. If carefully crafted, improved regulation is the best path to restoring investor and consumer confidence in the nation's lending and financial markets and assuring the availability and affordability of sustainable mortgage credit for years to come. At the same time, if regulatory solutions are not well conceived, they risk exacerbating the current credit crisis.

While we applaud the comprehensive nature of H.R. 1728, we believe this legislation misses the opportunity to replace the uneven patchwork of state mortgage lending laws with a truly national standard that protects all consumers, regardless of where they live.

MBA is also concerned with the bill's requirement that lenders retain at least five percent of the credit risk presented, by non-qualified mortgages. While this provision was improved by the Financial Services Committee, it will still make it highly problematic for many lenders to operate, particularly smaller non-depositories that lend on lines of credit. It will also necessitate that larger lenders markedly increase their capital requirements. Both results will narrow choices, lessen credit, and force an inefficient use of capital at the worst possible time for our economy.

Finally, MBA believes the bill's definition of "qualified mortgage" is far too limited and will result in the unavailability of sound credit options to many borrowers and the denial of credit to far too many others. We urge the House to expand the definition and to provide a bright line safe harbor so that if creditors act properly, they will not be dogged by lawsuits that increase borrower costs.

MBA would like to commend the House for the priority it has given to reforming our mortgage lending process. It is imperative that we continue to work together to stabilize the markets, help keep families in their homes and strengthen regulation of our industry to prevent future relapses.

Sincerely,

JOHN A. COURSON,  
President and Chief  
Executive Officer.

DAVID G. KITTLE, CMB  
Chairman.

I would like to read from that letter signed by John Courson, president and chief executive officer, and David G. Kittle, chairman, and these are people who are in the business, and they say this bill will "narrow choices, lessen credit, and force an inefficient use of capital at the worst possible time for our economy."

□ 1115

So the argument that I'd make is that evidently the Fed—their rules were not accused of this. They were seen by the industry and by consumer groups as the right thing to do. We're worried about it.

So we'll give the gentleman full credit. The Democrats get full credit for bringing the bill to the floor today. I don't know who's going to vote for it and I don't know who's going to vote against it, but what I will say is let the facts of the case be very evident—narrow choices, lessening credit, and a force of an inefficient use of capital at the worst possible time for our economy.

Republicans are for balance. We are not for and would not support something that would be described by the industry as bad for consumers.

I reserve the balance of my time.

Ms. PINGREE of Maine. I reserve the balance of my time.

Mr. SESSIONS. I want to thank not only the gentlewoman for extending the time, but also the gentleman, Mr. FRANK, for engaging in this issue.

Mr. Speaker, testifying to the Financial Services Subcommittee on behalf of a coalition of consumers, advocacy groups, and labor organizations from across the country, Margaret Saunders of the National Consumer Law Center, called this bill "convoluted and virtually impossible as a mechanism to solve the current problem." Convoluted and virtually impossible as a mechanism to solve the current problem.

We need to go back to the drawing table and remove many of the political provisions which will only cause further damage in the marketplace. It will further damage a fragile mortgage market that is in need of greater certainty, not more uncertainty.

This afternoon in the Rules Committee, my friends on the other side of the aisle will have an opportunity to allow for quality changes to the underlying legislation, opportunities for Members of this body to hear debate and vote on amendments. I encourage an open rule, which will be an open and honest discussion just like we've had here on the floor today, on the discussions that the House will handle tomorrow.

With respect to the 50-plus amendments to the legislation that were submitted to the Rules Committee yesterday morning, we'd like to see them all be made in order. Congress has an opportunity to provide for quality, meaningful returns, and to help the current mortgage lending process, and it is my hope that my Democrat colleague friends will allow for that process.

With that, I oppose this rule and look forward to a better rule tomorrow. As always, I think that a better rule tomorrow, an open rule, will yield not only the intended results, but will help the American people to know what we intend to do with this legislation.

I yield back the balance of my time.

Ms. PINGREE of Maine. First, I once again want to thank Mr. MILLER and Mr. WAMP, my colleagues, for their excellent work on this bill, and to Chairman FRANK for his work as well and for being here on the floor with us today for some very lively and important debate that clearly emphasized the im-

portance of this bill, how long we have waited for this reform, and the damage that has been done by not having this reform for this considerable length of time.

By ensuring borrowers only secure loans that they can afford, this legislation will give Americans the best opportunity to purchase and maintain a home.

This legislation is about accountability. It will reward people who play by the rules and guarantee hard consequences for those individuals and institutions that do not. It's good for borrowers, it's good for lenders, and it is very good for our economy as a whole.

I urge a "yes" vote on the previous question, and on the rule.

I yield back the balance of my time, and move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. WATT. Mr. Speaker, I ask unanimously consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1728, and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

#### MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT

The SPEAKER pro tempore (Ms. PINGREE of Maine). Pursuant to House Resolution 400 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1728.

□ 1120

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1728) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to provide certain minimum standards for consumer mortgage loans, and for other purposes, with Mr. ROSS in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

The gentleman from North Carolina (Mr. WATT) and the gentleman from Texas (Mr. NEUGEBAUER) each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. WATT. Thank you, Mr. Chairman. I yield myself 5 minutes.

Mr. Chairman, today could easily be a day toward a celebration for myself,