consisted of the corps participating in air rifle, physical fitness and drill tests. Due to their discipline and commitment and dedication to their program, the Gadsden cadets bested their competition from across New Mexico for the second year in a row.

I am proud and honored today to stand on the floor of the United States House of Representatives and say something that those students certainly deserve to hear: you are again the pride of your State, and congratulations on a job well done.

SEEKING THE BLESSING AND PROTECTION OF ALMIGHTY GOD

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

Mr. PENCE. Madam Speaker, the Father of our Country, George Washington, said on the occasion of the 9th of July 1776: ''The blessing and protection of Heaven are at all times necessary, but especially so in times of public distress and danger.''

Today is the 58th celebration of our National Day of Prayer. It is the day that Americans from coast to coast will set aside time to pray for this Nation, our soldiers, public safety officials and public servants, from the President of the United States to the city council.

Since first called to prayer in 1775 when the Continental Congress asked the Colonies to pray for wisdom forming the Nation, prayer has been at the center of our national life, including President Lincoln's famous proclamation for humility, fasting and prayer in 1863, through when in 1952 President Truman signed a joint resolution of Congress creating this day.

It is said in the Old Book that the effective and fervent prayer of a righteous man availeth much. What is true of man, I would say, is also true of nations.

During this National Day of Prayer, during these challenging times, let it be said again, we are a Nation of prayer.

□ 1015

The 30TH ANNUAL BLUES MUSIC AWARDS

(Mr. COHEN asked and was given permission to address the House for 1 minute.)

Mr. COHEN. Madam Speaker, my hometown of Memphis is known for music, the home of rock and roll and the birthplace of the blues. Tonight the Blues Foundation will celebrate the 30th awarding of the Blues Foundation International Awards for the greatest blues performers. B.B. King will be there, and he'll give the first B.B. King International Entertainer of the Year Award. Other performers include Bonnie Raitt, Maria Muldaur, Taj Mahal and others. In the category for Best Blues Performer of the Year, Bobby Rush is nominated, not our Bobby Rush but the Bobby Rush of blues fame also from Chicago.

Memphis is proud to have a great musical heritage and we will celebrate it and enjoy it tonight. I encourage everybody to enjoy the blues. In this economy, they are more relevant than ever, unfortunately, Madam Speaker.

ISRAEL THREATENED BY IRAN

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

Mr. HERGER. Madam Speaker, as Congress commemorates the 61st anniversary of the independence of Israel, I rise to express my deep concern that the future of this nation is gravely threatened by Iran's pursuit of nuclear weapons.

Iran's radical regime only desires the demise of Israel and longs for regional dominance. It is now on the cusp of acquiring the weapons needed to potentially achieve both.

Nations that value liberty and peace must stand strongly against Iran's dangerous behavior. The United States must confront this looming crisis with resolve and strength.

I have cosponsored the Iran Sanctions Enabling Act, which would significantly undermine Iran's lucrative energy sector. Congress should pass this legislation and show our steadfast support for Israel.

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

Mr. CARDOZA. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 406 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 406

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 further 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. No general debate shall be in order pursuant to this resolution. The bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived except those arising under clause 10 of rule XXI. Notwithstanding clause 11 of rule XVIII, no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each such amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendments are waived except those arising under clause 9 or 10 of rule XXI. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. CARDOZA. 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.

GENERAL LEAVE

Mr. CARDOZA. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on House Resolution 406.

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

There was no objection.

Mr. CARDOZA. Madam Speaker, I yield myself such time as I may consume.

House Resolution 406 provides for consideration of H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, under a structured rule. The rule makes in order 14 amendments, which are listed in the Rules Committee report accompanying the resolution. Five Republican amendments, eight Democratic amendments, and one bipartisan amendment have been made in order. Each amendment is debatable for 10 minutes, except the manager's amendment, which is debatable for 30 minutes. The rule also provides for one motion to recommit with or without instructions.

Finally, I would like to take a moment to make a clarification regarding the description of one of the amendments that has been made in order under the rule, specifically amendment No. 2 by Chairman FRANK. The Rules Committee report inadvertently listed a description from an earlier version of this amendment. The amendment was later modified, but the change to the description was not updated. I want to emphasize that the actual amendment text which was made in order is correct.

Madam Speaker, I ask unanimous consent to submit for the RECORD the correct description for the Frank amendment listed as No. 2 in the Rules Committee report.

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

There was no objection.

Corrected description for the Frank amendment No. 2 listed in the Rules Committee report:

2. Frank—would provide that no funds in this bill for legal assistance or housing counseling grants may be distributed to any organization which has been or which employs an individual who has been convicted for a violation under Federal law relating to an election for Federal office,

Mr. CARDOZA. Madam Speaker, as we all know, our country is at a significant crossroads, the likes of which we have never known. Businesses continues to shed payroll, job losses continue to mount, and hardworking families across America continue to struggle.

Many economists have correctly stated that the foreclosure crisis is the root of our economic meltdown, and I firmly believe that until the housing market is stabilized, the economy will continue to worsen and people will continue to spend less, more businesses will shut their doors, and mass layoffs will further spread.

Until that happens, however, more and more American families are at risk of losing their homes. In the first quarter of 2009, more than 800,000 mortgage loans entered into the foreclosure process, with over 340,000 in March alone. Both are record highs, which goes to show that the foreclosure crisis is far from over.

I can personally attest to the damage the foreclosure crisis has left in its wake and the long effects it will have into the future. I have the honor of representing California's 18th Congressional District, which encompasses the San Joaquin Valley, but today my district is suffering like no other. My district has the highest rates of foreclosure in the Nation and a loss of 70 percent of home equity over the last 3 years. And with each passing month, it seems that the numbers are worsening.

As a result of the rampant foreclosures in my district, once vibrant neighborhoods have become vacant yards overgrown with weeds, and houses are crumbling from vandalism and disrepair. Swimming pools are abandoned at these houses and have become havens for mosquitos. Crime and vandalism are on the rise in what were previously safe neighborhoods.

Yet that's not all. Home values in surrounding areas are also beginning to plummet, and what started out as a foreclosure crisis in my district is quickly spinning out of control, creating economic disasters. In many parts of my district, they now face unemployment rates of over 20 percent. Small businesses and neighborhood restaurants which were once packed with customers are now almost empty and are shutting their doors at alarming rates. Our longest-serving community bank was swept up in the foreclosure crisis and recently closed. On top of that, my dairy farmers are in crises and we have one of the worst droughts in the country.

Madam Speaker, as I have been saying for quite some time, the devastation that has hit my district is massive and widespread and is somewhat similar to what Katrina left behind, only it was not caused on a single day by an extreme event but over the course of weeks, months, and years.

Long after the foreclosure crisis has come and gone, the Central Valley will continue to cope with the aftermath of this economic devastation for many years to come. My district and our Nation will not overcome this crisis overnight, and it will take unprecedented action to help us rebuild and recover.

Congress has taken several important steps and actions not just to combat this crisis but to ensure a housing crisis of this magnitude will never happen again. The bill before us today is one more step in that direction.

Some say the foreclosure crisis can be traced back to the rapid increase in subprime mortgages and risky underwriting practices, most of which were made with no Federal supervision. Many of the families targeted by subprime lenders were, in fact, low-income families with poor credit histories who felt this was the only opportunity for them to achieve the American Dream. They were lured into low ''teaser'' introductory interest rates which morphed into loans which they had little chance of repaying once rates increased, starting the uptick in the foreclosure market.

H.R. 1728 is aimed at preventing these predatory practices in the future. Among other things, H.R. 1728 requires lenders to prove borrowers can actually repay their loans in order to ensure that vulnerable consumers aren't pressured into loans at terms that they can't meet. It eliminates incentives to steer consumers into high-cost loans. It also provides much-needed regulation of the lending industry.

H.R. 1728 is not a cure for the foreclosure crisis, but it is an important component in eliminating the unscrupulous practices that ran amok and helped lead the collapse of the housing market.

I want to thank Chairman FRANK for once again bringing this bill forward and for his continued commitment to turning the tide on our Nation's foreclosure crisis. I want to take this opportunity to thank Chairman FRANK for working with me to insert language into the manager's amendment of this bill that would create and make publicly available a national database of foreclosure and default statistics, which we don't currently have. The Federal Government keeps track of many economic indicators, including home price declines and unemployment, but right now there is no government agency that keeps tabs on defaults and foreclosure rates.

As the foreclosure crisis has taught us, foreclosure and default rates are critical statistics not only for monitoring the Nation's economy but also for determining which areas of the country have been hardest hit in the downturn. My amendment calls on the Secretary of HUD to create this database so that the Federal Government and Congress can better detect and assess the housing crisis so that we can respond in a timely and targeted manner.

Again, I thank Chairman FRANK for incorporating my amendment, and I ask my colleagues on both sides of the aisle to support the manager's amendment and the underlying billing so we can stop predatory lending and establish a federally maintained database on foreclosures and defaults.

Madam Speaker, I reserve the balance of my time.

Mr. SESSIONS. Madam Speaker, I yield myself such time as I may consume.

I rise today in opposition to this rule and to the underlying legislation. This structured rule does not call for the open, honest debate that has been promised by my Democrat colleagues time and time again; yet here we are again discussing the mortgage reform bill for the second day.

It is essential to provide for more transparency and accountability in the lending process, but there is also a laundry list of important issues that face this Congress. And all this week we will have but one bill on the floor of the House of Representatives to debate. I think that's unfair to the American taxpayer when there is much work to be done.

Today not only will we be discussing the flawed underlying legislation, which is already addressed in Federal statute, as we spoke about yesterday being on the floor, that Federal Reserve has already issued the rules and regulations as a result of feedback from industry last year, but what we are here to do is to try to redo that to put the majority's mark on that legislation, which already takes care of the problem.

But this legislation that we're going to handle again today limits choice, reduces credit, and increases costs to consumers and taxpayers at a time when the effort should be about making home mortgages more reliable, least cost conscious, and making sure that consumers would be able to have an opportunity to have a chance to have a home. But what we are going to do is, by allowing a patchwork of State laws to confuse the system, we are going to now create qualified mortgages which require lenders to hold 5 percent credit and creates a $140 million slush fund for trial lawyers. So what we are going to do is limit choice, reduce credit, and increase costs, and make sure now there is a slush fund for trial lawyers to sue the same companies that we were trying to encourage to lend to the marketplace so people could have money.

□ 1030

Madam Speaker, you will also hear about the amendments that our Democrat majority has made in order and failed to make in order today, no matter how substantive those amendments were.

We have heard the number of amendments that were made in order. My good friend knows that there were about 20 Democrat amendments that were put into the manager's amendment. So the 8–5 ratio is a little bit deceptive. It should be 8 plus 20, it's 28 versus 5 Republican amendments.

I offered two amendments in the Rules Committee last night, and both were struck down on party line vote—I guess that's no surprise. One was to limit trial lawyers access to taxpayer funds, and one was to ensure organizations like ACORN or any organization that receives money from the Federal Government, are more transparent and accountable with any government funds they receive.

At the end of 2007, the Board of Governors of the Federal Reserve undertook careful review of the abuses in the mortgage process system, and they took public comments, held public hearings across the country. And after careful deliberations, they finalized new comprehensive mortgage rules. These rules are going to take effect 5 months from now in October.

So not only are we spending all of 1 week on one piece of legislation, but the necessary regulations already exist in Federal statutes, and companies all across this country are already aiming at implementing those rules and regulations being ready for October.

This legislation fails to address the uneven patchwork of state mortgage lending laws and leaves lenders and consumers with unfair and confusing laws where the costs will ultimately be borne by customers. While this legislation attempts to establish is a new class of loans called qualified mortgages which will enjoy safe harbor and exemption from further restrictions in this bill, this will ultimately limit consumer choice on mortgages and unduly burden the mortgage industry, essentially excluding numerous safe and affordable mortgage products that serve and have been good to borrowers as well.

Madam Speaker, the Democrats are here today to say that they are on the side of the consumer and the borrower, even if it limits choices and raises interest rates for every single consumer that chooses to use this avenue to buy a home. Mr. Michael Menzies, on behalf of the Independent Community Bankers Association, in committee hearings on April 23, 2009, stated, ''Lots of this legislation simply increases our cost of doing business rather than helping us do a better job with our customers.''

Another regulation that will narrow choice, lessen credit and increase costs for borrowers and taxpayers is the lender risk retention provisions requiring lenders to retain at least 5 percent of the credit risk presented by all loans that are not deemed qualified mortgage. While I do believe that it is important to have some ownership in your investments, these far-reaching requirements would make it impossible for many lenders to operate, especially small and local lenders.

With the current economic crisis and all the efforts to inject capital into the financial services sector, why would we want to limit the use of capital and threaten to further impair banks' abilities to lend? Madam Speaker, this is not a solution for the ailing economy.

In addition, this legislation directs HUD to establish a brand-new $140 million slush fund for legal organizations to provide a full range of foreclosure-related services. Madam Speaker, my friends on the other side of the aisle actually take these steps simply to fund trial lawyers in this legislation.

If this doesn't force a flood of litigation, I really don't know what will. And Margot Saunders of the National Consumer Law Center, a consumer-advocate organization, said on April 23, 2009, in the Financial Services hearing, ''We have tried to propose repeatedly that you draft a simple bill that creates market-based incentives for enforcement rather than litigation opportunities,'' and I might say, which is full in this bill.

In other words, what we are doing is looking for paying lawyers to come and do what we should do here in this body with thoughtful, honest, straightforward legislation, which is why I offered an amendment in the Rules Committee last night, that of course was defeated on a party-line vote.

Madam Speaker, I include the amendment in the RECORD.

AMENDMENT TO H.R. 1728, AS REPORTED OFFERED BY MR. SESSIONS OF TEXAS

After section 220 insert the following new section:

SEC. 221. LIMITATION ON ATTORNEY'S FEES.

Section 130 of the Truth in Lending Act (as amended by section 211) is further amended by adding at the end the following new subsection:

''(l) CERTAIN ATTORNEY'S FEES.—With respect to any action brought under this section based on a right of action created by amendments made to this title by the Mortgage Reform and Anti-Predatory Lending Act—

''(1) the award of attorney's fees shall be limited to a reasonable hourly fee, as determined by the court; and

''(2) a person may not enter into a contingency fee agreement with an attorney to bring such an action.''.

This amendment would limit attorneys' fees for filing a right of action created by this legislation to ensure the borrower or victim of predatory lending, not trial lawyers, are fairly compensated for their hassle.

Madam Speaker, a month ago Congress took great strides to protect taxpayers from executives getting bonuses from TARP money. Yet today here we are allowing trial lawyers to seek compensation from the same banks that received TARP funding. I stand here today for the American taxpayer, not the trial lawyers or special interest groups, like my friends, obviously, on the other side.

Madam Speaker, I offered a second amendment in the Rules Committee yesterday, which I would submit for the RECORD.

AMENDMENT TO H.R. 1728, AS REPORTED OFFERED BY MR. SESSIONS OF TEXAS

After section 407, insert the following new section:

SEC. 408. ACCOUNTABILITY AND TRANSPARENCY FOR CERTAIN GRANT RECIPIENTS.

Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x), as amended by the preceding provisions of this title, is further amended by adding at the end the following:

''(i) ACCOUNTABILITY FOR COVERED ORGANIZATIONS.—

''(1) TRACKING OF FUNDS.—The Secretary shall—

''(A) develop and maintain a system to ensure that any covered organization (as such term is defined in paragraph (3)) that receives any grant or other financial assistance provided under this section uses such amounts in accordance with this section, the regulations issued under this section, and any requirements or conditions under which such amounts were provided; and

''(B) require any covered organization, as a condition of receipt of any such grant or assistance, to agree to comply with such requirements regarding assistance under this section as the Secretary shall establish, which shall include—

''(i) appropriate periodic financial and grant activity reporting, record retention, and audit requirements for the duration of the assistance to the covered organization to ensure compliance with the limitations and requirements of this section and the regulations under this section; and

''(ii) any other requirements that the Secretary determines are necessary to ensure appropriate administration and compliance.

''(2) MISUSE OF FUNDS.—If any covered organization that receives any grant or other financial assistance under this section is determined by the Secretary to have used any such amounts in a manner that is materially in violation of this section, the regulations issued under this section, or any requirements or conditions under which such amounts were provided—

''(A) the Secretary shall require that, within 12 months after the determination of such misuse, the covered organization shall reimburse the Secretary for such misused amounts and return to the Secretary any such amounts that remain unused or uncommitted for use. The remedies under this clause are in addition to any other remedies that may be available under law; and

''(B) such covered organization shall be ineligible, at any time after such determination, to apply for or receive any further grant or other financial assistance under this section.

''(3) ORGANIZATIONS.—For purposes of this subsection, the term 'covered organization' means—

''(A) the Association of Community Organizations for Reform Now (ACORN); or

''(B) any entity that is under the control of such Association, as demonstrated by—

''(i)(I) such Association directly owning or controlling, or holding with power to vote, 25 percent or more the voting shares of such other entity;

''(II) such other entity directly owning or controlling, or holding with power to vote, 25 percent of more of the voting shares of such Association; or

''(III) a third entity directly owning or controlling, or holding with power to vote, 25 percent or more of the voting shares of such Association and such other entity;

''(ii)(I) such Association controlling, in any manner, a majority of the board of directors of such other entity;

''(II) such other entity controlling, in any manner, a majority of the board of directors of such Association; or

''(III) a third entity controlling, in any manner, a majority of the board of directors of such Association and such other entity;

''(iii) individuals serving in a similar capacity as officers, executives, or staff of both such Association and such other entity;

''(iv) such Association and such other entity sharing office space, supplies, resources, or marketing materials, including communications through the Internet and other forms of public communication; or

''(v) such Association and such other entity exhibiting another indicia of control over, control by, or common control with, such other entity or such Association, respectively, as may be set forth in regulation by the Corporation.''.

This amendment would have ensured that ACORN and any organization affiliated with ACORN would need to provide more transparency with the Federal funds they received through this legislation and all housing and urban development grants. The amendment would have required them to submit a report on what they spent those taxpayer dollars on and, if they were used improperly, they would be forced to repay funds and would be banned from any future grants in the future. Yet, my friends on the other side of the aisle, once again, chose to side with special interests instead of the American taxpayer, and the amendment failed.

After a conversation with Chairman FRANK and his statement to the Rules Committee Tuesday afternoon, my impression was that the chairman supported transparency and would be inclined to support and include any disclosure amendments in the manager's amendment. Unfortunately, since my amendment was too specific, it was not included, even though it simply asked for the same transparency with government funds that Congress has asked our financial institutions to provide.

Even with the recent news reports of two senior employees of ACORN in Nevada that were charged in 26 counts of voter fraud, my Democratic colleagues still voted against my amendments.

Madam Speaker, I have an Associated Press article dated May 5, 2009, of this week, which I submit for the RECORD.

[From the Associated Press, May 5, 2009]

NEVADA CHARGES ACORN ILLEGALLY PAID TO SIGN VOTERS

(By Ken Ritter)

LAS VEGAS—Nevada authorities filed criminal charges Monday against the political advocacy group ACORN and two former employees, alleging they illegally paid canvassers to sign up new voters during last year's presidential campaign.

ACORN denied the charges and said it would defend itself in court.

Nevada Attorney General Catherine Cortez Masto said the Association of Community Organizations for Reform Now had a handbook and policies requiring employees in Las Vegas to sign up 20 new voters per day to keep their $8- to $9-per-hour jobs.

Canvassers who turned in 21 new voter registrations earned a ''blackjack'' bonus of $5 per shift, Masto added. Those who didn't meet the minimum were fired.

''By structuring employment and compensation around a quota system, ACORN facilitated voter registration fraud,'' Masto said. She accused ACORN executives of hiding behind and blaming employees, and vowed to hold the national nonprofit corporation accountable for training manuals that she said ''clearly detail, condone and . . . require illegal acts.''

Nevada Secretary of State Ross Miller emphasized the case involved ''registration fraud, not voter fraud,'' and insisted that no voters in Nevada were paid for votes and no unqualified voters were allowed to cast ballots.

Law enforcement agencies in about a dozen states investigated fake voter registration cards submitted by ACORN during the 2008 presidential election campaign, but Nevada is the first to bring charges against the organization, ACORN officials said.

ACORN has said the bogus cards listing such names as ''Mickey Mouse'' and ''Donald Duck'' represented less than 1 percent of the 1.3 million collected nationally and were completed by lazy workers trying to get out of canvassing neighborhoods. The organization has said it notified election officials whenever such bogus registrations were suspected.

ACORN spokesman Scott Levenson denied the Nevada allegations on behalf of ACORN, which works to get low-income people to vote and lists offices in 41 states and the District of Columbia. He blamed former rogue employees for the alleged wrongdoing.

''Our policy all along has been to pay workers at an hourly rate and to not pay employees based on any bonus or incentive program,'' he said. ''When it was discovered that an employee was offering bonuses linked to superior performance, that employee was ordered to stop immediately.''

Levenson said the two former ACORN organizers named in Monday's criminal complaint—Christopher Howell Edwards and Amy Adele Busefink—no longer work for ACORN and would not be represented by the organization.

Edwards, 33, of Gilroy, Calif., and Busefink, 26, of Seminole, Fla., could not immediately be reached for comment.

Masto identified Edwards as the ACORN Las Vegas office field director in 2008, and said timesheets indicate that ACORN corporate officers were aware of the ''blackjack'' bonus program and failed to stop it. The attorney general said Busefink was ACORN's deputy regional director.

The complaint filed in Las Vegas Justice Court accuses ACORN and Edwards each of 13 counts of compensation for registration of voters, and Busefink of 13 counts of principle to the crime of compensation for registration of voters. Each charge carries the possibility of probation or less than 1 year in jail, Masto said.

A court hearing was scheduled June 3 in Las Vegas, prosecutor Conrad Hafen said.

This article states that ACORN has been investigated by dozens of States regarding fake voter registration cards. Nevada is the first State to bring charges against ACORN for illegally paying canvassers. Nevada's attorney general states that not only was ACORN's field director intimately involved, but the time sheets indicate that ACORN corporate officers were aware of the bonus programs and failed to stop it. Since the beginning of Congress, it has been a congressional priority to provide for the appropriate accountability and transparency in all aspects of the private markets, but my friends in the Democrat majority refused the same accountability for ACORN.

Madam Speaker, I strongly believe that the American public deserves more and better from elected officials. This legislation falls extremely short of providing any positive outcomes to our current economic problems. In fact, I believe that this will only hurt future borrowers in finding a product that fits their needs.

Americans pride themselves on the availability of free market and choice, and yet, today, Congress will pass legislation that limits choice, raises interest rates and increases costs for all Americans, while endorsing special interests and rewarding trial lawyers and irresponsible groups like ACORN.

Madam Speaker, I encourage my colleagues to vote against this rule.

I reserve the balance of my time.

Mr. CARDOZA. Madam Speaker, I would just respond briefly on a couple of points and say that the gentleman continues to advocate for the policies that got us into this crisis. And, in fact, we need to regulate this industry, not because all mortgage bankers are evil; they are not. There are some very good ones. But the few have caused significant pain to both the economy, to our Federal Treasury and to individual homeowners.

Mr. FRANK has designed a 5 percent solution that, in fact, I believe keeps the mortgage bankers with having skin in the game, so that they can't just sell off these loans, give bad ones and absolve themselves of responsibility and let the problem fall on the taxpayers.

Madam Speaker, I yield 3 minutes to the gentlewoman from California, my colleague on the Rules Committee, Ms. MATSUI.

Ms. MATSUI. I thank the gentleman from California for yielding me time.

Madam Speaker, I rise today in support of the rule and the underlying legislation, the Mortgage Reform and Anti-Predatory Lending Act of 2009.

The subprime housing crisis is the root cause of the current economic recession. It has led to the collapse of our financial system, increasing unemployment, and a housing and credit crisis. Even more so, it has had a devastating effect on our families, our neighbors and our communities.

My home district of Sacramento ranks among the hardest-hit areas in the country. I have heard countless stories from my constituents who have been victims of predatory lending and were steered into high-cost bad loans.

Now, many of these homeowners are seeking assistance and modifying their loans to more affordable loan terms. Yet many of these individuals are now being tripped by scam artists posing as so-called foreclosure consultants.

As such, I have an amendment that has been included in the manager's amendment, and I thank the chairman very much for including this. This amendment directs the GAO to conduct a study of current government efforts to combat fraudulent foreclosure rescue and loan modification scams and to educate consumers of these scams.

I will also soon be introducing legislation to direct the FTC to use its authority to initiate a rulemaking process relating to unfair or deceptive practices and foreclosure rescue. Madam Speaker, these harmful activities must end. This bill is a step in the right direction.

The bill establishes standards for home loans, while holding lenders and brokers accountable. It also prevents lenders and brokers from steering future homeowners to high cost, subprime loans just to make a quick extra buck.

Madam Speaker, Congress needs to be a partner with the communities in which we serve. We must continue to work together to find a comprehensive strategy that will protect our homeowners.

Mr. SESSIONS. Madam Speaker, we began this debate and discussion yesterday where we were trying to talk about the impact of this bill and what feedback would come as a result of hearings that Chairman FRANK did have, and one of them, one of the outcomes of that, was a letter dated May 5, 2009. The letter comes from the Mortgage Bankers Association, one of the primary impacting organizations and, certainly, they are there in communities to serve on behalf of the American people for people's housing needs.

Madam Speaker, I would submit for the RECORD a letter that was sent to Speaker PELOSI and Leader BOEHNER about their feedback about this legislation.

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.

Madam Speaker, what this says is that not only are they concerned about this legislation, but they say that this will result in narrow choices, lessening credit and force an inefficient use of capital at the worst possible time for our economy.

So the feedback that came directly to Members of Congress from people representing those that are in the business that have come face-to-face with consumers every day and who understand the needs of the marketplace, point blank have said narrow choices, which means fewer people will have fewer choices that are available to them, lessen credit, which means that there will be less money that is available in the marketplace for people to come and get a loan, and it will force an inefficient use of capital at the worst possible time for our economy.

□ 1045

Madam Speaker, I do understand that in Washington we're smarter than everybody else on a regular basis, but it seems like, to me, that the people who are providing the feedback, who really are with consumers and are trying to provide a product, that we would listen to them and attempt to change the bill. That's not what happened.

So the mortgage bankers are here saying, We have got a problem with the legislation that we're trying to pass today. One would think that Members of Congress would listen and reject this bill.

I reserve the balance of my time.

The SPEAKER pro tempore. Without objection, the gentlewoman from California (Ms. MATSUI) will control the time.

There was no objection.

Ms. MATSUI. Madam Speaker, I yield 3 minutes to my colleague on the Rules Committee, the gentleman from Colorado (Mr. POLIS).

Mr. POLIS. I rise in support of the rule, and ask my colleagues to join me in voting ''yes'' on the rule and the underlying bill.

I'd like to thank my colleagues, Representative MILLER, Representative WATT, and Representative FRANK, for their instrumental role in bringing this package on mortgage lending reforms to the floor, as well as the committee staff that worked tirelessly on this bill.

In Colorado and across the country, we have seen the house of cards built by Wall Street collapse onto Main Street. Hungry commodities traders needed a constant supply of raw materials—namely, new mortgages—to be cut up, bundled together, and shipped out to keep Wall Street executives flush in commissions. But these exotic loans turned into a very common problem for our communities, as risk was outsourced.

''Volume and profit at all cost'' became the paradigm, and production, regardless of quality, was rewarded handsomely. With the knowledge that someone else would be responsible, lenders abandoned prudent underwriting standards, knowing they could sell the loan to someone else before the ink even had a chance to try.

We frequently hear about homeowners who bought more than they could afford, but predatory lenders set their sights on a wide range of prey, including low-income families, minorities, and the elderly. People who had considerable equity in their home were deceived into refinancing with an ''offer you can't refuse.''

As these poisonous loans reset, families lost a lifetime of equity to foreclosures. In Adams County, which I have the honor of representing, predatory lenders preyed on minorities and low-income families and turned once-thriving working class communities into a sea of foreclosure signs.

Clearly, losing a home is a traumatic experience for a family, but foreclosure has a broader negative impact on the entire community. Foreclosures drive down the value of other properties, resulting in declining revenues for local governments. Municipalities are forced to provide fewer services and even take police off the streets or teachers out of the classroom.

A mortgage is a private agreement between a borrower and a lender. However, the potential for disastrous and systemic impacts on communities when these deals go bad is, unfortunately, all too clear. Therefore, it is the obligation of Congress to ensure that these loans are made with the highest ethical standard.

The Mortgage Reform and Anti-Predatory Lending Act will give consumers the confidence to return to the marketplace and bring much needed stability to the lending industry.

Madam Speaker, the majority of the lending industry has learned that being on the side of customers is best for the bottom line. Lenders who are doing the right thing by their customers need more than recognition; they need tools to do more.

I would like to thank the committee and Chairman FRANK for accepting my amendment that will allow lenders to give additional weight to their customers' mortgage payment history when refinancing loans.

If a family is struggling due to reduced income, unexpected health care costs, or the rising cost of education for their children, the last thing they need is to add foreclosure to the list of their problems.

Too often, hardworking American families who pay their mortgages are turned away because credit blemishes in other areas prevent them from refinancing their hybrid loan. My amendment would give banks the option of considering their payment history with their bank in establishing the terms for resetting a mortgage.

Lenders know that preventing foreclosure is in their best interest. Allowing lenders to refinance hybrid loans would help families stay in their homes.

I urge a ''yes'' vote on the bill and the rule.

Mr. SESSIONS. Madam Speaker, at this hearing that was held about this bill, a lot of feedback was provided by the marketplace—people who were impacted the most; people who every day are in front of lenders and trying to get people in homes.

Part of the feedback was provided from the American Bankers Association. I'd like to insert into the RECORD a letter related to that meeting and this legislation.

AMERICAN BANKERS ASSOCIATION,
Washington, DC May 6, 2009.

To: Members of the House of Representatives.

From: Floyd E. Stoner, Executive Vice President, Government Relations and Public Policy.

Re: H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009.

I am writing on behalf of the members of the American Bankers Association regarding H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009, which the House of Representatives is scheduled to consider beginning on Wednesday, May 6, 2009.

H.R. 1728 is far-reaching legislation designed to prevent a recurrence of the problems in the subprime market that have harmed many American homebuyers. We appreciate that this legislation seeks to address the source of most of these problems, the loosely regulated and largely unexamined mortgage originators operating outside of the regulatory structure within which federally insured depository institutions function.

However, we are concerned that this major legislation can have a negative impact on both insured depository institutions and credit-worthy borrowers seeking to buy homes—impacts which have the potential to impair economic recovery. In considering any new legislation, it is critical to recognize the significant regulatory and structural changes that are already underway in the mortgage industry that will provide much greater protections to consumers. It is essential to recognize that the further changes proposed in H.R. 1728 will be cumulative to the changes already being implemented under revisions to Truth in Lending Act, Real Estate Settlement Procedures Act, and Home Mortgage Disclosure Act regulations.

We have worked with the Financial Services Committee and are pleased that a number of concerns were addressed either prior to, or during, Committee consideration of the legislation.

While we greatly appreciate the comprehensive, inclusive consultation that has gone into the drafting process so far, and the desire to avoid unduly restricting credit, we remain concerned that the bill still, in our view, needs serious work.

We plan to work with the Congress as the legislation moves forward to clarify additional areas of concern. To that end, we offer the following comments.

Safe harbor: The legislation creates a category of ''qualified mortgages'' which are given a safe harbor from the expanded liability of the legislation. ''Qualified mortgages'' are also exempt from certain other key restrictions in the bill, including the risk retention requirements. While the very narrow safe harbor included in the original bill has been expanded beyond just 30 year fixed rate loans, we are concerned that it is still far too narrow. An amendment adopted during Committee consideration of the bill expanded the safe harbor to include fixed rate loans of terms other than 30 years, as well as some adjustable rate mortgages. However, the language on adjustable rate mortgages (ARMs) remains too restrictive. To qualify for the safe harbor, ARMs would have to be underwritten to the maximum rate possible during the first seven years of the loan.

Consider the example of a five year ARM with the initial rate set at 5 percent and with caps on increases in later years set at 2 percent per year. Under the pending bill, this loan would have to be underwritten at a rate of 9 percent (because in the seventh year of the loan the rate could—but by no means is likely—to go to 9 percent for that year). In this instance, even though the borrower could not pay more than 5 percent for the first five years of the loan, and not more than 7 percent in the sixth year, they would have to be able to afford the loan at 9 percent for all seven years in order to qualify. This will shut the door to affordability to many borrowers. We strongly recommend that this provision be altered to reflect a more realistic underwriting standard.

Similarly, we are concerned that to be included in the safe harbor, loan points and fees must be limited to not more than 2 percent of the loan amount. The bill should be clarified to ensure that bona fide discount points paid by a borrower to reduce the interest rate on a loan are not included in this calculation. The relevant threshold in this instance should be the annualized percentage rate (APR) as currently defined in regulation implemented pursuant to the Truth in Lending Act. We also believe that the 2 percent cap should not be statutory, but instead should be determined by the federal bank regulators to accommodate small dollar loans which may carry fixed fees taking the loan beyond a 2 percent cap. The bank regulators are better suited to determining the appropriate cap on fees paid in association with different loan products.

Risk retention: We are pleased that the bill was modified during Committee consideration to provide the bank regulatory agencies with the authority to exempt loans (beyond those exempted under the safe harbor) from the 5 percent credit risk retention provisions of the bill. While this expanded regulatory discretion is a step in the right direction, we remain firm in our conviction that federally regulated and examined insured depository institutions should be exempt from risk retention requirements. Insured depositories already have significant risk retention—and the capital to back that risk. Loans sold by insured depositories into the secondary market frequently include recourse agreements, so that if there is an underwriting or other error or omission, the depository can be forced to buy the loan back. Again, because insured depositories have strong capital positions, they can and do buy back recourse loans. The same cannot be said of other lenders who lack capital. For these lenders, greater risk retention is needed. For insured depositories, it is not. We recommend excluding insured depositories from the risk retention provisions of the bill.

Uniform national standards: We are gravely concerned with the enforcement provisions of the bill, especially in light of an amendment adopted in Committee which would grant state attorneys general enforcement authority over the Truth in Lending Act provisions added by the bill. The current language of the bill will lead to conflicting enforcement actions between state attorneys general and federal banking regulators. It will cause confusion to consumers and lenders alike and will generally undermine the regulatory framework for mortgage lending in the nation. A confusing enforcement scheme is likely to harm borrowers and provide the unscrupulous with new opportunities. At a minimum, we urge you to adopt clarifying provisions which would give the federal banking regulators notice of a state attorney general's intention to act, and allow the federal regulator a reasonable time to act before the state is allowed to do so. Such a framework is needed to bring order and clarity to the process.

We anticipate a number of amendments during floor consideration. As a general rule, we oppose amendments which would increase regulatory burden on banks and their employees, and support amendments which recognize the role that regulated, insured, and examined institutions play in protecting consumers' interests and in providing products and services which benefit our national marketplace.

We appreciate the working relationship that has been established between the Members of the Committee and all interested parties, and we shall continue working with Members of Congress as this legislation moves through the legislative process.

This letter goes to all Members of the House of Representatives. So each of my colleagues openly received a copy of this. It is from Floyd Stoner, executive vice president with the American Bankers Association.

Here is what their conclusions are after seeing the legislation. They are ''concerned that this major legislation can have a negative impact on both insured depository institutions and creditworthy borrowers seeking to buy homes—impacts which have the potential to impair our economic recovery.''

So what the American Bankers are saying is that the answer, the antidote, the medicine that now-Speaker PELOSI is coming up with will actually have the potential to impair economic recovery.

So every single Member of Congress got this letter. We will find out today what their views are. But the American

Bankers Association also said, and pretty much ends their letter by saying: ''The bill still, in our view, needs serious work.''

We should reject this bill. We should understand that the people who are engaged in trying to make sure people have loans and are worried about our economy are saying it not only has the potential to impair economic recovery, but the bill needs serious work.

I reserve the balance of my time.

The SPEAKER pro tempore. Without objection, the gentleman from California (Mr. CARDOZA) controls the time again.

There was no objection.

Mr. CARDOZA. I would just reply to the gentleman from Texas that I anticipate that this bill will get wide bipartisan support. So we will in fact see if it does and see who comes forward and supports this bill further today.

Madam Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. DRIEHAUS).

Mr. DRIEHAUS. Thank you to the chairman of the committee and the sponsor of the bill for this very important piece of legislation.

I hear with dismay, Madam Speaker, the other side, the Republican minority, suggest that we are moving too quickly on this bill. Now, predatory lending legislation was introduced in this House in 2000, and in 2001 and 2002, and a version of this bill was introduced in 2003. And then they failed to consider it in 2004, in 2005, in 2006—all years when the Republican majority controlled this body.

They decided that it wasn't necessary to address predatory lending legislation, that everything was just fine; that the markets would regulate themselves; that, for some reason, these individuals that were preying upon our poorest citizens, these individuals that were preying upon our low-income neighborhoods and our minority communities, that would regulate itself; that they would stop that behavior.

This chart, Madam Speaker, shows the results of that inaction. We could have acted in 2003. We could have acted in 2004. We could have prevented the meltdown of the financial industry. We could have prevented this recession. But the Republicans still suggest that we are acting too quickly.

The American people understand. They understand that it is the inaction of the Republican majority in these past years that has gotten us to the situation we are in today.

This is a critically important piece of legislation that puts us on the right path. We have a choice today as Members of Congress. We can stand with homebuyers, we can stand with the communities that have been impacted by predatory lending, we can stand with those schools and those small businesses who are feeling the impact every day of vacancies in their neighborhoods, or we can stand with the sharks. We can stand with the predatory lenders. We can remain silent and pretend like the problem doesn't exist.

This is an important step in the right direction, and I am proud to support the rule and the underlying bill. I appreciate the work of the chairman and the sponsor.

Mr. SESSIONS. I yield myself such time as I may consume.

I appreciate the gentleman coming down and talking about how Republicans are to blame for all this mess, but I'd like to harken back to September 25, 2003, at a hearing that was held back in the Financial Services Committee.

Our current chairman, Barney Frank, who's a very thoughtful and diligent chairman, thoughtful on the ideas of the entire industry, said, ''I don't think we face a crisis.'' This is 2003. ''I don't think we face a crisis. I don't think that we have an impending disaster. We have a chance to improve regulation of two entities I think that, on the whole, are working well.''

So perhaps the most thoughtful person in the country, certainly in this Congress, back on September, 25, 2003, is saying, ''I don't think we face a crisis, and I don't think we have an impending disaster.''

Further, he said, ''I don't see any financial crisis. You can always make things better, but I do think we should dispel the notion that we are here today because something rotten has gone on.'' That was Barney Frank. That was Barney Frank at the hearings.

So the gentleman wants to blame Republicans. And yet, here we had the lead, very thoughtful and articulate, Democratic ranking member, arguing that there was nothing wrong and nothing was about to happen. Yet, today, what we have is another answer: Oh, I'm sorry. We forgot to say, and we know that the Fed has already taken care of this problem with rules and regulations that are already known and will be in place in October.

Here we have now legislation to readdress that issue. And the answer that comes back from the marketplace is, This legislation limits choice, reduces credit, and increases cost to consumers and taxpayers.

I would have assumed that if there was nothing wrong in 2003, and now we corrected it with a series of hearings, including the Federal Reserve, that we would want to help the marketplace—not limit its ability, its choices, and put exposure to taxpayers. That's why we're opposed to this.

We're opposed to it not because we're trying to stop it, but because we're trying to make it better. We think what should have been made better has already been done by the Fed. This Congress knows it.

Every single Member of Congress got a letter to their office directly from the American Bankers Association saying serious flaws in this legislation.

I reserve the balance of my time.

Mr. CARDOZA. I'd like to inquire at this time how much time each side has remaining.

The SPEAKER pro tempore. The gentleman from California has 14 minutes remaining; the gentleman from Texas has 10½ minutes remaining.

Mr. CARDOZA. Thank you, Madam Speaker. I would at this time yield 3 minutes to the chairman of the Financial Services Committee, the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Yes, in 2003, I said I didn't see a crisis. What I didn't see was at that time the Bush administration was engaging in activity that helped us get to a crisis.

I refer Members again to page 183 of the bill, the amendment authored by the gentleman from Texas (Mr. HENSARLING), which notes that in 2004, the year after I made the statement, the Bush administration ordered Fannie Mae and Freddie Mac substantially to increase the number of mortgages it bought from low-income people. It went from 42 percent to 56 percent—a very significant increase in mortgages of people below median income—and set up a special category for low-income mortgages.

As Mr. HENSARLING's amendment also shows, from 2001 until 2006 there was an enormous increase in subprime mortgages.

So, yes, in 2003, I was not aware of what was going on in that context, and I certainly didn't predict what was going to happen in 2004. When the Bush administration made that decision in 2004, according to the amendment from the gentleman from Texas (Mr. HENSARLING), I objected to it. I said they were going to put Fannie Mae and Freddie Mac in danger and give people mortgages they couldn't pay back.

I then decided that we did need to do legislation. So I joined the chairman of the committee, Mr. Oxley, in trying to regulate Fannie Mae and Freddie Mac more.

In 2005, I voted with him for a bill that passed the committee to regulate Fannie Mae and Freddie Mac. I disagreed with the version on the floor because it cut affordable rental housing, not homeownership.

□ 1100

But the bill passed the House. It then died because, according to Mr. Oxley, the Bush administration opposed it for ideological reasons.

So, yes, in 2003 I didn't see a crisis, because I didn't see what was happening in the subprime market; by 2004, I did; and, in 2005, I joined in trying to restrain that. It is also the case that, in 2003, two of my colleagues, Mr. MILLER and Mr. WATT of North Carolina, began pushing for subprime reform because they were informed about what was happening. I joined them. So we did try to legislate. So the answer is yes, in 2003 we didn't see what was happening.

I commend Members again to page 183 of the bill. Mr. HENSARLING from Texas had given you the statistics. Subprime mortgages were skyrocketing in that period. Fannie Mae was being pushed by the Bush administration to do something, and we then tried to deal with it.

The last point that I find very surprising is that conservatives say here, as some of them said on credit cards: Oh, no, do not have the elected representatives of America decide this; let the Federal Reserve make public policy. I had thought there was some concern about undemocratic decisions by the Federal Reserve.

The gentleman from Texas has said today, as others said last week: Oh, the Federal Reserve has done it. There is no need for the elected officials to do it. Well, in fact the Federal Reserve hasn't done anything because they cannot change statute. But even if they had, they could change it in the future. But the notion that we should defer on major policy decisions, not technical monetary policy issues but major policy decisions about credit cards or about what kind of mortgages we issue to the Federal Reserve, and not legislate is surprising.

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

Mr. CARDOZA. I yield the gentleman an additional 30 seconds.

Mr. FRANK of Massachusetts. I admire the people at the American Bankers Association, and they do some useful things. But I am surprised that Members would think that, on the question of mortgage relief and regulating the mortgage market, the bankers of America are the ones to listen to. I am pleased that the Realtors, who do not have an economic interest in what kind of mortgages are there but have a genuine interest in promoting home ownership, are on our side and strongly support this bill.

So I would say to my friends and the American bankers, I understand that there are things here that we are telling you that you can't keep doing, but I think the answer is that they were things you shouldn't have done in the first place.

Mr. SESSIONS. Madam Speaker, I appreciate the gentleman. By the way, the gentleman and I are friends. We are speaking about policy here, disagreements.

I would say to the speakers that have come on the Democratic side today, it sounds like an argument they are having within their own party. Everybody is trying to blame the Republican party and George Bush for what happened; yet, if the gentleman didn't like 2003, I will go to the end of 2004, December 16, 2004, if we need to get more current. And I will quote the gentleman, the chairman of the committee:

''The SEC's finding that Fannie Mae used incorrect accounting is serious and disturbing. While these improper decisions by Fannie Mae do not threaten the financial soundness of the corporation, and should have been used by anyone in an effort to cut back on Fannie Mae's housing efforts, they do not reveal troubling deficiencies in its corporate governance.''

All of these signals that came to Members of Congress from people who were on the committee, including one of the most distinguished members of the committee, said: We don't have a problem. There is no soundness problem. There is no weakness problem. I don't see a financial crisis. Sure, we can always do things better, but I think we should dispel the notion that we are here today because there is something that is rotten that has gone on.

Well, why are we trying to extend blame? Why don't we just talk about the problem that we are in today? And if we are going to do that, my notion would be that what we should do is listen to the people who are in the banking business saying this is a problem. This bill has serious flaws.

Madam Speaker, I yield 5 minutes to the gentlewoman from Minnesota (Mrs. BACHMANN).

Mrs. BACHMANN. I thank the gentleman from Texas for his work and also for yielding to me this morning. Madam Speaker, I rise in opposition to this rule and to the underlying bill.

H.R. 1728 is far-reaching legislation, and it will significantly restrict access to credit for consumers and it will ultimately hurt consumers across the Nation, the very people that this bill seeks to help.

At a time when the financial markets are still fragile and they are working so hard to recover, I want to caution my colleagues on both sides of the aisle who support this bill and hope that they will think about the potential, even if unintended, consequences that this legislation could provoke. It sounds good and it makes a great sound bite, but I am afraid that it will deliver a very dramatic blow to consumers all across our very fragile economy.

The bill imposes harsh penalties on lenders for violations of vaguely defined and, some would even say, undefined lending standards. For instance, how does one truly define what a net tangible benefit to the consumer is or what a reasonable ability to pay really means? The bill leaves it up to banking regulators to determine answers to these questions. But we all know, and we should be concerned about how they might define such vague terms and what criteria they might choose to apply. Every person's financial circumstances are different, and they don't lend themselves to a broad rulemaking process.

During the committee consideration of this bill, I asked these questions to Sara Braunstein. She is the Director of the Division of Consumer and Community Affairs over at the Federal Reserve. And I asked her how the Fed and others would define these terms, and it wasn't surprising, really. She stressed how challenging it would be to define them, but promised that the Fed would try.

It is not hard to see how their trying would simply open the door to a barrage of lawsuits. That is how this works. And that outcome will ultimately restrict access to credit for families all across our country. But even more troubling is that the bill would take this lack of clarity just one step further, and it would say that assignees and securitizers must also comply with these same standards when they purchase or assign loans.

So let's remember that these are parties that were not at the table when the loan originated. Think about that. The last thing our economy and our housing markets need as they struggle to recover is an unknown, widespread shadow of liability cast over them, and one that their government puts over them, by the way.

The uncertainties that will stem from this provision pose serious threats to liquidity and our already fragile financial marketplace. We should be looking for ways to help ease liquidity pressures, not forge greater obstacles. And, on principle, how can we expect those who had nothing to do with the loan origination to be held responsible for it later on? It goes against the very principles of law that our Nation is founded on. And I fear the chilling effect this would have on the housing market, and this is not a good time to do more harm than good to the housing market.

I would also like to point out that during our committee markup of the bill I offered an amendment to prevent organizations that have been indicted for voter fraud or who employ people who have been indicted for such crimes from being eligible for housing counseling grants and foreclosure legal assistance grants authorized by the underlying bill. I was very pleased when the gentleman from Massachusetts and our committee Chair accepted the amendment right in front of the whole committee and the amendment was passed unanimously by voice vote.

I assumed the easy passage was because my amendment used the very same language that this body approved last year as part of the Housing and Economic Recovery Act of 2008. So you can imagine, I was quite surprised when later in that markup, during the day, the committee chairman flipped his position and said he wanted to strip down the amendment and that he would move to amend the language himself during House consideration.

Apparently, the intention might be to lower the bar so that organizations continue to have access to taxpayer money even after they have been involved with defrauding the American people and violating the American trust not just once, not just twice, but repeatedly, after almost every election cycle.

So make no mistake about it. The Chair will talk today about the bedrock legal principle of innocence until proven guilty, but that is not what this is about. The language in the bill today doesn't jeopardize that principle at all. Decisions on criminal guilt will remain in the capable hands of a jury of peers. That is where it should. But it is not only legitimate for Congress to decide the threshold for accessing taxpayer funds, it is incumbent upon us to do so. We have a fiduciary duty to the taxpayers of this country, and for too long Congress has cavalierly distributed taxpayer money.

Today, each and every one of us can go on record saying we will no longer set the bar so low; that we will require organizations that want to use taxpayer funds to prove that they are worthy of the taxpayers' trust.

There's a saying: Fool me once, shame on you. Fool me twice, shame on me. ACORN and organizations like it have fooled us not once, not twice, but over and over again. The stories of their indictments for voter fraud for violating their tax status, for voter registration improprieties abound. Grand juries across the nation have found them and their employees lacking. Yet, we continue to funnel millions of dollars into their coffers.

Just this week, in fact, the headlines out of Nevada were 39 counts of voter registration fraud against ACORN and two of its former employees.

How many felony charges does it take to see that this organization has violated the public trust? Congress is not the arbiter of guilt or innocence; but Congress does decide how to spend the people's money. At what point do we say that this organization is not worthy of the hard-earned bucks of the American taxpayer?

The amendment offered by the gentleman from Massachusetts has been made in order under today's rule and if passed it will eviscerate the taxpayer protections in the underlying bill.

I look forward to further debating this issue later today and I urge my colleagues to make clear today that they stand with the people, not with ACORN.

Mr. CARDOZA. Madam Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Let me thank the gentleman from California for his leadership and his personal commitment to these issues.

It is interesting to hear a good friend on the other side of the aisle talk about protecting the taxpayers' money. In fact, this week, this Congress, this new leadership has done just that. Last week, we passed the Credit Card Bill of Rights. As a member of the House Judiciary Committee, I was very pleased that we passed a judiciary bill dealing with protecting taxpayers against fraud prospectively, and now we stand on the floor today protecting taxpayers and future homeowners and homeowners again with mortgage lending reform in 1728.

I wonder if any of us can recall the peaking of the crisis dealing with mortgage foreclosures. Those of us who represent our constituents certainly can. I can pointedly in a hearing about 3 or 4 years ago in the lower end of Manhattan when I listened near Wall Street in a church to homeowners in that community or in New York speaking about this thing called subprime and adjustable rate, a transit worker who had purchased a home and was paying a $3,000 a month mortgage and all of a sudden it jumped to $6,000 a month. How many stories like that?

And how many times can Members or others point to the actual beneficiary of the mortgagee as at fault? How many times can we blame the hardworking American taxpayer who simply tried to get a home? How many times can we blame them for papers that they signed that were then altered, ultimately? How many times can we blame the innocent who has paid over and over again? The cafeteria worker who had been in an apartment for 20 years, but the particular financial entity that she dealt with said, yes, you can get into this home. And she had been making payments, but with the economy she fell on hard times. Or the person who was divorced or catastrophic illness? But because their mortgage was fraudulently done, they suffered the consequences.

So I support this rule and the underlying bill, because it will protect this structure of buying a house. Borrowers can repay the loans they are sold. Mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher costs. Why isn't that protecting the taxpayer? All mortgage refinancing provides a net tangible benefit in the consumer.

The secondary mortgage market, for the first time ever, is responsible for complying with commonsense standards, and so we don't have this horrible grid that shows us that it has been going up and up and up.

Madam Speaker, I think it is important to acknowledge that we have made this bill better, and I am glad that my amendment is in the manager's amendment that indicates in the case of a residential mortgage—

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

Mr. CARDOZA. I yield the gentlelady an additional 15 seconds.

Ms. JACKSON-LEE of Texas. The total amount of interest that the consumer will pay over the life of the loan as a percentage of the principle loan, this will help the consumer know better about what they are paying. I had hoped my financial literacy amendment would get in and also the predatory lending, but I support the underlying bill and the amendment. We are trying to work to help the taxpayer and the American consumer.

Madam Speaker, I rise today in strong support of the rule for H.R. 1728. I would also like to thank Chairman FRANK of the Financial Services Committee for his hard work on this issue and for sponsoring this timely and important piece of legislation. I am also pleased to have worked with Chairman FRANK and the staff of the Financial Services Committee. Lastly, I would like to give a special thanks to my Legislative Director, Arthur D. Sidney, for his work on this issue.

I offered three amendments to this bill. My first amendment was included in the Chairman FRANK'S manager's amendment.

FIRST AMENDMENT

My first amendment would require a change to the Truth in Lending Act to allow for the disclosure of the following:

"In the case of a residential mortgage loan, the total amount of interest that the consumer will pay over the life of the loan as a percentage of the principal of the loan. Such amount shall be computed assuming the consumer makes each monthly payment in full and on-time, and does not make any over-payments."

This last point is related to a concept called actual cost of credit, where the annual percentage rate of a loan is disclosed to the public. Currently, the annual percentage rate is required to be disclosed on all mortgages. However, in certain instances disclosure of the annual percentage rate alone is not accurate.

For example, the mere disclosure of the annual percentage rates for loans under 12 months or those over 12 months it is not an accurate reflection of the total cost of the mortgage or the actual cost of credit. Under my amendment—the actual cost of credit—the annual percentage rate would be disclosed and the total loan cost would be included in the disclosure.

My amendment would require an additional disclosure informing the consumer of the actual amount of interest paid by the borrower over the life of the loan. The additional disclosure required by my amendment is best explained by an example.

Take for example a $200,000 fixed mortgage. On a $200,000, 30 year fixed mortgage at 5% annual percentage rate, you would pay roughly $600,000 on the house, which is actually about 300 percent interest. It is important that the real cost of borrowing, the true cost of credit be disclosed to the consumer. My amendment will certainly do this. This language is included in the Manager's amendment. I urge my colleagues to vote affirmatively for this amendment.

ADDITIONAL AMENDMENTS OFFERED

I offered the following two amendments but they were not accepted into the bill.

SECOND AMENDMENT

My second amendment will provide financial literacy training to persons seeking a mortgage and will require a minimum of 4 hours of counseling. Counseling will include the fundamentals of basic checking and savings accounts, budgeting, types of credit and their appropriate uses, the different forms of mortgages, repayment options, credit scores and ratings, as well as investing.

THIRD AMENDMENT

My third amendment would exclude foreclosures that resulted from a default on predatory subprime mortgages from being included in the calculation of a consumer's credit score.

Often the credit crisis has been wrongfully blamed on the unscrupulous borrowing practices of the consumer. The reality is that mortgage lenders were unscrupulous in their dealings with consumers.

This amendment would prevent those most unscrupulous and predatory lenders from benefitting or causing harm to consumer. Therefore, any foreclosures that result from predatory, subprime mortgage lending should not be included in the consumer's credit score.

MANAGER'S AMENDMENT

I support the Manager's Amendment. Specifically, it would add additional prohibitions on mortgage originator conduct within the anti-steering section of the bill; would provide that regulations proposed or issued pursuant to the requirements of Section 106 shall include "model" disclosure forms, and would also provide that the relevant financial regulators (HUD/Fed) may develop "standardized" disclosure forms, and may require their use, when they jointly determine that use of a standardized form would be of substantial benefit to consumers.

The Manager's Amendment would require a study into how shared appreciation mortgages could be used to strengthen housing markets and provide opportunities for affordable homeownership; would allow creditors to consider a consumer's good standing with them above other credit history considerations in refinancing of hybrid loans.

Further, the Manager's would require lenders who are subject to the Federal Truth in Lending Act or the Homeowners Equity Protection Act to disclose to borrowers that the anti-deficiency protections of the initial residential mortgage loan may be lost when a non-purchase money loan is received.

The Manager's Amendment provides greater disclosure requirements. Specifically, it would require creditors to disclose their policy regarding the acceptance of partial payments for a residential mortgage loan and it would modify preemption language in section 208(b) to include any state that has a law at the time of enactment.

Another important disclosure in the Manager's Amendment would require that mortgage disclosures for each billing cycle include contact information for local mortgage counseling agencies or programs.

The bill before us today provides the folowing key benefits. Simply put, to help rebuild the American economy, the House is taking additional steps to bring common sense reform and consumer protection to the financial markets and mortgage lending. This legislation to stop the kinds of predatory and irresponsible mortgage loan practices that played a major role in the current financial and economic meltdown and prevent borrowers from deliberately misstating their income to qualify for a loan.

These long overdue reforms, which Democrats have been advocating since 1999, perhaps could have prevented the current crisis. A similar measure (H.R. 3915) passed the House in 2007 by a vote of 291–127.

To restore the integrity of mortgage lending industry, this bipartisan bill will make sure that the mortgage industry follows basic principles of sound lending, responsibility, and consumer protection, ensuring that: borrowers can repay the loans they are sold; mortgage lenders make loans that benefit the consumer and prohibit them from steering borrowers into higher cost loans; all mortgage refinancing provides a net tangible benefit to the consumer; the secondary mortgage market, for the first time ever, is responsible for complying with these common sense standards when they buy loans and turn them into securities; there are incentives for the mortgage market to move back toward making safe, fully documented loans; and tenants renting homes that are foreclosed would receive notification and time to relocate.

These crucial efforts to restore accountability in the housing and financial markets are needed to rebuild our economy in a way that's consistent with our values: an economy that rewards hard work and responsibility, not high-flying finance schemes; an economy that's built on a stable foundation, not propelled by overheated housing markets and maxed-out credit cards. As Members of Congress, we want to build an economy that offers a broadly shared prosperity for the long run.

Texas ranks 17th in foreclosures. Texas would have fared far worse but for the fact that homeowners enjoy strong constitutional protections under the state's home-equity lending law. These consumer protections include a 3 percent cap on lender's fees, 80 percent loan-to-value ratio (compared to many other states that allow borrowers to obtain 125 percent of their home's value), and mandatory judicial sign-off on any foreclosure proceeding involving a defaulted home-equity loan.

Still, in the last month, in Texas alone there have been 30,720 foreclosures and sadly 15,839 bankruptcies. Much of this has to do with a lack of understanding about finance—especially personal finance.

Last year, Americans' personal income decreased $20.7 billion, or 0.2 percent, and disposable personal income (DPI) decreased $11.8 billion, or 0.1 percent, in November, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) decreased $56.1 billion, or 0.6 percent. In India, household savings are about 23 percent of their GDP.

Even though the rate of increase has showed some slowing, uncertainties remain. Foreclosures and bankruptcies are high and could still beat last year's numbers.

Home foreclosures are at an all-time high and they will increase as the recession continues. In 2006, there were 1.2 million foreclosures in the United States, representing an increase of 42 percent over the prior year. During 2007 through 2008, mortgage foreclosures were estimated to result in a whopping $400 billion worth of defaults and $100 billion in losses to investors in mortgage securities. This means that one per 62 American households is currently approaching levels not seen since the Depression.

The current economic crisis and the foreclosure blight has affected new home sales and depressed home value generally. New home sales have fallen by about 50 percent.

One in six homeowners owes more on a mortgage than the home is worth, raising the possibility of default. Home values have fallen nationwide from an average of 19 percent from their peak in 2006 and this price plunge has wiped out trillions of dollars in home equity. The tide of foreclosure might become self-perpetuating. The nation could be facing a housing depression—something far worse than a recession.

Obviously, there are substantial societal and economic costs of home foreclosures that adversely impact American families, their neighborhoods, communities and municipalities. A single foreclosure could impose direct costs on local government agencies totaling more than $34,000.

Recently, the Congress set aside $100 billion to address the issue of mortgage foreclosure prevention. I have long championed that money be a set aside to address this very important issue. I believe in homeownership and will do all within my power to ensure that Americans remain in their houses.

A record amount of commercial real estate loans coming due in Texas and nationwide the next three years are at risk of not being renewed or refinanced, which could have dire consequences, industry leaders warn. Texas has approximately $27 billion in commercial loans coming up for refinancing through 2011, ranking among the top five states, based on data provided by research firms Foresight Analytics LLC and Trepp LLC. Nationally, Foresight Analytics estimates that $530 billion of commercial debt will mature through 2011. Dallas-Fort Worth has nearly $9 billion in commercial debt maturing in that time frame.

Most of Texas' $27 billion in loans maturing through 2011—$18 billion—is held by financial institutions. Texas also has $9 billion in commercial mortgage-backed securities, the third-largest amount after California and New York, according to Trepp.

For the foregoing reasons, I support the final passage of this legislation. I urge my colleagues to support the bill and vote it out of the Congress.

Mr. SESSIONS. Madam Speaker, at this time I yield 2 minutes to the gentleman from Egan, Illinois (Mr. MANZULLO).

Mr. MANZULLO. Madam Speaker, I rise in opposition to this bill.

If you take a look at the different lock-in periods, add to that the additional cost for appraisals that are necessitated by a flawed system in this bill, it is going to cost the industry close to $3 billion, or an extra $700 per loan. That is the hidden cost of this bill, and that is why the bill should be defeated.

I had offered in the Rules Committee an amendment which, unfortunately, is not allowed to come to the floor. And I know that the taxpayers are greatly distressed that this body is supposed to be for free and open debate, and yet Members cannot freely allow amendments to come to the floor.

There is an agreement that is signed between the Attorney General of New York and the people who regulate Fannie Mae and Freddie Mac on something called the Home Evaluation Code of Conduct. It is supposed to regulate the mischief that took place between the big lenders and the appraisers to cook the books in order to make the loans.

The problem is this: The agreement still allows that collusion or the opportunity for collusion. In fact, the banks of this country can own appraisal management companies, which are supposed to be third-party, independent agents to find an independent appraiser in order to make sure that the property is valued correctly. And I asked that that agreement be put on hold for a year so that the collusion and the opportunity to stop the collusion could be studied and better safeguards put into effect.

I was denied that opportunity. The American people were denied the opportunity to be heard on the floor because of the constrictive nature that the majority has placed upon us.

□ 1115

Most Americans think that if a Member of Congress has an amendment, that amendment could easily come to the floor and be heard. That did not happen in this case. And because of that, it could cost the taxpayers an extra $3 billion a year because of this fatally flawed bill.

Mr. CARDOZA. Madam Speaker, I yield 2 minutes to my friend and colleague from North Carolina (Mr. MILLER), a sponsor of the bill.

Mr. MILLER of North Carolina. Madam Speaker, I rise to respond to what several on the other side have said, Mrs. BACHMANN, Mr. SESSIONS and others, that now is not the time to do this. Madam Speaker, I introduced this legislation or legislation like it in 2003, in 2005, in 2007 and now again in 2009. It has never been the time by the likes of the members of the minority party and by the likes of the lending industry.

Now their arguments have been a little different. In 2003 and in 2005, they said, ''are you kidding? These loans are great. This is the unfettered market at its best, creating these innovative loans so people can get credit that they otherwise couldn't get. And those Democrats like MILLER, who want to restrict it, they just don't know a good thing when they see it.'' In 2007, especially now, they are saying, ''isn't it terrible that all those liberals made the poor lenders make these loans? But now is not the time. Now is not the time to restrict credit.''

Madam Speaker, they will never think it is the right time to protect the American people from abusive lending practices. We need, when credit starts flowing again, when the housing market revives again, the mortgage market revives again, we need to make sure there are rules in place so people can make an honest living by making reasonable loans to people who need to borrow money to buy a house. We don't need to go back to letting people make a killing by cheating people out of the equity in their home by predatory mortgages.

Mr. SESSIONS. Madam Speaker, I am really down to no speakers and just my closing statement. So I would encourage my friends to go ahead and utilize their time, and then I will close as appropriate.

Mr. CARDOZA. Madam Speaker, I thank my colleague from Texas.

At this time, I would like to yield 2 minutes to the gentleman from North Carolina, a member of the Financial Services Committee, Mr. WATT.

Mr. WATT. Madam Speaker, I thank the gentleman for yielding time.

I just want to take the opportunity to thank some people. This actually has been the most challenging piece of legislation I have been involved in since I have been in Congress because we have been walking a very delicate balance between the various considerations that we have heard on the floor, making sure that consumers, borrowers, are protected from terrible loans without, at the same time, on the other hand, drying up the availability of capital to fund loans. And it has been inordinately difficult. And a number of people have been working aggressively to try to find that appropriate balance.

The Chair of the Financial Services Committee has been absolutely wonderful to work with. But there are players in all segments of this industry who recognize that change needs to be made so that we don't get back into the situation that we ended up in and we are in right now. They have been working constructively. I have heard some reference to the fact that there are a number of people who oppose this bill. I really haven't seen any letters that say, ''I oppose the bill,'' because we have been in constructive dialogue with all of the players involved in this process trying to find the right balance.

There are some people who are saying, ''look, I have some concerns about this provision. I want to continue to work with you as this process moves forward.'' And this is not the end of the process. We have assured everybody that we will continue to work to find the right balance in this bill. This is not the end of the game.

I just want to thank everybody.

Mr. CARDOZA. Madam Speaker, I am the last person to speak, and I would like to reserve to close.

The SPEAKER pro tempore. The gentleman from Texas has 1½ minutes remaining.

Mr. SESSIONS. Madam Speaker, in closing, I would like to thank the gentleman from California and each of the Members from his side who have participated today, including the gentleman, Mr. FRANK. I would like to stress that while my friends on the other side of the aisle claim to be protecting consumers and have said that people want to delay this legislation, that is not true. It has already taken place. Whatever we need, the Federal Reserve has already done.

What we will say is that what this legislation is doing is benefiting trial lawyers with tax dollars. And perhaps more importantly, it is causing this circumstance to be aggravated and to be worsened.

We already understand there will be less credit that will be available. This will raise the costs of loans and mortgages that people will want to receive. At a time, especially, when the economy needs help, this will harm the economy. And that is directly what the American Bankers Association has said in a letter to every single Member of Congress. So I hope every single Member should hear this. They need to be talking to their staff, ''hey, did that letter come in on this legislation that we are handling today?'' And that letter says, ''serious flaws, serious flaws, bigger problem.''

We need to be providing for jobs. We need to be encouraging economic growth. We need to encourage investment. And this legislation does not accomplish that.

Mr. CARDOZA. Madam Speaker, I would like to thank the gentleman from Texas for engaging with us this morning on a very constructive debate. However, we have serious disagreements on what this bill should look like.

Madam Speaker, in the last 18 months, the foreclosure crisis has not improved in our districts. And in most places, in fact, it has become significantly worse. In 2009, millions of Americans will default on their mortgages, and millions more will see their home equity drop precipitously. All of us know the potential consequences of this crisis. And for far too many of us, including those in my district, we are well acquainted with the depths of despair and destruction the foreclosure crisis has been inflicting on us.

Still, in spite of all the signs, small businesses that have closed on Main Street, foreclosure signs lining the neighborhoods, the unmistakable despair in the neighborhood coffee shops, I do believe there is reason for hope. The fundamentals of our economy and the spirit of the American people are simply too strong to throw in the towel because it may be an easier path. It is not time to give up. Rather it is time to redouble our efforts, strengthen our resolve, and focus not on what we have done, but what we will do to turn this economy around. If we do just that, I have no doubt we will overcome whatever challenges we may face, and we will fix this problem of foreclosures with the economy and the mortgage crisis.

I urge all my colleagues to support taking another step forward to stabilizing our housing market and helping our economy recover once and for all.

Madam Speaker, I urge a ''yes'' vote on the rule and on the previous question.

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

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SESSIONS. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. The vote was taken by electronic device, and there were—yeas 247, nays 174, not voting 12, as follows:

[Roll No. 237]

YEAS—247

Abercrombie	Becerra	Brady (PA)
Ackerman	Berkley	Braley (IA)
Adler (NJ)	Berman	Bright
Altmire	Bishop (GA)	Brown, Corrine
Andrews	Bishop (NY)	Butterfield
Arcuri	Blumenauer	Capuano
Baca	Boccieri	Cardoza
Baird	Boren	Carnahan
Baldwin	Boswell	Carney
Barrow	Boucher	Carson (IN)
Bean	Boyd	Castor (FL)

Chandler
Childers
Clarke
Clay
Cleaver
Clyburn
Cohen
Connolly (VA)
Conyers
Cooper
Costa
Costello
Courtney
Crowley
Cuellar
Cummings
Dahlkemper
Davis (AL)
Davis (CA)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Donnelly (IN)
Doyle
Driehaus
Edwards (MD)
Edwards (TX)
Ellison
Ellsworth
Eshoo
Etheridge
Farr
Fattah
Filner
Foster
Frank (MA)
Fudge
Giffords
Gonzalez
Gordon (TN)
Grayson
Green, Al
Green, Gene
Griffith
Grijalva
Gutierrez
Hall (NY)
Halvorson
Hare
Harman
Hastings (FL)
Heinrich
Herseth Sandlin
Higgins
Himes
Hinchey
Hinojosa
Hirono
Hodes
Holden
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson (GA)
Johnson, E. B.
Kagen
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick (MI)
Kilroy
Kind
Kirkpatrick (AZ)
Kissell
Klein (FL)
Kosmas
Kratovil
Kucinich
Langevin
Larsen (WA)
Larson (CT)
Lee (CA)
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Luján
Lynch
Maffei
Maloney
Markey (CO)
Markey (MA)
Marshall
Massa
Matheson
Matsui
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McMahon
McNerney
Meek (FL)
Meeks (NY)
Melancon
Michaud
Miller (NC)
Minnick
Mitchell
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murphy (CT)
Murphy (NY)
Murphy, Patrick
Murtha
Napolitano
Neal (MA)
Nye
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor (AZ)
Payne
Perlmutter
Perriello
Peters
Peterson
Pingree (ME)
Polis (CO)
Pomeroy
Price (NC)
Quigley
Rahall
Rangel
Reyes
Richardson
Rodriguez
Ross
Rothman (NJ)
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schauer
Schiff
Schrader
Schwartz
Scott (GA)
Scott (VA)
Serrano
Sestak
Shea-Porter
Sherman
Shuler
Sires
Skelton
Slaughter
Smith (WA)
Snyder
Space
Speier
Spratt
Stupak
Sutton
Tanner
Tauscher
Taylor
Teague
Thompson (CA)
Thompson (MS)
Tierney
Titus
Tonko
Towns
Tsongas
Van Hollen
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch
Wexler
Wilson (OH)
Woolsey
Wu
Yarmuth

NAYS—174

Aderholt
Akin
Alexander
Austria
Bachmann
Bachus
Barrett (SC)
Bartlett
Barton (TX)
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono Mack
Boozman
Boustany
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp
Campbell
Cantor
Cao
Capito
Carter
Cassidy
Castle
Chaffetz
Coble
Coffman (CO)
Cole
Conaway
Crenshaw
Culberson
Davis (KY)
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dreier
Duncan
Ehlers
Emerson
Fallin
Flake
Fleming
Forbes
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gingrey (GA)
Gohmert
Goodlatte
Granger
Graves
Guthrie
Hall (TX)
Harper
Hastings (WA)
Hensarling
Herger
Hill
Hoekstra
Hunter
Inglis
Issa
Jenkins
Johnson (IL)
Johnson, Sam
Jones
Jordan (OH)
King (NY)
Kingston
Kirk
Kline (MN)
Lamborn
Lance
Latham
LaTourette
Latta
Lee (NY)
Lewis (CA)
Linder
LoBiondo
Lucas
Luetkemeyer
Lummis
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCarthy (CA)
McCaul
McClintock
McCotter
McHenry
McHugh
McKeon
McMorris Rodgers
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy, Tim
Myrick
Neugebauer
Nunes
Olson
Paul
Paulsen
Pence
Petri
Pitts
Platts
Poe (TX)
Posey
Price (GA)
Putnam
Radanovich
Rehberg
Reichert
Roe (TN)
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Rooney
Ros-Lehtinen
Roskam
Royce
Ryan (WI)
Schmidt
Schock
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Simpson
Smith (NE)
Smith (NJ)
Smith (TX)
Souder
Stearns
Sullivan
Terry
Thompson (PA)
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden
Westmoreland
Whitfield
Wilson (SC)
Wittman
Wolf
Young (AK)
Young (FL)

NOT VOTING—12

Berry
Capps
Engel
Fortenberry
Heller
Holt
King (IA)
Miller, George
Nadler (NY)
Scalise
Stark
Wamp

□ 1153

Mr. OLSON and Ms. GINNY BROWN-WAITE of Florida changed their vote from ''yea'' to ''nay.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. HELLER. Mr. Speaker, on rollcall No. 237, the adoption of the rule on H.R. 1728, I was absent from the House at a family obligation. Had I been present, I would have voted ''nay.''

Mr. KING of Iowa. Mr. Speaker, on rollcall No. 237, I was not able to reach the House floor to cast my vote before the vote was closed. Had I been able to cast my vote, I would have voted ''nay.''

RECOGNIZING THE BORDER PATROL'S FIGHT AGAINST HUMAN SMUGGLING

The SPEAKER pro tempore (Mr. CARNAHAN). Pursuant to clause 8, rule XX, the unfinished business is the question on suspending the rules and agreeing to the resolution, H. Res. 14, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee (Mr. COHEN) that the House suspend the rules and agree to the resolution, H. Res. 14, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution, as amended, was agreed to.

The title was amended so as to read: ''Resolution recognizing the importance of the Department of Homeland Security, including U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement, in combating human smuggling and trafficking in persons, and commending the Department of Justice for increasing the rate of human smuggling and trafficking prosecutions.''.

A motion to reconsider was laid on the table.

NOTICE OF INTENTION TO OFFER RESOLUTION RAISING A QUESTION OF THE PRIVILEGES OF THE HOUSE

Mr. FLAKE. Mr. Speaker, pursuant to clause 2(a)(1) of rule IX, I hereby notify the House of my intention to offer a resolution as a question of the privileges of the House.

The form of my resolution is as follows:

Whereas, The Hill reported that a prominent lobbying firm, founded by Mr. Paul Magliocchetti and the subject of a ''federal investigation into potentially corrupt political contributions,'' has given $3.4 million in political donations to no less than 284 members of Congress.

Whereas, the New York Times noted that Mr. Magliocchetti ''set up shop at the busy intersection between political fund-raising and taxpayer spending, directing tens of millions of dollars in contributions to lawmakers while steering hundreds of millions of dollars in earmarks back to his clients.''

Whereas, a guest columnist recently highlighted in Roll Call that ''. . . what the firm's example reveals most clearly is the potentially corrupting link between campaign contributions and earmarks. Even the most ardent earmarkers should want to avoid the appearance of such a pay-to-play system.''

Whereas, multiple press reports have noted questions related to campaign contributions made by or on behalf of the firm; including questions related to ''straw man'' contributions, the reimbursement of employees for political giving, pressure on clients to give, a suspicious pattern of giving, and the timing of donations relative to legislative activity.

Whereas, Roll Call has taken note of the timing of contributions from employees the firm and its clients when it reported that they ''have provided thousands of dollars worth of campaign contributions to key Members in close proximity to legislative activity, such as the deadline for earmark request letters and passage of a spending bill.''

Whereas, the Associated Press highlighted the ''huge amounts of political donations'' from the firm and its clients to select members and noted that ''those political donations have followed a distinct pattern: The giving is especially heavy in March, which is prime time for submitting written earmark requests.''

Whereas, clients of the firm received at least three hundred million dollars worth of earmarks in fiscal year 2009 appropriations legislation, including several that were approved even after news of the FBI raid of the firm's offices and Justice Department investigation into the firm was well known.

Whereas, the Associated Press reported that ''the FBI says the investigation is continuing, highlighting the close ties between special-interest spending provisions known as earmarks and the raising of campaign cash.''

Whereas, the persistent media attention focused on questions about the nature and