

I have long championed the rights of homeowners, especially those facing mortgage foreclosure. I have worked with the Chairman of the House Judiciary Committee to include language that would relax the bankruptcy provisions to allow those facing mortgage foreclosure to restructure their debt to avoid foreclosure.

Because I have long championed the rights of homeowners facing mortgage foreclosure in the recent TARP bill and before the Judiciary Committee, I have worked with Chairman CONYERS and his staff to add language that would make the bill stronger and that would help more Americans. I co-sponsored sections of the Manager's Amendment and I urge my colleagues to support the bill.

Specifically, I worked with Chairman CONYERS to ensure that in section 2 of the amendment, section 109(h) of the Bankruptcy Code would be amended to waive the mandatory requirement, under current law, that a debtor receive credit counseling prior to filing for bankruptcy relief. Under the amended language there is now a waiver that will apply where the debtor submits to the court a certification that the debtor has received notice that the holder of a claim secured by the debtor's principal residence may commence a foreclosure proceeding against such residence.

This is important because it affords the debtor the maximum relief without having to undergo a slow credit counseling process. This will help prevent the debtors credit situation from worsening, potentially spiraling out of control, and result in the eventual loss of his or her home.

The bill relaxes certain Bankruptcy requirements under Chapter 13 so that the debtor can modify the terms of the mortgage secured by his or her primary residence. This is an idea that I have long championed in the TARP legislation—the ability of debtors to modify their existing primary mortgages. Section 4 allows for a modification of the mortgage for a period of up to 40 years. Such modification cannot occur if the debtor fails to certify that it contacted the creditor before filing for bankruptcy. In this way, the language in the Manager's Amendment allows for the creditor to demonstrate that it undertook its "last clear" chance to work out the restructuring of the debt with its creditor before filing bankruptcy.

Importantly, the bill amends the bankruptcy code to provide that a debtor, the debtor's property, and property of the bankruptcy estate are not liable for fees and costs incurred while the Chapter 13 case is pending and that arises from a claim for debt secured by the debtor's principal residence.

Lastly, I worked to get language in the bill that would allow the debtors and creditors to negotiate before a declaration of bankruptcy is made. I made sure that the bill addresses present situations at the time of enactment where homeowners are in the process of mortgage foreclosure.

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.

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.

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#### IN RECOGNITION OF ALBIN GRUHN

### HON. JACKIE SPEIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 21, 2009*

Ms. SPEIER. Madam Speaker, I rise with sadness today to honor Albin Gruhn of San Anselmo, California, who passed away March 18 at the age of 94. Mr. Gruhn was a respected and beloved labor leader and consumer rights activist whose calling was the welfare of the working people of California. His 36 years as president of the California Labor Federation and his role as a founder of the Association of California Consumers were at the heart of a remarkable career.

Mr. Gruhn was born in Eureka, California, in 1915. At the age of 19 he began working for the Hammond Lumber Co. where he joined the Sawmill and Loggers Federal Union. A strike shortly afterwards resulted in the deaths of three union picketers and deeply affected him, resulting in a life-long commitment to the labor movement.

He was also blacklisted as a result of his participation in the strike but soon found employment in construction, joining the Laborers

Local where his membership continued for over 60 years. At the age of 22, he became secretary of the Central Labor Council of Humboldt and Del Norte Counties and led that council for over 20 years.

In 1940 Mr. Gruhn was first elected to what is now the California Labor Federation as district vice president and became its president in 1960. He led with skill, enthusiasm, and passion until his retirement in 1996. He helped build the organization into a strong and effective advocacy group for the rights of workers, inspiring several generations of political and labor leaders along the way.

During the 1960s, Mr. Gruhn was also a founder of the Association of California Consumers, California's first consumer group, and later became a founding officer and then president emeritus of the Consumer Federation of California. He also devoted some of his considerable energies to the California Apprenticeship Council and the California Constitution Revision Commission as well as serving on various state commissions. These were appointments over the decades by five California governors and covered a variety of issues from fair housing to air pollution. One of the commissions dealt with children and youth, reflecting his deep involvement in the annual scholarship program established by the California Labor Federation.

Mr. Gruhn was always politically active as a means of supporting the causes he believed in. From campaigning for Franklin Roosevelt at the age of 17 to serving as an Adlai Stevenson delegate in 1956, he stayed engaged in the process. In 1944, he founded the Northern California AFL Political League.

Mr. Gruhn was married to the former Dorothy Coon for over 37 years. Dorothy predeceased him in 2005, and the couple are survived by a large family of eight children, 14 grandchildren, and 17 great grandchildren.

Madam Speaker, Albin Gruhn was proud to fight for working people, and all those with whom he came in contact—from family and friends to political leaders and co-workers—drew inspiration from his commitment. It is fitting in honoring him today to remember the remarks he always used to conclude his labor speeches: "In unity there is strength. United we stand, divided we fall. An injury to one is an injury to all."

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#### URGING ALL AMERICANS AND PEOPLE OF ALL NATIONALITIES TO VISIT THE NATIONAL CEMETERIES, MEMORIALS, AND MARKERS ON MEMORIAL DAY

### HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 21, 2009*

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today in strong support of H. Res. 360, "Urging all Americans and people of all nationalities to visit the national cemeteries, memorials, and markers on Memorial Day". I would like to thank my colleague Representative DAVID ROE for introducing this resolution, as well as the co-sponsors.

I do not believe there is a person in this body, or a person in this building, who does not feel a remarkable pride in the presence of the men and women who serve in our Nation's