

is \$11,400. So working families are not assisted by the home mortgage interest deduction in getting into homes.

It is still a good program. It still empowers home ownership over the long term. It certainly is beneficial in an increasing way to families who earn more.

Here is a family buying a \$500,000 house. While the interest is the same, the same assumptions—5 percent down, 5 percent interest, \$23,591, far exceeding the standard deduction. So if you are a family who is better off, you can buy a bigger house. The home mortgage interest deduction helps launch you into home ownership. But if you are a working family in America, it does not help much. In fact, often the interest is less than your standard deduction. So it has no impact whatsoever. This is why we should debate fully a permanent \$5,000 downpayment tax credit for first-time home buyers.

Of course, we always struggle with the cost of programs and that is a very important thing to do. The cost of the home mortgage interest deduction in this last year was about \$97 billion. That is the cost of the home mortgage interest deduction, with most of the benefits going to affluent families. So \$97 billion is directed in ways that do not help our working families get into their first home.

What if we were to spend a fraction of that to help working families become homeowners, knowing that the externalities of home ownership—the stability for children, the lower crime rates, more likely to finish school, more likely to earn more money, you pay more in taxes, less likely to end up on public programs. All those programs are paid back to us in multiples.

What would the cost be of providing a \$5,000 downpayment tax credit, a permanent one, to first-time home buyers? It would be on the order of \$10 billion, assuming that every family, regardless of income, was eligible.

A \$97 billion program, an important program, a good program, but it does not help working families get into homes. Why not spend 10 percent of that on a program that would help launch our working families into home ownership, which makes much better lives for them and a much better community, stronger communities for everyone else, and a much better future for their children?

I will conclude in this fashion. Home ownership has enormous value to our society—home ownership done right, not with liar loans, not with prepayment penalties, not with steering payments, not with mortgages that are basically scams. But home ownership done right has enormous returns—responsible, good, solid mortgages. We should support our working families to become homeowners, for their sake and for strengthening all of America and for the future of our children.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

## UNEMPLOYMENT COMPENSATION EXTENSION ACT OF 2009

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 3548, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 3548) to amend the Supplemental Appropriations Act, 2008, to provide for the temporary availability of certain additional emergency unemployment compensation, and for other purposes.

Pending:

Reid (for Baucus/Reid) amendment No. 2712, in the nature of a substitute.

Reid amendment No. 2713 (to amendment No. 2712), to change the enactment date.

Reid amendment No. 2714 (to amendment No. 2713), of a perfecting nature.

Reid amendment No. 2715 (to the language proposed to be stricken by amendment No. 2712), to change the enactment date.

Reid amendment No. 2716 (to amendment No. 2715), of a perfecting nature.

The PRESIDING OFFICER. Under the previous order, all postcloture time is expired, the substitute amendment is agreed to, and the motion to reconsider is considered made and laid upon the table.

The amendment (No. 2712) was agreed to.

The PRESIDING OFFICER. Under the previous order, the time until 12:15 p.m. will be equally divided and controlled between the two leaders or their designees.

The Senator from Georgia.

Mr. ISAKSON. Mr. President, that will be, I suppose, about 12 minutes each side; is that correct?

The PRESIDING OFFICER. The Republican side has 15 minutes.

Mr. ISAKSON. Mr. President, I rise in full support of the extension of the unemployment insurance compensation. I rise also to express my thanks to a number of people in this body.

First, as everybody knows, we adopted a substitute to the unemployment compensation bill by Senator REID. Senator REID, the majority leader, has been instrumental in seeing to it this bill not only passes but that enhancements are made to this bill to help the U.S. economy, and it is totally paid for and a net positive to the Federal Treasury. I appreciate more than I can express Senator REID's hard work to help this take place.

Secondly, I thank Max BAUCUS, chairman of the Finance Committee. Senator BAUCUS and his staff have been unbelievably cooperative in helping us find the pay-fors to match and actually exceed the cost of the home buyers tax credit which will be extended in this legislation.

Senator DODD, chairman of the Banking Committee, 3 weeks ago hosted a 3-hour hearing in the committee on the housing tax credit and the housing

market. Without his giving us that time to bring forward the issues that are so pressing in our country today, I am not sure we would be standing here at all. So I am greatly appreciative of Senator DODD.

I particularly thank Chris Cook on my staff for the work he has done in helping make this take place.

Lastly, but not least, I thank Mr. Richard Smith, a private citizen, a person in the housing industry who dedicated countless hours of his life in the past month to educate people on the positive effects of what we are about to do.

Briefly, I want to say the following: We learned about 8 months ago that a tax credit for first-time home buyers worked. It worked to bring back the entry level marketplace in housing, and it helped to begin to stabilize the housing market which led us in late 2007 into the difficulties we have experienced over the last 20 months. Extending it is important, as long as everybody still understands permanent extension would be bad. Extending it to next April, which this bill does, with a closing no later than June 30, allows the American housing market and first-time home buyers to exercise their right to take tax they pay, convert it to equity in the investment and net appreciating asset, and help stimulate what is the rock-solid base of the American economy.

We also add, in addition to the \$8,000 credit extension for first-time home buyers, a move-up buyer tax credit of \$6,500. This is the cornerstone of the substitute before us now. It offers to any previous homeowner who has lived in their home for at least the last 5 years the opportunity to sell that home, invest in a new home, and take up to a \$6,500 tax credit. That is going to help us boost what is the problem in the U.S. housing economy today, and that is what is called the move-up market. It is the gentleman who is transferred from Delaware with Hercules to Brunswick, GA, who cannot sell his house in Wilmington and cannot buy a house in Brunswick because the markets are so frozen and the move-up market is dead. Now he has an opportunity to sell that house and have an incentive for its purchase in Delaware and an incentive to come and reinvest that money in Georgia in a house in Brunswick. It will make a measurable difference over the next 7 months in our economy.

We also raised the means test on income from \$75,000 to \$150,000, which is in the current credit, to \$150,000 and \$225,000 in the new bill for both move-up buyers as well as first-time home buyers. Those income thresholds will open the incentive to more Americans and I think will show a measurable increase in the amount of business that takes place.

In response to the Internal Revenue Service concerns we expressed a few months ago on fraud, we put in every single request they made for fraud to