Schickele, Anthony Newman, Maxence Larrieu and Paula Robison, among others. Ms. Pusch has performed with the American Symphony, American Composers Orchestra, Brooklyn Philharmonic, New Jersey Symphony and Philharmonia Virtuosi.

Ms. Pusch has been heard on radio, television and recordings for Composers Recording Inc., Panasonic, Summit, Innova, Mode and Windham Hill. Formerly on the faculty of Rutgers University, Ms. Pusch currently serves on the flute faculty of the Juilliard School's Music Advancement Program and the International Festival Institute at Round Top and is a teaching artist for The Academy (a joint program of Carnegie Hall, the Juillard School and the Weill Music Institute). She is a graduate of Boston University and studied with Julius Baker, James Pappoutsakis and Keith Underwood.

Madam Speaker, I urge my colleagues to join me in recognizing Gretchen Pusch.

WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

SPEECH OF

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 9, 2009

The House in Committee of the Whole House on the State of the Union had under consideration of the bill (H.R. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes:

Mr. FATTAH. Madam Chair, I rise in strong support of H.R. 4173, the Wall Street and Consumer Protect Act of 2009. The bill proposes to address the financial crisis brought on by the financial industry by crafting a comprehensive set of measures that will modernize America's financial regulations and hold Wall Street accountable. A myriad of issues, from predatory lending to unregulated derivatives, are contained in the bill to prevent conditions that led to last year's financial meltdown.

The legislation being considered today outlaws many of the egregious industry practices that marked the subprime lending boom, and it would ensure that mortgage lenders make loans that benefit the consumer. H.R. 4173 establishes a simple standard for all home loans, mandating that institutions must ensure borrowers have the ability to the loans they are sold. In addition, the bill prohibits the financial incentives for subprime loans that encourage lenders to steer borrowers into more costly loans, including the bonuses known as "yield spread premiums," which lenders pay to brokers to inflate the cost of loans. Many homeowners in the current mortgage crisis received were steered into more expensive loans than they qualified for. The bill limits the prepayment penalties charged to borrowers who wish to get out of their loans and refinance on more affordable terms.

Implementing laws to correct the failures that led to the economic conditions that created the worse financial crisis since the Great Depression is important in ensuring the ensuing calamity that transpired after the collapse of the financial markets. Nevertheless, the Chairman's inclusion of a mortgage foreclosure assistance provision in the Chairman's Manager's Amendment brings to light one of the least discussed causalities of the financial disaster. Many homeowners now find they are unable to meet their financial obligations due to the severe recession caused by the unbridled greed and recklessness of many financial services institutions.

On numerous occasions, President Obama declared the road to recovery must begin with correcting the damaged housing market by providing people the tools necessary to keep their homes and prevent foreclosure. According to a recently released report by RealtyTrac, a realty company that maintains a comprehensive national database of pre-foreclosure and foreclosure properties, nearly 400,000 properties received foreclosure filing in August 2009. Though number of filings decreased less than one percent from the previous month, the overall number of foreclosure filings is nearly 18 percent higher than the previous year. More strikingly, the report also indicates 1 in every 357 properties used for housing are under threat of foreclosure.

Although not all homes in the foreclosure process will end in a foreclosure completion, an increase in the number of loans in the foreclosure process is generally accompanied by an increase in the number of homes on which a foreclosure is completed. According to the Mortgage Bankers Association, about 1 percent of all home loans were in the foreclosure process in the second quarter of 2006. By the second quarter of 2009, the rate had quadrupled to over 4 percent.

Traditionally, housing is considered a relatively safe investment that allows for the possibility for a high rate of return. Rapidly rising home prices reinforced supported this view. During the rapid of expansion of housing in the early part of this decade, many people decided to buy homes or take out second mortgages in order to access their increasing home equity. Furthermore, rising home prices and low interest rates contributed to a sharp increase in people refinancing their mortgages. For example, between 2000 and 2003, the number of refinanced mortgage loans jumped from 2.5 million to over 15 million. In 2006 and 2007, the value of housing dropped precipitously, which triggered an unexpected increase in the number of homeowners that were delinquent on their mortgages payments and facing foreclosure.

Mortgage foreclosures are very costly to both the foreclosed homeowner and the mortgage lender. Lenders suffer revenue losses from uncollected interest on delinquent loans, as well as unrecoverable origination costs and fees. Though loans that are insured under the Federal Housing Act mitigates losses to lenders to a certain extent, foreclosures cost the lending industry approximately $32,000 for every home that is in foreclosure proceedings since foreclosed properties are often sold below market value.

Losing a home to foreclosure can have a number of negative effects on a household. For many families, losing a home means losing the household's largest store of wealth. Furthermore, foreclosure can negatively impact a borrower's creditworthiness, making it more difficult for him or her to buy a home in the future. Finally, losing a home to foreclosure can also mean that a household loses many of the less tangible benefits of owning a home. Research has shown that these benefits include increased civic engagement that results from having a stake in the community, and better health, school, and behavioral outcomes for children.

In addition, many homeowners experience difficulty finding a place to live after losing their home to foreclosure. Many will become renters. Nevertheless, some landlords may be unwilling to rent to families whose credit has been damaged by a foreclosure, limiting the options open to these families. There can also be spillover effects from foreclosure on current renters. Renters living in units facing foreclosure may be required to move, even if they are current on their rent payments. As more homeowners become renters and as more current renters are displaced when their landlords face foreclosure, pressure on local rental markets may increase, and more families may have difficulty finding affordable rental housing. Some observers have also raised the concern that a large increase in foreclosures could increase homelessness, either because families who lost their homes have trouble finding new places to live or because the increased demand for rental housing makes it more difficult for families to find adequate, affordable units.

A concentration of foreclosures will negatively impacts communities, not just homeowners facing foreclosure. Many foreclosures in a single neighborhood may depress surrounding home values. If foreclosed homes stand vacant for long periods of time, they can attract crime and blight, especially if they are not well-maintained. Concentrated foreclosures also place pressure on local governments, which can lose property tax revenue and may have to step in to maintain vacant foreclosed properties.

Unforeseen events can happen to all people, in all communities. Unexpected medical expenses, sudden unemployment, and divorce are only some of the myriad of unforeseen circumstances that can create financial instability for hardworking homeowners. Such hardships are frequently cited as significant contributing factors that hinder a homeowner's ability to maintain timely mortgage payments, ultimately resulting in dramatically higher rates of mortgage foreclosure. Homeowners in America face the added pressure of simultaneously handling the financial burdens of unforeseen events and their mortgage obligations.

Making Home Affordable, the new Obama plan which requires lenders to modify mortgages, is a good idea that is off to a slow start as lenders have yet to gear up for or aggressively seek modifications to those eligible. Foreclosures caused by unemployment are becoming a greater and greater portion of the foreclosure problem. Estimates are that 5.5 million homes will enter foreclosure in 2009 and 2010.

In Pennsylvania, a major state initiative to combat family-devastating foreclosures has been operating with success for more than a quarter-century, enacted in the wake of the severe recession of 1983. The Homeowners Emergency Mortgage Assistance Program (HEMAP) has provided loans to over 43,000 homeowners since 1984 at a cost to the Keystone State of $236 million. Assisted homeowners have repaid $246 million to date which works out to a $10 million profit for the state after 25 years of helping families keep their homes.

The Pennsylvania model will work nationally, and that is why I introduced H.R. 3142, the Homeowners Emergency Mortgage Assistance (HEMA) Act, which is pending before the House Financial Services Committee. HEMA establishes an emergency mortgage assistance program for qualifying homeowners who are temporarily unable to meet their obligations due to financial hardship beyond their control. Under HEMA, homeowners would have the opportunity to regain financial stability without the immediate pressure of foreclosure. With the support of Chairman BARNEY FRANK of the Committee on Financial Services and Subcommittee Chairwoman MAXINE WATERS, the HEMA proposal was incorporated into H.R. 3766, the Main Street TARP Act. The Main Street TARP Act proposes to use unspent TARP funds to provide relief for distressed homeowners who are unable to meet their mortgage obligations due to financial hardship, as well as providing assistance to renters seeking affordable housing.

A national HEMA program offers a workable complement to President Obama's new Making Home Affordable program. Making Home Affordable has allocated $75 billion in TARP funds to provide financial incentives to encourage participation by mortgage servicers and homeowners. Although the Treasury Department is taking steps to increase the effectiveness of Making Home Affordable by pressing mortgage servicers to put additional resources and staff into providing loan modifications that make mortgages affordable for homeowners, the scale of the problem is huge and the ability and willingness of servicers to do the work necessary is in question. The loss of six million US jobs since the start of the recession complicates the crisis as many jobless won't even have enough income for a loan modification to be effective.

A HEMA-style loan program could use TARP funds already allocated for foreclosure prevention to directly cure mortgage defaults for the unemployed. As the economy recovers most jobless workers will get back to work and be able to resume their mortgage payments. Even a portion of the $75 billion set aside for Making Home Affordable could pay a lot of mortgage payments to bring homeowners current and not have them at the mercy of a mortgage servicer who is poorly equipped to offer them help.

Such a program could be run much more efficiently than the time consuming loan modification program. A homeowner who indicated that he or she was unemployed would provide verification of unemployment compensation to the servicer and automatically be approved for a loan that would pay any mortgage above 31 percent of their income (the target amount in Making Home Affordable modifications). The Treasury could make payments for the homeowner who is then current on the mortgage. It would cut through the disorder of the loan modification program and slow the numbers of foreclosed properties on the market.

The success of HEMAP is evident in the program's results. Since its inception, 42,700 families were saved from foreclosure by providing over $442 million in loans to at-risk homeowners. The average loan to a distressed homeowner is $10,500, which is much less than the $35,000 it costs to complete most foreclosure actions. Additionally, this estimated average foreclosure cost does not consider the impact of foreclosures on families, neighborhoods and communities.

We have tried everything else. The Treasury has already allocated far more than $2 billion to prevent foreclosures. It seems likely that many of those dollars will not be spent in a timely manner by mortgage servicers modifying loans. It's time to get people's mortgages paid directly and to slow the pace of home losses that are destroying families and crippling our overall economy. It's time to think outside the box about foreclosures—and way past time to keep Americans inside their homes.

IN MEMORY OF LT. COL. GEORGE WITHERS STIER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 2009

Mr. SKELTON. Madam Speaker, it is with sadness that I inform the House of the death of my dear friend Lieutenant Colonel George Withers Stier of Lexington, Missouri.

Stier was born in December of 1919 to Earle Taggart Stier and Grace King Stier. After graduating from Wentworth Military Academy with ROTC training, he volunteered for the Army Reserves and applied for Active Duty in 1941.

During World War II, Stier showed his unyielding courage and love of country while flying the B–17 Flying Fortress. During the last of his 16 bombing missions over Germany, he and his crew were shot down and became prisoners of war at Stalag Luft III. Surviving a 50-mile forced march, Stier and his fellow airmen spent over a year as prisoners of war. On April 20, 1945, he was liberated by General George Patton and his 3rd Army's 14th Tank Battalion.

In 1948, Stier married his lovely wife Kathleen Miller Trumbull. The two returned to his hometown of Lexington, Missouri, where they operated Stier's Clothing Store, a family operation since 1906. A dedicated public servant, he served on the City Council and was president of the local Chamber of Commerce. He maintained his connection to Wentworth Military Academy by teaching business courses to our future servicemen and women.

Preceded in death by his wife Kathleen who sadly passed away in 2004, he is survived by his children, Sheila and George.

Madam Speaker, Lt. Col. George Stier was a courageous airman, a loving husband and father, and a dear friend. I trust that my fellow Members of the House will join me in extending their heartfelt condolences to his two children, family, and friends.

IN HONOR OF MAURICE A. SCHWARTZ

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 10, 2009

Ms. WOOLSEY. Madam Speaker, I rise today to honor Maurice A. Schwartz of Stinson Beach, California, who will be retiring next month as Executive Director of the Audubon Canyon Ranch (ACR). Skip Schwartz—everyone calls him Skip—a man known for his rare combination of a strong work ethic, empathy, kindness and humor, has been at the helm of ACR for thirty-four years, a time of great growth and accomplishments for the ranch.

Audubon Canyon Ranch was founded in 1962 to preserve a thickly wooded nesting place for great blue herons and great egrets on the shores of Bolinas Lagoon. Skip first saw the ranch as a visitor in the early 70s and later he and his wife became docents. In 1975 he so impressed the ACR's trustees that they hired him as Executive Director. With his commitment, boundless enthusiasm and practical know-how, Skip tackled the tough problems of a young non-profit and succeeded far beyond anyone's expectations.

Today ACR is a financially solid organization with 24 employees and 800 volunteers with exciting environmental education and research programs and preserve holdings in two counties totaling over 2,000 acres, and will be a beneficiary of a gift of another 1,700 acres in the future. ACR now includes the 1,000 acre Bolinas Lagoon Preserve near Stinson Beach; the 535-acre Bouverie Preserve near Glen Ellen in Sonoma County, the Cypress Grove Research Center on Tomales Bay and several other properties in West Marin. Recently an access agreement was signed with Jim and Shirley Modini, whose 1,725–acre Modoni Ranch in Sonoma County has been willed to ACR.

Due largely to Skip's democratic leadership skills, ACR was named this year by the North Bay Business Journal as one of the five best places to work in the North Bay. Employees—whose average length of employment is 11 years—gave Audubon Canyon Ranch the highest marks of the five firms honored. Employees cited ACR's family focus and its commitment to "walking the talk" by making every effort to make the workplace green, including establishing mileage reimbursement for bicycle use during work hours.

Under Skip's leadership, ACR scientific contributions also literally helped put Bolinas Lagoon on the map as a United Nations RAMSAR site of international significance. ACR's conservation science programs have grown to include a Research and Habitat Preservation and Restoration component.

Skip has overseen the creation of a nationally recognized elementary school environmental education program that serves schools throughout the Bay Area at no charge to them or their students. Each year, between 6,000 and 7,000 students from ethnically and economically diverse neighborhoods in four counties participate in ACR's "hands on" environmental education program.

Skip Schwartz, who has been the public face of Audubon Canyon Ranch for over three decades, will step down as Executive Director in January, but he will continue to work part time as a consultant with the organization. It appears that the Directors of Audubon Canyon Ranch know just how big Skip's shoes will be to fill. He leaves a legacy of accomplishment, but at least for some time ACR's Directors, staff and many friends will continue to benefit from his knowledge, enjoy his humor and kindness, and be inspired by his practical idealism.