

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 predat-

tory 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 re-address 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.

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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 gentleman 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 rule-making 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 bar-

rage 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