''(B) the authorization of the consumer to debit the transaction account or share draft account of the consumer, in the amount of the advance plus a fee, where such account will be debited on or after a designated future date.''.

OCTOBER 6, 2005.

Hon. DANIEL K. AKAKA,
U.S. Senate,
Washington, DC.

DEAR SENATOR AKAKA: Consumer Federation of America, Community Reinvestment Association of NC, Consumer Action, Consumers Union, National Community Reinvestment Coalition, National Consumer Law Center and U.S. PIRG applaud you for sponsoring legislation to prohibit lending based on checks or debits drawn on federally insured depository institutions. You have recognized that it is an unsafe banking practice for consumers to be enticed by payday lenders to write checks or authorize debits when there is no money on deposit to cover these cash advances. We are also pleased that your bill would prohibit banks from partnering with payday lenders, a tactic used by storefront lenders to evade state small loan and usury laws.

The ''Predatory Payday Loan Prohibition Act of 2005'' prohibits the relatively new practice of holding a check as security for a loan. Using the check as security for the payment of a payday loan is the key to the coercive collection tactics used by the lenders. As the lender holds the check, at the end of the short term loan, the consumer is generally forced to choose among three untenable options: 1) allowing the check to be debited from their bank account where it will deplete money needed for food and other living necessities, 2) allowing the check to bounce, exposing the borrower to coercive collection tactics when lenders threaten civil or criminal liability for unpaid checks, and from the risk of losing their bank account or checkwriting privileges, or 3) renewing the loan at the original high cost. Loans based on personal checks drawn on the borrower's bank account that will be deposited to repay the loan on the next payday is the modern version of lending secured by wage assignments, a credit practice long recognized as inherently unfair which violates FTC rules.

Your legislation also stops payday lenders from partnering with federally insured depository institutions to evade state usury or small loan rate caps. A few federally insured state chartered banks persist in ''renting'' their charters to payday lenders, a practice curtailed by most federal bank regulators, to make loans in states that enforce their usury or small loan laws.

Although payday lender-bank charter renting has been curtailed by regulatory action, only legislation will create a clear prohibition to stop this practice that undermines state small loan regulation.

Sincerely,

JEAN ANN FOX,
Director of Consumer Protection, Consumer Federation of America.
PETER SKILLERN,
Executive Director, Community Reinvestment Association of NC.
LINDA SHERRY,
Director, National Priorities, Consumer Action.
SUSANNA MONTEZEMOLO,
Policy Analyst, Consumers Union.
MONICA GONZALES,
Vice President of Legislation and Regulatory Affairs, National Community Reinvestment Coalition.
MARGOT SAUNDERS,
Of Counsel, National Consumer Law Center.
ED MIERZWINSKI,
Consumer Program Director, U.S. Public Interest Research Group (U.S. PIRG).

Mr. AKAKA. Mr. President, I rise to introduce the Bankruptcy Prevention Credit Counseling Act. The new bankruptcy reform law does not allow consumers to declare personal bankruptcy in either Chapter 7 or Chapter 13, unless they receive a briefing from an approved nonprofit credit counseling agency within 6 months of filing. The credit counseling instructional course requirement is intended to provide financial education to consumers who declare bankruptcy so they can attempt to avoid future financial problems.

About one in three consumers in credit counseling enter a debt management plan. In exchange, creditors may agree to concessions so that consumers pay off as much of their outstanding debt as possible. Concessions can include a reduced interest rate on the amount they owe and the elimination of fees. Unfortunately, most credit card companies have become increasingly unwilling to significantly reduce interest rates for consumers in credit counseling. A study by the National Consumer Law Center and the Consumer Federation of America revealed that 5 of 13 credit card issuers increased the interest rates they offered to consumers in credit counseling between 1999 and 2003. American Express and Wells Fargo completely waive all interest for consumers in credit counseling. However, the majority of credit card issuers charge interest rates above 9 percent for account holders that enter into credit counseling, with several charging more than 15 percent.

My bill would prevent unsecured creditors, primarily credit card issuers, from attempting to collect accruing interest and additional fees from consumers in bankruptcy, if the creditor does not have a policy of waiving interest and fees for debtors who enter a consolidated payment plan at a credit counseling agency.

Since the new bankruptcy law requires that consumers enter credit counseling before filing for bankruptcy, we must ensure that credit counseling is truly effective and a viable alternative to bankruptcy. Credit card issuers undermine the good intentions of those consumers. They have sharply curtailed the concessions they offer to consumers in credit counseling, contributing to increased bankruptcy filings. According to a survey by VISA USA, 33 percent of consumers who failed to complete a debt management plan in credit counseling said they would have stayed on the plan if creditors had lowered interest rates or waived fees. Credit card companies have an obligation to ensure that effective alternatives are readily available to the consumers they aggressively pursue.

We must make sure that credit counseling is an effective tool to help consumers avoid bankruptcy. In order to do this, credit card issuers should waive the amount owed in interest and fees for consumers who enter a consolidated payment plan. Successful completion of a debt management plan benefits both creditors and consumers. Mr. President, for many consumers, paying off their debt is not easy. My bill will help people who are struggling to repay their obligations. I encourage all of my colleagues to support this legislation to help consumers enrolled in debt management plans to successfully repay their creditors, free themselves from debt, and avoid bankruptcy.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Bankruptcy Prevention Credit Counseling Act of 2005''.

SEC. 2. REDUCTION OF UNSECURED CLAIMS.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) such consumer debt is an unsecured claim arising from a debt to a creditor that does not have, as of the date of the order for relief, a policy of waiving additional interest for all debtors who participate in a debt management plan administered by a nonprofit budget and credit counseling agency described in section 111(a).''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 273—EXPRESSING THE SENSE OF THE SENATE THAT THE UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS SHALL NOT BE ALLOWED TO EXERCISE CONTROL OVER THE INTERNET

Mr. COLEMAN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 273

Whereas market-based polices and private sector leadership have allowed the Internet the flexibility to evolve;

Whereas given the importance of the Internet to the global economy, it is essential that the underlying domain name system

and technical infrastructure of the Internet remain stable and secure;

Whereas the Internet was created in the United States and has flourished under United States supervision and oversight, and the Federal Government has followed a path of transferring Internet control from the defense sector to the civilian sector, including the Internet Corporation for Assigned Names and Numbers (ICANN) with the goal of full privatization;

Whereas the developing world deserves the access to knowledge, services, commerce, and communication, the accompanying benefits to economic development, education, health care, and the informed discussion that is the bedrock of democratic self-government that the Internet provides;

Whereas the explosive and hugely beneficial growth of the Internet did not result from increased government involvement but from the opening of the Internet to commerce and private sector innovation;

Whereas, on June 30, 2005, President George W. Bush announced that the United States intends to maintain its historic role over the master ''root zone'' file of the Internet, which lists all authorized top-level Internet domains;

Whereas the recently articulated principles of the United States on the domain name and addressing system of the Internet (DNS) are that the Federal Government will preserve the security and stability of the DNS, will take no action with the potential to adversely affect the effective and efficient operation of the DNS, and will maintain the historic role of the United States regarding modifications to the root zone file, that governments have a legitimate interest in the management of country code top level domains (ccTLD), and the United States is committed to working with the international community to address the concerns of that community in accordance with the stability and security of the DNS, that ICANN is the appropriate technical manager of the Internet, and the United States will continue to provide oversight so that ICANN maintains focus and meets its core technical mission, and that dialogue relating to Internet governance should continue in multiple relevant fora, and the United States encourages an ongoing dialogue with all stakeholders and will continue to support market-based approaches and private sector leadership;

Whereas the final report issued by the Working Group on Internet Governance (WGIG) of the United Nations indicates that an entity affiliated with the United Nations should assume global governance of the Internet;

Whereas a United Nations taskforce report suggests that, in addition to terminating the leadership role of the United States with respect to the Internet, the authority and functions of ICANN should be transferred to an entity affiliated with the United Nations;

Whereas that report contains recommendations for relegating the private sector and nongovernmental organizations to an advisory capacity, and some nations advocating such a change have stated that the private sector and nongovernmental organizations should have no future role in Internet governance;

Whereas the European Union has also proposed transferring control of the Internet to the United Nations, and such a transfer of control of the Internet would confer significant leverage to the governments of Iran, Cuba, and China, and would impose an undesirable layer of politicized bureaucracy on the operations of the Internet that would result in an inadequate response to the rapid pace of technological change;

Whereas some nations that advocate radical change in the structure of Internet governance censor the information available to their citizens through the Internet and use the Internet as a tool of surveillance to curtail legitimate political discussion and dissent, and other nations operate telecommunications systems as state-controlled monopolies or highly-regulated and highly-taxed entities;

Whereas some nations in support of transferring Internet governance to an entity affiliated with the United Nations, or another international entity, might seek to have such an entity endorse national policies that block access to information, stifle political dissent, and maintain outmoded communications structures;

Whereas the structure and control of Internet governance has profound implications for homeland security, competition and trade, democratization, free expression, access to information, privacy, and the protection of intellectual property, and the threat of some nations to take unilateral actions that would fracture the root zone file would result in a less functional Internet with diminished benefits for all people; and

Whereas the World Summit on the Information Society will meet in November 2005 in Tunisia to discuss the possibility of transferring control of the Internet to the United Nations or another international entity, and that summit will likely be the beginning of a prolonged international debate regarding the future of Internet governance:

Now, therefore, be it

Resolved, That the Senate—

(1) calls on the President to continue to oppose any effort to transfer control of the Internet to the United Nations or any other international entity;

(2) applauds the President for—

(A) clearly and forcefully asserting that the United States has no present intention of relinquishing the historic leadership role the United States has played in Internet governance; and

(B) articulating a vision of the future of the Internet that places privatization over politicization with respect to the Internet; and

(3) calls on the President to—

(A) recognize the need for, and pursue a continuing and constructive dialogue with the international community on, the future of Internet governance; and

(B) advance the values of an open Internet in the broader trade and diplomatic conversations of the United States.

SENATE RESOLUTION 274—EXPRESSING SYMPATHY AND PLEDGING THE SUPPORT OF THE SENATE AND THE AMERICAN PEOPLE TO THE VICTIMS OF THE DEVASTATING EARTHQUAKE THAT STRUCK SOUTH ASIA AND CAUSED THE SEVERE LOSS OF LIFE AND DESTRUCTION ON OCTOBER 8, 2005, AND PLEDGING IMMEDIATE UNITED STATES ASSISTANCE TO SAVE LIVES AND HELP THE REGION RECOVER FROM THIS MONUMENTAL TRAGEDY

Mr. FRIST (for himself, Mr. REID, Mr. MARTINEZ, Mr. BIDEN, and Mr. LUGAR) submitted the following resolution; which was considered and agreed to.

S. RES. 274

Whereas on October 8, 2005, at 8:50 am local time, a devastating earthquake, measuring 7.6 on the Richter scale, struck parts of Pakistan, India, and Afghanistan, causing massive loss of life and destruction;

Whereas it is estimated that more than 39,000 people residing in Pakistan-administered Kashmir and the Northwest Frontier Province of Pakistan and between 1,000 to 2,000 people located in Indian-administered Kashmir have perished as a result of the earthquake and that tens of thousands of others have been injured;

Whereas the capital city of Pakistan-administered Kashmir, Muzaffarabad, located near the epicenter of the earthquake, was one of the worst-affected cities, suffering tens of thousands of deaths and widespread destruction throughout the city;

Whereas millions of people throughout the region have been left homeless as a result of this earthquake;

Whereas the earthquake damaged and destroyed sanitation systems and hospitals and left thousands of people more vulnerable to deadly diseases such as measles and cholera;

Whereas the Senate and the people of the United States acknowledge with deep sadness that this severe tragedy occurred during the Islamic holy month of Ramadan, a time when Muslims across the world observe a fast during the daylight hours and focus on worship, contemplation, and strengthening family and community ties;

Whereas the United States immediately deployed material and technical assistance to the region, including plastic sheeting, blankets, water containers, food, and a United States Agency for International Development Disaster Assistance Response Team to assess humanitarian needs, coordinate assistance from the United States, and provide technical assistance as required;

Whereas the Department of Defense immediately dispatched 8 military helicopters and is providing additional helicopter support to assist in relief and rescue operations in remote areas that are largely inaccessible by road;

Whereas the United States made an initial pledge of $50,000,000 in humanitarian assistance to help Pakistan cope with its massive relief and recovery needs;

Whereas Secretary of State Condoleezza Rice, during her October 12, 2005, visit to Pakistan, said that the United States would support Pakistan over the long-term in the Pakistani Government's efforts to provide assistance to the victims of the earthquake and rebuild parts of the country devastated by the earthquake;

Whereas the United Nations launched a $272,000,000 international flash appeal to support recovery efforts;

Whereas the United Nations estimates that as many as 2,500,000 people are homeless and 1,000,000 are in need of immediate assistance;

Whereas Pakistani President Pervez Musharraf has appealed for international assistance and called for more medicine, tents, and cargo helicopters;

Whereas Indian Prime Minister Manmohan Singh declared the earthquake a ''national calamity'' and pledged to rebuild the lives of thousands of people in Indian-administered Kashmir affected by the earthquake;

Whereas during humanitarian crises, such as the earthquake that struck South Asia, women and children often become more vulnerable to exploitation and abuse and have difficulty accessing humanitarian relief;

Whereas India has begun sending a consignment of 25 tons of emergency relief supplies, including medicines, blankets, tents, and food items, to Islamabad, the first time India has provided assistance to Pakistan in over 30 years; and