We support the so-called net operating loss carryback provision to help firms that suffered operating losses lower their tax burdens.

Last, Republicans support protecting families who are applying for new loans. People deserve to know and understand what they are signing before they sign it. Anyone who ever bought a house and confronted the stack of small-type paperwork written in legalese knows what I mean. I used to be a lawyer, and I have been presented with those stacks of documents. They are so overwhelming that, unless you have a half day to spend, you are never going to read them. Even as a lawyer, I will tell you they are not the easiest things to understand.

Our proposal will require a plain English explanation of key loan conditions. Borrowers will see in big type any teaser or introductory rate, their payment, and when it expires. They need to know they are agreeing to an adjustable rate and what that rate will be and how much a new payment will be. I doubt that Willie Clay was ever told his mortgage rate could go up over 12 percent. That is unconscionable. I don't think they ought to be allowed to raise adjustable rates beyond what they disclose in the initial disclosures to the borrowers. They need to be notified of any prepayment penalty, and they will be reminded there is no guarantee they can refinance their loan before the introductory rate expires. These are the very things Willie and thousands of borrowers did not understand when they agreed to their loans. Hopefully, this will protect future families who want to share in the American dream.

In contrast to the Democrats' plan, Republicans will avoid making home ownership more expensive, especially for low-income families through harmful bankruptcy changes that increase the cost of borrowing or encourage costly litigation.

If my colleagues on the other side succeed in using bankruptcy to write down all the mortgages and essentially destroy the basic terms of the contract, guess what will happen. What will happen is that nobody will get a loan at a reasonable rate anymore. Any rates that are offered to homeowners will have to have a risk premium built in, probably 1.5 percent or more. Each quarter of a percent will mean 500,000 families cannot get a loan. So that would mean that if this proposal coming from the other side is implemented, some 6.5 million, at least, families will be denied the opportunity to get a home loan because of the risk built in by a congressionally mandated cramdown of the interest rate terms, breaking the terms of the contracts which have been signed.

Republicans will also oppose plowing billions of dollars into big Government programs that do not help our neediest families now. We will oppose adding more dollars to programs that are still flush with funds they were given in December. We want a responsible, effective, and fiscally conservative package that can be adopted without wreaking havoc on our economy, without destroying our budget, yet helping the people who most need help.

Right now, we are threatened by the position of the majority leader of being shut out from offering any amendments. We want to move forward. We want to move forward on a responsible plan that allows the Republicans to decide what amendments they will offer. We are not going to be told by the majority leader that he is the one who decides what amendments we offer. Where has that ever worked in this Senate, telling a block of Senators, minority Senators, 49 of us, that we cannot offer an amendment unless we get the approval of the majority leader? There is a body on the other side of the Capitol that may be able to do that, but the strength of this body is we do not get crammed down on the amendments we can offer.

I have talked with a number of my colleagues on the other side of the aisle, and they agree that our proposals make sense. We just want to have votes on the proposals we think are effective, fiscally conservative, and will not endanger the homeowners whom we seek to help.

If we can work together—and I believe there is plenty of opportunity for a bipartisan compromise—on housing proposals we will help families like Willie Clay's and neighborhoods such as Ruskin Heights in Kansas City to get through this crisis. I urge my colleagues to support the home proposals we will be offering when we are given an opportunity to offer those amendments.

Mr. President, I ask unanimous consent to have printed in the RECORD the article to which I referred from the Kansas City Star.

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

[From the Kansas City Star, Dec. 30, 2007]

AMERICAN DREAMS BUILT ON A SHAKY FOUNDATION OF SUBPRIME LOANS

By Paul Wenske

Willie Clay remembers the day a loan broker showed up and sold him on consolidating his debts by refinancing his south Kansas City home.

The former Vietnam War paratrooper, who lives mainly on government disability checks, jumped at the chance to pay off medical, car and credit-card bills. That was in 2004.

Now he realizes it was "a big mistake." In October, his 8.2 percent interest rate on the new $101,000 home loan shot to 11.2 percent. It is set to rise to 12.2 percent in March—and higher yet in subsequent months.

"If the rate goes up again, I can't afford it," said Clay, who lives in a tidy ranch home in Ruskin Heights with his wife, Ina. "We'll have to move to an apartment."

Welcome to subprime hell, where interest rates are going through the roof and the bottom is falling out of home values.

The ZIP code in which Clay lives has had more than 500 foreclosures—one of the highest rates in the city, according to RealtyTrac, a national firm that tracks foreclosures. On his block, many neighbors' homes are empty. Clay worries his may be next.

Clay, who thought his adjustable rate could go down but would never go up, is another victim of the subprime implosion. He and millions of other low- to moderate-income Americans bought or refinanced homes with creative terms that began with lower "teaser" interest rates designed to rise after several years.

At the time, it seemed like a good deal. Home values were soaring. Lenders seemed to have barrels of money to lend—even to borrowers with less-than-perfect credit—stoking the American dream of homeownership and fueling the torrid housing market from 2004 to 2006.

But housing prices cooled in late 2006, just as adjustable rates started to creep upward. Now many loans are going bad as families find they can't afford their monthly payments and can't get refinanced by lenders who have tightened credit.

Foreclosures are at record highs, with Kansas City's foreclosures up 80 percent just since last year.

Thousands of Americans could lose their homes when at least 2 million subprime-loan interest rates are set to rise again this spring. President Bush recently announced a plan to freeze the rates on as many as 1.2 million of those loans. Some experts estimate the eventual cost to the economy will be more than $223 billion.

For many, the help comes too late.

In metropolitan Kansas City, more than 34,290 adjustable-rate loans are ready to reset, putting more homes at risk, according to an analysis of mortgage data by the Center for Responsible Lending.

"What this foretells is foreclosures will get worse before getting better," said Kelly Edmiston, a senior economist at the Federal Reserve Bank of Kansas City, who has crunched the numbers. "We haven't really seen the peak yet."

WHAT WENT WRONG?

Blame is easy to spread around for the subprime mess, said William M. Dana Jr., the president and CEO of Central Bank of Kansas City and the immediate past chairman of the Missouri Bankers Association.

Dana cited lax underwriting standards, borrowers who didn't understand the terms of their loans, and regulators who weren't paying enough attention.

Consumer advocates, however, said borrowers with little experience in home buying got caught up in a frenzy, fed mainly by nontraditional lending institutions and thinly regulated brokers who were more intent on making fat commissions than making quality loans. Big national banks also dove into the market with subprime subsidiaries.

"You had an army of salespeople who were hired to go door to door and sell these things very aggressively," said Michael Duffy, the managing attorney of Legal Aid of Western Missouri, who noted that subprime loans are more complex than conventional loans, yet borrowers often received less loan-disclosure information.

Elma Warrick, the executive director of the Kansas City Home Ownership Center for HomeFree-USA, said: "People were just happy to be told they could get a home. Quite frankly, they didn't know what questions to ask."

Clay acknowledged that he never fully understood how an adjustable rate worked when a Wells Fargo Financial broker sold him on the deal.

"I didn't have the education to understand it," Clay said. "And they didn't explain it to me. I thought if the interest went down, your