

properties go down in a neighborhood, crime rates go up, and it just spirals further and further down.

So I hear what you are saying. But if you think carefully about how this actually helps you as well, by keeping that homeowner in that house, keeping up the value of your property, then everyone benefits. So to those out there who wonder why everyone is not going to get a new mortgage at a rate they can afford, the value of this program is to try to put a tourniquet, if you will, on the hemorrhaging that is going on. There are 1.5 million people who have lost their homes in the last year. It is predicted by some—Credit Suisse being one—that one out of every eight homes, if we don't act, will end up in foreclosure in the next 5 years. Obviously, that is an intolerable situation in our country.

So this legislation is designed to provide hope not only for the homeowners but hope for the neighborhoods and communities being so adversely affected by this present problem. We desperately need this legislation. And as I have said repeatedly, every day we wait, some 8,000 to 9,000 foreclosures are filed. In fact, the delays we have suffered over the last number of days have caused an awful lot of people whom we might have been able to help to find themselves without a home.

Remember, these aren't just numbers. I have been citing numbers to you—a million and a half, 8,000 to 9,000, and how this program would work. But for every one of these numbers there is a family. Just imagine tonight that you had to go home and tell your husband or your wife or your children: We are no longer going to live here. We can't afford to stay here. This has been our home, but we have to find some other place to live. I don't know of anyone who would like to come home carrying that message because someone lured them into a mortgage knowing full well they could never afford to pay the fully indexed price.

These numbers don't speak about the human tragedy and the cost beyond the financial implications. So the importance of this legislation goes to the heart of who we are as a people, that sense of optimism and confidence. That fulfillment of a dream—of owning a home and raising a family, living in a quiet, safe neighborhood—for many people is no longer going to be there because these foreclosures are occurring at such a rapid rate around our country.

In late June of this year, Census reported that the home ownership rate, after reaching an all-time high in 2005, has fallen to a little over 67 percent, the sharpest annual decline in 20 years. According to the New York Times, minorities, who are disproportionately likely to get subprime loans, are suffering especially badly. That is why this legislation is widely supported by community and civil rights groups, financial institutions, and others. They see a generation of wealth being lost as a result of this foreclosure crisis.

The Senate expressed its strong bipartisan support of the HOPE for Homeowners Act when it defeated an amendment that was offered to strip out this program entirely. To the credit of my colleagues, Democrats and Republicans, we voted 69 to 21 to keep this program a part of this bill.

I want to make people understand something. There is no miracle here. I am not suggesting to you that this is going to work perfectly. It is our best judgment that this voluntary program could make a difference, and my hope is it will.

The second part of the bill, Madam President, includes the FHA Modernization Act. This passed early in April of this year as part of the Foreclosure Prevention Act by a vote of 84 to 12. The provisions in the current bill are identical to that legislation that I authored earlier this year, with the exception that the loan limits have been increased in high-cost areas to a maximum of \$625,000.

As the administration has repeatedly said, the modernization of the Federal Housing Administration will put it in a better position to keep future borrowers away from abusive subprime loans.

Thirdly, this legislation creates a strong, effective, world-class regulator for the housing government-sponsored enterprises—Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. These entities have kept the housing and conforming mortgage markets going while other capital markets have literally frozen. We need to make sure these crucial market players are appropriately capitalized, well regulated, and properly supervised so the American people can continue to depend on them to ensure that affordable mortgages will always be available. Recent losses at Fannie Mae and Freddie Mac speak to the urgency of this need, and the legislation before us accomplishes that goal.

In addition to the government-sponsored enterprise portion of this bill, we have created a new permanent affordable housing fund that will help finance the construction and preservation of affordable homes and apartments across this Nation. Again, the need for this is growing, especially as the foreclosure crisis is pushing more and more families into rental housing. Again, the Senate spoke forcefully in support of this program when an amendment was offered by a Senator in this body to strike that entire program. My colleagues, again Democrats and Republicans, voted 77 to 11 to keep this permanent affordable housing program.

The bill also includes \$3.9 billion for community development block grant funds to help communities across the Nation revitalize neighborhoods that have been devastated by foreclosures. This provision has strong support from the Nation's mayors, community groups, religious organizations, housing groups, and civil rights organiza-

tions as well. Unfortunately, we can't stop every foreclosure, but these funds will help our communities deal with the fallout of this terrible problem and help stabilize and renew our hardest hit communities.

There are important sections of the legislation that help our Nation's veterans find and keep housing and provide them with housing counseling. We increase housing counseling money in this bill so we can help people avoid the scourge and trauma of losing their homes to foreclosure.

There are a number of important tax provisions, and I want to commend my friend and colleague from Montana, MAX BAUCUS, and Senator GRASSLEY of Iowa. The Finance Committee did a terrific job with this bill. They got rid of some onerous, and I think wrong, tax provisions that had been adopted earlier and included some wonderful provisions to help first-time home buyers, as well as to provide some assistance in the area of encouraging additional investments in our housing areas.

So I want to commend MAX BAUCUS and CHUCK GRASSLEY and members of the Finance Committee for the additions they have added to this bill that are going to make a significant difference.

Finally, the legislation includes important standby authority, which was requested by the Secretary of the Treasury, Hank Paulson. He worked all weekend, two weekends ago, with various other people to do what they could to figure out how not to lose the major investments in our government-sponsored enterprises, and he came up with this idea of standby authority. Now, it is unprecedented the authority he is asking for, but Hank Paulson impresses me as someone who has thought about this. He has spent a lifetime in the private sector and knows and understands these issues pretty well. And I know for a fact that he reached out to a lot of other people in the country as well, not of his own political persuasion but people he respects, and listened to them as they crafted this standby authority.

My colleagues have raised some very good questions about it. We had a long, almost 5-hour hearing on the Banking Committee last week where Hank Paulson and Ben Bernanke, the chairman of the Federal Reserve, and Christopher Cox of the SEC, sat there for 4½ hours and answered questions from 22 members of the Banking Committee about this proposal. And there are legitimate issues about it.

I see my friend from New Mexico here, the former chairman of the Budget Committee, and we asked questions that he would have asked in that committee, and I think we answered them as well as we could.

But I think Hank Paulson has it about right. This authority is going to be critical if we are going to encourage people to stay involved in this critically important area of liquidity to the