

ownership through FHA. It also requires a downpayment of at least 3.5 percent for any FHA loan.

In addition, the Foreclosure Prevention Act section of the bill provides \$3.92 billion in funding to communities hardest hit by foreclosure and delinquencies to purchase foreclosed homes at a discount and rehabilitate or redevelop the homes to stabilize neighborhoods and stem the significant losses in house values of neighboring homes. It also contains \$150 million in additional funding for housing counseling.

It contains some important provisions to help our returning soldiers avoid foreclosure by lengthening the time a lender must wait before starting the foreclosure process and providing the veterans—soldiers, sailors, marines, airmen of the current conflict—with 1 year of relief from increases in mortgage interest rates. In addition, the Department of Defense is required to establish a counseling program to ensure these veterans can access assistance if facing financial difficulties. The legislation also increases the VA loan guarantee amount, so that veterans have additional home ownership opportunity.

I am also pleased that the bill contains a provision I authored in my bill, S. 2153, to amend the Truth in Lending Act to improve home loan disclosures. This provision will ensure that consumers are provided with timely and meaningful disclosures in connection with not just home purchases but also for loans that refinance a home or provide a home equity line of credit. The bill requires that mortgage disclosures be provided within 3 days of application and no later than 7 days prior to closing. This should allow borrowers to shop for another mortgage if they are not satisfied with the terms. If the terms of the loan change, the consumer must be notified 3 days before closing of the changed terms.

If consumers apply for adjustable rate or variable rate payment loans, there will now be an explicit warning on the 1-page Truth in Lending Act form that the payments will change depending on the interest rate and an estimate of how those payments will change under the terms of the contract based on the current interest rate. The bill also provides a new disclosure that informs borrowers of the maximum monthly payments possible under their loan. The bill provides the right to waive the early disclosure requirements if the consumer has a bona fide financial emergency that requires they close the loan quickly and increases the range of statutory damages for TILA violations from the current \$200 to \$2,000 to a range of \$400 to \$4,000.

Finally, it requires lenders to include a statement that the consumer is not obligated on the mortgage loan just because they received the disclosures. This will give consumers the opportunity to truly shop around for the best mortgage terms for the first time ever. They will be able to compare the

payments and costs associated with a certain loan product and decide not to sign on the dotted line if they do not like the basic terms of the loan.

I believe that giving consumers the information they need regarding the maximum payment is absolutely critical. Borrowers need to better understand the full financial impact of entering into a particular loan early in the process and before they actually consummate the loan.

There are many borrowers today who signed up for a loan with teaser rates with a monthly payment they could well afford and then were shocked 18 months later to get the adjusted rates that were staggering to them and were, for many, unaffordable. Many in good faith relied on what they thought would be the initial introductory loan. I do not think they should be in that position. I think all the details, the maximum loan amount under the current rate should be available upfront, not hidden in a pile, literally a foot high, of closing documents.

They also have to have a chance to back out of the loan, if the terms are not acceptable to them, before closing the loan at the conference room table.

I am pleased my Republican colleagues have agreed with the need to improve mortgage disclosures also.

Finally, this legislation includes some important tax provisions that should enhance and strengthen the low-income housing tax credit program and the mortgage revenue bond program. It also has a refundable first-time home buyer credit of up to \$8,000 to help reduce the stock of existing unoccupied housing and a nonitemizer tax deduction for State and local property taxes from Federal income tax.

It is my hope this legislation will help more families to refinance out of bad loans, help stabilize the housing market, and improve the laws and regulations so this type of foreclosure crisis never happens again.

As a member of the Banking Committee, I wish to particularly thank Chairman DODD and Senator SHELBY for including a number of bills and initiatives that I have been working on in the Housing and Economic Recovery Act that is before us today, and I hope we are going to be able to pass this important legislation in very short order.

The American people need a lot more than the current HOPE Now program, they need help now. I encourage all my colleagues, we should move forward deliberately—today, I hope—on this important legislation and send it to our colleagues in the House.

I know Chairman FRANK and his colleagues have done a remarkable job on their side to pass legislation that is very close to ours. Together, we should be able to send something to the President that he will, I hope, sign and will send a message to the American people that hope is not just a fiction of rhetoric, but it is a reality—and not just hope, but help is on the way.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAPO. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. That was going to be my first unanimous consent request. My second one would be I ask consent that I be recognized following the remarks of the distinguished Senator from Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Idaho is recognized.

Mr. CRAPO. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COUNTY PAYMENTS ACT

Mr. CRAPO. Mr. President, I rise to discuss the increasingly dire need to reauthorize the Secure Rural Schools and Community Self-Determination Act of 2000. It is commonly called the County Payments Act. We also need to fully fund the payment in lieu of taxes provisions, otherwise commonly called PILT funding.

One hundred years ago, legislation was enacted to provide for the return of a percentage of the U.S. Forest Service gross receipts to the States to assist counties that are home to our national forests with school and road services. The reason for this legislation was that these States, where there are very high percentages of Federal ownership of property, have a much smaller property tax base for their communities. Particularly, many of these rural communities exist in counties where most of the county—in some counties in Idaho over 90 percent of the county—is owned by the Federal Government. They have virtually no property base. Yet they have all the other issues that come with the land base to deal with in their counties—schools, roads, law enforcement, and the like. It was recognized that since the Federal Government was immune from paying property taxes, the Federal Government—which was the beneficiary from these counties and which had such significant land holdings in these counties—should provide some kind of compensation to the counties as an alternative to property taxes, which they would pay if they were not the Federal Government and exempt from paying those taxes. That is where you get the payment in lieu of taxes, or PILT payment. The Secure Rural Schools and County Self-Determination Act was something that followed up on the PILT legislation. Without these funds, many rural communities that neighbor national forests would be unable to fully meet school and road needs of local communities. In recent years, however, timber receipts have eroded