

every day, doing the right thing, paying all their bills, putting shoes on their children's feet, making their rent payments, making their utility payments, and this is the one hurdle, the very one hurdle that stops them, that puts them in the back of the tent watching somebody else put that key in the door.

For all of my colleagues that helped do this, I thank them very, very much. This will be a profound impact on thousands and thousands of American families. This is an investment in our future. I want to thank all of my colleagues for their commitment to this. I thank the gentleman from Ohio (Mr. NEY). I thank the gentlewoman from Florida (Ms. HARRIS) for her leadership and Secretary Martinez for championing this cause.

Mr. NEY. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. WILSON). He and his staff have been very energetic in support of this bill.

Mr. WILSON of South Carolina. Mr. Speaker, I rise in support of H.R. 1276, the American Dream Downpayment Act, and I want to commend the gentleman from Ohio (Mr. NEY) for his leadership. I want to commend the gentlewoman from Florida (Ms. HARRIS) for her wonderful leadership on this issue, and then my colleague the gentleman from Michigan (Mr. ROGERS) who has from the beginning been such an important part as he understood and eloquently explained the bill just now.

More than two-thirds of all Americans own their own home. However, fewer than half of all African American and Hispanic families are homeowners. For these families, one of the biggest barriers to homeownership is the inability to afford the downpayment and closing costs associated with purchasing a home. This legislation seeks to help close this homeownership gap by making \$200 million in grants available to more than 40,000 first-time, low-income families to help them achieve the American dream of homeownership.

This is especially important to the 2nd Congressional District of South Carolina where many families would greatly benefit from this legislation. Too often, the dream of raising your family in your own home seems far out of reach. As a former real estate attorney, I know firsthand the joy of working with first-time home purchasers, especially because I worked pro bono with the meaningful Habitat for Humanity program, along with the Home Builders Association and the Realtors Association.

Further, the American Dream Downpayment initiative will help low- and moderate-income families build wealth. Consider that the average homeowner's assets total \$70,000, while the average low-income renter's assets are below \$1,000. Equity in a home, the primary asset held by most American families, is the best mechanism that

families have for wealth creation. We can use our homes to send our children to college, to start small businesses and to build better lives.

In short, homeownership makes family stakeholders in their communities. H.R. 1276 will increase the rights of stakeholders and bring stability and a new revitalization to our communities. I urge all my colleagues to support H.R. 1276.

In conclusion, God bless our troops.

Mr. NEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. VELÁZQUEZ).

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. VELÁZQUEZ. Mr. Speaker, I would like to enter into a colloquy with the gentleman from Ohio (Mr. NEY).

It is my understanding that, during committee consideration, an agreement was made between the chairman and myself to incorporate the provision dealing with financial literacy into the report on H.R. 1276. I would like this language to be included into the RECORD.

Mr. NEY. Mr. Speaker, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Ohio.

Mr. NEY. Mr. Speaker, I just wanted to respond, it is my understanding and I accept the language as was just stated.

Ms. VELÁZQUEZ. Mr. Speaker, that is my colleague's understanding, and I thank the gentleman for that. I will insert that language at this point in the RECORD.

The full Committee also adopted two amendments during consideration. The first would require States and localities to ensure that families receiving the housing assistance are financially prepared to maintain ownership of their homes after the purchase by requiring recipients to complete a course of homeownership counseling. Alternatively, if this is not feasible, grantees could provide information in advance to grant recipients describing the risks and responsibilities of homeownership, providing assistance in understanding the mortgage loan process and financing options, and making recipients aware of any homeownership counseling that is available locally.

Mr. NEY. Mr. Speaker, I yield myself such time as I may consume.

In closing, let me just, once again, thank our chairman, the gentleman from Ohio (Mr. OXLEY) for his diligence and perseverance in the way he has handled the committee, to produce many good products over this session, and when it comes to housing, he has given us the backing we needed; the gentleman from Massachusetts (Mr. FRANK), the ranking member, the gentlewoman from California (Ms. WATERS), our ranking member of the subcommittee, who has helped so much on this bill and also to everybody again that made this bill possible.

I just want to conclude by saying it is a dream for many Americans to have their homes, from all walks of life.

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We are taking a step today on the floor of this House to do that. This is a bill that every Member of this House can be proud of. It is a bill that they can support, and it is a bill that is going to do something for generations to come as people establish their home, as people are able to take care of their families and be part of their communities in a very, very productive way.

Again, Mr. Speaker, in closing and in urging support, I want to thank the gentlewoman from Florida (Ms. HARRIS), who had the desire, the tenacity and definitely put in all the time needed to make sure that this bill became a reality today. Without her, we would not be here today producing this bill, which, again, will help future generations. So I urge support of the bill.

Mr. PAUL. Mr. Speaker, the American dream, as conceived by the Nation's Founders, has little in common with H.R. 1276, the so-called American Dream Downpayment Act. In the original version of the American dream, individuals earned the money to purchase a house through their own efforts, often times sacrificing other goods to save for their first downpayment. According to the sponsors of H.R. 1276, that old American dream has been replaced by a new dream of having the Federal Government force your fellow citizens to hand you the money for a downpayment.

H.R. 1276 not only warps the true meaning of the American dream, but also exceeds Congress' constitutional boundaries and interferes with and distorts the operation of the free market. Instead of expanding unconstitutional federal power, Congress should focus its energies on dismantling the federal housing bureaucracy so the American people can control housing resources and use the free market to meet their demands for affordable housing.

As the great economist Ludwig Von Mises pointed out, questions of the proper allocation of resources for housing and other goods should be determined by consumer preference in the free market. Resources removed from the market and distributed according to the preferences of government politician and bureaucrats are not devoted to their highest-valued use. Thus, government interference in the economy results in a loss of economic efficiency and, more importantly, a lower standard of living for all citizens.

H.R. 1276 takes resources away from private citizens, through confiscatory taxation, and uses them for the politically favored cause of expanding home ownership. Government subsidization of housing leads to an excessive allocation of resources to the housing market. Thus, thanks to government policy, resources that would have been devoted to education, transportation, or some other good desired by consumers, will instead be devoted to housing. Proponents of this bill ignore the socially beneficial uses the monies devoted to housing might have been put to had those resources been left in the hands of private citizens.

Finally, while I know this argument is unlikely to have much effect on my colleagues, I must point out that Congress has no constitutional authority to take money from one American and redistribute it to another. Legislation such as H.R. 1276, which takes tax money from some Americans to give to others whom Congress has determined are worthy, is thus blatantly unconstitutional.

I hope no one confuses my opposition to this bill as opposition to any congressional actions to ensure more Americans have access to affordable housing. After all, one reason many Americans lack affordable housing is because taxes and regulations have made it impossible for builders to provide housing at a price that could be afforded by many lower-income Americans. Therefore, Congress should cut taxes and regulations. A good start would be generous housing tax credits. Congress should also consider tax credits and regulatory relief for developers who provide housing for those with low incomes. For example, I am cosponsoring H.R. 839, the Renewing the Dream Tax Credit Act, which provides a tax credit to developers who construct or rehabilitate low-income housing.

H.R. 1276 distorts the economy and violates constitutional prohibitions on income redistribution. A better way of guaranteeing an efficient housing market where everyone could meet their own needs for housing would be for Congress to repeal taxes and programs that burden the housing industry and allow housing needs to be met by the free market. Therefore, I urge my colleagues to reject this bill and instead develop housing policies consistent with constitutional principles, the laws of economics, and respect for individual rights.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 1276, the American Dream Downpayment Act. This bill, of which this Member is an original cosponsor, authorizes \$200 million in grants to be made available as part of the HOME program to first-time low-income families for downpayment assistance. This important legislation is strongly supported by the Administration and is a priority of the distinguished Secretary of the Department of Housing and Urban Development (HUD) (Mr. Martinez).

First, this Member would like to thank the distinguished gentlelady from Florida (Ms. HARRIS) for introducing this legislation. Furthermore, this Member would also like to thank both the distinguished gentleman from Ohio (Mr. OXLEY), the Chairman of the House Financial Services Committee, and the distinguished gentleman from Massachusetts (Mr. FRANK), the Ranking Member of this Committee, for their support in bringing this measure to the House Floor.

One of the main obstacles for families who want to purchase a home is that they do not have the resources for a sufficient mortgage downpayment. As a response to this pressing need, this legislation would provide downpayment assistance grants to more than 40,000 first-time low income families.

The American Dream Downpayment Act would be administered as part of HUD's successful HOME program which currently provides grants to states and entitlement communities (over 50,000 in population) to use for affordable housing. This bill authorizes \$200 million in new authorized funds to be used for downpayment assistance by states and entitlement communities. Furthermore, this bill would preserve the flexibility of the HOME program by allowing these states and localities to craft a package of downpayment assistance which meets their specific needs.

Mr. Speaker, in closing, as a Member of the House Financial Services Subcommittee on Housing and Community Opportunity, this Member strongly supports H.R. 1276, the American Dream Downpayment Act. This

Member encourages his colleagues to support H.R. 1276.

Mr. OXLEY. Mr. Speaker, today, the House is considering H.R. 1276, the American Dream Downpayment Act. This important legislation, introduced by Reps. KATHERINE HARRIS and MIKE ROGERS, will help tens of thousands of low-income families to achieve the American dream of homeownership.

The nation's overall homeownership rate is at an all time high of 68 percent. However, the homeownership rate for African-Americans, Hispanic and other non-Hispanic minorities is approximately 49 percent. We can and must do better than this; H.R. 1276 will go a long way in helping to close this homeownership gap.

For many families, the biggest barrier to homeownership is their inability to afford the downpayment and closing costs. While they can afford the monthly mortgage payments, they are unable to save the funds necessary for the downpayment and closing costs needed to purchase their first home. H.R. 1276 addresses this barrier by providing communities across America with \$200 million in grants, which is anticipated to help more than 40,000 first-time low-income families to purchase their first homes.

H.R. 1276 will be administered as part of HUD's HOME Investment Partnership Program, an existing program that helps communities increase the availability of affordable housing for families most in need through grants to state and local governments. The American Dream Downpayment Act preserves the flexibility of the HOME program, so that states can tailor assistance to best meet the needs of local citizens.

H.R. 1276 has received the endorsement of: HUD Secretary Mel Martinez; America's Community Bankers; Consumers Bankers Association; Fannie Mae; Freddie Mac; Housing Assistance Council; Manufactured Housing Institute; Mortgage Bankers Association of America; National Association of Home Builders; National Association of Housing and Redevelopment Officials; National Association of Mortgage Brokers; and National Association of Realtors.

When families own their own home, they become stakeholders in their communities. H.R. 1276 will increase the ranks of stakeholders and bring stability and a new spirit of revitalization to our communities. By helping families purchase their own homes, we can give them the wealth-building opportunity that homeownership provides. Hard-working, low-income families across the country will finally have an opportunity to profit from both the community and economic benefits that come from owning your own home.

In addition to the many benefits for low-income families, homeownership helps to fuel the economy. People who own their homes spend money for home improvements. In fact, the housing industry itself has been one of the few bright spots in the national economy over the last three years.

Passage of the American Dream Downpayment Act represents an important step in closing the minority homeownership gap. I want to again commend Representatives KATHERINE HARRIS, MIKE ROGERS, Chairman NEY and Ranking Minority MAXINE WATERS for their hard work on this important measure and urge my colleagues to support it.

Mr. CASTLE. Mr. Speaker, I rise today to support the "American Dream Downpayment

Act." I thank Congresswoman KATHERINE HARRIS, Congressman ARTUR DAVIS, Congressman MIKE ROGERS and all the members of the Financial Services Committee for their hard work on this important bill.

This legislation, which I am proud to have cosponsored, will help low and moderate income families purchase their first home. As Delaware's governor, I established a Housing Development Trust Fund that helped more than 5,400 low- to moderate-income families become homeowners. I am pleased to support this program which seeks to help more than 40,000 first-time, low-income families achieve their dream of homeownership.

We can be proud of the historic levels of homeownership we have reached in this country, we must also recognize that the number of people who pay more than half of their income in housing is also rising. We need to make our existing government housing programs more efficient and expand them through responsible programs that will help our constituents realize their dreams of homeownership. Equity in a home is the primary asset held by most American families and the best mechanism that families have for wealth creation.

I have maintained a longstanding commitment to affordable housing and expanding homeownership, this legislation is a positive step in furthering that goal. Thomas Jefferson once said the happiest moments of his life were those which he had passed at home in the embrace of his family. Mr. Speaker, I am pleased we are working to bring that sentiment to all Americans and I rise in support of this legislation.

Mr. NEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHAW). The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and pass the bill, H.R. 1276, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM REAUTHORIZATION ACT OF 2003

Mr. SMITH of Michigan. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2608) to reauthorize the National Earthquake Hazards Reduction Program, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2608

*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 "National Earthquake Hazards Reduction Program Reauthorization Act of 2003".*

#### SEC. 2. DEFINITIONS.

*Section 4 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended by adding at the end the following new paragraphs:*

*"(8) The term 'Interagency Coordinating Committee' means the Interagency Coordinating*