

Mr. Speaker: Today I rise in support of this bipartisan economic stimulus package.

The Financial Services Committee was responsible for the housing provisions of the stimulus package and it is those sections toward which I will direct most of my comments. Before doing so, I want to add a few words of support for the tax cuts in this legislation.

The stimulus package we are considering today recognizes the basic economic reality that getting money back in the hands of the people who earned it is the

best way to help our economy.

The tax element of this package has been called a rebate but, in essence, it's a tax cut for millions of low and moderate income Americans. This will mean immediate tax relief for hard-working taxpayers, and the improvement to our economy that always results from allowing

taxpayers to decide how their own hard earned money is spent. Hopefully, this will stimulate not only the economy, but also it will serve to prompt my colleagues to enact additional tax cuts in the future and make the Bush tax cuts that have worked so well, permanent.

It is widely recognized that the troubled housing market is a significant contributor to the current slowdown in our economy.

This stimulus package

includes several provisions designed to address the lack of liquidity in certain segments of the mortgage market. The bill increases – but only on a temporary basis – the loan limits that apply to mortgages that can be purchased by the housing GSEs (Fannie

Mae and Freddie Mac)
and insured by the
Federal Housing
Administration (FHA).

Greater availability of higher-cost mortgages and FHA-insured loans should help get prospective homebuyers off the sidelines in those housing markets where price declines have been especially

severe, while also assisting existing homeowners seeking to refinance into more affordable mortgage products. The combined effect of these changes is intended to help restore confidence in

our economy.

The higher GSE
and FHA loan limits

– like the other provisions in this stimulus package – are both targeted and temporary. They will expire at the end of this year, thereby addressing the concerns of

those who fear that expanding eligibility for GSE and FHA loan products will unduly increase Federal housing subsidies. While I would have preferred that these

increases be
implemented as
part of
comprehensive
GSE and FHA
reform, I am
encouraged by the
commitments that
Chairman Frank

and the Chairman
of the Senate
Banking Committee
have made to us
that achievement of
those broader
reforms will be
among their highest
priorities during this

congressional session. As the GSEs purchase larger mortgages and take on more risk, it is incumbent upon this Congress to produce legislation that

creates a
world-class
regulator for these
enterprises and
fully protects U.S.
taxpayers. The
House passed a bill
last May, and it is
now the Senate's

turn to act.

The

bottom line is that we must not only take these measures that offer real solutions, but also do what can be done to increase

and encourage
optimism among
all Americans.

There is
legitimate reason
for doing so -- we
should do that as
urgently as

possible.

Mr. Speaker, let
me conclude by
commending
President Bush,
Chairman Frank
and the
Republican and
Democratic

leadership of
the House for
coming together
so quickly
around this
stimulus plan.

