



The Daily Whip

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WEDNESDAY, OCTOBER 26, 2005

House Meets At...	Last Vote Predicted At...
10:00 a.m.: Legislative Business Unlimited "One Minutes"	5:00 – 6:00 p.m.

FLOOR SCHEDULE AND BILL SUMMARY

Motion to go to Conference on H.R. 2419 - Energy and Water Development Appropriations Act for Fiscal Year 2006.

H.Res. 509 - Rule providing for consideration of H.R. 1461 – GSE Federal Housing Finance Reform Act of 2005 (Rules). The Rules Committee has recommended a restrictive rule that provides one hour of general debate, makes in order 9 amendments, and provides one motion to recommit with or without instructions. The Rule blocks several Democratic amendments including an amendment by Ranking Member Frank to strike controversial provisions from the Manager's Amendment. These controversial provisions are opposed by major affordable housing and faith-based organizations, and would impose restrictions to the eligibility requirements for non-profit entities (but not for-profit or governmental entities) applying for grants under the bill's the Affordable Housing Fund (AHF). Therefore, **Democrats are urged to VOTE NO on the Republican Rule.**

Suspensions (1 bill):

1) H.R. 3945 - Hurricane Katrina Financial Services Relief Act of 2005 (*Rep. Baker - Financial Services*)

H.R. 1461 - Federal Housing Finance Reform Act of 2005 (Rep. Baker - Financial Services) (Subject to a Rule). This bill would substantially overhaul the safety, soundness and mission-oversight of Fannie Mae, Freddie Mac, and the twelve Federal Home Loan Banks, collectively referred to as the housing government-sponsored enterprises (GSEs). The bill would place all of the housing GSEs under a single independent regulator with full conservatorship and receivership powers, broad authority to set capital standards to address the risks of the enterprises' operations, enhanced mission oversight, and strengthened enforcement authority. The bill also establishes an Affordable Housing Fund (AHF), similar to the funds run by the Federal Home Loan Banks, under which a portion of the profits of Freddie Mac and Fannie Mae would be used for production and preservation of low-income affordable housing. HR1461 was ordered to be reported out of the Financial Services Committee on May 25th by a strong bipartisan vote (65-5). However, due to objection from conservative Republicans, floor consideration of this bill has been delayed.

All but one of the amendments made in order by the restrictive rule are debatable for 10 minutes each:

- **Manager's Amendment (20 minutes).** The manager's amendment includes several changes and adds provisions that impose restrictions to the eligibility requirements for non-profit entities. The two most significant restrictions included in the Manager's amendment are:
 - **Restrictions on non-partisan civic activities by non-profits.** Non-profit organizations (and any affiliate of the non-profit) will be prohibited from using their own funds to engage in non-partisan voter registration or get-out-the-vote activities for a period beginning 12 months before a grant application is submitted until completion of the grant. These restrictions would force low-income housing groups and faith-based groups to choose between obtaining funding for low-income housing and using other funds to engage in non-partisan voter registration and get-out-the-vote activities.
 - **"Primary Purpose" Requirement.** A faith-based or social welfare non-profit entity applying for a grant must have as its sole "primary purpose" the provision of affordable housing. This restriction is particularly problematic for social welfare and faith-based groups, which have a broader mission than solely affordable housing.
- **Carson Amendment.** To permit personal property loans secured by manufactured housing to be considered in determining whether a GSE has met its duty to serve underserved markets; and permit manufactured homes that have not been attached to ground owned by a manufactured home owner to count towards this goal.
- **Davis, Artur (AL) Amendment.** To clarify the definition of "rural" to make it consistent with the same definition in the Housing Act of 1949 (it retains "micro-politan area" and "tribal trust lands" as part of the definition).
- **Leach Amendment.** To give the newly created regulator (FHFA) greater authority to impose capital strictures on GSEs.



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- **Royce Amendment.** To impose restrictions on GSEs' retained portfolios for reasons other than safety and soundness. HR1461 already mandates safe and sound portfolio management practices, and allows the regulator to force asset sales if GSEs have any problems following them. The amendment will not reduce systemic risk, but will eliminate an important source of liquidity in the mortgage markets. **Democrats are urged to VOTE NO.**
- **Paul Amendment.** To eliminate the ability of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank Board to borrow from the Treasury.
- **Garrett Amendment.** To strike the language in the bill that raises the Conforming Loan Limit.
- **Sanchez, Loretta Amendment.** To add "alternative credit scoring" as an additional element to the Annual Housing Report Regarding Regulated Entities (Section 1324).
- **Kanjorski Amendment.** To restore Presidential appointees on the boards of Fannie Mae and Freddie Mac and to retain the regulatory appointees on the boards of the Federal Home Loan Banks; and to make modifications to the boards of the Federal Home Loan Banks related to the number of regulatory appointees, the expertise of appointees in community and economic development, and the allowable continued service of appointees after the expiration of their terms.

If the provisions that impose restrictions to the eligibility requirements for non-profit entities are added to the bill, Democrats are urged to VOTE YES on the Frank Motion to Recommit that would drop these provisions and restore H.R. 1461 to its bipartisan committee-approved form.

Suspensions (4 bills):

- 1) **S. 172** - A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of all contact lenses as medical devices, and for other purposes (*Sen. DeWine - Energy and Commerce*)
- 2) **H.R. 2967** - Rosa Parks Federal Building Designation Act (*Rep. Kilpatrick - Transportation and Infrastructure*)
- 3) **S. 1713** - Iran Nonproliferation Amendments Act of 2005 (*Sen. Lugar - International Relations*)
- 4) **H.Res. 368** - Congratulating the State of Israel on the election of Ambassador Dan Gillerman as Vice-President of the 60th United Nations General Assembly (*Rep. Schiff - International Relations*)

TOMORROW'S OUTLOOK

The GOP Leadership has announced the following schedule: on Thursday, the House will meet at 10:00 a.m. for legislative business. The House is expected to consider **H.R. 420 – Lawsuit Reduction Act (Rep. Smith (TX) – Judiciary) (Subject to a Rule)**, which among other provisions imposes a mandatory sanctions regime that would apply to civil rights cases and will have a significant, adverse impact on the ability of civil rights plaintiffs to seek recourse in our courts. Tomorrow, the House may also consider: **H.J.Res. 65 - Disapproving the recommendations of the Defense Base Closure and Realignment Commission (Rep. LaHood - Armed Services) (Privileged Resolution)**.

**** In addition, the Republican Leadership continues to insist that the House will consider an Amendment to the Budget Resolution this week. Therefore, Member attendance will be critical.**

Daily Quote...

"Americans are increasingly critical of President Bush and dissatisfied with the Republicans who have controlled Congress for a decade, a USA TODAY/CNN/Gallup Poll finds."

- An article in *USA TODAY*, today