

## Ranking Member Spencer Bachus Opening Statement, Full Committee Markup

October 31, 2007

Mr. Chairman, thank you for convening this markup of a number of legislative measures.

First, let me thank the gentleman from New Jersey, Congressman Garrett, and Chairman Frank for introducing H.R. 3959, a bill to phase out subsidies for certain properties in the National Flood Insurance Program. This bill is similar to an amendment Mr. Garrett had planned to offer when H.R. 3121, the "Flood Insurance Reform and Modernization Act," was debated on the floor, but which the Rules Committee declined to make in order. Under this bill, any purchaser of a primary, pre-FIRM residence that costs over \$600,000 will be brought up to actuarial rates over time. This common-sense bill would provide additional resources to the flood insurance program in a fair way and not subject current homeowners to unanticipated or unplanned increases in their flood insurance premiums.

Another bill I'm pleased that the Committee will take up deals with the transfer of subsidies for USDA's Section 515 loan guarantee projects. Section 515 apartment owners sometimes wish to transfer or sell their properties to other entities during the term of the loan for a variety of reasons, including changes in owner circumstances, changes in local market conditions or an owner's inability to prepay the existing agency loan and run the project outside the Section 515 program. Transfers of ownership in Section 515 properties can be very beneficial for all parties, allowing a project to be recapitalized to provide for better maintenance, rehabilitation and more motivated management.

Unfortunately, the transfer application process can be time-consuming and overly bureaucratic, sometimes resulting in the underwriting of the deals going bad after lengthy delays. H.R. 3873 would fix these impediments by requiring the Secretary of Agriculture to make administrative and procedural changes to expedite the approval of applications. The primary sponsors of this legislation, Mr. Hodes and the Ranking Member of the Housing Subcommittee, Mrs. Capito, should be commended for their work on this important regulatory relief initiative.

H.R. 3965, the "Mark-to-Market Extension and Enhancement Act of 2007," is bipartisan legislation introduced by Housing Subcommittee Chairwoman Waters and the gentlelady from Ohio, Ms. Pryce, which represents an effort to reduce the cost to the Federal Government of renewing project-based Section 8 contracts. Originally created by Congress in 1997, the Mark-to-Market program reduces rents to market levels upon Section 8 contract expiration and renewal. By restructuring mortgages and lowering rents, the Mark-to-Market program reduces the federal costs of over subsidized Section 8 properties.

H.R. 3965 is very similar to legislation on which Ms. Pryce took the lead in the last Congress, which passed the House with over 400 votes. Unlike last year's bill, however, H.R. 3965 also includes provisions governing HUD's administration of the Housing Assistance Payments (HAP) program, which has been criticized by GAO and Members of this Committee at a recent hearing on the Housing Subcommittee. Mr. Chairman, both Republicans and Democrats have a strong desire to address the difficulties faced by Section 8 property owners in receiving timely payments from HUD. So it is my hope that we can continue to work in a bipartisan way to understand and refine these new provisions as we move to the House floor.

H.R. 3703, introduced by Mr. Scott, is basically a technical and clarifying amendment to the Presidential Dollar Coin Act that was sponsored by Mr. Castle and Chairman Maloney. This bill is non-controversial.

Lastly, Mr. Chairman, I'd also like to say a few words about a bill that was scheduled to be on the markup roster today but was pulled last night - H.R. 3956, the "Coin Modernization and Taxpayer Savings Act."

The bill would have handed over to the U. S. Mint - without even a hearing - powers Congress is granted in Article 1 of the Constitution and has exercised without a problem since 1792. If enacted, we could have seen every large-volume coin handling operation - from soda machine operators like Coke and Pepsi to taxpayer-funded public transit - absorbing huge costs to deal with coins of the same denomination co-circulating with different weights. Additionally, the bill would have allowed a single company with a few employees to mine the taxpayers' pockets to the tune of more than \$40 million.

Thank you again, Mr. Chairman, for convening this markup, and I look forward to the debate on these bills.