

today is to work in support of their dreams and aspirations, not only for today, but for the lives of their children and grandchildren.

To be elected to the House of Representatives is to take on a sacred trust. I feel privileged and deeply appreciative to the people of the 3d Congressional District. And on this day, I honor you and your faith in America and our joint future.

RURAL HOUSING LOAN SERVICING PRIVATIZATION ACT

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. CONDIT. Mr. Speaker, I rise today to introduce the Rural Housing Loan Servicing Privatization Act.

Since 1988 the Congress has mandated that the Farmers Home Administration [FmHA], now the Rural Development Administration [RDA] establish an escrow accounting system for the section 502 single-family housing program. It is now 1997 and little progress has been made towards this goal. Since 1990, FmHA has been studying the benefits and advantages of centralizing and contracting out the section 502 program.

A review of efforts to improve the delivery of the section 502 single family-housing program shows that the program is troubled by mismanagement, an unwieldy structure and inferior technology. by FmHA's own admission, it costs \$20 million per year to maintain a system that inadequately monitors the program. Because this system cannot be redesigned to maintain a mortgage escrowing program, the agency must pay an additional \$20 million per year to voucher property taxes for borrowers. This practice is detrimental to both the borrower and the lender.

In September of 1992, studies by the FmHA and GAO concluded that estimated operating savings could be around \$106 million by making these reforms. Unfortunately, trivial action has been taken towards this end at a time when the Congress and the Federal Government are working towards reorganizing and streamlining Government.

The Rural Housing Loan Servicing Privatization Act, will move this process along. This legislation would require the Secretary of Agriculture to implement centralized servicing in the section 502 housing program by entering into contracts with entities "qualified and experience conducting loan servicing."

One important aspect that this bill provides is competition between Federal Government and private entities for borrowers. Allowing private companies to compete for the borrowers currently serviced at the local level would fundamentally change the way the RDA does business. It could also mean reaping the benefits of the competitive marketplace, greater efficiency, increase focus on customer needs, and improving morale.

Given the budget and fiscal restraints facing Congress, I believe now is the time for us to work towards the goal of Rural Housing Loan Servicing Privatization Act. By doing this we would lower delinquency rates, reduce loan losses, have escrow account ability, and lower operating costs.

H.R.—

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 "Rural Housing Loan Servicing Privatization Act".

SEC. 2. REQUIREMENT TO TRANSFER SERVICING OF SECTION 502 LOANS.

Section 502 of the Housing Act of 1949 (42 U.S.C. 1473) is amended by adding at the end the following new subsection:

"(i) TRANSFER OF LOAN SERVICING.—The Secretary shall enter into contracts under section 510(k) providing for the servicing of all loans made by the Secretary under this section, to the extent entities qualified and experienced in conducting loan servicing for residential mortgage loans are available and agree to enter into such contracts."

SEC. 3. ADMINISTRATIVE PROVISIONS

Section 510 of the Housing Act of 1949 (42 U.S.C. 1480) is amended—

(1) in subsection (j) by striking "and" at the end;

(2) by redesignating subsection (k) as subsection (l); and

(3) by inserting after subsection (j) the following new subsection:

"(k) enter into contracts (having such provisions as the Secretary considers appropriate) with entities qualified and experienced in conducting loan servicing for residential mortgage loans to conduct the servicing for loans made by the Secretary under this title, which shall provide for such entities to receive scheduled periodic payments from borrowers pursuant to the terms of loans, including amounts for any escrow accounts, and making payments of principal and interest and such other payments with respect to the amounts received from borrowers as may be required pursuant to the terms of loans and may provide for such entities to retain a fee for servicing from loan payment amounts received; and"

A BEACON-OF-HOPE FOR ALL AMERICANS: ANNIE NICHOLSON

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. OWENS. Mr. Speaker, with the 1996 election behind us, this Nation has completed another cycle for the ongoing democratic process which makes America great. The electoral process and the public officials selected through this process are invaluable assets in our quest to promote the general welfare and to guarantee the right to life, liberty, and the pursuit of happiness. It is important, however, Mr. Speaker, that we also give due recognition to the equally valuable contribution of non-elected leaders throughout our Nation. The fabric of our society is generally enhanced and enriched by the hard work done year after year by ordinary volunteer citizens. Especially in our inner city communities which suffer from long public policy neglect, local grassroots leaders provide invaluable service. These are men and women who engage in activities which generate hope. I salute all such heroes and heroines as Beacons-of-Hope.

Annie Nicholson is one of these Beacons-of-Hope residing in the central Brooklyn community of New York City and New York State. Since 1982, Annie has served as case worker for Congressman MAJOR OWENS. She has

gained critically needed emergency services for people in need, and she has recovered thousands of dollars in entitlement funds for citizens who have been unjustly treated by government agencies. Few people know their way through the social service bureaucracy as well as Annie Nicholson.

Ms. Nicholson is a rare combination of case worker and community activist. She is a member of the board of directors of the Paul J. Cooper Human Services Center; a member of the board of the Atlantic Avenue TAP Center; and a member of 100 Women for Major Owens.

Annie Nicholson is a native of Gulfport, MI where she graduated from the 33d Avenue High School. She later attended Kingsboro Community College and received training for manpower and career development counseling; welfare advocacy; and legal service advocacy. Annie is also the proud mother of two sons—Jerry and Rodney Nicholson.

Annie Nicholson is a Beacon-of-Hope for central Brooklyn and for all Americans.

IN MEMORY OF REVEREND SUMPTER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 7, 1997

Mr. MILLER of California. Mr. Speaker, this past Saturday I had the chance to join many in my community to both mourn the death and celebrate the life of Rev. Percel Napoleon Sumpter, pastor of Solomon Temple Missionary Baptist Church. For more than 30 years Reverend Sumpter has been a leader in our community. He worked tirelessly to promote a better understanding between various factions of our community, getting the police to understand our youth and helping young people work with the police, trying to provide job opportunities for those on public assistance, and seeking better housing for the elderly and low income. Our community owes a great deal to Reverend Sumpter.

Like the hundreds of people who attended his homegoing celebration on Saturday, I will miss Reverend Sumpter and all of his wisdom and counsel.

Our entire community conveys to the Sumpter family our deepest sympathy.

I am enclosing below an obituary of Reverend Sumpter that may inspire many of us as we seek to help our own communities.

OBITUARY

"The Spirit of the Lord is upon me, because he hath anointed me to preach the gospel to the poor; he hath sent me to heal the broken hearted, to preach deliverance to the captives, and recovering of sight to the blind, to set at liberty them that are bruised, to preach the acceptable year of the Lord." Luke 4:18-19

The Reverend Dr. Percel Napoleon Sumpter was born in Columbia City, Florida, on December 22, 1925, to his proud parents, the late Mr. Lewis and Mrs. Eva Sumpter. Dr. Sumpter was one of seven children.

He was preceded in death by one brother, Reverend Lazarus Sumpter; two sisters, Mittiean Latson and Rosa Fashaw.

Dr. Sumpter was reared in a Christian home and taught Christian principles by his parents. He confessed Christ and was baptized at an early age and united with Bethel