

we can have an afternoon full of votes—a short debate on amendments and then votes. I don't want to hear later people telling me, "I didn't have enough time," when in fact we are trying to provide time for people. You can't have it both ways. You can't say you needed more time and then not be here or get the time agreements to allow us to move forward.

With that, Mr. President, I yield the floor.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:33 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. BEGICH).

#### RESTORING AMERICAN FINANCIAL STABILITY ACT OF 2010—Continued

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 3839 TO AMENDMENT NO. 3739

Mr. MCCAIN. Mr. President, I call up amendment No. 3839 and ask for its immediate consideration and ask to set aside pending amendments.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself, Mr. SHELBY, Mr. GREGG, Mr. BENNETT, Mr. CRAPO, Mr. CORKER, Mr. BURR, Mrs. HUTCHISON, and Mr. ROBERTS, proposes an amendment numbered 3839 to amendment No. 3739.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(The text of the amendment is printed in the RECORD of May 5, 2010, under "Text of Amendments.")

Mr. MCCAIN. Mr. President, before we continue, I know the distinguished chairman of the Banking Committee and the manager of the bill want us to move forward. I understand that. As we speak, I am compiling a list of those who want to speak on the amendment on this side. I assure him we will try to get a time agreement completed as soon as possible. I ask my colleagues on this side of the aisle who want to speak on this amendment to call the cloakroom so we can get that done.

Mr. President, I ask unanimous consent that Senators BURR, HUTCHISON, and ROBERTS be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, I apologize to my colleagues for giving them false information a couple of days ago. It is not \$125.9 billion that we are now pouring into Fannie and Freddie; it is up to \$145 billion that is now being poured in—\$145 billion. I remind my colleagues again that last Christmas

Eve at 7 p.m. was when the Treasury Department decided to lift the cap, which had been at \$400 billion. It is now up—\$145 billion. Here we are addressing financial regulatory reform and not looking at \$5 trillion of toxic assets that have already spent \$145 billion off budget. It is off budget. Incredible.

My distinguished friend from Connecticut pointed out yesterday—he says I want a little revisionist history. He says the House financial committee passed bipartisan legislation. It stalled in the committee over here despite the support for it. The Republican-controlled committee then passed a bill and never filed it, never brought it up for a vote here on the floor of the Senate in 2005. That was my friend Senator DODD's statement yesterday.

The fact is—a little revisionist history—on April 1, 2004, the Senate Banking Committee passed the bill, the Federal Housing Enterprise Regulatory Reform Act. All 12 Republicans voted for it. All Democrats, including the distinguished chairman, voted against it, according to the RECORD. So neither bill was taken on the floor because, as we know, we don't move forward with legislation if it is blocked by the other side.

Then Senator DODD went on to say: I became chairman of the Banking Committee in 2007. We arrived at 2008. We had a significant number of hearings. In the summer of 2008, the Banking Committee passed a comprehensive bill—et cetera, et cetera. The Housing and Economic Recovery Act was finally enacted on July 30, 2008. Just 39 days later, Fannie Mae and Freddie Mac were placed into conservatorship.

I remind Senator DODD that back in 2006, there was a group of us, in response to an inspector general's report, who said we need to fix it and fix it now, and that was blocked by the other side.

Senator DODD said: If you think the market took a plunge last Thursday, adopt the McCain amendment. It is a reckless amendment.

What is reckless is the status quo. What is reckless is to totally ignore \$5 trillion in toxic assets, already \$145 billion of the taxpayers' money being spent. It is reckless for us to go to the American people and say we are fixing the problem that caused the financial meltdown and yet we are ignoring Fannie and Freddie. We are ignoring the trillions of dollars of toxic assets. And don't worry, we will address it later on. That is what the distinguished chairman is going to say—we will address this later on. Later on? Later on? When we have this already done? And it is not on budget. Remarkable.

What the amendment says is that the conservatorship has to end in 24 months. We will give them 2 years to figure all this out. It is reckless, in my view, to say we are not addressing these trillions of dollars in toxic assets, the hemorrhaging of \$145 billion already of taxpayers' dollars, on which

there is no expert who believes we will ever see a return.

Finally, I would like to quote the Wall Street Journal editorial of this morning that says, "\$145 Billion and Counting. Fannie and Freddie lose it all for you."

The editorial says:

These efforts to support the Obama anti-foreclosure program resulted in a doubling of loan modifications compared to the previous—

Let me start from the beginning.

Fannie Mae yesterday announced its 11th consecutive quarterly loss—\$11.5 billion—and asked for another \$8.4 billion in taxpayer assistance.

They lost that. They are asking for \$8.4 billion. That puts us well over \$150 billion.

Fannie Mae is the Cal Ripken of bad real-estate deals, reliably pouring taxpayer money into the housing market. Granted, Fannie faces tough competition from its toxic twin, Freddie Mac, which last week announced its own request of another \$10.6 billion from taxpayers.

Once the checks from the Treasury clear, Fan and Fred will have consumed a combined \$145 billion in taxpayer cash, and the end is nowhere in sight. Both companies warned of further losses triggering more government assistance, which is now unlimited after a 2009 Treasury decision.

The losses are unlimited because the companies are now run by the government not to make money, by deliberately subsidizing housing. In yesterday's press release, CEO Mike Williams didn't even pretend that he's running a profit-making business. "In the first quarter, we continued to serve as a leading source of liquidity to the mortgage market, and we made solid progress in our ongoing effort to keep people in their homes," he said. These efforts to support the Obama anti-foreclosure program resulted in a doubling of loan modifications compared to the previous quarter.

Ramping up modifications makes perfect sense in the upside-down world of Fannie Mae. The company also announced that most of the loans it modified in the first three quarters of 2009 had gone delinquent again within six months.

Does anyone get that? Most of the loans that were modified—at the cost of \$100-and-some billion of taxpayers money—have gone under again, have gone delinquent again within 6 months.

The Wall Street Journal goes on:

Talk about an exciting business opportunity. In case anyone still hasn't gotten the joke, the company also clarified yesterday that its directors "are not obligated to consider the interests of the company" unless the government tells them to do so.

The real joke is that the Obama Administration and Senator Chris Dodd have collaborated on a financial regulatory reform bill that includes no reform of Fan or Fred. Senators should rectify this embarrassment as early as today by voting for John McCain's amendment to end this most costly of all bailouts.

My question to the distinguished chairman is, even if he doesn't accept any of the statements I made, is it true that there are trillions of dollars in toxic assets and, if so, what are we going to do about it and when? If not on this bill, where?

The cynicism out there amongst the American people is at the highest level