TO: Council Member Betsy Hodges

Chair, Intergovernmental Relations Committee

Minneapolis City Council

FR: Dennis McGrann // Emily Gehrman

LOCKRIDGE GRINDAL NAUEN, P.L.L.P, Federal Relations Group

Washington, DC

DT: December 4, 2007

RE: Minneapolis Federal Update

The attached is an update of the Minneapolis Federal programs and related issues that impact the City and its residents.

Pending Minneapolis Federal Issues

	LIDDATE			
	<u>UPDATE</u>			
	The Conference Report for the Trans/HUD			
	Appropriations bill was voted on by the			
Bridge Funding	House during the week of November 12 th , the Senate put off the vote until after the			
	Thanksgiving recess, which ended on			
	December 4 th . The Report includes \$195			
	million for bridge reconstruction. The			
	President is expected to veto this legislation.			
	UPDATE			
	The \$100 Million that was included in the			
2008 Republican National	Senate Military Construction Appropriations			
Convention	bill for Denver and Minneapolis/St. Paul for security costs associated with the 2008			
	Convention, was not included in the final			
	version of the bill. A stakeholder conference			
	call is in the process of being scheduled for			
	December 4 th . We will participate in that call			
	and provide a summary.			
	No New Developments Congressman			
	Oberstar inserted language in H.R. 1195, the			
	SAFETEA-LU Technical corrections bill.			
	The language, \$25 million for bikeways			
Bikeways Funding	funding be used solely in Minneapolis or for			
2	the benefit of trails into Minneapolis. This			
	bill is still waiting to be considered on the			
	Senate floor.			
	behate 11001.			

FY 2008 Appropriations

Project	FY 2008 Request	FY 2008 House	FY 2008 Senate	FY 2008 Conference
Combined Sewer Overflow	\$1,250,000	\$0	\$300,000	Not Yet Passed
Empowerment Zones	\$3,000,000	\$170,000	\$0	\$270,000
Gunfire Detection System	\$850,000	\$350,000	\$0	Not Yet Passed

Appropriations Bill Status:

As Congress returns from their two-week Thanksgiving recess break on Tuesday December 4th, Members will attempt to finish work on the remaining eleven FY2008 Appropriations bills. To date only one of the twelve spending bills (Defense) has been signed by the President. Congressional sources have indicated that after the break, Leadership will wrap-up negotiations on an omnibus combination spending bill and target final passage for the week of December 10th.

The 110th Congress has sent two FY 2008 spending bills to the President, and last week he signed one and vetoed the other, setting up the first direct confrontation between Bush and Congress over appropriations. The President has proposed spending \$933 billion on the twelve annual appropriations bills, which is \$23 billion less than the total Democrats are seeking.

Republicans have been pushing for the Military Construction-VA bill (<u>HR 2642</u>) to be sent to the president. An initial conference agreement on that measure would have provided \$64.7 billion in discretionary funding, a boost of \$15 billion over fiscal 2007 levels and \$4 billion more than requested. President Bush has said he will sign the bill as long as equivalent cuts are made elsewhere.

After the House voted to sustain Bush's veto of the Labor, Health and Human Services, and Education bill (<u>HR 3043</u>), Democratic leaders proposed a tentative plan to meet the President halfway and reduce their spending total by \$11 billion.

Leadership in both chambers is considering sending the President a multi-bill omnibus appropriations package in December that would split the difference between what Congress and the White House are seeking in discretionary spending totals.

The plan would provide \$10.6 billion more than the President requested, about half their initial \$21.2 billion increase over the President's \$932.8 billion proposal for discretionary spending in fiscal 2008. (Leadership also proposed an additional \$2 billion in advance funding). It's unknown what would become of additional spending proposed outside the discretionary caps, such as \$3 billion in emergency funding in the Senate's Homeland

Security bill for border activities, \$195 million in Transportation-HUD emergency money to replace the Minneapolis bridge, and an extra \$1 billion from the Highway Trust Fund for bridge inspections and maintenance nationwide. We will carefully track the progress of these bills and update you as soon as any movement occurs.

Predatory Lending Legislation Update:

On November, 15th, 2007 the House passed H.R. 3915, the Mortgage *Reform and Anti-Predatory Lending Act of 2007* on a vote of 291-127. This legislation is a bill to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes.

The House Financial Services Committee has moved quickly on this issue in the 110th Congress. The next step the committee will take is to hold a hearing on December 6th, titled "Accelerating Loan Modifications, Improving Foreclosure Prevention and Enhancing Enforcement." We will update you on the content and outcome of that hearing.

In response to the House passing this legislation, Senate Banking, Housing and Urban Affairs Committee Chairman Christopher Dodd (CT) released the following statement:

"The House should be commended for passage of a measure to address the problem of predatory lending. As I have said before, to be effective, legislation must meet two requirements: first, it must establish strong standards against abusive practices such as prepayment penalties, steering, and other problems. Second, it must provide for strong enforcement to ensure that those standards are met. My bill, which I will introduce soon, will meet both requirements and help protect homeowners from predatory lending."

We will continue to track the introduction and progress of this legislation, however it is unlikely that the Senate will move in any significant way before the end of the 2007 session.

Lockridge, Grindal, Nauen will continue to monitor these and all other pertinent issues that come before the United States Congress and we will keep you informed of any developments. Please do not hesitate to contact Dennis McGrann dmmcgrann@locklaw.com (202) 544-9840 or Emily Gehrman ejgehrman@locklaw.com (202) 544-9896, if you have any questions or need any additional information.