



OFFICE OF SPEAKER NANCY PELOSI FACT SHEET

FY 2008 FINANCIAL SERVICES APPROPRIATIONS

Key Points:

- **This bill enhances key American priorities, while providing less overall than the President requested for agencies in this bill.**
- **The New Direction Congress is committed to making our tax system fairer for millions of Americans – to enhance enforcement to make sure everyone pays what they owe, not just those who play by the rules, while improving taxpayers’ services.**
- **The Democratic-led Congress is determined to spur job creation and make the economy work for everyone – by restoring the President’s cuts in small business loans, rejecting his proposal to slash efforts to make capital and financial services available to underserved communities (CDFI), and strengthening consumer protections.**
- **We are also working to make sure that every vote counts in our elections, and to strengthen law enforcement, both against terrorism and in the war on drugs.**
- **The bill meets two key commitments of the new Democratic-led Congress: it has complete transparency on its earmarks and 2) it also cuts the amount for earmarks in the bill in half.**

Today, the House will begin considering H.R. 2829, FY 2008 Financial Services-General Government Appropriations. This bill provides \$21.4 billion in discretionary spending for programs in FY 2008, which is \$243 million less than the President’s request. Following are highlights of some of the bill’s provisions.

Making Our Tax System Tax Fairer

Improving Taxpayer Services: The bill rejects the President’s cuts, and instead provides \$16 million above 2007 to help taxpayers, including efforts to educate taxpayers about their rights and obligations, to help taxpayers at IRS walk-in sites, and for the National Taxpayer Advocate to help individuals solve ongoing tax problems and to suggest improvements.

Closing the Tax Gap: Works to close the estimated \$290 billion difference between the total taxes owed and the amount actually paid, by increasing investments for enforcement, to upgrade computer systems and to study effective ways to increase tax compliance.

Private Debt Collection: Limits to \$1 million funds that could be used to enter into, renew, extend, or administer tax collection contracts to private-debt collectors. Concerns have been raised, because of complaints from taxpayers, instances of harassment and violations of law, and the risk that taxpayer rights will be trampled and their personal identities stolen without any recourse.

Strengthening our Economy

Rejects President's Cuts in Small Business Assistance

- **2 Percent Increase for the Small Business Administration:** Rejects the President's proposals to cut \$110 million from the Small Business Administration, instead providing a 2 percent increase over last year to help the 5.8 million small businesses across America that create three-fourths of the new jobs.
- **Lower the Cost of Small Business 7(a) Loans.** Rejects the President's proposal to stop subsidizing the 7(a) loan guarantee program to help small businesses to start-up and grow, and the Microloan program for very small loans to start-up, newly established, or growing small business concerns. The 7(a) loan program accounts for roughly 30 percent of all long-term small business borrowing in America, and is the only source of affordable, long-term financing for many of our nation's small businesses.

Greater Access to Capital for Economic Development in Disadvantaged and Rural Communities

- Rejects the President's proposal to cut in half efforts to expand the availability of credit, capital and financial services to underserved communities through the Community Development Financial Institutions Fund.
- Instead provides \$46 million more than last year to support economic development and financial services in disadvantaged and rural communities through housing loans, micro-business loans, community development banks and credit unions.

Strengthen Oversight and Consumer Protection

- **Consumer Product Safety Commission:** \$3.6 million above the President's request, to protect the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products.
- **Federal Trade Commission:** \$36.2 million above 2007 to enhance consumer protection activities, including investigations of sub-prime lending and identity theft, and to keep the marketplace free from anti-competitive business practices.
- **Securities and Exchange Commission:** \$908 million, \$15.9 million above 2007 and \$3.1 million above the President's request, to enhance securities law enforcement and to educate investors.

Election Reform

Implementing the Help America Vote Act (HAVA): \$300 million, not funded by the President, for grants to help states upgrade voting machines and voter registration databases so that they are ready for the 2008 Presidential election.

Other Provisions

Office of the Vice President: The bill funds the Executive Office of the President, which includes \$4.4 million for the staff and activities of the Office of the Vice President, despite the fact that that Vice President recently claimed that he was not part of the Executive Branch in a dispute with the National Archives over the preservation of classified documents. Rep. Emanuel will offer an amendment to prohibit the use of funds for the Vice President Office and his Executive Branch functions.

Protecting America Against Terrorism: Contains more than the President's request for the Office of Terrorism and Financial Intelligence, in order to provide more intelligence analysts tracking terrorist financing and policy advisors to work with foreign governments to combat terrorist financing. It also provides \$10 million more than last year for the Financial Crimes Enforcement Network (FinCEN) to detect terrorist financing and to ensure banks report information key to tracking terrorists.

Fighting Drug Abuse: Contains \$6 million more than the President's request for High Intensity Drug Trafficking Areas program to coordinate and upgrade drug control efforts among local, state, and Federal law enforcement agencies in critical regions of the United States.

District of Columbia Rights: Puts control of local government funds in the hands of the D.C. government by lifting a number of restrictions, including a provision restricting D.C. from using local funds for a needle exchange program.

Earmarks

Full Transparency for Earmarks: The report lists the recipient and the sponsor for each earmark. Of the 165 earmarks in the bill, 148 were requested by lawmakers and 17 by President Bush. Furthermore, each sponsor has filed a certification that the sponsor and the sponsor's spouse have no financial interest in the earmark, which is publicly available.

Cuts the Amount for Earmarks in Half (excluding project-based accounts, such as Army Corps of Engineers): This bill includes \$34 million in House earmarks. Assuming the Senate bill also includes \$34 million, total earmarks for FY 2008 would be \$68 million, one-half the \$135 million in earmarks that were included in the FY 2006 bill under the Republican-controlled Congress. (For FY 2007, the Democratic-led Congress adopted a Continuing Resolution that eliminated earmarks for this year.) In addition to the 148 earmarks requested by Members of Congress, the committee also identified 17 presidential earmarks totaling \$947 million in the General Service Administration's building construction account.