



# Report to Manhattan from Congresswoman Carolyn Maloney

WINTER 2008

<http://maloney.house.gov>

Dear Neighbor,

With the new year and second session of the 110th Congress underway, our nation's economy is suffering a difficult downturn. Unemployment is on the rise, the sub-prime mortgage crisis is forcing people from their homes, and high energy prices, falling home prices, and stagnant wages are squeezing American families.

I'm pleased to report that Congress recently passed a bipartisan economic stimulus bill that will provide millions of Americans with much-needed relief and help jump-

start our ailing economy. The stimulus plan will help reinvigorate our economy in several ways:

- By putting tax rebates into the hands of more than 130 million American families.
- By expanding financing opportunities for Americans in danger of losing their homes because of the subprime mortgage crisis.
- By providing small businesses with tax cuts to help spur investment and create jobs (it's estimated that this will help create 500,000 jobs).

In a rare display of bipartisanship, Congress and the White House worked together to quickly pass this important bill; as a result, taxpayers will start receiving their rebates by early summer.

I hope this newsletter is informative about progress on other issues facing the nation, and the 14th Congressional District.

As always, please don't hesitate to contact my office if you have a question or concern.

Sincerely,



Rep. Maloney speaks with a constituent about Medicare Part D at a previous Town Hall Meeting.

**WITH POLICE COMMISSIONER RAY KELLY**

## Join me for my next East Side Town Hall

Join me for a Town Hall Meeting with N.Y.C. Police Commissioner Ray Kelly to discuss crime and quality of life issues.

**When: Thursday, March 20, 2008  
7:00 – 8:30 pm**

**Where: Baruch College Auditorium,  
Room 14-220  
55 Lexington Avenue  
(bet. E. 24th & E. 25th Streets)**

**How best to reach me:**

Regular postal mail to my Washington office is subject to screening delays. If you'd like to reach me quickly, the best methods now are via the internet at [www.maloney.house.gov](http://www.maloney.house.gov) or by fax at 202/225-4709.

**Washington, D.C. :**  
2331 Rayburn HOB  
Washington, D.C. 20515  
202/225-7944

**Manhattan:**  
1651 Third Avenue, Suite 311  
New York, NY 10128  
212/860-0606

**Queens:**  
28-11 Astoria Blvd.  
Astoria, NY 11102  
718/932-1804

**Congresswoman Carolyn Maloney**  
U. S. House of Representatives  
Washington, DC 20515

M.C.  
PRESORT-STD

# What passed...

*With the change to a Democratic majority, Congress was finally able to completely enact the 9/11 Commission reforms into law (reforms based in part on legislation I wrote); increase the minimum wage and military pay; enact the most sweeping ethics reforms since Watergate; and restore fiscally responsible pay-as-you-go budgeting principles that helped usher in the budget surpluses of the 1990's. On other legislative fronts...*

## **\$ CAP LIFTED, % RATES CUT**

### ■ Student loan forgiveness now possible

In 2007, Congress passed into law the College Cost Reduction and Access Act of 2007 (H.R. 2669), which is the single largest increase in college aid since the GI bill—at no additional cost to taxpayers. Nationally, over 6.8 million students who take out need-based student loans—and 378,000 New York-based students—will be helped by the new law.

The law has three notable provisions. It increases the ceiling on Pell Grants by about 33%—from \$4,050 to \$5,400 per year. It also cuts the interest rate on loan payments under Federal Family Education Loan and Direct Loan programs by half over the next five years, saving the typical student about \$4,500 over the life of the loan.

The new law also gives upfront tuition assistance to students who commit to teaching in high-need public schools for a period of four years.

What may be the most significant change is the provision for student loan forgiveness for graduates who've taken out federal Direct Loans who choose careers in public service. If you don't have Direct Loans now, starting July 1, 2008, students under other loan programs will be allowed to consolidate their debt under the federal Direct Loan program.

The U.S. Department of Education will issue rules shortly as to which specific job titles will be eligible, but it's expected to include positions in government, law enforcement, public health, child care, social work and public-interest legal services. Find out more at <http://www.ed.gov/offices/OSFAP/DirectLoan/index.html>

## **NEW TOOLS FOR PROSECUTORS**

### ■ Fighting the tragedy of human trafficking

In December, the House overwhelmingly passed the William Wilberforce Trafficking Victims Protection Reauthorization Act (H.R. 3887) which would dramatically strengthen the ability of our law enforcement to fight human trafficking. The bill gives prosecutors additional tools to hold the traffickers accountable and authorizes critical funding to combat trafficking and help victims.

Last June, at a forum held on Capitol Hill, Reps. Maloney and Deborah Pryce along with U.N. Goodwill Ambassador and noted actress Julia Ormond participated in a panel discussion about human trafficking.



## **NEW MATH**

### ■ The hidden costs of the War in Iraq

As Vice Chair of the Joint Economic Committee (JEC), I released a study with Sen. Chuck Schumer which concluded that the full economic costs of the Iraq war are far more than what's actually been reported by the Administration. When the "hidden costs" of the war are added, the war's tab will rise by more than \$1 trillion to \$3.5 trillion over the next decade. (To read the full report, go to <http://maloney.house.gov/>)

Talking about *trillions* of dollars brings President Bush's opposition to programs like S-CHIP, the State Children's Health Insurance Program, into clearer focus: interest payments on the war debt *this year alone* would fund the current children's health care program for over *four* years.

I, and the majority leadership in the House and Senate, remain committed to ending the war in Iraq and bringing our troops home. In November, the House passed legislation—with my "yes" vote—that would have provided critical funding for our troops while requiring their redeployment from Iraq within 30 days of the bill's enactment. But after passage in the House, the bill was blocked by the minority in the Senate (where 60 votes are needed to override a filibuster).

## **WORKING FOR ENERGY INDEPENDENCE**

### ■ Reducing dependence on foreign oil

Last year, Congress passed and the President signed into law the Energy Independence and Security Act (H.R. 6), the most sweeping energy legislation in three decades. This landmark statute reduces our dependence on foreign oil by raising the mileage standards auto companies must meet for the first time in 32 years, by specifying new energy efficiency standards for other industries, and increasing support for US-grown biofuels. Find out more at <http://maloney.house.gov/>.

## **MALONEY AMENDMENT PASSES**

### ■ Mortgage reform to stem subprime crisis

The House passed the Mortgage Reform and Anti-Predatory Lending Act (H.R. 3648) to help limit the subprime mortgage crisis as adjustable-rate mortgages are reset this year. I cosponsored this important bill and successfully amended it to prevent borrowers from being hit with unfair mortgage prepayment penalties.

My amendment requires that borrowers have the option of choosing a loan without a prepayment penalty when they are also offered a loan *with* a prepayment penalty. It would prohibit any prepayment penalty from lasting longer than three years and limits the penalty to three percent of the loan amount during the first year of the loan, two percent during the second, and one percent during the third year. This bill now awaits Senate passage. For more information on the Mortgage Reform and Anti-Predatory Lending Act, please visit <http://maloney.house.gov/>.

# What's next...

## RUDE SURPRISES

### ■ Credit card reforms

As Chair of the House Financial Institutions and Consumer Credit Subcommittee of the House Financial Services Committee, I've been working to implement common sense consumer protections for credit card holders. Last year, the Subcommittee conducted formal hearings and informal meetings to determine how Congress, federal regulators, and credit card companies can work together to better protect cardholders.

In February, I introduced the Credit Cardholders' Bill of Rights (H.R. 5244) which would give cardholders the right to say no to rate increases and prohibit unilateral interest rate hikes on existing balances. My bill would also eliminate arbitrary rate increases under "any time any reason" clauses and prevent issuers from raising rates on existing balances for good customers based on a decline in their credit score.

## ACCOUNTABILITY FOR BANKS

### ■ Consumer hotline act

If consumers have a complaint or question about their bank and want to speak with their bank's regulator, they must figure out which of the five federal or multiple state regulators they should contact. Navigating this complicated maze no doubt prevents many customers from ever speaking to the right person.

That's why I've introduced the Financial Consumer Hotline Act of 2007 (H.R. 4332), which would establish a single toll-free telephone number that consumers can call to speak to the bank's federal regulator. One number will help put consumers in quicker contact with the right person who can help them.

## SEVEN YEARS LATER

### ■ Federal funding for sick 9/11 workers

In 2008, I'll continue working to build momentum for the bipartisan James Zadroga 9/11 Health and Compensation Act (H.R. 3543). This bill—which I introduced with N.Y. Reps. Jerrold Nadler and Vito Fossella—would ensure that all workers exposed to Ground Zero toxins receive the medical care they need and the compensation for their loss that they deserve.

Unbelievably, in its FY09 budget, the Administration requested only \$25 million in funding for treatment and medical monitoring to all those exposed—and specifically proposed not expanding care to residents and schoolchildren.

## WORK-LIFE BALANCE

### ■ Family-friendly work policies

Research shows that balanced work-family policies are a win-win. They help create stable families, a productive workplace, and positive economic outcomes. That's why I've introduced the Working Families' Flexibility Act (H.R. 4301). Sen. Ted Kennedy has introduced an identical bill in the Senate.

The bill would give working Americans the right to request flexible work options in order to balance the demands of their jobs and home life. It would also allow employers and employees to engage in constructive dialogue over modifying where and when employees work



so they can find the best solutions to the work-life challenges they face.

## JOINT ECONOMIC COMMITTEE

### ■ Focus on the economy

Economic issues will undoubtedly be at the forefront of our domestic agenda this year, with unemployment rising and economic growth slowing. As Vice Chair of the Joint Economic Committee—made up of members from both the House and Senate—I will have the opportunity to hold hearings that focus on the Bureau of Labor Statistics' monthly report on job creation, unemployment, and wage growth. The Committee will also hold a series of hearings examining the economic outlook from three important vantage points—the Administration, the Federal Reserve, and leading academic and think tank economists.

Following up on a JEC report that I commissioned, the committee will focus its attention on the large economic costs associated with the war in Iraq even beyond the massive federal budget costs. Additionally, we'll examine ways in which the green sector of our economy is growing in terms of jobs, output, and investment.

I will also work to explore the economic benefits to firms that modernize their workplaces by providing a broader set of policies—including paid sick days, paid family and medical leave, and flexible work schedules—that help families.

## IGNORING THE NATION'S PRIORITIES

### ■ A dismal budget

The Administration's proposed budget is bad for the country and bad for New York. Three examples:

■ The budget cuts Medicare and Medicaid by \$195 billion over five years, endangering care for New York's 2.8 million Medicare and 4.1 million Medicaid beneficiaries.

■ The budget cuts federal housing programs: the public housing capital fund would be cut by \$415 million from 2008, which means New York would lose \$79.8 million in needed funding to keep its public housing available for families who have lost their homes to foreclosure.

■ The budget cuts funding for the Environmental Protection Agency, including a 7.5% cut to funding promised to New York under the Clean Air Act which would combat air pollution and hazards resulting from climate change.

In the weeks ahead, Democrats will put forward a fiscally responsible budget that will invest in America—reinvigorating the economy, making healthcare available and affordable, and protecting our nation's water and air.

*Rep. Maloney, Vice Chair of the Joint Economic Committee, attends a hearing on the state of the economy with Senators Chuck Schumer (left) and Ted Kennedy (right).*

**Report to  
Manhattan  
from  
Congress-  
woman  
Carolyn  
Maloney**

# Around the district...

## THE BATTLE CONTINUES

### ■ 91st St. Marine Transfer Station opposition continues

One of the most complex problems for city government is what to do with the tons of garbage New Yorkers generate every day. Unfortunately, New York City's Consolidated Solid Waste Management Plan suggests that one solution is to place a marine transfer station (MTS) at 91st Street in the heart of a residential neighborhood.

This location violates every rule of appropriate siting: it's adjacent to two large public housing developments (Holmes Towers and Stanley Isaacs Houses), immediately across from the Asphalt Green recreational facility, and just six blocks from East Harlem, with the highest rate of asthma hospital visits in the City. Worse, the transfer station would be located in a high-risk hurricane zone, leading to the risk that a heavy storm could flood the community with garbage.

In late 2006, I organized a letter to the Army Corps of Engineers signed by five other local public officials on the East Side of Manhattan to express objections to the 91st Street MTS. I've also submitted testimony to both the NYS Department of Environmental Conservation and the City Council.

Environmental justice shouldn't come at the expense of the health of residents of our community, and it shouldn't create such a negative impact on one of the few recreation centers that caters to public school children.

## NEW EAST SIDE K-8 SCHOOL

### ■ Con Ed Waterside school, affordable housing agreement

I was pleased to join with my colleagues in city and state government last November to announce that the Con Ed developer had agreed to include a new K-8 public school for approximately 650 students and set aside 20 percent of the residential units as affordable housing.

This helps address two of New York's most pressing needs: new schools and affordable housing. When the Con Ed Waterside development was first proposed, it was estimated that the proposed development would house over 7,000 new residents including over 400 new school-age children, which could cause enrollment at already-overcrowded local elementary schools to rise to 164 percent of capacity by 2014.

*Rep. Maloney participates in the announcement of a new K-8 public school at the Con Ed Waterside site with East Side public officials (l to r): Assemblyman Brian Kavanagh, Councilwoman Jessica Lappin, Manhattan Borough President Scott Stringer, State Senator Liz Krueger, Assemblyman Jonathan Bing, Councilman Daniel Garodnick, and State Senator Tom Duane.*



What had once been a power plant along First Avenue between East 35th St. and East 42nd Street will now start to become a vibrant addition to the neighborhood, and not be an added burden on East Side infrastructure.

## 80/20 RULE REPEALED

### ■ Co-ops can now charge retailers more

New York's housing cooperative boards now have greater flexibility in the rent they charge retail tenants thanks to legislation Congress passed (and I supported).

The Mortgage Forgiveness Debt Relief Act of 2007 (H.R. 3648) included a measure that allows co-ops to determine commercial rents without fearing the additional income would disqualify owners from deducting their proportionate share of the building's mortgage interest and taxes.

Co-ops were previously limited to charging commercial tenants rents that did not total more than 20 percent of the building's total income from rents and cooperator maintenance payments.

Now, co-ops meeting one of the following three requirements will be allowed to pass through applicable tax benefits to apartment owners:

- If 80% or more of the co-op's gross income is from the tenant stockholders
- If 80% of the total square footage of the building is used or for residential purposes
- If 90% of the costs of operating the building are for the benefit of the tenant stockholders

It's about time our tax code stopped unfairly punishing co-op owners and tenants. Rep. Charles Rangel, Chair of the House Ways and Means Committee, deserves credit for sponsoring this important measure and working so hard to pass it.

## FULL-FUNDING AGREEMENT

### ■ 2nd Avenue Subway progresses further

For fiscal year 2008, I helped secure \$167 million in funding for the 2nd Avenue Subway project—the largest infusion of federal funding to date.

What's more, the Federal Transit Administration entered into a full funding grant agreement in November that commits the federal government to provide roughly 1/3 of the cost of completing the first phase of the Second Avenue Subway.

It's great news for all New York City straphangers, but especially those who ride the Lexington Avenue line. On day one, the new line will carry nearly 200,000 riders, reducing crowding on the Lex line by 13 percent.

## THE "GOLDEN MOUSE"

### ■ Maloney website wins award

For the second year in a row my website, <http://maloney.house.gov> has been honored with a "Golden Mouse" award by the Congressional Management Foundation (CMF).

Beverly Bell, CMF's Executive Director, said, "Websites like Congresswoman Maloney's provide a template for other congressional offices to follow... [The site] shows that she understands the value of creating a virtual office to reach specific audiences who have come to expect having their needs met online."