

With Congress beginning to draft the federal budget for fiscal year 2013, Rep. Peter Welch today brought stories of struggling Vermonters to the House Budget Committee to highlight the demand for heating assistance, the need to crack down on Wall Street energy market speculators and the plight of middle class homeowners unable to refinance their mortgages to lower monthly payments.

In testimony before the Committee, Welch told the stories of three Vermonters: Roger from Rutland who saw his heating assistance under the Low Income Home Energy Assistance Program (LIHEAP) slashed by nearly half this year. Judy from Fairfax who is being squeezed by the speculation-fueled rise in gas prices. And Ashley from Bondville who, despite never missing a payment on her mortgage, is not able to save money by refinancing her loan at record-low interest rates.

“As we come to grips with a struggling economy and the need to get a handle on the federal debt, we do have tough choices,” Welch told the Committee. “But some of these choices are straightforward and absolutely essential for us to make. We should not let people freeze in their homes. We should not let speculators reach in the pockets of consumers and small businesses. And we should let folks who are paying their mortgages refinance their mortgages.”

The Budget Committee will be considering the 2013 budget resolution in the coming weeks, which sets spending levels for the federal government.

Welch’s remarks as prepared for delivery are copied below.

Mr. Chairman, the federal budget is not an abstract document. It affects the everyday lives of all Americans. And it should reflect the priorities and values of our country, especially in this difficult economy. For many Vermonters, the decisions made here will make a real difference in whether they will be able to heat their homes, fill their gas tanks, or pay their mortgages.

Fuel assistance - Roger from Rutland, Vermont

Roger from Rutland, like many Vermonters, heats his home with fuel oil. With the price of home heating oil rising, he can no longer afford to fill his fuel tank. He lives alone in a very modest home. But at the age of 70, Roger is too old to split wood. The \$400 he has received in fuel assistance will not get him through the winter. He has exhausted all other means.

LIHEAP is a vital lifeline that ensures Americans like Roger don't have to choose between heating their home, putting a meal on the table, or paying for their medications. In Vermont, 76,000 households are eligible for LIHEAP assistance but only 46,000 households receive help.

In spite of record high demand for help, the Administration has proposed slashing LIHEAP funding by \$2.1 billion. We can do better. We should be increasing LIHEAP funding, not slashing it.

I urge the committee to fund LIHEAP at \$7.1 billion to meet this urgent need.

Rising gas prices - Judy from Fairfax, Vermont

The rising cost of gasoline is squeezing the budget of working Vermonters. Judy from Fairfax drives a great distance to and from work and, as gas prices continue to rise, she can't afford to

fill her gas tank.

This run up in prices comes at a time when demand for gas is the lowest in 15 years and domestic oil production is the highest in eight years. Something doesn't add up. What's going on? Wall Street speculators are rolling their dice yet again and driving up the price of oil and gasoline at the expense of consumers.

A Goldman Sachs analysis revealed that oil speculation adds a "speculative premium" of more than \$23 per barrel of oil. That \$23 "premium" translates to 56 cents per gallon at the gas pump.

Wall Street speculators are reaching into Judy's pocket and their market activity is posing a serious threat to the fragile economic recovery. Judy's story, and the millions of Americans in the same situation, highlights the need to get a cop on the beat cracking down on speculators. Last year, the budget for our cop on the beat, the Commodity Futures Trading Commission, was cut by 33 percent. That defies common sense.

I urge this committee to fully fund the CFTC at \$300 million so it can do its job cracking down on speculators and protecting consumers.

Mortgage refinancing – Ashley from Bondville, Vermont

Finally, Ashley from Bondville has been current on her mortgage payments for 15 years. In spite of being underemployed for months, she has managed to make her monthly mortgage payments in full and on time.

Yet, Ashley is unable to take advantage of record low interest rates to refinance her mortgage and lower her monthly payments.

Allowing her to refinance her home would be good for her but also good economy. Putting extra money in the pockets of homeowners will have a stimulative effect on the economy. We ought

to help people like Ashley save money that they can then spend on household needs.

I urge this committee to make resources available to help Ashley and others like her take advantage of record low interest rates and lower monthly mortgage payments.

In conclusion, Mr. Chairman, the choices we make in this budget reflect the priorities of our country. As we come to grips with a struggling economy and the need to get a handle on the federal debt, Congress has a lot of tough choices to make. Some of those choices, however, are just common sense:

- We should make sure that Americans don't freeze in their own homes;

- We should stop Wall Street speculators from profiting at the expense of hard working Americans; and

- We should put money in the pockets of Americans by making it easier to refinance their mortgages.

I hope you'll consider these three Vermonters as you put together the budget for fiscal year 2013.

Thank you.