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United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

MAXINE WATERS, CA, RANKING MEMBER

M E M O R A N D U M

To: Members, Subcommittee on Financial Institutions and Consumer Credit

From: Committee Majority Staff

Date: January 4, 2018

Subject: January 9, 2018, Financial Institutions and Consumer Credit Subcommittee Hearing entitled "Legislative Proposals for a More Efficient Federal Financial Regulatory Regime: Part III."

The Subcommittee on Financial Institutions and Consumer Credit will hold a legislative hearing entitled "Legislative Proposals for a More Efficient Federal Financial Regulatory Regime: Part III" on Tuesday, January 9, 2018, at 2:00 p.m. in room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following witnesses:

- Mr. E.J. Gleim, Executive Vice President and Chief Operating Officer, Triad Financial Services, on behalf of the Manufactured Housing Institute
- Mr. Robert Fisher, President & CEO, Tioga State Bank, on behalf of the Independent Community Bankers of America
- Mr. Matthew J. Shuman, Director, Legislative Division, The American Legion

The hearing will examine the following legislative proposals:

H.R. 1264, the Community Financial Institution Exemption Act

Introduced by Rep. Williams, the "Community Financial Institution Exemption Act" amends the Consumer Financial Protection Act of 2010 to exempt community financial institutions from all rules and regulations issued by the Consumer Financial Protection Bureau (CFPB). A "community financial institution" is an insured depository institution or credit union with less than $50 billion in consolidated assets.

Under specified circumstances, and with the written agreement of the Federal Reserve Board and other specified federal banking agencies, the CFPB may revoke such an exemption with respect to a certain rule, regulation, or class of institutions.

H.R. 2683, the Protecting Veterans Credit Act of 2017

Introduced by Rep. Delaney, the "Protecting Veterans Credit Act of 2017" amends the Fair Credit Reporting Act to exclude from consumer report information: (1) a veteran's medical debt if the hospital care or medical services relating to the debt antedates the credit report by less than one year; and (2) a fully paid or settled veteran's medical debt that had been characterized as delinquent, charged off, or in collection.

The bill defines a "veteran's medical debt" as debt from health care provided in a non-Department of Veterans Affairs (VA) facility under the laws administered by the VA, including medical debt that the VA has wrongfully charged a veteran.

A dispute process for veteran's medical debt is established whereby:

- A veteran may submit a notice along with proof of VA liability for the debt or documentation that the VA is in the process of paying for authorized medical services to a consumer reporting agency or a reseller in order to dispute such debt's inclusion in the consumer report;
- The VA shall submit to a veteran a notice it has assumed liability for part or all of the veteran's medical debt; and
- If such notice and proof of liability or documentation is received, the consumer reporting agency shall delete all information relating to the veteran's medical debt from the file of the consumer and notify the furnisher and the consumer of such deletion.

H.R. 4648, the Home Mortgage Reporting Relief Act of 2017

Introduced by Rep. Emmer, the "Home Mortgage Reporting Relief Act of 2017" provides a one year safe harbor for financial institutions from having to comply with the data collection and reporting requirements, respectively, issued under the Consumer Financial Protection Bureau (CFPB) October 2015, and September 2017, amendments to the Home Mortgage Disclosure Act (Regulation C). The legislation also restricts the CFPB's ability to make any of the new data collected and reported publicly available.

H.R. 4725, the Community Bank Reporting Relief Act

Introduced by Rep. Hultgren, the "Community Bank Reporting Relief Act" amends the Federal Deposit Insurance Act to direct federal banking agencies to issue regulations that allow a reduced reporting requirement for depository institutions with $5 billion in consolidated assets or less, and that meet certain other criteria when making the first and third report of condition for a year.

H.R. xxxx, to amend the Truth in Lending Act to clarify the exclusion for seller-financers from the definition of mortgage originator, and for other purposes.

To be introduced by Rep. Pearce, this legislation amends the Truth in Lending Act to exempt from the definition of loan originator, a seller providing financing for the sale of five or fewer properties in a 12-month period, of which the property is owned by the seller and used as security for the loan. Qualifying sellers include persons as well as entities, such as corporations, partnerships, proprietorships, associations, cooperatives, estates, and trusts.

The seller must not have constructed the residence, received any other compensation related to the loan, or acted as a contractor in the construction as part of the ordinary course of their business.

To be excluded from the definition of loan originator the loan must meet the following criteria:

- Is not a high-cost mortgage;
- Does not include negative amortization features;
- Has a fixed interest rate or an adjustable interest rate that is adjustable after 5 or more years with certain limitations.
- Meets other requirements prescribed by appropriate regulators.