

M E M O R A N D U M

To: Members of the Committee on Financial Services

From: Financial Services Committee Majority Staff

Date: January 11, 2018

Subject: January 17, 2018 Full Committee Markup

The Committee on Financial Services will meet to mark up the following measures, in an order to be determined by the Chairman, at 10:00 am on January 17, 2018, and subsequent days if necessary, in room 2128 of the Rayburn House Office Building:

H.R. 1264, Community Financial Institution Exemption Act

Introduced by Representative Roger Williams, the “Community Financial Institution Exemption Act”, as proposed to be modified by an amendment in the nature of a substitute expected to be offered by Representative Williams, amends the Consumer Financial Protection Act of 2010 to exempt insured depository institutions or credit unions with less than \$50 billion in consolidated assets from all rules and regulations issued by the Consumer Financial Protection Bureau (CFPB). 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. 1426, Federal Savings Association Charter Flexibility Act of 2017

Introduced by Representative Keith Rothfus, the “Federal Savings Association Charter Flexibility Act of 2017” amends the Home Owners’ Loan Act to allow certain federal savings associations to operate with the same rights and privileges as a national banks supervised by the Office of the Comptroller of the Currency. H.R. 1426 is Section 551 of H.R. 10, the Financial CHOICE Act of 2017

H.R. 2319, Consumer Financial Choice and Capital Markets Protection Act

Introduced by Representative Keith Rothfus, the “Consumer Financial Choice and Capital Markets Protection Act”, as proposed to be modified by an amendment in the nature of a substitute, reverses portions of the 2014 Securities and Exchange

Commission rule on money market funds (MMFs) to allow MMFs, regardless of whether their investors are retail or institutional, to elect to use the stable Net Asset Value (NAV) approach to calculate price per share. Additionally, under this bill if an MMF makes the appropriate election, the MMF will not be subject to the mandatory liquidity fee provision of the rule.

H.R. 2225, Housing Opportunities Made Easier Act

Introduced by Representative David Trott, the “Housing Opportunities Made Easier Act”, or “HOME Act” amends the Truth in Lending Act to deem mortgage appraisal services donated by a fee appraiser to an organization that is eligible to receive tax-deductible charitable contributions to be “customary and reasonable” as required by the Dodd-Frank Act Section 1472. The “HOME Act” is Section 591 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. 2226, Portfolio Lending and Mortgage Access Act

Introduced by Representative Andy Barr, the “Portfolio Lending and Mortgage Access Act,” as proposed to be modified by an amendment in the nature of a substitute expected to be offered by Representative Barr, amends the Truth in Lending Act to allow certain mortgage loans that are originated and retained in portfolio by an insured depository institution or an insured credit union with less than \$10 billion in total consolidated assets be considered as qualified mortgages. This bill is based on Section 516 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. 3746, Business of Insurance Regulatory Reform Act of 2017

Introduced by Representative Sean Duffy, the “Business of Insurance Regulatory Reform Act of 2017” amends the Consumer Financial Protection Act of 2010 to exempt from the CFPB’s enforcement persons engaged in the business of insurance and who are already regulated by a State insurance regulator.

H.R. 4550, Practice of Law Technical Clarification Act of 2017

Introduced by Representative Vicente Gonzalez, the “Practice of Law Technical Clarification Act of 2017” amends the Fair Debt Collection Practices Act to exclude from the definition of “debt collector” any law firm or licensed attorney: (1) serving, filing, or conveying formal legal pleadings, discovery requests, or other documents pursuant to the applicable rules of civil procedure; or (2) communicating in, or at the direction of, a court of law or in depositions or settlement conferences, in connection with a pending legal action to collect a debt on behalf of a client. This bill also amends the Consumer Financial Protection Act of 2010 to clarify that the CFPB may not exercise supervisory or enforcement authority with respect to attorneys engaged in the practice of law and not offering or providing consumer financial products or services.

H.R. 4566, Alleviating Stress Test Burdens to Help Investors Act

Introduced by Representative Bruce Poliquin, the “Alleviating Stress Test Burdens to Help Investors Act”, as proposed to be modified by an amendment in the nature of a substitute expected to be offered by Representative Poliquin, exempts nonbank financial institutions that are not under supervision by the Federal Reserve from the Dodd-Frank Act’s stress testing requirements. Additionally, the legislation provides the Federal Reserve with the ability to limit stress testing requirements for nonbank financial institutions it may supervise. This bill is based on Section 151 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. 4061, the Financial Stability Oversight Council Improvement Act

Introduced by Representative Dennis Ross, the “Financial Stability Oversight Council Improvement Act” amends the Dodd-Frank Act to require the Financial Stability Oversight Council (FSOC), when determining whether to subject a U.S. or a foreign nonbank financial company to supervision by the Federal Reserve, to consider the appropriateness of imposing heightened prudential standards as opposed to other forms of regulation to mitigate identified risks to U.S. financial stability. This legislation is based on Section 151 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. 4607, Comprehensive Regulatory Review Act

Introduced by Representative Barry Loudermilk, the “Comprehensive Regulatory Review Act of 2017” amends the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA) to require the Federal Financial Institutions Examination Council and each of the federal financial regulators (to now include the Consumer Financial Protection Bureau and National Credit Union Administration) to conduct, at least once every seven years, a comprehensive review of all regulations prescribed by the council or the regulator, including all regulations issued after December 31, 2006, in order to identify outdated or otherwise unnecessary regulations and tailor other regulations related to insured depository institutions or covered persons. "Covered persons" are those that engage in offering or providing a consumer financial product or service and affiliates who provide services to them.

H.R. 4725, Community Bank Reporting Relief Act

Introduced by Representative Randy 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. This bill is based on Section 566 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. 4739, the Mutual Fund Litigation Reform Act

Introduced by Representative Tom Emmer, the “Mutual Fund Litigation Reform Act” amends section 36(b) of the Investment Company Act to provide that in derivative actions brought under the Act alleging a breach of fiduciary duty, the plaintiff must state with particularity all the facts establishing a breach of fiduciary duty and that the plaintiff must prove the breach of fiduciary duty to be clear and convincing evidence. H.R. 4739 is Section 830 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. 4768, National Strategy for Combating the Financing of Transnational Criminal Organizations Act

Introduced by Representative David Kustoff, the “National Strategy for Combating the Financing of Transnational Criminal Organizations Act” requires the President, through the Secretary of the Treasury, to develop a national strategy to combat the financial networks of transnational criminal organizations (TCOs) not later than one year after the enactment of this Act and every two years thereafter. In particular, the strategy will assess the most significant TCO threats and the individuals, entities, and networks that provide financial support or facilitation to those TCOs. It also reviews current goals, priorities, and actions against TCOs’ financial support networks, and will recommend new ways to deter and prosecute those who financially enable TCOs.

H.R. 4771, Small Bank Holding Company Relief Act

Introduced by Representative Mia Love, the “Small Bank Holding Company Relief Act” directs the Federal Reserve to raise the threshold for its Small Bank Holding Company Policy Statement from \$1 billion to \$3 billion. This bill is based on Section 526 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. _____, the American Customer Information Protection Act

Introduced by Rep. Bill Huizenga, the “American Customer Information Protection Act” prohibits the Consolidated Audit Trail (CAT) from accepting personally identifiable information (PII), except where such information would apply to large traders.

H.R. _____, the Volcker Rule Regulatory Harmonization Act

Introduced by Representative French Hill, the “Volcker Rule Regulatory Harmonization Act” amends Section 619 of the Dodd-Frank Act to streamline the regulatory authority over the Volcker Rule by granting the Federal Reserve the exclusive rulemaking authority and providing the primary federal banking agency for a banking entity the sole examination and enforcement authority. The Volcker Rule Regulatory Harmonization Act also exempts community banks from the Volcker Rule

if they have \$10 billion or less in total consolidated assets. The legislation is based on Section 901 of H.R. 10, the Financial CHOICE Act of 2017.

H.R. _____, the Small Business Access to Capital after a Natural Disaster Act

Introduced by Representative Nydia Velazquez, the “Small Business Access to Capital after a Natural Disaster Act” amends the Securities Exchange Act of 1934 to have the Securities and Exchange Commission’s Advocate for Small Business Capital Formation identify any unique challenges to small businesses in areas affected by hurricanes or other natural disasters when identifying problems that small businesses have with securing access to capital.