

MEMORANDUM

To: Members, Subcommittee on Financial Institutions and Consumer Credit

From: Committee Majority Staff

Date: December 4, 2017

Subject: December 7, 2017, Financial Institutions and Consumer Credit Subcommittee Hearing entitled “Legislative Proposals for a More Efficient Federal Financial Regulatory Regime: Part II”

The Subcommittee on Financial Institutions and Consumer Credit will hold a hearing entitled “Legislative Proposals for a More Efficient Federal Financial Regulatory Regime: Part II” on Thursday, December 7, 2017, 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:

- Anthony Cimino, Senior Vice President and Head of Government Affairs, the Financial Services Roundtable
- Brian Ducharme, President and CEO, MIT Federal Credit Union, on behalf of the National Association of Federally-Insured Credit Unions
- Christopher M. George, Chairman Elect, the Mortgage Bankers Association
- Marcus Stanley, Policy Director, Americans for Financial Reform

The hearing will examine the following legislative proposals:

H.R. 2570, Mortgage Fairness Act of 2017

Introduced by Representative Posey, the “Mortgage Fairness Act of 2017” amends the Truth in Lending Act to revise the definition of “points and fees” under a high-cost mortgage.

H.R. 3179, Transparency and Accountability for Business Standards Act

Introduced by Representative Hollingsworth, the “Transparency and Accountability for Business Standards Act” requires Federal banking agencies (the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Federal Reserve), and the Federal Deposit Insurance Corporation (FDIC) to publish—whenever issuing certain prudential regulations which are substantively more stringent than corresponding international standards—a rationale and comprehensive cost-benefit analysis of the differences between the prudential regulation and the corresponding international prudential standard, for public notice and comment.

The cost-benefit analysis must include the following metrics:

- Any impact on pricing and availability of credit, in the aggregate and for specific types of borrowers
- Any impact on liquidity in markets, in the aggregate and for specific instruments
- Any impact of the effect of the rules on affected institutions, and
- Any impact on employment, economic growth and monetary policy execution

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

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

H.R. 4464, Common Sense Credit Union Capital Relief Act of 2017

Introduced by Representative Posey, the “Common Sense Credit Union Capital Relief Act of 2017” repeals the National Credit Union Administration’s Risk-Based Capital final rule.

H.R. xxxx, Comprehensive Regulatory Review Act of 2017

To be introduced by Representative Loudermilk, the “Comprehensive Regulatory Review Act of 2017” amends the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPA) to require the Federal Financial Institutions Examination Council and each of the federal financial regulators (to now include the CFPB and National Credit Union Administration (NCUA)) to conduct, at least once every five 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.

Under the process for conducting such a review, the council and the appropriate regulator shall also:

1. Consider the impact of the regulations on the financial safety and soundness, as well as on the risk profile and business models, of the insured depository institution or covered persons; and
2. Determine the necessity, appropriateness, and impact of continuing to apply the regulatory action.

The bill requires the council and the appropriate regulator to ensure that the notice and comment period with respect to the regulations reviewed is conducted at least once every 5 years (rather than, as currently, 10 years).

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The council and the appropriate regulator shall eliminate or tailor unnecessary regulations so as to limit the regulatory compliance burdens.