

MEMORANDUM

To: Members of the Committee on Financial Services
From: Financial Services Committee Majority Staff
Date: November 8, 2017
Subject: November 14, 2017 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 a.m. on November 14, 2017, and subsequent days if necessary, in room 2128 of the Rayburn House Office Building:

H.R. 1153, Mortgage Choice Act of 2017

Introduced by Representative Bill Huizenga, the “Mortgage Choice Act of 2017” amends the Truth in Lending Act (TILA) by modifying the definition of “points and fees” for purposes of determining whether a mortgage can be a Qualified Mortgage. This bill excludes from the calculation of points and fees insurance and taxes held in escrow and fees paid to affiliated companies as a result of their participation in an affiliated business arrangement. This bill would direct the Bureau of Consumer Financial Protection (CFPB) to amend its regulations related to Qualified Mortgages to reflect the new exclusions.

H.R. 1638, Iranian Leadership Asset Transparency Act

Introduced by Representative Bruce Poliquin, the “Iranian Leadership Asset Transparency Act”, as proposed to be modified by an amendment in the nature of a substitute expected to be offered by Representative Poliquin, requires the Secretary of the Treasury to report to Congress on the assets held by Iran’s most senior political, military and business leaders, and on the probable sources and uses of the assets. The Treasury Department would publish a public version of the report on its website, in English and in the major languages used within Iran. A classified version, if necessary, would be available to Congress. The legislation also contains a “Sense of Congress” urging the Secretary of the Treasury to seek information for the report from sources that search and if necessary translate publicly available “high-veracity official records” overseas, and provide methods to search and analyze such data in ways useful to law enforcement.

H.R. 3093, Investor Clarity and Bank Parity Act

Introduced by Representative Michael Capuano, the “Investor Clarity and Bank Parity Act” corrects a statutory error to Section 619 of the “Dodd-Frank Wall Street Reform and Consumer Protection Act” (also known as the Volcker Rule) that the five federal regulators charged with implementing the Volcker Rule (the Federal Reserve, the Securities and Exchange Commission (SEC), the Commodity Futures Trading Commission, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (FDIC) cannot resolve through the use of existing regulatory authority. When the federal regulators adopted the Volcker Rule in December 2013, the final rule limited the ability of bank holding companies and their affiliates, which includes investment advisers, to sponsor hedge funds and private equity funds (also known as covered funds). Consequently, a covered fund cannot use the name of a sponsor. The legislation eliminates this prohibition and amends the Volcker Rule to simply allow an investment adviser to share a similar name with a covered fund.

H.R. 3221, Securing Access to Affordable Mortgages Act

Introduced by Representative David Kustoff, the “Securing Access to Affordable Mortgages Act” amends TILA and the “Financial Institutions Reform, Recovery, and Enforcement Act of 1989” to exempt from property appraisal requirements a mortgage loan of \$250,000 or less if it appears on the loan creditor's balance sheet for at least three years. The bill also exempts mortgage lenders and others involved in real estate transactions from incurring penalties for failing to report appraiser misconduct.

H.R. 3299, Protecting Consumers Access to Credit Act of 2017

Introduced by Representative Patrick McHenry, the “Protecting Consumers Access to Credit Act of 2017” amends the “Revised Statutes and the Federal Deposit Insurance Act” to clarify that bank loans that are valid as to their maximum rate of interest in accordance with federal law when made shall remain valid with respect to that rate regardless of whether a bank has subsequently sold or assigned the loan to a third party.

H.R. 3978, TRID Improvement Act of 2017

Introduced by Representative French Hill, the “TRID Improvement Act of 2017” amends the “Real Estate Settlement Procedures Act of 1974” to require the CFPB to allow for the calculation of the discounted rate title insurance companies may provide to consumers when they purchase a lenders and owners title insurance policy simultaneously.

H.R. 4015, Corporate Governance Reform and Transparency Act of 2017

Introduced by Representative Sean Duffy, the “Corporate Governance Reform and Transparency Act of 2017” provides for, among other things, the registration of proxy advisory firms with the SEC, disclosure of proxy firms’ potential conflicts of interest and codes of ethics, and the disclosure of proxy firms’ methodologies for formulating proxy recommendations and analyses.

H.R. 4247, Restoring Financial Market Freedom Act of 2017

Introduced by Representative Ted Budd, the “Restoring Financial Market Freedom Act of 2017” repeals Title VIII of the Dodd-Frank Act, which gives the Financial Stability Oversight Council (FSOC) the authority to designate certain payments and clearing organizations as systemically important “financial market utilities” (FMUs) with access to the Federal Reserve discount window. The bill also repeals all previous FMU designations announced by the FSOC from July 18, 2012.

H.R. 4248, To amend the Securities Exchange Act of 1934 to repeal certain disclosure requirements related to conflict minerals, and for other purposes.

Introduced by Representative Bill Huizenga, H.R. 4248 repeals Section 1502 of the Dodd-Frank Act, which requires public companies to disclose in annual reports filed with the SEC whether the company sources “conflict minerals”— tin, tungsten, tantalum, and gold— from the Democratic Republic of Congo and its nine neighboring countries.

H.R. 4258, Family Self Sufficiency Act

Introduced by Representatives Sean Duffy and Emanuel Cleaver, H.R. 4258, the “Family Self Sufficiency Act,” would relieve the regulatory burden to administer the Family Self-Sufficiency (FSS) program by combining the Department of Housing & Urban Development’s (HUD) two separate FSS programs into one program. In addition, the bill seeks to broaden the supportive services that can be provided to a participant and it would allow tenants who currently reside in privately-owned properties with HUD project-based assistance to participate in the program. The FSS program, administered by HUD, helps families in public housing and the voucher program make progress toward economic self-sufficiency by combining stable affordable housing with work-promoting service coordination and a rent incentive in the form of an escrow account that grows as the families’ earnings increase.

H.R. 4263, Regulation A+ Improvement Act

Introduced by Representative Tom MacArthur, the “Regulation A+ Improvement Act” increases the amount that companies can offer and sell under SEC Regulation A, Tier II (aka Regulation A+), from \$50 million to \$75 million, adjusted for inflation by the SEC every 2 years to the nearest \$10,000.

H.R. 4267, the Small Business Credit Availability Act

Introduced by Representatives Steve Stivers, Gwen Moore, Patrick McHenry, and Brad Sherman, the “Small Business Credit Availability Act” amends the “Investment Company Act of 1940” to modernize the regulatory regime for business development companies (“BDCs”) for the first time since the 1980s. BDCs are investment vehicles designed to facilitate capital formation for small- and middle-market companies. The legislation requires the SEC to streamline the offering, filing, and registration processes for BDCs to eliminate significant regulatory burdens and increases a BDCs’ ability to deploy capital to businesses by reducing its asset coverage ratio—or required ratio of assets to debt—from 200% to 150% if certain requirements are met.

H.R. 4270, Monetary Policy Transparency and Accountability Act of 2017

Introduced by Representative Andy Bar, this legislation amends the Federal Reserve Act to provide for the Federal Open Market Committee’s annual adoption of a monetary policy strategy and reference policy rules to facilitate accessible communication of how public data inform the conduct of monetary policy. This legislation does not restrict either the Federal Reserve’s choice of or deviations from its strategy and reference rules.

H.R. 4278, Independence from Credit Policy Act of 2017

Introduced by Representative French Hill, H.R. 4278 provides for the Federal Reserve and the Treasury to engage in asset swaps, whereby the Treasury receives assets from the Federal Reserve that are neither gold nor Treasury securities, nor direct obligations of foreign central banks, or the International Monetary Fund, and in return the Federal Reserve receives Treasury securities of equivalent market value.

H.R. 4279, Expanding Investment Opportunities Act

Introduced by Representative Trey Hollingsworth, the “Expanding Investment Opportunities Act” directs the SEC to amend its rules to enable closed-end funds that meet certain requirements to be considered “well-known seasoned issuers” (WKSIs) and to conform the filing and offering regulations for closed-end funds to those of

traditional operating companies, thereby simplifying the registration process and enabling these funds to more easily provide information to investors.

H.R. 4281, Expanding Access to Capital for Rural Job Creators Act

Introduced by Representatives Rueben Kihuen and Alex Mooney, the “Expanding Access to Capital for Rural Job Creators Act” amends the Securities Exchange Act of 1934 to have the SEC’s Advocate for Small Business Capital Formation identify any unique challenges to rural area small businesses when identifying problems that small businesses have with securing access to capital. H.R. 4281 also requires that the annual report made by the SEC’s Small Business Advocate include a summary of any unique issues encountered by rural area small businesses.

H.R. 4289, To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to repeal certain disclosure requirements related to coal and mine safety

Introduced by Representative Alex Mooney, H.R. 4289 repeals Section 1503 of the Dodd-Frank Act, which requires mining companies to include information about mine safety and health violations, orders, citations, legal actions, and mining-related fatalities in quarterly and annual reports filed with the Securities and Exchange Commission. The disclosure requirements are largely based on the safety and health requirements that apply to mines under the Federal Mine Safety and Health Act of 1977, administered by the Mine Safety and Health Administration.

H.R. 4292, Financial Institution Living Will Improvements Act of 2017

Introduced by Representatives Lee Zeldin and Carolyn Maloney, the “Financial Institution Living Will Improvements Act of 2017” amends Title I of the “Dodd-Frank Wall Street Reform and Consumer Protection Act” to reform the “living will” resolution plan submission process. The bill restricts the Federal Reserve Board and FDIC from requiring bank holding companies to submit a “living will” resolution plan more than every two years. This bill requires the Federal Reserve and FDIC to provide feedback to a submitted resolution plan within six months after a bank holding company submits. This bill also requires the Federal Reserve and FDIC to publicly disclose the assessment framework used to review the adequacy of resolution plans.

H.R. 4293, Stress Test Improvement Act of 2017

Introduced by Representative Lee Zeldin, the “Stress Test Improvement Act of 2017” improves the stress testing process for bank holding companies by requiring certain bank holding companies to conduct company-run stress tests once a year rather than semiannually. This bill also requires the Federal Reserve to issue regulations subject to notice-and-comment for conducting stress tests that set forth

economic conditions and methodologies, and to assess the effect of the Federal Reserve's stress-testing models and methodologies on financial stability, credit availability, model risks, and investment cycles. This bill also requires the Federal Reserve to issue regulations, subject to notice-and-comment, for its Comprehensive Capital Analysis and Review (CCAR) program, and provides that the Federal Reserve may not subject a bank holding company to its CCAR program more than once every two years, prohibits the Federal Reserve from objecting to a bank holding company's capital plan based on qualitative deficiencies, and directs the Federal Reserve to establish procedures to respond to inquiries from bank holding companies subject to the CCAR program.

H.R. 4294, Prevention of Private Information Dissemination Act of 2017

Introduced by Representative David Kustoff, the "Prevention of Private Information Dissemination Act of 2017" establishes criminal penalties for the unauthorized disclosure of living will and stress test determinations and other individually identifiable information by federal officials, specifically with respect to an officer or employee of a federal financial regulatory agency who willfully makes an unauthorized disclosure of certain individually identifiable information or a person who willfully requests or obtains such information under false pretenses.

H.R. 4296, To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

Introduced by Representative Blaine Luetkemeyer, this legislation prohibits the establishment of operational risk capital requirements for banking organizations unless they are sensitive to, and based on, an organization's current activities, businesses or exposures; are determined by a forward-looking assessment of an organization's potential losses and not based solely on its historic losses; and allow for adjustments based on qualifying operational risk mitigants.

H.R.____, the Strengthening Oversight of Iran's Access to Finance Act

To be introduced by Representative Roger Williams on November 9, 2017, this legislation requires the Secretary of the Treasury to make a certification to Congress regarding transactions authorized for financial institutions in connection with the export or re-export of aircraft to Iran. In addition to including a list of financial institutions that have engaged in such business with Iran, this certification would verify that authorized transactions would not benefit Iranian persons sanctioned for weapons proliferation, terrorism, or human rights abuses in Syria, and that financial institutions that do business with Iran have appropriate due diligence measures in place. If such a certification cannot be made, the Secretary would be required to notify Congress of changes, if any, that will be made to the authorizations. The bill includes waiver authority for the President to incentivize behavioral change in Iran,

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and to provide the administration with significant flexibility in order to safeguard national security.

H.R. ____, the Congressional Accountability for Emergency Lending Act of 2017

Introduced by Representative Scott Tipton, this legislation amends the Federal Reserve Act and subjects the Federal Reserve's Section 13(3) lending to Congressional approval, and provides for ready input to lending decisions from supervisory information about bank liquidity and solvency.

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