

Union Calendar No. 425

111TH CONGRESS }
2d Session }

HOUSE OF REPRESENTATIVES

{ REPORT
{ 111-702

REPORT ON THE ACTIVITY
OF THE
COMMITTEE ON FINANCIAL SERVICES
FOR THE
ONE HUNDRED ELEVENTH CONGRESS



JANUARY 3, 2011.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, January 3, 2011.

Hon. LORRAINE C. MILLER,
Clerk, House of Representatives,
Washington, DC.

DEAR MS. MILLER: Pursuant to clause 1(d) of rule XI of the Rules of the House of Representatives for the 111th Congress, I present herewith a report on the activity of the Committee on Financial Services for the 111th Congress, including the Committee's review and study of legislation within its jurisdiction, and the oversight activities undertaken by the Committee.

Sincerely,

BARNEY FRANK,
Chairman.

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Mr. FRANK, from the Committee on Financial Services,
submitted the following

R E P O R T

Clause 1(d) of rule XI of the Rules of the House of Representatives for the 111th Congress requires that each standing Committee, not later than January 2 of each odd-numbered year, submit to the House a report on the activities of that Committee, including separate sections summarizing the legislative and oversight activities of that Committee during that Congress.

JURISDICTION

RULES OF THE HOUSE

Clause 1(g) of rule X of the Rules of the House of Representatives for the 111th Congress sets forth the jurisdiction of the Committee on Financial Services as follows—

- (1) Banks and banking, including deposit insurance and Federal monetary policy.
- (2) Economic stabilization, defense production, renegotiation, and control of the price of commodities, rents, and services.
- (3) Financial aid to commerce and industry (other than transportation).
- (4) Insurance generally.
- (5) International finance.
- (6) International financial and monetary organization.
- (7) Money and credit, including currency and the issuance of notes and redemption thereof; gold and silver, including the coinage thereof; valuation and revaluation of the dollar.
- (8) Public and private housing.
- (9) Securities and exchanges.

(10) Urban development.

MEMORANDUM OF UNDERSTANDING

The Committee on Financial Services was established when the House agreed to H. Res. 5, establishing the Rules of the House of Representatives for the 107th Congress, on January 3, 2001. The jurisdiction of the Committee on Financial Services consists of the jurisdiction granted the Committee on Banking and Financial Services in the 106th Congress, along with jurisdiction over insurance generally and securities and exchanges, matters which had previously been within the jurisdiction of the Committee on Commerce in the 106th and previous Congresses. On January 20, 2001,¹ the Speaker inserted the following memorandum of understanding between the chairmen of the Committee on Financial Services and the Committee on Energy and Commerce further clarifying these jurisdictional changes—

JANUARY 20, 2001.

On January 3, 2001, the House agreed to H. Res. 5, establishing the rules of the House for the 107th Congress. Section 2(d) of H. Res. 5 contained a provision renaming the Banking Committee as the Financial Services Committee and transferring jurisdiction over securities and exchanges and insurance from the Commerce Committee to the Financial Services Committee. The Commerce Committee was also renamed the Energy and Commerce Committee.

The Committee on Energy and Commerce and the Committee on Financial Services jointly acknowledge as the authoritative source of legislative history concerning section 2(d) of H. Res. 5 the following statement of Rules Committee Chairman David Dreier during floor consideration of the resolution:

“In what is obviously one of our most significant changes, Mr. Speaker, section 2(d) of the resolution establishes a new Committee on Financial Services, which will have jurisdiction over the following matters:

“(1) banks and banking, including deposit insurance and Federal monetary policy;

“(2) economic stabilization, defense production, renegotiation, and control of the price of commodities, rents, and services;

“(3) financial aid to commerce and industry (other than transportation);

“(4) insurance generally;

“(5) international finance;

“(6) international financial and monetary organizations;

“(7) money and credit, including currency and the issuance of notes and redemption thereof; gold and silver, including the coinage thereof; valuation and revaluation of the dollar;

“(8) public and private housing;

“(9) securities and exchanges; and

“(10) urban development.

“Mr. Speaker, jurisdiction over matters relating to securities and exchanges is transferred in its entirety from the Committee on Commerce, which will be redesignated under this rules change to

¹ The version of the memorandum printed in the January 20, 2001 Congressional Record contained a typographic error. A corrected version of the memorandum, which appears below, was printed in the January 30, 2001 edition of the Congressional Record.

the Committee on Energy and Commerce, and it will now be transferred from the new Committee on Energy and Commerce to this new Committee on Financial Services. This transfer is not intended to convey to the Committee on Financial Services jurisdiction currently in the Committee on Agriculture regarding commodity exchanges.

“Furthermore, this change is not intended to convey to the Committee on Financial Services jurisdiction over matters relating to regulation and SEC oversight of multi-State public utility holding companies and their subsidiaries, which remain essentially matters of energy policy.

“Mr. Speaker, as a result of the transfer of jurisdiction over matters relating to securities and exchanges, redundant jurisdiction over matters relating to bank capital markets activities generally and depository institutions securities activities, which were formerly matters in the jurisdiction of the Committee on Banking and Financial Services, have been removed from clause 1 of rule X.

“Matters relating to insurance generally, formerly within the jurisdiction of the redesignated Committee on Energy and Commerce, are transferred to the jurisdiction of the Committee on Financial Services.

“The transfer of any jurisdiction to the Committee on Financial Services is not intended to limit the Committee on Energy and Commerce’s jurisdiction over consumer affairs and consumer protection matters.

“Likewise, existing health insurance jurisdiction is not transferred as a result of this change.

“Furthermore, the existing jurisdictions of other committees with respect to matters relating to crop insurance, Workers’ Compensation, insurance anti-trust matters, disaster insurance, veterans’ life and health insurance, and national social security policy are not affected by this change.

“Finally, Mr. Speaker, the changes and legislative history involving the Committee on Financial Services and the Committee on Energy and Commerce do not preclude future memorandum of understanding between the chairmen of these respective committees.”

By this memorandum the two committees undertake to record their further mutual understandings in this matter, which will supplement the statement quoted above.

It is agreed that the Committee on Energy and Commerce will retain jurisdiction over bills dealing broadly with electronic commerce, including electronic communications networks (ECNs). However, a bill amending the securities laws to address the specific type of electronic securities transaction currently governed by a special SEC regulation as an Alternative Trading System (ATS) would be referred to the Committee on Financial Services.

While it is agreed that the jurisdiction of the Committee on Financial Services over securities and exchanges includes anti-fraud authorities under the securities laws, the Committee on Energy and Commerce will retain jurisdiction only over the issue of setting of accounting standards by the Financial Accounting Standards Board.

W.J. “BILLY” TAUZIN,
*Chairman, Committee on
Energy and Commerce,*

MICHAEL G. OXLEY,
*Chairman, Committee on
Financial Services.*

However, on the opening day of the 109th Congress (January 4, 2005), the following announcement was made by the Speaker:

The SPEAKER. Based on discussions with the relevant committees, the further mutual understandings contained in the final two paragraphs of the “Memorandum of Understanding Between Energy and Commerce Committee and Financial Services Committee” dated January 30, 2001, shall no longer provide jurisdictional guidance.

RULES OF THE COMMITTEE ON FINANCIAL SERVICES FOR
THE ONE HUNDRED ELEVENTH CONGRESS

RULE 1

GENERAL PROVISIONS

(a) The rules of the House are the rules of the Committee on Financial Services (hereinafter in these rules referred to as the “Committee”) and its subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are privileged motions in the Committee and shall be considered without debate. A proposed investigative or oversight report shall be considered as read if it has been available to the members of the Committee for at least 24 hours (excluding Saturdays, Sundays, or legal holidays except when the House is in session on such day).

(b) Each subcommittee is a part of the Committee, and is subject to the authority and direction of the Committee and to its rules so far as applicable.

(c) The provisions of clause 2 of rule XI of the Rules of the House are incorporated by reference as the rules of the Committee to the extent applicable.

RULE 2

MEETINGS

Calling of Meetings

(a)(1) The Committee shall regularly meet on the first Tuesday of each month when the House is in session.

(2) A regular meeting of the Committee may be dispensed with if, in the judgment of the Chairman of the Committee (hereinafter in these rules referred to as the “Chair”), there is no need for the meeting.

(3) Additional regular meetings and hearings of the Committee may be called by the Chair, in accordance with clause 2(g)(3) of rule XI of the rules of the House.

(4) Special meetings shall be called and convened by the Chair as provided in clause 2(c)(2) of rule XI of the Rules of the House.

Notice for Meetings

(b)(1) The Chair shall notify each member of the Committee of the agenda of each regular meeting of the Committee at least two calendar days before the time of the meeting.

(2) The Chair shall provide to each member of the Committee, at least two calendar days before the time of each regular meeting for each measure or matter on the agenda a copy of—

(A) the measure or materials relating to the matter in question; and

(B) an explanation of the measure or matter to be considered, which, in the case of an explanation of a bill, resolution, or similar measure, shall include a summary of the major provisions of the legislation, an explanation of the relationship of the measure to present law, and a summary of the need for the legislation.

(3) The agenda and materials required under this subsection shall be provided to each member of the Committee at least three calendar days before the time of the meeting where the measure or matter to be considered was not approved for full Committee consideration by a subcommittee of jurisdiction.

(4) The provisions of this subsection may be waived by a two-thirds vote of the Committee, or by the Chair with the concurrence of the ranking minority member.

RULE 3

MEETING AND HEARING PROCEDURES

In General

(a)(1) Meetings and hearings of the Committee shall be called to order and presided over by the Chair or, in the Chair's absence, by the member designated by the Chair as the Vice Chair of the Committee, or by the ranking majority member of the Committee present as Acting Chair.

(2) Meetings and hearings of the Committee shall be open to the public unless closed in accordance with clause 2(g) of rule XI of the Rules of the House.

(3) Any meeting or hearing of the Committee that is open to the public shall be open to coverage by television broadcast, radio broadcast, and still photography in accordance with the provisions of clause 4 of rule XI of the Rules of the House (which are incorporated by reference as part of these rules). Operation and use of any Committee operated broadcast system shall be fair and non-partisan and in accordance with clause 4(b) of rule XI and all other applicable rules of the Committee and the House.

(4) Opening statements by members at the beginning of any hearing or meeting of the Committee shall be limited to 5 minutes each for the Chair or ranking minority member, or their respective designee, and 3 minutes each for all other members.

(5) No person, other than a Member of Congress, Committee staff, or an employee of a Member when that Member has an amendment under consideration, may stand in or be seated at the rostrum area of the Committee rooms unless the Chair determines otherwise.

Quorum

(b)(1) For the purpose of taking testimony and receiving evidence, two members of the Committee shall constitute a quorum.

(2) A majority of the members of the Committee shall constitute a quorum for the purposes of reporting any measure or matter, of authorizing a subpoena, of closing a meeting or hearing pursuant to clause 2(g) of rule XI of the rules of the House (except as provided in clause 2(g)(2)(A) and (B)) or of releasing executive session material pursuant to clause 2(k)(7) of rule XI of the rules of the House.

(3) For the purpose of taking any action other than those specified in paragraph (2) one-third of the members of the Committee shall constitute a quorum.

Voting

(c)(1) No vote may be conducted on any measure or matter pending before the Committee unless the requisite number of members of the Committee is actually present for such purpose.

(2) A record vote of the Committee shall be provided on any question before the Committee upon the request of one-fifth of the members present.

(3) No vote by any member of the Committee on any measure or matter may be cast by proxy.

(4) In addition to any other requirement of these rules or the Rules of the House, the Chair shall make the record of the votes on any question on which a record vote is demanded available on the Committee's Web site not later than 2 business days after such vote is taken. Such record shall include a description of the amendment, motion, order, or other proposition, the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members of the committee present but not voting.

(5) In accordance with clause 2(e)(1)(B) of rule XI, a record of the vote of each member of the Committee on each record vote on any measure or matter before the Committee shall be available for public inspection at the offices of the Committee, and, with respect to any record vote on any motion to report or on any amendment, shall be included in the report of the Committee showing the total number of votes cast for and against and the names of those members voting for and against.

(6) POSTPONED RECORD VOTES.—(A) Subject to subparagraph (B), the Chairman may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chairman may resume proceedings on a postponed request at any time, but no later than the next meeting day.

(B) In exercising postponement authority under subparagraph (A), the Chairman shall take all reasonable steps necessary to notify members on the resumption of proceedings on any postponed record vote;

(C) When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further de-

bate or amendment to the same extent as when the question was postponed.

Hearing Procedures

(d)(1)(A) The Chair shall make public announcement of the date, place, and subject matter of any committee hearing at least one week before the commencement of the hearing, unless the Chair, with the concurrence of the ranking minority member, or the Committee by majority vote with a quorum present for the transaction of business, determines there is good cause to begin the hearing sooner, in which case the Chair shall make the announcement at the earliest possible date.

(B) Not less than three days before the commencement of a hearing announced under this paragraph, the Chair shall provide to the members of the Committee a concise summary of the subject of the hearing, or, in the case of a hearing on a measure or matter, a copy of the measure or materials relating to the matter in question and a concise explanation of the measure or matter to be considered. At the same time the Chair provides the information required by the preceding sentence, the Chair shall also provide to the members of the Committee a final list consisting of the names of each witness who is to appear before the Committee at that hearing. The witness list may not be modified within 24 hours of a hearing, unless the Chair, with the concurrence of the ranking minority member, determines there is good cause for such modification.

(2) To the greatest extent practicable—

(A) each witness who is to appear before the Committee shall file with the Committee two business days in advance of the appearance sufficient copies (including a copy in electronic form), as determined by the Chair, of a written statement of proposed testimony and shall limit the oral presentation to the Committee to a brief summary thereof; and

(B) each witness appearing in a non-governmental capacity shall include with the written statement of proposed testimony a curriculum vitae and a disclosure of the amount and source (by agency and program) of any Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two preceding fiscal years.

(3) The requirements of paragraph (2)(A) may be modified or waived by the Chair when the Chair determines it to be in the best interest of the Committee.

(4) The five-minute rule shall be observed in the interrogation of witnesses before the Committee until each member of the Committee has had an opportunity to question the witnesses. No member shall be recognized for a second period of five minutes to interrogate witnesses until each member of the Committee present has been recognized once for that purpose.

(5) Whenever any hearing is conducted by the Committee on any measure or matter, the minority party members of the Committee shall be entitled, upon the request of a majority of them before the completion of the hearing, to call witnesses with respect to that measure or matter during at least one day of hearing thereon.

Subpoenas and Oaths

(e)(1) Pursuant to clause 2(m) of rule XI of the Rules of the House, a subpoena may be authorized and issued by the Committee or a subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present, or pursuant to paragraph (2).

(2) The Chair, with the concurrence of the ranking minority member, may authorize and issue subpoenas under such clause during any period for which the House has adjourned for a period in excess of 3 days when, in the opinion of the Chair, authorization and issuance of the subpoena is necessary to obtain the material or testimony set forth in the subpoena. The Chair shall report to the members of the Committee on the authorization and issuance of a subpoena during the recess period as soon as practicable, but in no event later than one week after service of such subpoena.

(3) Authorized subpoenas shall be signed by the Chair or by any member designated by the Committee, and may be served by any person designated by the Chair or such member.

(4) The Chair, or any member of the Committee designated by the Chair, may administer oaths to witnesses before the Committee.

Special Procedures

(f)(1)(A) COMMEMORATIVE MEDALS AND COINS. It shall not be in order for the Subcommittee on Domestic Monetary Policy and Technology to hold a hearing on any commemorative medal or commemorative coin legislation unless the legislation is cosponsored by at least two-thirds of the Members of the House.

(B) It shall not be in order for the subcommittee to approve a bill or measure authorizing commemorative coins for consideration by the full Committee which does not conform with the mintage restrictions established by section 5112 of title 31, United States Code.

(C) In considering legislation authorizing Congressional gold medals, the subcommittee shall apply the following standards—

(i) the recipient shall be a natural person;

(ii) the recipient shall have performed an achievement that has an impact on American history and culture that is likely to be recognized as a major achievement in the recipient's field long after the achievement;

(iii) the recipient shall not have received a medal previously for the same or substantially the same achievement;

(iv) the recipient shall be living or, if deceased, shall have been deceased for not less than 5 years and not more than 25 years;

(v) the achievements were performed in the recipient's field of endeavor, and represent either a lifetime of continuous superior achievements or a single achievement so significant that the recipient is recognized and acclaimed by others in the same field, as evidenced by the recipient having received the highest honors in the field.

(2) TESTIMONY OF CERTAIN OFFICIALS.—

(A) Notwithstanding subsection (a)(4), when the Chair announces a hearing of the Committee for the purpose of receiving—

(i) testimony from the Chairman of the Federal Reserve Board pursuant to section 2B of the Federal Reserve Act (12 U.S.C. 221 et seq.), or

(ii) testimony from the Chairman of the Federal Reserve Board or a member of the President's cabinet at the invitation of the Chair, the Chair may, in consultation with the ranking minority member, limit the number and duration of opening statements to be delivered at such hearing. The limitation shall be included in the announcement made pursuant to subsection (d)(1)(A), and shall provide that the opening statements of all members of the Committee shall be made a part of the hearing record. The Chair shall provide that the opening statements for all members of the Committee shall be made a part of the hearing record.

(B) Notwithstanding subsection (a)(4), at any hearing of the Committee for the purpose of receiving testimony (other than testimony described in clause (i) or (ii) of subparagraph (A), the Chair may, after consultation with the ranking minority member, limit the duration of opening statements to ten minutes, to be divided between the chair and Chair of the pertinent subcommittee, or the Chair's designees, and ten minutes to be controlled by the ranking minority member, or the ranking minority member's designees. Following such time, the duration for opening statements may be extended by agreement between the Chairman and ranking minority member to be divided at the discretion of the Chair or ranking minority member. The Chair shall provide that the opening statements for all members of the Committee shall be made a part of the hearing record.

(C) At any hearing of a subcommittee, the Chair of the subcommittee may, in consultation with the ranking minority member of the subcommittee, limit the duration of opening statements to ten minutes, to be divided between the majority and minority. Following such time, the duration for opening statements may be extended by either the Chair of the subcommittee or ranking minority member of the subcommittee for an additional ten minutes each, to be divided at the discretion of the chair of the subcommittee or ranking minority member of the subcommittee. The Chair of the subcommittee shall ensure that opening statements for all members be made part of the hearing record.

(D) If the chair and ranking minority member acting jointly determine that extraordinary circumstances exist necessitating allowing members to make opening statements, subparagraphs (B) or (C), as the case may be, shall not apply to such hearing.

RULE 4

PROCEDURES FOR REPORTING MEASURES OR MATTERS

(a) No measure or matter shall be reported from the Committee unless a majority of the Committee is actually present.

(b) The Chair of the Committee shall report or cause to be reported promptly to the House any measure approved by the Committee and take necessary steps to bring a matter to a vote.

(c) The report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the Committee a written request, signed by a majority of the members of the Committee, for the reporting of that measure pursuant to the provisions of clause 2(b)(2) of rule XIII of the Rules of the House.

(d) All reports printed by the Committee pursuant to a legislative study or investigation and not approved by a majority vote of the Committee shall contain the following disclaimer on the cover of such report: This report has not been officially adopted by the Committee on Financial Services and may not necessarily reflect the views of its members.”

(e) The Chair is directed to offer a motion under clause 1 of rule XXII of the Rules of the House whenever the Chair considers it appropriate.

RULE 5

SUBCOMMITTEES

Establishment and Responsibilities of Subcommittees

(a)(1) There shall be 5 subcommittees of the Committee as follows:

(A) SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND GOVERNMENT SPONSORED ENTERPRISES.—The jurisdiction of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises includes—

- (i) securities, exchanges, and finance;
- (ii) capital markets activities, including business capital formation and venture capital;
- (iii) activities involving futures, forwards, options, and other types of derivative instruments;
- (iv) the Securities and Exchange Commission;
- (v) secondary market organizations for home mortgages, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation;
- (vi) the Office of Federal Housing Enterprise Oversight;
- (vii) the Federal Home Loan Banks;
- (viii) the Federal Housing Finance Board;
- (ix) terrorism risk insurance; and
- (x) insurance generally.

(B) SUBCOMMITTEE ON DOMESTIC MONETARY POLICY AND TECHNOLOGY.—The jurisdiction of the Subcommittee on Domestic Monetary Policy and Technology includes—

- (i) financial aid to all sectors and elements within the economy;
- (ii) economic growth and stabilization;
- (iii) defense production matters as contained in the Defense Production Act of 1950, as amended;

(iv) domestic monetary policy, and agencies which directly or indirectly affect domestic monetary policy, including the effect of such policy and other financial actions on interest rates, the allocation of credit, and the structure and functioning of domestic financial institutions;

(v) coins, coinage, currency, and medals, including commemorative coins and medals, proof and mint sets and other special coins, the Coinage Act of 1965, gold and silver, including the coinage thereof (but not the par value of gold), gold medals, counterfeiting, currency denominations and design, the distribution of coins, and the operations of the Bureau of the Mint and the Bureau of Engraving and Printing; and

(vi) development of new or alternative forms of currency.

(C) SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT.—The jurisdiction of the Subcommittee on Financial Institutions and Consumer Credit includes—

(i) all agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Federal Reserve System, the Office of Thrift Supervision, and the National Credit Union Administration, which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit insurance for, financial institutions, and the establishment of interest rate ceilings on deposits;

(ii) the chartering, branching, merger, acquisition, consolidation, or conversion of financial institutions;

(iii) consumer credit, including the provision of consumer credit by insurance companies, and further including those matters in the Consumer Credit Protection Act dealing with truth in lending, extortionate credit transactions, restrictions on garnishments, fair credit reporting and the use of credit information by credit bureaus and credit providers, equal credit opportunity, debt collection practices, and electronic funds transfers;

(iv) creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, credit and debit cards, and the preemption of State usury laws;

(v) consumer access to financial services, including the Home Mortgage Disclosure Act and the Community Reinvestment Act;

(vi) the terms and rules of disclosure of financial services, including the advertisement, promotion and pricing of financial services, and availability of government check cashing services;

(vii) deposit insurance; and

(viii) consumer access to savings accounts and checking accounts in financial institutions, including lifeline banking and other consumer accounts.

(D) SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY.—The jurisdiction of the Subcommittee on Housing and Community Opportunity includes—

(i) housing (except programs administered by the Department of Veterans Affairs), including mortgage and

loan insurance pursuant to the National Housing Act; rural housing; housing and homeless assistance programs; all activities of the Government National Mortgage Association; private mortgage insurance; housing construction and design and safety standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; housing counseling and technical assistance; regulation of the housing industry (including landlord/tenant relations); and real estate lending including regulation of settlement procedures;

(ii) community development and community and neighborhood planning, training and research; national urban growth policies; urban/rural research and technologies; and regulation of interstate land sales;

(iii) government sponsored insurance programs, including those offering protection against crime, fire, flood (and related land use controls), earthquake and other natural hazards, but not including terrorism risk insurance; and

(iv) the qualifications for and designation of Empowerment Zones and Enterprise Communities (other than matters relating to tax benefits).

(E) SUBCOMMITTEE ON INTERNATIONAL MONETARY POLICY AND TRADE.—The jurisdiction of the Subcommittee on International Monetary Policy and Trade includes—

(i) multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto, and monetary and financial developments as they relate to the activities and objectives of such institutions;

(ii) international trade, including but not limited to the activities of the Export-Import Bank;

(iii) the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto; and

(iv) international investment policies, both as they relate to United States investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

(F) SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS.—The jurisdiction of the Subcommittee on Oversight and Investigations includes—

(i) the oversight of all agencies, departments, programs, and matters within the jurisdiction of the Committee, including the development of recommendations with regard to the necessity or desirability of enacting, changing, or repealing any legislation within the jurisdiction of the Committee, and for conducting investigations within such jurisdiction; and

(ii) research and analysis regarding matters within the jurisdiction of the Committee, including the impact or probable impact of tax policies affecting matters within the jurisdiction of the Committee.

(2) In addition, each such subcommittee shall have specific responsibility for such other measures or matters as the Chair refers to it.

(3) Each subcommittee of the Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its general responsibility.

Referral of Measures and Matters to Subcommittees

(b)(1) The Chair shall regularly refer to one or more subcommittees such measures and matters as the Chair deems appropriate given its jurisdiction and responsibilities. In making such a referral, the Chair may designate a subcommittee of primary jurisdiction and subcommittees of additional or sequential jurisdiction.

(2) All other measures or matters shall be subject to consideration by the full Committee.

(3) In referring any measure or matter to a subcommittee, the Chair may specify a date by which the subcommittee shall report thereon to the Committee.

(4) The Committee by motion may discharge a subcommittee from consideration of any measure or matter referred to a subcommittee of the Committee.

Composition of Subcommittees

(c)(1) Members shall be elected to each subcommittee and to the positions of chair and ranking minority member thereof, in accordance with the rules of the respective party caucuses. The Chair of the Committee shall designate a member of the majority party on each subcommittee as its vice chair.

(2) The Chair and ranking minority member of the Committee shall be ex officio members with voting privileges of each subcommittee of which they are not assigned as members and may be counted for purposes of establishing a quorum in such subcommittees.

(3) The subcommittees shall be comprised as follows:

(A) The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises shall be comprised of 50 members, 30 elected by the majority caucus and 20 elected by the minority caucus.

(B) The Subcommittee on Domestic Monetary Policy and Technology shall be comprised of 17 members, 10 elected by the majority caucus and 7 elected by the minority caucus.

(C) The Subcommittee on Financial Institutions and Consumer Credit shall be comprised of 45 members, 27 elected by the majority caucus and 18 elected by the minority caucus.

(D) The Subcommittee on Housing and Community Opportunity shall be comprised of 25 members, 15 elected by the majority caucus and 10 elected by the minority caucus.

(E) The Subcommittee on International Monetary Policy and Trade shall be comprised of 15 members, 9 elected by the majority caucus and 6 elected by the minority caucus.

(F) The Subcommittee on Oversight and Investigations shall be comprised of 15 members, 9 elected by the majority caucus and 6 elected by the minority caucus.

Subcommittee Meetings and Hearings

(d)(1) Each subcommittee of the Committee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the full Committee on any measure or matter referred to it, consistent with subsection (a).

(2) No subcommittee of the Committee may meet or hold a hearing at the same time as a meeting or hearing of the Committee.

(3) The chair of each subcommittee shall set hearing and meeting dates only with the approval of the Chair with a view toward assuring the availability of meeting rooms and avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings.

Effect of a Vacancy

(e) Any vacancy in the membership of a subcommittee shall not affect the power of the remaining members to execute the functions of the subcommittee as long as the required quorum is present.

Records

(f) Each subcommittee of the Committee shall provide the full Committee with copies of such records of votes taken in the subcommittee and such other records with respect to the subcommittee as the Chair deems necessary for the Committee to comply with all rules and regulations of the House.

RULE 6

STAFF

In General

(a)(1) Except as provided in paragraph (2), the professional and other staff of the Committee shall be appointed, and may be removed by the Chair, and shall work under the general supervision and direction of the Chair.

(2) All professional and other staff provided to the minority party members of the Committee shall be appointed, and may be removed, by the ranking minority member of the Committee, and shall work under the general supervision and direction of such member.

(3) It is intended that the skills and experience of all members of the Committee staff be available to all members of the Committee.

Subcommittee Staff

(b) From funds made available for the appointment of staff, the Chair of the Committee shall, pursuant to clause 6(d) of rule X of the Rules of the House, ensure that sufficient staff is made available so that each subcommittee can carry out its responsibilities under the rules of the Committee and that the minority party is treated fairly in the appointment of such staff.

Compensation of Staff

(c)(1) Except as provided in paragraph (2), the Chair shall fix the compensation of all professional and other staff of the Committee.

(2) The ranking minority member shall fix the compensation of all professional and other staff provided to the minority party members of the Committee.

RULE 7

BUDGET AND TRAVEL

Budget

(a)(1) The Chair, in consultation with other members of the Committee, shall prepare for each Congress a budget providing amounts for staff, necessary travel, investigation, and other expenses of the Committee and its subcommittees.

(2) From the amount provided to the Committee in the primary expense resolution adopted by the House of Representatives, the Chair, after consultation with the ranking minority member, shall designate an amount to be under the direction of the ranking minority member for the compensation of the minority staff, travel expenses of minority members and staff, and minority office expenses. All expenses of minority members and staff shall be paid for out of the amount so set aside.

Travel

(b)(1) The Chair may authorize travel for any member and any staff member of the Committee in connection with activities or subject matters under the general jurisdiction of the Committee. Before such authorization is granted, there shall be submitted to the Chair in writing the following:

(A) The purpose of the travel.

(B) The dates during which the travel is to occur.

(C) The names of the States or countries to be visited and the length of time to be spent in each.

(D) The names of members and staff of the Committee for whom the authorization is sought.

(2) Members and staff of the Committee shall make a written report to the Chair on any travel they have conducted under this subsection, including a description of their itinerary, expenses, and activities, and of pertinent information gained as a result of such travel.

(3) Members and staff of the Committee performing authorized travel on official business shall be governed by applicable laws, resolutions, and regulations of the House and of the Committee on House Administration.

RULE 8

COMMITTEE ADMINISTRATION

Records

(a)(1) There shall be a transcript made of each regular meeting and hearing of the Committee, and the transcript may be printed if the Chair decides it is appropriate or if a majority of the members of the Committee requests such printing. Any such transcripts shall be a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and

typographical corrections authorized by the person making the remarks. Nothing in this paragraph shall be construed to require that all such transcripts be subject to correction and publication.

(2) The Committee shall keep a record of all actions of the Committee and of its subcommittees. The record shall contain all information required by clause 2(e)(1) of rule XI of the Rules of the House and shall be available for public inspection at reasonable times in the offices of the Committee.

(3) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Chair, shall be the property of the House, and all Members of the House shall have access thereto as provided in clause 2(e)(2) of rule XI of the Rules of the House.

(4) The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with rule VII of the Rules of the House of Representatives. The Chair shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on written request of any member of the Committee.

Committee Publications on the Internet

(b) To the maximum extent feasible, the Committee shall make its publications available in electronic form.

MEMBERSHIP AND ORGANIZATION OF THE COMMITTEE ON FINANCIAL
SERVICES

ONE HUNDRED ELEVENTH CONGRESS

COMMITTEE ON FINANCIAL SERVICES

(Ratio: 42-29)

BARNEY FRANK, Massachusetts, *Chairman*

PAUL E. KANJORSKI, Pennsylvania	SPENCER BACHUS, Alabama
MAXINE WATERS, California	MICHAEL N. CASTLE, Delaware
CAROLYN B. MALONEY, New York	PETER KING, New York
LUIS V. GUTIERREZ, Illinois	EDWARD R. ROYCE, California
NYDIA M. VELAZQUEZ, New York	FRANK D. LUCAS, Oklahoma
MELVIN L. WATT, North Carolina	RON PAUL, Texas
GARY L. ACKERMAN, New York	DONALD A. MANZULLO, Illinois
BRAD SHERMAN, California	WALTER B. JONES, JR., North Carolina
GREGORY W. MEEKS, New York	JUDY BIGGERT, Illinois
DENNIS MOORE, Kansas	GARY G. MILLER, California
MICHAEL E. CAPUANO, Massachusetts	SHELLY MOORE CAPITO, West Virginia
RUBEN HINOJOSA, Texas	JEB HENSARLING, Texas
WM. LACY CLAY, Missouri	SCOTT GARRETT, New Jersey
CAROLYN McCARTHY, New York	J. GRESHAM BARRETT, South Carolina
JOE BACA, California	JIM GERLACH, Pennsylvania
STEPHEN F. LYNCH, Massachusetts	RANDY NEUGEBAUER, Texas
BRAD MILLER, North Carolina	TOM PRICE, Georgia
DAVID SCOTT, Georgia	PATRICK T. McHENRY, North Carolina
AL GREEN, Texas	JOHN CAMPBELL, California
EMANUEL CLEAVER, Missouri	ADAM H. PUTNAM, Florida
MELISSA L. BEAN, Illinois	MICHELE BACHMANN, Minnesota
GWEN MOORE, Wisconsin	KENNY MARCHANT, Texas
PAUL W. HODES, New Hampshire	THADDEUS McCOTTER, Missouri
KEITH ELLISON, Minnesota	KEVIN McCARTHY, California
RON KLEIN, Florida	BILL POSEY, Florida
CHARLES A. WILSON, Ohio	LYNN JENKINS, Kansas
ED PERLMUTTER, Colorado	CHRISTOPHER LEE, New York
JOE DONNELLY, Indiana	ERIK PAULSEN, Minnesota
BILL FOSTER, Illinois	LEONARD LANCE, New Jersey
ANDRE CARSON, Indiana	
JACKIE SPEIER, California	
TRAVIS CHILDERS, Mississippi	
WALT MINNICK, Idaho	
JOHN H. ADLER, New Jersey	
MARY JO KILROY, Ohio	
STEVE DREIHAUS, Ohio	
SUZANNE KOSMAS, Florida	
ALAN GRAYSON, Florida	
JIM HIMES, Connecticut	
GARY PETERS, Missouri	
DAN MAFFEI, New York	

SUBCOMMITTEE MEMBERSHIPS

SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND GOVERNMENT SPONSORED ENTERPRISES

(Ratio: 30–20)

PAUL E. KANJORSKI, Pennsylvania, *Chairman*

GARY L. ACKERMAN, New York	SCOTT GARRETT, New Jersey
BRAD SHERMAN, California	TOM PRICE, Georgia
MICHAEL E. CAPUANO, Massachusetts	MICHAEL N. CASTLE, Delaware
RUBÉN HINOJOSA, Texas	PETER KING, New York
CAROLYN MCCARTHY, New York	FRANK. D. LUCAS, Oklahoma
JOE BACA, California	DONALD A. MANZULLO, Illinois
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BRAD MILLER, North Carolina	JUDY BIGGERT, Illinois
DAVID SCOTT, Georgia	SHELLEY MOORE CAPITO, West Virginia
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GWEN MOORE, Wisconsin	JIM GERLACH, Pennsylvania
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ED PERLMUTTER, Colorado	THADDEUS MCCOTTER, Michigan
JOE DONNELLY, Indiana	RANDY NEUGEBAUER, Texas
ANDRE CARSON, Indiana	KEVIN MCCARTHY, California
JACKIE SPEIER, California	BILL POSEY, Florida
TRAVIS CHILDERS, Mississippi	LYNN JENKINS, Kansas
CHARLES A. WILSON, Ohio	SPENCER BACHUS, Alabama, <i>ex officio</i>
BILL FOSTER, Illinois	
WALT MINNICK, Idaho	
JOHN ADLER, New Jersey	
MARY JO KILROY, Ohio	
SUZANNE KOSMAS, Florida	
ALAN GRAYSON, Florida	
JIM HIMES, Connecticut	
GARY PETERS, Michigan	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE ON DOMESTIC MONETARY POLICY AND TECHNOLOGY

(Ratio: 10-7)

MELVIN L. WATT, North Carolina, *Chairman*

CAROLYN B. MALONEY, New York

GREGORY W. MEEKS, New York

WILLIAM LACY CLAY, Missouri

BRAD SHERMAN, California

AL GREEN, Texas

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KEITH ELLISON, Minnesota

JOHN ADLER, New Jersey

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JIM GERLACH, Pennsylvania

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SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

(Ratio: 27-18)

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JOE BACA, California	RANDY NEUGEBAUER, Texas
AL GREEN, Texas	TOM PRICE, Georgia
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BRAD MILLER, North Carolina	JOHN CAMPBELL, California
DAVID SCOTT, Georgia	KEVIN McCARTHY, California
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PAUL W. HODES, New Hampshire	ERIK PAULSEN, Minnesota
KEITH ELLISON, Minnesota	LEONARD LANCE, New Jersey
RON KLEIN, Florida	SPENCER BACHUS, Alabama, <i>ex officio</i>
CHARLES A. WILSON, Ohio	
GREGORY W. MEEKS, New York	
BILL FOSTER, Illinois	
ED PERLMUTTER, Colorado	
JACKIE SPEIER, California	
TRAVIS CHILDERS, Mississippi	
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SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

(Ratio: 15-10)

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NYDIA M. VELÁZQUEZ, New York	SHELLEY MOORE CAPITO, West Virginia
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AL GREEN, Texas	GARY G. MILLER, California
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MICHAEL E. CAPUANO, Massachusetts	KENNY MARCHANT, Texas
PAUL KANJORSKI, Pennsylvania	LYNN JENKINS, Kansas
LUIS V. GUTIERREZ, Illinois	CHRISTOPHER LEE, New York
STEVE DRIEHAUS, Ohio	SPENCER BACHUS, Alabama, <i>ex officio</i>
MARY JO KILROY, Ohio	
JIM HIMES, Connecticut	
DAN MAFFEI, New York	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE ON INTERNATIONAL MONETARY POLICY AND TRADE

(Ratio: 9-6)

GREGORY W. MEEKS, New York, *Chairman*

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MELVIN L. WATT, North Carolina	RON PAUL, Texas
GWEN MOORE, Wisconsin	DON MANZULLO, Illinois
ANDRE CARSON, Indiana	MICHELE BACHMANN, Minnesota
STEVE DRIEHAUS, Ohio	ERIK PAULSEN, Minnesota
GARY PETERS, Michigan	SPENCER BACHUS, Alabama, <i>ex officio</i>
DAN MAFFEI, New York	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

(Ratio: 9-6)

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RON KLEIN, Florida

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GWEN MOORE, Wisconsin

JOHN ADLER, New Jersey

MARY JO KILROY, Ohio

STEVE DRIEHAUS, Ohio

ALAN GRAYSON, Florida

BARNEY FRANK, Massachusetts, *ex officio*

JUDY BIGGERT, Illinois

PATRICK T. MCHENRY, North Carolina

RON PAUL, Texas

MICHELE BACHMANN, Minnesota

CHRISTOPHER LEE, New York

ERIK PAULSEN, Minnesota

SPENCER BACHUS, Alabama *ex officio*

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 TERRIE ALLISON, *Editor/Document Clerk*
 STEVE F. ARAUZ, *Assistant Systems Administrator*
 MICHAEL T. BERESIK, *Deputy Staff Director*
 JEAN E. CARROLL, *Staff Associate*
 KEO K. CHEA, *Counsel*
 MEREDITH CONNELLY, *Professional Staff Member*
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 KRISTOFOR S. ERICKSON, *Professional Staff Member*
 AMANDA FISCHER, *Professional Staff Member*
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 DANIEL S. MEADE, *Counsel*
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 ERIC S. ORNER, *Counsel*
 CHARLA OUERTATANI, *Subcommittee Staff Director*
 JASON PITCOCK, *Counsel*
 SABAHAT QAMAR, *Counsel*
 MARK R. RANSLEM, *Staff Associate*
 LOIS O. RICHERSON, *Clerk*
 JEFFREY L. RILEY, *Senior Counsel*
 KATHERYN E. ROSEN, *Senior Policy Advisor*
 KIRK SCHWARZBACH, *Staff Associate*
 GLEN R. SEARS, *Subcommittee Staff Director*
 DENNIS SHAUL, *Professional Staff Member*
 DAVID A. SMITH, *Chief Economist*
 LAWRRANNE STEWART, *Deputy Chief Counsel*
 ADRIANNE G. THREATT, *Counsel*
 HILARY C. WEST, *Professional Staff Member*
 ADDIE M. WHISENANT, *Press Secretary*
 BRENDAN WOODBURY, *Professional Staff Member*
 WILLIAM M. ZAVARELLO, *Professional Staff Member*

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WARREN TRYON

Deputy Chief of Staff

JAMES H. CLINGER

Chief Counsel

SHANNON FLAHERTY

Deputy Chief of Staff-Communications

CLINTON COLUMBUS JONES, III

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GISELE G. ROGET, *Policy Analyst*

ERIC J. THOMPSON, *Professional Staff*

KIM TRIMBLE, *Systems Administrator*

ADAM S. TROST, *Counsel*

ANNA BARTLETT WRIGHT, *Staff Assistant*

LEGISLATIVE AND OVERSIGHT ACTIVITIES

During the 111th Congress, 674 bills were referred to the Committee on Financial Services. The full Committee reported to the House or was discharged from the further consideration of 36 measures, not including conference reports. Thirty-four measures regarding matters within the Committee's jurisdiction were enacted into law.

The following is a summary of the legislative and oversight activities of the Committee on Financial Services during the 111th Congress, including a summary of the activities taken by the Committee to implement its Oversight Plan for the 111th Congress.

COMMITTEE ON FINANCIAL SERVICES

(Ratio: 42-29)

BARNEY FRANK, Massachusetts, *Chairman*

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ALAN GRAYSON, Florida	
JIM HIMES, Connecticut	
GARY PETERS, Michigan	
DAN MAFFEI, New York	

Status of Financial Services Committee Legislation 111th Congress

Bill No.	Formal Title	Introduced	Sponsor	Date	Committee/House Action	Summary
HR 46	Family Self-Sufficiency Act of 2009	1/6/2009	Rep. Judy Biggert	4/29/2009	Not considered in Committee Passed House under suspension by 397 - 19	Amends the United States Housing Act of 1937 to revise requirements for the administrative fee payable to public housing agencies to cover the costs of administering family self-sufficiency programs in connection with the housing choice voucher program of the Department of Housing and Urban Development (HUD).
HR 320	CJ's Home Protection Act of 2009	1/8/2009	Rep. Brad Ellsworth	12/2/2009	Not considered in Committee Passed House under suspension by voice vote	Amends the National Manufactured Housing Construction and Safety Standards Act of 1974 to require that weather radios be installed in all manufactured homes manufactured or sold in the United States.
HR 347	To grant the congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II	1/8/2009	Rep. Adam B. Schiff	5/14/2009	Not considered in Committee Passed House under suspension by 411 - 0	Requires the Speaker of the House of Representatives and the President pro tempore of the Senate to present a congressional gold medal to the Army's 100th Infantry Battalion and 442nd Regimental Combat Team, collectively, in recognition of their dedicated service during World War II. See also S. 1055.
HR 384	TARP Reform and Accountability Act of 2009	1/9/2009	Rep. Bamey Frank	1/21/2009	Not considered in Committee Passed House under a rule by 260 - 166	Directs the Treasury to establish reporting requirements and benchmarks in using Troubled Asset Relief Program (TARP) funds for depository institutions receiving TARP assistance. Makes funds available to smaller community financial institutions, establishes executive compensation and corporate governance requirements, amends the HOPE for Homeowners Program, and permanently increases deposit insurance to \$250,000.

HR 403	Homes for Heroes Act of 2009	1/9/2009	Rep. Al Green	Not considered in Committee	Establishes a Special Assistant for Veterans Affairs at HUD to ensure veteran access to HUD housing and homeless assistance programs. Mandates HUD provide assistance to nonprofit organizations to expand the supply of supportive housing for low-income veteran families, makes housing rental vouchers available to all homeless veterans, and includes veterans in public housing planning.
		6/16/2009		Passed House under suspension by 417-2	
HR 476	Housing Fairness Act of 2009	1/13/2009	Rep. Al Green	Ordered reported by the Housing and Community Opportunity Subcommittee by voice vote Ordered reported (amended) by voice vote Report filed: H.Rept. 111-678	Instructs HUD to conduct a study of, and report to Congress on, differences in the treatment of persons seeking to rent or purchase housing or obtain or refinance a home mortgage loan, and measure the prevalence of discriminatory practices across housing and mortgage lending markets; and for other purposes.
HR 621	To require the Secretary of the Treasury to mint coins in commemoration of the centennial of the establishment of the Girl Scouts of the United States of America	1/21/2009	Rep. Jack Kingston	Not considered in Committee	Requires the Secretary of the Treasury to mint coins in commemoration of the centennial of the establishment of the Girl Scouts of the United States of America.
		10/13/2009		Passed House under suspension (amended) by voice vote	
		10/19/2009		Passed Senate by unanimous consent	
		10/29/2009		Became Public Law 111-86	
HR 627	Credit Card Accountability Responsibility and Disclosure Act of 2009	1/22/2009	Rep. Maloney	Ordered reported (amended) by the Financial Institutions Subcommittee by voice vote Ordered reported (amended) by 48-19 Report filed: H. Rept. 111-88	Amends the Truth in Lending Act (TILA), with respect to enhanced consumer protection, consumer disclosures, protection of young consumers, gift card fees, and other miscellaneous provisions.
		4/30/2009		Passed in House under a rule by 357 - 70	
		5/19/2009		Passed in Senate with an amendment by 90-5	
		5/20/2009		Passed House under a rule by (all but section 512): 361-64; (section 512): 279-147	

P.L. 111-24				5/22/2009	Became Public Law 111-24
HR 786	To make permanent the temporary increase in deposit insurance coverage, and for other purposes.	2/2/2009	Rep. Barney Frank	2/4/2009 2/23/2009	Ordered reported by voice vote Report filed: H. Rept. 111-18
HR 787	To make improvements in the Hope for Homeowners Program, and for other purposes.	2/2/2009	Rep. Barney Frank	2/4/2009 2/10/2009	Ordered reported (amended) by voice vote Report filed: H. Rept. 111-12
HR 788	To provide a safe harbor for mortgage servicers who engage in specified mortgage loan modifications, and for other purposes.	2/2/2009	Rep. Paul E. Kanjorski	2/4/2009 2/10/2009	Ordered reported (amended): voice vote Report filed: H. Rept. 111-13
HR 1106	Helping Families Save Their Homes Act of 2009	2/23/2009	Rep. John Conyers Jr.	3/5/2009	Not considered in Committee Passed House under a rule by 234 - 191
HR 1177	5-Star Generals Commemorative Coin Act	2/25/2009	Rep. Dennis Moore	5/20/2010 9/28/2010 10/8/2010	Not considered in Committee Passed House under suspension (amended) by voice vote Passed Senate by unanimous consent Became Public Law 111-262

Amends the Federal Deposit Insurance Act and the Federal Credit Union Act to permanently increase deposit insurance coverage to \$250,000

Amends the National Housing Act to modify requirements under the HOPE for Homeowners Program (Program) regarding borrower certification and liability.

Shields a servicer of pooled residential mortgages acting in compliance with certain fiduciary duties under the Truth in Lending Act from liability for entering into a loan modification or workout plan in connection with any such mortgages initiated before January 1, 2012.

Establishes a nationwide mortgage fraud taskforce. Includes foreclosure moratorium provisions that grant statutory authority to the President's "Homeowner Affordability and Stability Plan", and includes deposit insurance reforms. See also S. 896.

Requires the Secretary of the Treasury to mint and issue \$5 gold coins, \$1 silver coins, and half-dollar clad coins in recognition of five United States Army Five-Star Generals.

HR 1209	Medal of Honor Commemorative Coin Act of 2009	2/26/2009	Rep. Christopher P. Carney	Not considered in Committee	Directs the Secretary of the Treasury to mint and issue \$5 gold coins and \$1 silver coins in honor of the distinguished service of the American military men and women who have been Medal of Honor recipients.
		5/14/2009		Passed House under suspension by voice vote	
		10/22/2009		Passed Senate by unanimous consent	
P.L. 111-91		11/6/2009		Became Public Law 111-91	
HR 1242	To amend the Emergency Economic Stabilization Act of 2008 to provide for additional monitoring and accountability of the Troubled Assets Relief Program	3/2/2009	Rep. Carolyn B. Maloney	Not considered in Committee	Requires the Secretary of the Treasury to establish a public database to monitor the use of TARP funds and compare data to identify activities that are inconsistent with the goals of the Emergency Economic Stabilization Act of 2008 (EESA).
		12/2/2009		Passed House under suspension (amended) by 421 - 0	
H.R. 1243	To provide for the award of a gold medal on behalf of Congress to Arnold Palmer in recognition of his service to the Nation in promoting excellence and good sportsmanship in golf.	3/2/2009	Rep. Joe Baca	Not considered in Committee	Directs Congressional leadership to arrange for the presentation of a congressional gold medal to Arnold Palmer (golf professional) in recognition of his service to the nation in promoting excellence and good sportsmanship.
		4/28/2009		Passed House under suspension by 422-1, 1	
		9/9/2009		Passed Senate by unanimous consent.	
P.L. 111-65		9/30/2009		Became Public Law 111-65	
HR 1264	Multiple Peril Insurance Act of 2009	3/3/2009	Rep. Gene Taylor	Ordered reported by 40-25	Amends the National Flood Insurance Act to create a public option for property owners to purchase flood and wind coverage in one policy where local governments opt-in and adopt certain building codes.
		7/19/2010		Report filed: H. Rept. 111-551	
HR 1327	Iran Sanctions Enabling Act of 2009	3/5/2009	Rep. Barney Frank	Ordered reported (amended) by voice vote	Enables state and local governments to divest their public pension funds from companies investing more than \$20 million in Iran's energy sector. Removes legal barriers to allow mutual fund and corporate pension fund managers to cut ties with these companies. See also HR 2194.
		10/14/2009		Passed House under suspension by 414 - 6	
HR 1664	To amend the executive compensation provisions of the Emergency Economic	3/23/2009	Rep. Alan Grayson	Ordered reported (amended) by 38 - 22	Prohibits a financial institution that receives TARP money from making excessive compensation payments. Directs the
		3/30/2009		Report filed: H. Rept. 111-64	

	Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards.	4/1/2009	Passed House under a rule by 247 - 171		Congressional Oversight Panel to establish compensation standards, mandates recipients to report compensation along specified timelines.
HR 1674	National Consumer Cooperative Bank Act Amendments of 2009	3/23/2009	Rep. Carolyn B. Maloney	Not considered in Committee	Declares that a nonprofit corporation shall be deemed to be a community development financial institution, unless the National Consumer Cooperative Bank or any of its affiliates participates in certain depository institution incentives under the Community Development Banking and Financial Institutions Act of 1994.
HR 1675	Frank Melville Supportive Housing Investment Act of 2009	3/23/2009	Rep. Christopher S. Murphy	Not considered in Committee	Revises requirements for supportive housing for persons with disabilities, and for other purposes.
HR 1728	Mortgage Reform and Anti-Predatory Lending Act	3/26/2009	Rep. Brad Miller	Passed House under suspension by 376 - 51	Prescribes residential mortgage loan origination standards, establishes an Office of Housing Counseling at HUD, amends appraisal requirements, and prescribes standards for points and fees related to high cost mortgages, and for other purposes. See also HR 4173.
HR 2034	Rural Homeowners Protection Act of 2009	4/22/2009	Rep. Wm. Lacy Clay	Not considered in Committee	Increases the guarantee fee on loans for housing and buildings on adequate farms, authorizes HUD to guarantee a loan made to refinance one made by a private lender to an individual to acquire or construct a single-family residence in a rural area.
HR 2097	Star-Spangled Banner Commemorative Coin Act	4/23/2009	Rep. C.A. Dutch Ruppersberger	Not considered in Committee	Requires the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the writing of the Star-Spangled Banner, and for other purposes.
		9/9/2009		Passed House under suspension by 419 - 1	
		8/2/2010		Passed Senate by unanimous consent	

P.L. 111-232				8/16/2010	Became Public Law 111-232		
HR 2194	Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009	4/30/2009	Rep. Howard L. Berman	12/15/2009	Not considered in Committee	Directs the President to impose specified sanctions, divestment from certain companies that invest in Iran, and prevention of transshipment, reexportation, or diversion of sensitive items to Iran, and for other purposes.	
				3/11/2010	Passed House under a rule (amended) by 412 - 12, 4 present		
				6/24/2010	Passed Senate (amended) by unanimous consent		
				6/24/2010	Conference Report (H.Rept. 111-512) passed House under suspension by 408 - 8, 1 present		
				6/24/2010	Conference Report (H.Rept. 111-512) passed Senate by 99 - 0		
P.L. 111-195				7/1/2010	Became Public Law 111-195		
HR 2245	New Frontier Congressional Gold Medal Act	5/5/2009	Rep. Alan Grayson	7/20/2009	Not considered in Committee	Authorizes the President to present gold medals, on behalf of Congress, to the astronauts of the Apollo 11 mission to the surface of the moon, Neil A. Armstrong, Edwin E. "Buzz" Aldrin Jr., Michael Collins, and John Herschel Glenn.	
				7/21/2009	Passed House under suspension by 390 - 0		
				8/7/2009	Passed in Senate by unanimous consent		
P.L. 111-44				8/7/2009	Became Public Law 111-44		
HR 2267	Internet Gambling Regulation, Consumer Protection, and Enforcement Act	5/6/2009	Rep. Barney Frank	7/29/2010	Ordered reported (amended) by 41 - 22, 1 present	Prescribes administrative and licensing requirements for Internet betting and subjects violators of this Act to civil and criminal penalties.	
				9/29/2010	Report filed: H.Rept 111-656, Part 1		
				9/29/2010	Committee on Judiciary and Commerce granted an extension for further consideration to Nov. 19, 2010		
				11/19/2010	Committee on Judiciary and Commerce granted an extension for further consideration to Nov. 30, 2010		
HR 2336	GREEN Act of 2010	5/7/2009	Rep. Ed Perlmutter	4/27/2010	Ordered reported (amended) by voice vote.	Directs the Secretary of HUD to establish annual energy efficiency participation incentives for HUD programs to achieve substantial improvements in energy	
				9/22/2010	Report filed: H. Rept. 111-619		

					efficiency for residential and commercial buildings.
HR 2421	Mother's Day Centennial Commemorative Coin Act	5/14/2009	Rep. Shelley Moore Caputo	5/5/2010	Not considered in Committee Passed House under suspension (amended) by voice vote
HR 2454	American Clean Energy and Security Act of 2009	5/15/2009	Rep. Henry A. Waxman	6/26/2009	Not considered in Committee Passed House under a rule by 219 - 212
HR 2529	Neighborhood Preservation Act	5/20/2009	Rep. Gary G. Miller	7/29/2009	Not considered in Committee Passed House under suspension by voice vote
HR 2546	Blue Star/Gold Star Flag Act of 2010	5/21/2009	Rep. John A. Boocieri	5/19/2010	Not considered in Committee Passed House under suspension by voice vote
HR 2554	National Association of Registered Agents and Brokers Reform Act of 2009	5/21/2009	Rep. David Scott	3/3/2010	Not considered in Committee Passed House under suspension (amended) by voice vote
HR 2555	Homeowners' Defense Act of 2010	5/21/2009	Rep. Ron Klein	4/27/2010 7/13/2010	Ordered reported (amended) by 39 - 26 Report filed: H. Rept. 111-534
HR 2571	Nonadmitted and	5/21/2009	Rep. Dennis Moore		Not considered in Committee Streamlines the non-admitted and
					Instructs the Secretary of the Treasury to mint and issue not more than 400,000 \$1 coins emblematic of the 100th anniversary of President Wilson's proclamation designating the second Sunday in May as Mother's Day.
					Sets forth provisions concerning clean energy, energy efficiency, reducing global warming pollution, transitioning to a clean energy economy, and providing for agriculture and forestry related offsets.
					Authorizes depository institutions to lease foreclosed property held by such institutions and companies for up to 5 years, and for other purposes.
					Prohibits restrictions on displaying a Service Flag on residential property.
					Reestablishes the National Association of Registered Agents and Brokers as a nonprofit corporation to prescribe, on a multi-state basis, licensing and insurance producer qualification requirements and conditions.
					Fosters the efficient transfer of natural catastrophe risk equitably throughout the private insurance marketplace and the broader capital markets, and provides help to homeowners and communities to prepare for and recover from natural catastrophes.

Reinsurance Reform Act of 2009			9/9/2009	Passed House under suspension by voice vote	reinsurance markets by specifying that only the tax policies and licensing regulations of the home state of the policyholder governs the transaction, allowing sophisticated commercial entities direct access to the surplus lines market, and prohibiting states from voiding contractual arbitration agreements between reinsurers and primary companies. See also HR 4173.
HR 2609	Insurance Information Act of 2009	5/21/2009	Rep. Paul E. Kanjorski	12/2/2009 Ordered reported (amended) by voice vote	Establishes within Treasury the Office of Insurance Information to collect data and issue reports regarding insurance, coordinate federal efforts and establish policy on international insurance matters, liaise between the federal government and the states regarding insurance matters, and for other purposes. See also HR 4173.
HR 2623	To amend the Federal securities laws to clarify and expand the definition of certain persons under those laws.	5/21/2009	Rep. Kevin McCarthy	Not considered in Committee 7/29/2009 Passed House under suspension by voice vote	Authorizes the Securities and Exchange Commission (SEC) to censure, place limitations on the activities or functions of, or investigate any person who at the time of specified alleged misconduct meets certain requirements. See also HR 4173.
HR 2646	Government Accountability Office Improvement Act of 2010	6/2/2009	Rep. Edolphus Towns	Not considered in Committee 1/13/2010 Passed House under suspension by voice vote	Requires agencies to report to Congress and GAO on actions taken in response to Comptroller General recommendations. Authorizes the Comptroller General, for five years, to conduct reviews of credit facilities established by the Federal Reserve, and report to Congress within 90 days of each review.
HR 2664	Promoting Transparency in Financial Reporting Act of 2009	6/2/2009	Rep. Christopher J. Lee	Not considered in Committee 9/9/2009 Passed House under suspension by voice vote	Requires the SEC, the Financial Accounting Standards Board (FASB), and the Public Company Accounting Oversight Board (PCAOB) to provide oral testimony beginning in 2009, and annually for five years, to the Committee on Financial Services on their efforts to reduce the

HR 2873	Enhanced S.E.C. Enforcement Authority Act	6/15/2009	Rep. John Campbell	12/2/2009	Not considered in Committee Passed House under suspension (amended) by voice vote	Declarates that, in any action or proceeding instituted by the SEC in a U.S. district court for any judicial district, subpoenas issued by or on behalf of the court to compel the attendance of witnesses or the production of documents or tangible things may be served in any other district. See also HR 4173.	complexity in financial reporting.
HR 2947	Securities Law Technical Corrections Act of 2009	6/18/2009	Rep. Lynn Jenkins	9/15/2009	Not considered in Committee Passed House under suspension by voice vote	Makes technical corrections to securities laws and makes conforming amendments for the repeal of the Public Utility Holding Company Act of 1935. See also HR 4173.	
HR 3045	Section 8 Voucher Reform Act of 2009	6/25/2009	Rep. Maxine Waters	7/23/2009 9/30/2009	Ordered reported (amended) by a vote of 41 - 24 Report filed: H. Rept 1114-277	Reforms the Section 8 funding formula to promote annual renewal of Section 8 housing vouchers, creates homeownership opportunities for families in the Section 8 and public housing programs, expands voucher assistance and due process for tenants, simplifies the rent calculation and inspection requirements, expands the 'Moving to Work' program, and preserves affordable housing through project-based preservation voucher assistance.	
HR 3126	Consumer Financial Protection Agency Act of 2009	7/8/2009	Rep. Barney Frank	10/22/2009 10/29/2009	Ordered reported (amended) by 39 - 29 Ordered reported by Energy and Commerce Committee (amended) by 33 - 19	Establishes the Consumer Financial Protection Agency as an independent executive agency to regulate consumer financial products or services. Requires the Agency to seek to promote transparency, simplicity, fairness, accountability, and access in the market for consumer financial products or services. See also HR 4173.	
HR 3139	To extend the authorization of the National Flood Insurance Program, and for	7/9/2009	Rep. Maxine Waters	7/29/2009	Not considered in Committee Passed House under	Extends the authorization of the national flood insurance program, and for other purposes.	

other purposes.	suspension by voice vote						
HR 3146	21st Century FHA Housing Act of 2009	7/9/2009	Rep. John H. Adler	Not considered in Committee	9/15/2009	Passed House under suspension (amended) by voice vote	Makes technical fixes to provisions in the Housing and Economic Recovery Act; authorizes Federal Housing Administration (FHA) to set higher pay levels; authorizes funds to improve HUD information technology; requires HUD to carry out a training and education program for FHA staff involved in interaction with the public regarding FHA loan programs; requires HUD to review early loan loss data, and use such information to identify problem lenders; includes a sense of Congress regarding warehouse lending for residential mortgage loans, and authorizes HUD to carry out FHA foreclosure avoidance demonstration programs.
HR 3179	SIG TARP Small Business Awareness Act of 2009	7/10/2009	Rep. Erik Paulsen	Not considered in Committee	9/15/2009	Passed House under suspension (amended) by voice vote	Amends EESA to instruct the Special Inspector General for TARP to examine how smaller financial institutions are being affected by expenditures under TARP, regulations regarding capital adequacy and troubled assets, and the effects that TARP financial assistance has had upon small businesses.
HR 3269	Corporate and Financial Institution Compensation Fairness Act of 2009	7/21/2009	Rep. Barney Frank	Ordered reported (amended) by 40 - 28	7/28/2009	Report filed: H. Rept. 111-236	Provides shareholders a nonbinding, advisory vote on their company's pay practices, requires federal regulators to proscribe any inappropriate or imprudently risky compensation practices, and mandates disclosure of compensation structures for financial institutions with assets in excess of \$1 billion. See also HR 4173.
HR 3330	Improved Oversight by Financial Inspectors General Act of 2009	7/24/2009	Rep. Steve Driehaus	Not considered in Committee	7/29/2009	Passed House under suspension by voice vote	Amends the Federal Deposit Insurance Act and the Federal Credit Union Act to provide more effective reviews of losses in the Deposit Insurance Fund and the Share Insurance Fund by the Inspectors General of

the several Federal banking agencies and the National Credit Union Administration Board, and for other purposes.

HR 3421	Medical Debt Relief Act of 2009	7/30/2009	Rep. Mary Jo Kilroy	7/28/2010 9/28/2010 9/29/2010	Ordered reported (amended) by voice vote Report filed: H.Rept 111-629 Passed House under suspension (amended) by 336 - 82	Amends the Fair Credit Reporting Act to require that fully paid or settled medical debt that has been characterized as delinquent, changed off or in collections, be removed from a consumer report within 45 days.
HR 3506	Eliminate Privacy Notice Confusion Act	7/31/2009	Rep. Erik Paulsen	4/14/2010	Not considered in Committee Passed House under suspension (amended) by voice vote.	Amends the Gramm-Leach-Bliley Act to exempt from its annual privacy policy notice requirement any financial institution which provides nonpublic personal information only in accordance with specified requirements; and has not changed its policies from those disclosed in the most recent disclosure sent to consumers.
HR 3527	FFHA Multifamily Loan Limit Adjustment Act of 2009	7/31/2009	Rep. Anthony D. Weiner	9/15/2009	Not considered in Committee Passed House under suspension (amended) by voice vote	Makes changes to statutory loan limits for FHA multifamily loans in order to permit FHA rental housing loans in areas with higher costs to be consistent with construction costs in such areas.
HR 3553	Indian Veterans Housing Opportunity Act of 2010	9/10/2009	Rep. Ann Kirkpatrick	4/20/2010 9/27/2010 10/12/2010	Not considered in Committee Passed House under suspension by voice vote Passed Senate by unanimous consent Became Public Law 111-269	Amends the Native American Housing Assistance and Self-Determination Act of 1996 to exclude from consideration as income any amounts received by a member of a family as veterans' disability compensation or dependency and indemnity compensation.
HR 3606	Credit CARD Technical Corrections Act of 2009	9/17/2009	Rep. Peter Welch	10/13/2009 10/29/2009	Not considered in Committee Passed House under suspension by voice vote Passed Senate by unanimous consent	Specifies that a creditor may not treat a payment on a credit card account under an open end consumer credit plan as late for any purpose, unless the creditor ensures that each periodic statement is mailed or delivered to the consumer at least 21 days before the

HR 3639	Expedited CARD Reform for Consumers Act of 2009	9/24/2009	Rep. Carolyn B. Maloney	10/22/2009	Ordered reported (amended) by voice vote	10/26/2009	Report filed: H.Rept. 111-314	11/4/2009	Passed House under a rule by 311 - 92	Amends the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Credit CARD Act of 2009) to make the Act effective immediately upon passage, except for certain depository institutions, from February 20, 2010, and for other purposes.
HR 3763	To amend the Fair Credit Reporting Act to provide for an exclusion from Red Flag Guidelines for certain businesses	10/8/2009	Rep. John H. Adler	Not considered in Committee	10/20/2009	Passed House under suspension by 400 - 0				Amends the Fair Credit Reporting Act with respect to the duties of users of consumer reports who take adverse actions on the basis of information contained in such reports.
HR 3795	Over-the-Counter Derivatives Markets Act of 2009	10/13/2009	Rep. Barney Frank	10/15/2009	Ordered reported (amended) by 43 - 26	10/21/2009	Ordered reported by House Agriculture Committee by voice vote			Requires clearing and trading on a national securities exchange or electronic platforms for all standardized transactions between dealers and major swap participants. Exceptions apply where one of the counterparties is not a swap dealer or major swap participant. Capital for non-cleared transactions must be set higher than for cleared transactions. The prudential regulators must set capital standards for banks, and the Commissions must set comparable capital rules for non-banks. See also HR 4173.
HR 3817	Investor Protection Act of 2009	10/15/2009	Rep. Paul E. Kanjorski	11/4/2009	Ordered reported by 41 - 28					Enhances SEC enforcement power and funding, mandates a fiduciary duty to the customers interests for all financial intermediaries, establishes a whistleblower bounty program, eliminates mandatory arbitration requirements for investors, and for other purposes. See also HR 4173.
HR 3818	Private Fund Investment Advisers Registration Act of 2009	10/15/2009	Rep. Paul E. Kanjorski	10/27/2009	Ordered reported (amended) by 67 - 1					Eliminates exemptions for private fund advisers. Requires registered investment advisers to maintain records of information from private fund advisers including identity,

investments or affairs of their clients; venture capital fund advisers are excluded. Rulemaking authority is vested with the Commodity Futures Trading Commission (CFTC) and SEC. See also HR 4173.

HR 3890	Accountability and Transparency in Rating Agencies Act	10/21/2009 Rep. Paul E. Kanjorski	10/28/2009 Ordered reported by 49 - 14	Directs the SEC to review credit ratings issued by each nationally recognized statistical rating organization (NRSRO) to ensure credit ratings are consistent with SEC rules. Provides SEC powers to impose fines and censure a noncompliant NRSRO; prescribes rules for NRSRO organization, disclosure of conflicts of interest regarding credit ratings. See also HR 4173.
HR 3996	Financial Stability Improvement Act of 2009	11/3/2009 Rep. Barney Frank	12/2/2009 Ordered reported (amended) by 31 - 27	Establishes the Financial Services Oversight Council to determine capital requirements, leverage limits, and risk concentration standards. Enhances GAO audit authority over the Federal Reserve and constrains use of the Federal Reserve's Section 13(3) authority. Removes restraints on the consolidated supervision of large financial companies by the Federal Reserve. Consolidates supervision of industrial loan corporations and other non-bank depository institutions. Consolidates the Office of Thrift Supervision (OTS) with the Office of the Comptroller of Currency (OCC). Establishes minimum requirements for risk retention by creditors for any loans that are transferred, sold or securitized. Establishes a Financial Stabilization fund, funded by fees paid by financial companies that request guarantees. Establishes procedures for dissolution of failing firms. See also HR 4173.
H.R. 4173	Wall Street Reform and	12/2/2009 Rep. Barney Frank	Not considered in Committee	Creates the Consumer Financial Protection

Consumer Protection Act of 2009	<p>12/11/2009 Passed House under a rule (amended) by 223 - 202</p> <p>5/20/2010 Passed Senate in Lieu of S. 3217 (amended) by 59 - 39</p> <p>6/29/2010 Conference Report filed (H.Rept. 111-517)</p> <p>6/30/2010 Conference Rept. Passed House under a rule by 237 - 192</p> <p>7/15/2010 Conference Rept. Passed Senate by 60 - 39</p> <p>7/21/2010 Became Public Law 111-203</p>	<p>Agency (CFPA); creates a systemic risk council; establishes a resolution authority for non-bank financial institutions; ensures shareholders have an advisory vote on pay practices including executive compensation and golden parachutes and requires financial firms to disclose incentive-based compensation structures; includes reforms to the SEC to protect investors; requires all standardized swap transactions between dealers and major swap participants are cleared and traded on an exchange or electronic platform; prohibits abusive mortgage lending practices as identified in HR 1728; requires advisers to private pools of capital to register with the SEC, with some exceptions, and for other purposes.</p>	
HR 4178	Deposit Restricted Qualified Tuition Programs Act of 2009 Rep. Emanuel Cleaver	<p>4/20/2010 Passed House under suspension (amended) by voice vote.</p> <p>Not considered in Committee</p>	<p>Amends the Federal Deposit Insurance Act to prescribe requirements for deposit restricted qualified tuition programs which are exempt from federal income tax.</p>
HR 4573	Haiti Debt Relief and Earthquake Recovery Act of 2010 Rep. Maxine Waters	<p>3/4/2010 Ordered reported (amended) by the Subcommittee on International Monetary Policy and Trade by voice vote</p>	<p>Urges the Treasury to direct multilateral development institutions to seek cancellation of all remaining debts owed by Haiti to such institutions, and before February 1, 2015, allocate humanitarian and reconstruction assistance from such institutions to Haiti, and for other purposes.</p>
P.L. 111-158		<p>3/10/2010 Passed House under suspension by voice vote.</p> <p>3/26/2010 Passed Senate (amended) by unanimous consent</p> <p>4/14/2010 House agreed to Senate amendment under suspension by voice vote</p> <p>4/26/2010 Became Public Law 111-158</p>	
HR 4684	National September 11 Memorial & Museum Commemorative Medal Act of 2010 Rep. Jerrold Nadler	<p>2/24/2010 Passed House under suspension (amended) by</p>	<p>Requires the Secretary of the Treasury to mint not more than 2 million silver national medals in commemoration of the 10th anniversary of the September 11, 2001,</p>

P.L. 111-221					voice vote 7/22/2010 Passed Senate by unanimous consent 8/6/2010 Became Public Law 111-221	terrorist attacks on the United States and the establishment of the National September 11 Memorial & Museum at the World Trade Center.
HR 4691	Temporary Extension Act of 2/25/2010	Rep. Charles B. Rangel			Not considered in Committee 2/25/2010 Passed House under suspension by voice vote 3/2/2010 Passed Senate by 78 - 19 3/22/2010 Became Public Law 111-144	Temporarily extends multiple appropriations including the national flood insurance program.
P.L. 111-144						
HR 4790	Shareholder Protection Act of 2010	Rep. Michael E. Capuano	3/9/2010	7/29/2010	Ordered reported (amended) by 35 - 28 9/22/2010 Report filed: H. Rept. 111-620, Part I	Requires that any solicitation of a proxy, consent, or authorization with respect to any security of an issuer describes the specific nature and total amount of expenditures proposed for political activities for the forthcoming fiscal year and provides for a separate shareholder vote to authorize such proposed expenditures.
HR 4851	Continuing Extension Act of 3/16/2010	Rep. Sander M. Levin			Not considered in Committee 3/17/2010 Passed House under suspension (amended) by voice vote. 4/15/2010 Passed Senate by 59 - 38 4/15/2010 Became Public Law 111-157	Continues temporary extensions for multiple appropriations including the national flood insurance program.
P.L. 111 - 157						
HR 4868	Housing Preservation and Tenant Protection Act of 2010	Rep. Barney Frank	3/17/2010	7/27/2010	Ordered Reported (amended) by 42 - 27	Requires HUD, upon request of a project owner with a rental supplement contract or a rental assistance program contract, to convert such contract to a section 8 project-based assistance contract. Grants HUD the first right or refusal in the case the owner of a covered housing unit decides to sell the property. Prescribes requirements for the use of existing section 8 funds, other rental assistance programs; and for other purposes.
HR 5017	Rural Housing Preservation and Stabilization Act of	Rep. Paul E. Kanjorski	4/14/2010	4/22/2010	Ordered reported (amended) by voice vote	Increases the guarantee fee on loans for housing and buildings on adequate farms.

2010					4/27/2010	Passed House under suspension (amended) by 352 - 62	Authorizes Treasury to guarantee such loans in aggregate amounts of up to \$30 billion for FY2010.
HR 5072	FHA Reform Act of 2010	4/20/2010	Rep. Maxine Waters	4/27/2010	Ordered reported (amended) by voice vote. Report filed: H.Rept. 111-476	Authorizes FHA to increase its capital reserves by raising the annual mortgage insurance premium for new borrowers.	
				6/10/2010	Passed House under a rule by 406 - 4	Strengthens FHA authority to reduce default risk to the Mutual Mortgage Insurance Fund by authorizing FHA to terminate direct endorsement mortgages' approval to originate or underwrite loans backed by FHA insurance based on poor loan performance.	
						Authorizes FHA to require mortgagees to indemnify FHA for improperly underwritten loans; and requires FHA to provide additional data to the public and to Congress on mortgagee and loan performance.	
HR 5114	Flood Insurance Reform Priorities Act of 2010	4/22/2010	Rep. Maxine Waters	4/27/2010	Ordered reported (amended) by voice vote. Report filed: H. Rept. 111-495	Reauthorizes the National Flood Insurance Program, encourages broader participation, increases financial accountability, and eliminates certain rate subsidies, among other modernization provisions.	
				7/15/2010	Passed House under a rule by 329 - 90		
HR 5297	Small Business Jobs Act of 2010	5/13/2010	Rep. Barney Frank	5/19/2010	Ordered Reported (amended) by 42 - 23	Establishes the Small Business Lending Fund to boost small business lending by providing additional capital to depository institutions with assets of \$10 billion or less.	
				5/27/2010	Report filed: H.Rept. 111-499		
				6/17/2010	Passed House under a rule by 241 - 182	Creates the State Small Business Credit Initiative to allocate funding to states to support Capital Access Programs and a range of other credit support programs.	
				9/16/2010	Passed Senate (amended) by 61 - 38		
				9/23/2010	Resolving differences, passed House under a rule by 237 - 187		
P.L. 111-240				9/27/2010	Became Public Law 111-240		
HR 5458	Christopher Bryski Student Loan Protection Act	5/28/2010	Rep. John H. Adler	9/28/2010	Not considered in Committee Passed House under suspension (amended) by voice vote	Amends the Truth in Lending Act and the Higher Education Act of 1965 to require institutions of higher education, and private educational lenders that provide student loans or counseling, to new borrowers and	

cosigners to provide the cosigner's obligations regarding such loans.

HR 5502	To amend the effective date of the gift card provisions of the Credit Card Accountability and Disclosure Act of 2009	6/10/2010 Rep. Daniel B. Maffei	Not considered in Committee Passed House under suspension by 357 - 0 Passed Senate by unanimous consent Became Public Law 111-209	Amends the Credit Card Accountability Responsibility and Disclosure Act of 2009 to delay certain disclosure requirements under the Electronic Funds Transfer Act pertaining to fees until January 31, 2011.
HR 5510	Aiding Those Facing Foreclosure Act of 2010	6/10/2010 Rep. Marcy Kaptur	Not considered in Committee Failed House under suspension by 210 - 145	Amends EESA to authorize Treasury to use unobligated TARP Funds to enable qualified counseling intermediaries to provide legal assistance to certain homeowners who are at risk of foreclosure.
HR 5551	To require the Secretary of the Treasury to make a certification when making purchases under the Small Business Lending Fund Program	6/17/2010 Rep. Suzanne M. Kosmas	Not considered in Committee Passed House under suspension (amended) by 411 - 0	Requires the Secretary of the Treasury to certify under oath to the Inspector General of the Department of the Treasury that purchase decisions under the Small Business Lending Fund Program under the Small Business Jobs and Credit Act of 2010 are made solely on the basis of economic fundamentals and not political considerations.
HR 5569	National Flood Insurance Program Extension Act of 2010	6/22/2010 Rep. Maxine Waters	Not considered in Committee Passed House under suspension by voice vote Passed Senate by unanimous consent Became Public Law 111-196	Amends the National Flood Insurance Act of 1968 to extend the National Flood Insurance Program from September 30, 2008, through September 30, 2010.
HR 5814	Public Housing Reinvestment and Tenant Protection Act of 2010	7/27/2010 Rep. Maxine Waters	Ordered reported (amended) by 42 - 27	Requires HUD to make competitive grants to local governments, public housing agencies, or nonprofit entities owning a major housing project to implement transformational programs in eligible neighborhoods with a concentration of extreme poverty and severely distressed housing.
HR 5823	United States Covered Bond	7/22/2010 Rep. Scott Garrett	Ordered reported (amended)	Directs the Comptroller of the Currency to

Act of 2010				by voice vote	establish a regulatory oversight program for specified senior recourse debt obligations of an eligible issuer.
HR 5872	General and Special Risk Insurance Funds Availability Act of 2010	7/27/2010	Rep. Barney Frank	Not considered in Committee	Authorizes the Secretary of Housing and Urban Development for FY2010 to guarantee loans as obligations of the General and Special Risk Insurance Funds, as authorized by the National Housing Act, in an amount of up to \$20 billion in total loan principal, any part of which is to be guaranteed.
P.L. 111-228				7/28/2010	Passed House under suspension (amended) by voice vote
				8/4/2010	Passed Senate by unanimous consent
				8/11/2010	Became Public Law 111-228
HR 5981	To increase the flexibility of the Secretary of Housing and Urban Development with respect to the amount of premiums charged for FHA single family housing mortgage insurance, and for other purposes	7/30/2010	Rep. Barney Frank	Not considered in Committee	Amends the National Housing Act with respect to requirements for the insurance of mortgages secured by a one-to-four-family dwelling which are obligations of the Mutual Mortgage Insurance Fund.
				7/30/2010	Passed House under suspension by voice vote
				8/4/2010	Passed Senate by unanimous consent
				8/11/2010	Became Public Law 111-229
HR 6058	Wounded Warrior and Military Survivor Housing Assistance Act of 2010	7/30/2010	Rep. Erik Paulsen	Not considered in Committee	Directs the Secretaries of HUD and of Veterans Affairs (VA) to ensure that the housing assistance programs they administer are available to the needs and circumstances of veterans and members of the Armed Forces with service-connected injuries and survivors and dependents.
				9/28/2010	Passed House under suspension by voice vote
HR 6162	Coin Modernization, Oversight and Continuity Act of 2010	9/22/2010	Rep. Melvin L. Watt	Not considered in Committee	Requires the Secretary of the Treasury to report biennially to Congress on production costs for each circulating coin, cost trends, and possible new metallic materials or technologies for the production of circulating coins.
				9/29/2010	Passed House by unanimous consent
				11/30/2010	Passed Senate by unanimous consent
				12/14/2010	Became Public Law 111-302
HR 6166	American Eagle Palladium Bullion Coin Act of 2010	9/22/2010	Rep. Denny Rehberg	Not considered in Committee	Authorizes the Secretary of the Treasury to mint and issue a \$25 palladium bullion investment coin bearing designs that are close likenesses of the work of American coin designer and medallic artist Adolph Alexander Weinman.
				9/29/2010	Passed House by unanimous consent
				11/30/2010	Passed Senate by unanimous consent

HR 6191	To amend the Small Business Jobs Act of 2010 to include certain construction and land development loans in the definition of small business lending.	9/23/2010 Rep. Brad Miller	12/14/2010 Became Public Law 111-303	Amends the Small Business Jobs Act of 2010 to include certain construction and land development loans in the definition of small business lending.
HR 6398	To require the Federal Deposit Insurance Corporation to fully insure interest on Lawyers Trust Accounts	11/15/2010 Rep. Lloyd Doggett	Not considered in Committee 9/28/2010 Passed House under suspension by voice vote 11/30/2010 Passed House under suspension (amended) by voice vote 12/22/2010 Passed Senate by unanimous consent	Requires the Federal Deposit Insurance Corporation to fully insure interest on lawyers trust accounts.
H.Con.Res. 76	Expressing the sense of the Congress regarding executive and employee bonuses paid by AIG and other companies assisted with taxpayer funds provided under the Troubled Assets Relief Program of the Secretary of the Treasury	3/19/2009 Rep. Mary Jo Kilroy	Not considered in Committee 3/19/2009 Failed in House under suspension by 255 - 160	Expresses the sense of Congress that the President is appropriately exercising authorities by taking all necessary actions to ensure that companies that receive a capital infusion under EESA are prohibited from paying unreasonable and excessive bonuses to their executives and employees.
H.Con.Res 137	Expressing the sense of the Congress that the lack of adequate housing must be addressed as a barrier to effective HIV prevention, treatment, and care, and that the United States should make a commitment to providing adequate funding for developing housing as a response to the AIDS pandemic	6/2/2009 Rep. Jerrold Nadler	Not considered in Committee 5/24/2010 Passed House under suspension by voice vote	Declares the sense of the Congress that stable and affordable housing is an essential component of an effective strategy for HIV prevention, treatment, and care, and that the United States should make a commitment to providing adequate funding for developing housing as a response to the AIDS pandemic.
H.Con.Res. 197	Encouraging banks and mortgage servicers to work with families affected by contaminated drywall and to	10/8/2009 Rep. Glenn C. Nye	Not considered in Committee 12/2/2009 Passed House under suspension (amended) by 419 -	Encourages banks and mortgage servicers to work with families affected by contaminated drywall by considering adjustments to mortgage payment schedules that take these

<p>consider adjustments to payment schedules on their home mortgages that take into account the financial burdens of responding to the presence of such drywall</p>	<p>H.C. Res. 325 Supporting the goals and ideals of National Homeless Persons' Memorial Day</p>	<p>9/29/2010 Rep. Alcee L. Hastings</p>	<p>12/2/2010</p>	<p>Not considered in Committee Passed House under suspension by voice vote</p>	<p>Supports the goals and ideals of National Homeless Persons' Memorial Day.</p>	<p>I financial burdens into account.</p>
<p>H.J. Res. 3 Relating to the disapproval of obligations under the Emergency Economic Stabilization Act of 2008</p>	<p>1/6/2009 Rep. Virginia Foxx</p>	<p>1/22/2009</p>	<p>Not considered in Committee</p>	<p>Disapproves the obligation of any amount to purchase troubled assets under the Emergency Economic Stabilization Act of 2008 exceeding those already obligated (namely, \$250 billion, or upon presidential certification, \$350 billion).</p>	<p>Not considered in Committee Considered as privileged matter Passed in House under a rule by 270 - 155</p>	
<p>H. Res. 180 Supporting the goals and ideals of the third annual America Saves Week</p>	<p>2/23/2009 Rep. Ruben Hinojosa</p>	<p>2/25/2009</p>	<p>Not considered in Committee Passed in House under suspension by 415 - 2</p>	<p>Recognizes the importance of savings to financial security. Supports the goals and ideals of America Saves Week. Acknowledges the tireless efforts of the late Congresswoman Stephanie Tubbs Jones to those ends.</p>	<p>Not considered in Committee Passed House under suspension by voice vote</p>	
<p>H. Res. 215 Congratulating the Minority Business Development Agency on its 40th anniversary and commending its achievements in fostering the establishment and growth of minority businesses in the United States</p>	<p>3/5/2009 Rep. Michael M. Honda</p>	<p>9/15/2009</p>	<p>Not considered in Committee Passed House under suspension by voice vote</p>	<p>Congratulates the Minority Business Development Agency on its 40th anniversary and for its achievements in fostering the establishment and growth of minority businesses, and encourages the Agency to continue its efforts.</p>	<p>Not considered in Committee Passed House under suspension by voice vote</p>	
<p>H. Res. 251 Directing the Secretary of the Treasury to transmit to the House of Representatives all information in his possession relating to specific communications</p>	<p>3/17/2009 Rep. Steven C. LaTourette</p>	<p>3/25/2009 4/23/2009</p>	<p>Ordered Reported by 64 - 0 Report filed: H. Rept 1111-84</p>	<p>Directs the Secretary of the Treasury to transmit to the House of Representatives copies of all Department of the Treasury communications relating to AIG.</p>	<p>Ordered Reported by 64 - 0 Report filed: H. Rept 1111-84</p>	

with American International Group, Inc. (AIG)

H.Res. 357	Supporting the goals and ideals of Financial Literacy Month 2009, and for other purposes	4/23/2009	Rep. Ruben Hinojosa	4/29/2009	Not considered in Committee Passed in House under suspension by 419 - 3	Supports the goals and ideals of Financial Literacy Month, including raising public awareness about financial education, and recognizes the importance of managing personal finances, increasing personal savings, and reducing personal debt in the United States.
H.Res. 385	Celebrating the life of Millard Fuller, a life which provides all the evidence one needs to believe in the power of the human spirit to inspire hope and lift the burdens of poverty and despair from the shoulders of one's fellow man.	4/30/2009	Rep. Sanford D. Bishop, Jr.	6/9/2009	Not considered in Committee Passed House under suspension by voice vote	Celebrates the life of Millard Fuller, the founder of Habitat for Humanity.
H.Res. 502	Recognizing National Homeownership Month and the importance of homeownership in the United States	6/3/2009	Rep. Gary G. Miller	6/9/2009	Not considered in Committee Passed House under suspension by voice vote	Supports the goals and ideals of National Homeownership Month. Recognizes the importance of homeownership in building strong communities, families and in the nation's economy.
H.Res. 556	Recognizing the 75th anniversary of the passage of the Federal Credit Union Act and the vibrant federal credit union community that was created as a result of this important piece of legislation	6/17/2009	Rep. James A. Himes	9/9/2009	Not considered in Committee Passed House under suspension by voice vote	Recognizes the 75th anniversary of the passage of the Federal Credit Union Act and the vibrant federal credit union community that was created as a result.
H.Res. 584	Recognizing the importance of manufactured and modular housing in the United States.	6/25/2009	Rep. Joe Donnelly	5/25/2010	Not considered in Committee Passed House under suspension by 408 - 4, 1 present	Recognizes the importance of manufactured and modular housing to homeownership in the United States and supports the goals and ideals of National Homeownership Month and Manufactured and Modular Housing Week.

H.Res. 591	Requesting that the President transmit to the House of Representatives all information in his possession relating to certain specific communications with and financial assistance provided to General Motors Corporation and Chrysler LLC	6/26/2009	Rep. John A. Boehner	7/17/2009	Ordered reported (amended) by voice vote Report filed: H. Rept 111-231	7/21/2009	Requests the President to transmit to the House of Representatives communications concerning specified aspects of the role of the Presidential Task Force on the Auto Industry in connection with the 2009 bankruptcy proceedings of General Motors Corporation and Chrysler LLC, and other provisions.
H.Res. 1021	Expressing condolences to and solidarity with the people of Haiti in the aftermath of the devastating earthquake of January 12, 2010	1/20/2010	Rep. Barbara Lee	1/21/2010	Not considered in Committee Passed in House under suspension by 411 - 1	1/21/2010	Expresses condolences for the loss and damage in Haiti caused by the January 2010 earthquake. Encourages countries and institutions to hold debt against Haiti, and for other purposes.
H.Res. 1082	Supporting the goals and ideals of the fourth annual America Saves Week	2/22/2010	Rep. Eddie Bernice Johnson	3/3/2010	Not considered in Committee Passed in House under suspension by voice vote	3/3/2010	Recognizes the importance of savings to financial security and supports the goals and ideals of America Saves Week.
H.Res. 1257	Supporting the goals and ideals of National Financial Literacy Month, 2010, and for other purposes.	4/15/2010	Rep. Ruben Hinojosa	4/20/2010	Not considered in Committee Passed House under suspension by 397 - 4	4/20/2010	Supports the goals and ideals of Financial Literacy Month.
H.Res. 1409	Expressing support for designation of June 20, 2010, as "American Eagle Day", and celebrating the recovery and restoration of the bald eagle, the national symbol of the United States	5/27/2010	Rep. David P. Roe	6/14/2010	Not considered in Committee Passed House under suspension 360 - 0	6/14/2010	Supports the designation of American Eagle Day, and the issuance of bald eagle commemorative coins to generate funds for the protection of bald eagles, and encourages educational entities to develop educational tools for use in public schools.
H.Res. 1434	Recognizing National Homeownership Month and the importance of homeownership in the United States	6/10/2010	Rep. Gary G. Miller	6/23/2010	Not considered in Committee Passed House under suspension by 405 - 6	6/23/2010	Supports the goals and ideals of National Homeownership Month.
S 383	Special Inspector General for the Troubled Asset Relief Program Act of 2009	2/4/2009	Sen. Claire McCaskill	2/4/2009	Passed Senate by unanimous consent Ordered reported by voice	2/4/2009	Establishes a Special Inspector General (SIG) for TARP and amends EESA to grant the Special Inspector General authority to

P.L. 111-15				3/25/2009	vote Passed in House under suspension by 423 - 0	conduct, supervise, and coordinate an audit or investigation of any action taken with regard TARP that the SIC deems appropriate.
				4/24/2009	Became Public Law 111-15	
S 386	FERA	2/5/2009	Sen. Patrick J. Leahy	4/28/2009	Passed Senate (amended) by 92 - 4	Expands the definition of financial institution under the federal criminal code, expands certain fraud provisions, establishes the Financial Crisis Inquiry Commission, and for other purposes.
				5/6/2009	Passed House under suspension (amended) by 367 - 59, 1 present	
				5/14/2009	Senate agreed to House amendment (amended) by unanimous consent	
				5/18/2009	House agreed to Senate amendment to House amendments under suspension by 338 - 52	
P.L. 111-21				5/20/2009	Became Public Law 111-21	
S 614	A bill to award a Congressional Gold Medal to the Women Air Force Service Pilots ("WASP")	3/17/2009	Sen. Kay Bailey Hutchison	5/20/2009	Not considered in Committee	Directs Congressional Leadership to award a single gold medal in honor of the Women Air Force Service Pilots (WASP) collectively, in honor of their pioneering military service and exemplary record.
				6/16/2009	Passed Senate (amended) by unanimous consent	
				7/1/2009	Passed House under suspension by voice vote	
P.L. 111-40				7/1/2009	Became Public Law 111-40	
S 846	A bill to award a congressional gold medal to Dr. Muhammad Yunus, in recognition of his contributions to the fight against global poverty	4/21/2009	Sen. Richard Durbin	9/23/2010	Passed House under suspension by voice vote	Requires presentation on behalf of Congress of a gold medal of appropriate design to Dr. Muhammad Yunus in recognition of his many enduring contributions to the fight against global poverty.
P.L. 111-253				10/13/2009	Passed Senate by unanimous consent	
				10/5/2010	Became Public Law 111-253	
S 896 (also see HR 1106)	Helping Families Save Their Homes Act of 2009	4/24/2009	Sen. Christopher J. Dodd	5/6/2009	Passed Senate (amended) by 91 - 5	Authorizes HUD to implement a program to encourage loan modifications for eligible delinquent mortgages through the payment of insurance benefits and assignment of the mortgage to the Secretary and the subsequent modification of the terms of the mortgage according to a loan modification approved by the mortgagee.
				5/19/2009	Passed House (amended) under a rule by 367 - 54, 1 Present	
				5/19/2009	Passed Senate by unanimous consent	
P.L. 111-22				5/20/2009	Became Public Law 111-22	
S 1055	A bill to grant the	5/14/2009	Sen. Barbara Boxer	8/2/2010	Passed Senate by unanimous consent	Requires Congress to award a congressional

congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II	9/23/2010 10/5/2010	consent Passed House under suspension by voice vote Became Public Law 111-254	gold medal to the Army's 100th Infantry Battalion, the 442nd Regimental Combat Team, and the Military Intelligence Service, collectively, in recognition of their dedicated service during World War II.
S. 1677 Defense Production Act Reauthorization of 2009	9/16/2009	Sen. Christopher J. Dodd Passed Senate by unanimous consent	Authorizes the president to determine priority ratings on government contracts for national defense of critical infrastructure needs. Allows federal loan guarantees in order to maintain manufacturing capacity, and authorizes an executive reserve of private individuals to be called on in case of an emergency, and for other purposes.
P.L. 111-67	9/23/2009 9/30/2009	Not considered in Committee Passed House under suspension by voice vote Became Public Law 111-67	
S. 3717 A bill to amend the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to provide for certain disclosures under section 552 of title 5, United States Code, (commonly referred to as the Freedom of Information Act), and for other purposes.	8/5/2010	Sen. Patrick J. Leahy Passed Senate by unanimous consent Passed House under suspension by voice vote Became Public Law 111-257	Repeals the prohibition of the Dodd-Frank Wall Street Reform and Consumer Protection Act against compelling the SEC to disclose records or information obtained from registered persons pursuant to its regulatory or oversight activities.
S. 3814 National Flood Insurance Program Reextension Act of 2010	9/21/2010	Sen. David Vitter Passed Senate by unanimous consent	Extends the National Flood Insurance Program from September 30, 2010, through September 30, 2011.
P.L. 111-250	9/23/2010 9/30/2010	Passed House under suspension by voice vote Became Public Law 111-250	
S. 3987 A bill to amend the Fair Credit Reporting Act with respect to the applicability of identity theft guidelines to creditors	11/30/2010	Sen. John Thune Passed Senate by unanimous consent Passed House under suspension by voice vote	Amends the Fair Credit Reporting Act with respect to the applicability of identity theft guidelines to creditors (See also HR 6420)
P.L. 111-319	12/18/2010	Became Public Law 111-319	

S 4036 A bill to clarify the National Credit Union Administration authority to make stabilization fund expenditures without borrowing from the Treasury

12/16/2010 Sen Christopher J. Dodd

Not considered in Committee

12/16/2010 Passed Senate by unanimous consent

12/22/2010 Passed House by unanimous consent

Clarifies the National Credit Union Administration authority to make stabilization fund expenditures without borrowing from the Treasury

FULL COMMITTEE OVERSIGHT ACTIVITIES

FINANCIAL CRISIS/THE DODD-FRANK WALL STREET REFORM AND
CONSUMER PROTECTION ACT

The financial crisis that began in 2008 revealed numerous shortcomings with the U.S. financial system and the framework governing it. These shortcomings included—

- excessive risk taking by the industry in multiple areas, including excessive use of leverage, and certain aspects relating to the offering of products to consumers and investors;
- a regulatory framework in which oversight of financial activities was divided among multiple agencies based largely on a regulated entity's corporate form, which permitted regulatory arbitrage among regulated financial companies and simultaneously allowed other companies to evade regulation, thereby contributing to what sometimes is referred to as the "shadow banking system;"
- lack of a specific mandate for financial regulators to identify and respond to patterns of behavior that potentially could threaten the financial system as a whole, in addition to focusing on the safety and soundness of individual institutions;
- lack of transparency and oversight with respect to certain aspects of the capital markets, such as derivatives, private pools of capital, and investor protections; and
- lack of an orderly mechanism for liquidating large, interconnected failing firms in a manner that takes systemic ramifications of the failure into account, which resulted in 2008 in the government being forced to choose between rescuing certain failing firms or allowing them to fail with devastating consequences for the broader financial system.

During the first half of 2009, the full Committee held a series of hearings to probe the causes and effects of the financial crisis, assess the regulatory shortcomings that the crisis revealed, and begin laying the groundwork for comprehensive financial regulatory reform legislation ("Perspectives on Regulation of Systemic Risk in the Financial Services Industry" (March 17, 2009); "Federal and State Enforcement of Financial Consumer and Investor Protection Laws" (March 20, 2009); "Exploring the Balance between Increased Credit Availability and Prudent Lending Standards" (March 25, 2009); "Addressing the Need for Comprehensive Regulatory Reform" (March 26, 2009); "H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009" (April 23, 2009); "The Effect of the Lehman Brothers Bankruptcy on State and Local Governments" (May 5, 2009); "Compensation Structure and Systemic Risk" (June 11, 2009); and "Regulatory Restructuring: Enhancing Consumer Products Regulation" (June 24, 2009)). In addition to these Full Committee hearings, the Committee's various subcommittees had numerous hearings relating to discrete aspects of financial regulatory reform during this same period (see subcommittee discussions below for details).

After extensive consultation with regulators, members of Congress, and other interested parties, the Obama Administration on June 17, 2009, released a White Paper outlining a proposed framework for comprehensive financial regulatory reform to address the

above-mentioned issues and other shortcomings with the existing financial regulatory structure. Between June 30 and August 11, 2009, the Obama Administration delivered proposed legislative text that would implement each of the key reforms that were outlined in the White Paper to the House Committee on Financial Services and the Senate Banking Committee.

Following release of the Administration's White Paper, the full Committee had a series of hearings to consider the Obama Administration's specific legislative proposals; alternatives to those proposals, including bills and discussion drafts produced by the Committee; and other issues that informed the discussion of how best to approach various aspects of financial regulatory reform ("A Review of the Administration's Proposal to Regulate the Over-the-Counter Derivatives Market" (July 10, 2009); "Banking Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals" (July 15, 2009); "Community and Consumer Advocates' Perspectives on the Obama Administration's Financial Regulatory Reform Proposals" (July 16, 2009); "Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals" (July 17, 2009); "Systemic Risk: Are Some Institutions Too Big to Fail, and if So, What Should We Do about It?" (July 21, 2009); "Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals, Part I," (July 22, 2009); "Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals, Part II" (July 24, 2009); "The Administration's Proposals for Financial Regulatory Reform (September 23, 2009); "Federal Regulator Perspectives on Financial Regulatory Reform Proposals" (September 23, 2009); "Experts' Perspectives on Systemic Risk and Resolution Issues" (September 24, 2009); "H.R. 1207, the Federal Reserve Transparency Act of 2009" (September 25, 2009); Perspectives on the Consumer Financial Protection Agency (September 30, 2009); "Federal Reserve Perspectives on Financial Regulatory Reform Proposals" (October 1, 2009); "Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office (October 6, 2009); "Reform of the Over-the-Counter Derivatives Market: Limiting Risk and Ensuring Fairness" (October 7, 2009); and "Systemic Regulation, Prudential Matters, Resolution Authority, and Securitization" (October 29, 2009). In addition to these hearings, various subcommittees held hearings that informed specific topics or considered specific legislative proposals related to financial regulatory reform (see subcommittee discussions below for details).

Between May 21, 2009, and November 3, 2009, members of the Committee introduced bills dealing with specific regulatory reform topics. Between October 14, 2009, and December 2, 2009, seven of these bills were marked up and ordered reported, as amended, to the House with a favorable recommendation by the Committee, as follows:

- H.R. 3795, the Over-the-Counter Derivatives Act of 2009. The text of the October 2, 2009, discussion draft was introduced as H.R. 3795 on October 13, 2009, marked up on October 14–15, 2009, and ordered reported favorably to the House, as amended, on October 15, 2009.

- H.R. 3126, the Consumer Financial Protection Agency Act of 2009. The bill was introduced on July 8, 2009, with a subsequent discussion draft, dated September 25, 2009, marked up as base text on October 22, 2009, and ordered reported favorably to the House, as amended, on October 22, 2009.

- H.R. 3818, Private Fund Investment Advisers Registration Act of 2009. The text of the October 1, 2009, discussion draft was introduced as H.R. 3818 on October 15, 2009, marked up on October 27, 2009, and ordered reported favorably to the House, as amended, on October 27, 2009.

- H.R. 3890, the Accountability and Transparency in Rating Agencies Act. The text of the October 16, 2009, discussion draft was introduced as H.R. 3890 on October 21, 2009, marked up on October 27–28, 2009, and reported favorably to the House, as amended, on October 28, 2009.

- H.R. 3817, the Investor Protection Act of 2009. The text of the October 1, 2009, discussion draft was introduced as H.R. 3817 on October 15, 2009, marked up on October 28, 2009, and November 3–4, 2009, and ordered reported favorably to the House, as amended, on November 4, 2009.

- H.R. 3996, the Financial Stability Improvement Act of 2009. The text of the October 29, 2009, discussion draft was introduced as H.R. 3996 on November 3, 2009, marked up on November 4–6 and November 17–19, 2009, and ordered reported favorably to the House, as amended, on December 2, 2009.

- H.R. 2609, the Federal Insurance Office Act of 2009. The bill was introduced on May 21, 2009, with a subsequent discussion draft, dated October 16, 2009, marked up on December 2, 2009 and ordered reported favorably to the House, as amended, on December 2, 2009.

H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, which was introduced on December 2, 2009, included the text of each of the aforementioned bills as reported by the Committee and the text of H.R. 1664 regarding executive compensation practices (which was introduced on March 23, 2009, marked up and reported, as amended, to the House with a favorable recommendation by the Committee on March 30, 2009, and passed by the House on April 1, 2009). The rule providing for consideration of H.R. 4173 appended thereto text that was virtually identical to that of H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act (which was introduced on March 26, 2009, marked up by the Committee on April 28–29, 2009, reported, as amended, to the House with a favorable recommendation by the Committee on May 4, 2009, and passed by the House on May 7, 2009), as well as amendments agreed to among the various committees with jurisdiction over H.R. 4173. H.R. 4173 passed the House, as amended, on December 11, 2009.

On May 20, 2010, the Senate passed H.R. 4173, entitled the Restoring American Financial Stability Act of 2010, amended by an amendment in the nature of a substitute, in lieu of S. 3217, the comprehensive financial regulatory reform bill initially introduced in the Senate on April 15, 2010. The Senate insisted on its amendments and requested a conference. On June 9, 2010, the Speaker appointed conferees. The House and Senate conferees met in con-

ference, with all sessions open to the public and televised, on June 10, 15, 16, 17, 22, 23, 24–25 and 29, 2010. The conference report was filed in the House on June 29, 2010, agreed to by the House on June 30, 2010, and agreed to by the Senate on July 15, 2010. The conference report was signed into law by President Obama and became Public Law 111–203 on July 21, 2010.

This law, also known as the Dodd-Frank Wall Street Reform and Consumer Protection Act, or simply the Dodd-Frank Act, addresses many of the factors that contributed to the financial crisis that began in 2008 and seeks to ensure that the government will never again be called upon to rescue individual failing firms in order to prevent the collapse of the broader financial system. The Dodd-Frank Act included provisions to strengthen prudential regulation of financial institutions and markets in numerous ways, including requiring more stringent capital, liquidity, and risk management requirements for large, interconnected financial companies; ensuring that the executive compensation structure at those and other publicly traded firms does not encourage excess risk taking; creating a new Bureau of Consumer Financial Protection and reforming mortgage lending requirements to include better consumer protections; providing additional investor protections; creating a more transparent and centralized system for trading and clearing derivatives and other financial instruments; and requiring registration of private pools of capital. If a large, interconnected financial firm were to experience grave difficulties in spite of this more stringent regulatory framework, the Dodd-Frank Act provides a specific mechanism that would enable the government to liquidate that firm in an orderly manner that protects the stability of the broader financial system. Costs of such an orderly liquidation would be allocated first to the firm's shareholders and creditors and, if necessary, other large financial institutions instead of to taxpayers. All of the above-mentioned reforms collectively should ensure that, in the future, TARP-like programs will be likely not be necessary to keep the broader financial system sound during times of severe economic distress.

TROUBLED ASSET RELIEF PROGRAM (TARP) AND OTHER INITIATIVES TO STABILIZE THE FINANCIAL SYSTEM.

The Committee held several hearings on TARP oversight. The first of two general oversight hearings, entitled "Priorities for the Next Administration: Use of TARP Funds under EESA," was held on January 13, 2009. Witness testimony included testimony from Federal Reserve Board and FDIC regulators, as well as industry representatives. A second hearing, entitled "TARP Accountability: Use of Federal Assistance by the First TARP Recipients," was held on February 11, 2009, and focused on whether the largest recipients of TARP Capital Purchase Program investments were responsibly using that capital. Witnesses were the CEOs of Goldman Sachs & Co., JPMorgan Chase & Co., Bank of New York Mellon, Bank of America, State Street Corporation, Morgan Stanley, Citigroup, and Wells Fargo & Co., representing companies who received TARP Capital Purchase Program (CPP) investments.

In addition, the Committee held more narrowly focused oversight hearings on the government intervention into AIG and the Federal Reserve emergency programs established under the emergency au-

thority of section 13(3) of the Federal Reserve Act (*e.g.*, “An Examination of the Extraordinary Efforts by the Federal Reserve Bank to Provide Liquidity in the Current Financial Crisis” (February 10, 2009); “Oversight of the Federal Government’s Intervention at American International Group” (March 24, 2009); “Unwinding Emergency Federal Reserve Liquidity Programs and Implications for Economic Recovery” (March 25, 2010)).

The Committee held a hearing specifically on the too-big-to-fail issue on July 21, 2009, entitled “Systemic Risk: Are Some Institutions Too Big to Fail and If So, What Should We Do About It?” The witnesses were primarily academics with expertise on the subject. The too-big-too-fail issue was also addressed repeatedly in the numerous hearings held by the Committee in 2009 of financial regulatory reform discussed below.

FINANCIAL SUPERVISION

On March 30, 2009, Chairman Frank and Senate Banking Committee Chairman Christopher J. Dodd sent a joint letter to the President of the United States to reiterate their commitment to work with him to establish a new, more robust framework for supervision and regulation of the financial services sector. On October 29, 2009, the Committee held a legislative hearing entitled “Systemic Regulation, Prudential Matters, Resolution Authority and Securitization.” This hearing, which specifically requested witnesses to testify regarding pending reform proposals relating to prudential oversight of financial institutions, followed numerous other general policy hearings held in prior months regarding a broader range of financial regulatory reform proposals (*e.g.*, full committee hearings entitled “Addressing the Need for Comprehensive Regulatory Reform” (March 26, 2009); “Banking Industry Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals” (July 15, 2009); “Industry Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals” (July 17, 2009); “Systemic Risk: Are Some Institutions Too Big to Fail, and if So, What Should We Do about It?” (July 21, 2009); “Regulatory Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals, Part I” (July 22, 2009); “Regulatory Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals, Part II” (July 24, 2009); “The Administration’s Proposals for Financial Regulatory Reform” (September 23, 2009); “Federal Regulator Perspectives on Financial Regulatory Reform Proposals” (September 23, 2009); Experts’ Perspectives on Systemic Risk and Resolution Issues” (September 24, 2009); and “Federal Reserve Perspectives on Financial Regulatory Reform Proposals” (October 1, 2009).

Witness testimony at the October 29, 2009 hearing included Treasury Secretary Geithner, federal banking regulators, a State insurance commissioner representative, and representatives from various industry and consumer advocate groups. The hearing focused on a discussion draft of the “Financial Stability Improvement Act of 2009,” which would: (1) address “too big to fail”; (2) provide for the orderly resolution of systemically important financial institutions; and (3) fundamentally reform the current system and structure of prudential regulation of financial institutions. The pru-

dential reforms included in the legislation would: (1) merge the Office of Thrift Supervision into the Office of the Comptroller of the Currency; (2) maintain the viability of the federal thrift charter while strengthening regulation of federal thrifts and thrift holding companies; (3) establish the Federal Reserve as the regulator for all bank and thrift holding companies and supplement the Federal Reserve's existing authority over systemically important financial market utilities and payment, clearing, and settlement systems; (4) eliminate outdated barriers to interstate branching authority; (5) strengthen and improve safety and soundness regulation of banks and thrifts and their holding companies, and (6) establish stronger capital requirements for bank holding companies.

The text of an October 29, 2009, discussion draft of the "Financial Stability Improvement Act of 2009" was introduced by Chairman Frank as H.R. 3996 on November 3, 2009, and was considered at a committee markup that spanned November 4–6 and November 17–19, 2009. The bill, as amended, was ordered reported to the House with a favorable recommendation by the Committee on December 2, 2009. The content of the bill then was incorporated into H.R. 4173, which passed the House on December 11, 2009. A final version of the legislation was enacted on July 21, 2010 as part of Public Law 111–203.

DEPOSIT INSURANCE REFORM

On December 11, 2009, the House passed H.R. 4173, which included significant reforms to the FDIC's Deposit Insurance Fund. The legislation made permanent the increase in the deposit insurance threshold from \$100,000 to \$250,000, providing increased certainty for depositors. Additionally, the legislation made the increase retroactive to January 1, 2008, to provide equitable treatment to account holders at institutions that failed prior to the initial increase of deposit insurance under the Emergency Economic Stabilization Act of 2008. To better ensure that deposit insurance premiums are risk-based, the formula for determining the assessment base on which premiums are calculated was changed to the average consolidated total assets minus the average tangible equity of the insured depository institution. On July 21, 2010, the final version of H.R. 4173, the Dodd-Frank Act, was enacted that included these same reforms. In addition, the enacted legislation increased the designated reserve ratio for the deposit insurance fund to 1.35 percent from 1.15 percent and holding small community banks harmless for the increased premiums. FDIC Chairman Sheila Bair had written to Chairman Frank on June 29, 2010 expressing support for an increase in the designated reserve ratio. In addition to deposit insurance reforms, H.R. 4173 as enacted also included a 2-year statutory extension of the FDIC's Transaction Guaranty Program.

OVERSIGHT OF PROGRESS BY THE BASEL COMMITTEE ON BANKING SUPERVISION

In response to the weaknesses in the current Basel II capital framework that were exposed during the recent financial crisis, the Basel Committee on Banking Supervision began work in 2009 to strengthen the Basel II capital framework, with particular empha-

sis on improving the quality of Tier 1 capital by including more common equity. The new “Basel III” framework was proposed for comment in December 2009, modified on July 26, 2010, and further refined on September 12. The Basel Committee [presented] the agreed-upon elements to the G20 leaders at the November 2010 summit in Seoul, and [describe results of 11/2010 G20]. The content of the agreed-upon elements, the process by which they were crafted, and the expected impact that their implementation would have on U.S. banking entities were discussed in detail at a September 22, 2010, hearing entitled “The State of the International Financial System, Including International Regulatory Issues Relevant to the Implementation of the Dodd-Frank Act,” at which Treasury Secretary Timothy Geithner was the only witness.

CONSUMER FINANCIAL PROTECTION

The Committee passed comprehensive legislation relating to consumer financial protection. On October 14, 2009, the Committee ordered reported H.R. 3126, which creates the Consumer Financial Protection Agency (CFPA). The new agency would be responsible for rulemaking, examination and enforcement for financial institutions that provide consumers with financial products and services. The rulemaking authority of the Federal Reserve and other Federal banking agencies under the existing consumer banking laws would be transferred to the CFPA. The Agency also would have broad rulemaking authority to address unfair, deceptive and abusive acts and practices that the Agency identifies in the future. CFPA also would examine bank and nonbank institutions for compliance with the consumer banking laws and CFPA regulations and enforce violations of those standards.

H.R. 3126 was originally introduced on July 8, 2009, and was based on legislation that was drafted by the Obama Administration. Elements of the CFPA had also been included in H.R. 1705, the Financial Products Safety Commission Act of 2009, which was introduced on March 25, 2009 by Representative William D. Delahunt and cosponsored by Representative Brad Miller. Like H.R. 3126, H.R. 1705 would have created a new independent agency with expanded rulemaking and enforcement authority over consumer financial products. On September 25, 2009, a revised discussion draft of H.R. 3126 was released, which was used as the mark up vehicle by the Committee.

The Committee held two hearings that focused specifically on the CFPA bill. On June 24, 2009, the Committee held a hearing entitled “Regulatory Restructuring: Enhancing Consumer Financial Products Regulation” This hearing was held seven days after the Obama Administration’s white paper was released outlining regulatory restructuring plans, including the CFPA legislation. On September 30, 2009, the Financial Services Committee held a hearing, which was five days after a revised discussion draft of the bill was released, entitled “Perspectives on the Consumer Financial Protection Agency.” The Committee used this discussion draft as the base text to mark up the bill.

In addition to these hearings, the Committee heard testimony from government officials that included discussions of the CFPA at the following hearings listed below:

- “Federal Reserve Perspectives on Financial Regulatory Reform Proposals,” October 1, 2009. The witness at this hearing was The Honorable Ben S. Bernanke, Chairman, Board of Governors of the Federal Reserve System;
- “The Administration’s Proposals for Financial Regulatory Reform,” September 23, 2009. The witness at this hearing was The Honorable Timothy F. Geithner, Secretary, U.S. Department of the Treasury;
- “Federal Regulator Perspectives on Financial Regulatory Reform Proposals,” September 23, 2009; and
- “Regulatory Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals—Part Two,” July, 24, 2009.

MORTGAGE REFORM

On April 28, 2009, the Committee ordered reported H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, which is intended to reform mortgage lending practices to avert a recurrence of the current situation of unprecedented levels of defaults and foreclosures rates. The bill was fashioned after similar legislation that passed the House in November 2007 (H.R. 3915), but was updated and contains a number of new provisions. The bill’s provision included: (i) imposing compensation and other restrictions on mortgage brokers and loan officers, (ii) setting underwriting standards for mortgages, (iii) imposing liability on securitizers and other participants in the secondary mortgage market for supporting irresponsible lending, (iv) setting requirements for underwriters and other mortgage market participants to retain credit risk in the mortgages they make and securitize, (v) expanding the scope of and enhances consumer protections for high-cost loans under the Home Ownership and Equity Protection Act (HOEPA), (vi) establishing an Office of Housing Counseling at HUD that will carry out and coordinate homeownership and rental housing counseling programs, and (vii) adopting provisions aimed at stopping or mitigating a number of abusive and deceptive practices related to escrow accounts, mortgage servicing, and appraisal practices. A substantial portion of these provisions were included in the Dodd-Frank Act or other legislation that passed in this Congress.

The Subcommittee on Financial Institutions and Consumer Credit held a hearing on March 11, 2009 entitled “Mortgage Lending Reform: A Comprehensive Review of the American Mortgage System.” The Committee held a hearing on April 23, 2009 entitled “H.R. 1728: Mortgage Reform and Anti-Predatory Lending Act”. These hearings focused directly on the legislation and witnesses from Federal and state governments, the banking and mortgage industry and consumer, community and civil rights groups testified at these hearings.

CREDIT CARD REFORM

On April 22, 2009, the Committee approved H.R. 627, the “Credit Cardholders’ Bill of Rights Act of 2009.” The bill would prohibit certain unfair and deceptive credit card practices and provides consumers with tools to manage their credit card debt responsibly. The bill would prohibit retroactive rate increases on existing balances

except under limited circumstances, including where the consumer is over 30 days late in making payment, and require creditors to provide consumers with a reasonable time to pay off the balance. It would require creditors to provide a written notice of any rate increase at least 45 days before the increase takes effect, and to send periodic statements to consumers no less than 21 days before the due date. The bill would prohibit double cycle billing and requires creditors to allocate payments in excess of the minimum to either the highest rate balance first or in a proportional manner. The bill would limit overlimit fees and bans fees on interest-only balances. The bill would require creditors to offer cardholders the ability to prevent any overlimit transactions on their card. It would prohibit creditors from knowingly issuing a credit card to a minor who is not emancipated. The bill would prohibit creditors from reporting the issuance of any credit card to a credit bureau until the cardholder uses or activates the card. For credit cards on which fees in the first year exceed 25 percent of the initial credit limit, the bill would require that such fees (except late, overlimit, and insufficient fund fees) be paid from a source other than the card. The bill also provides for additional data collection to enable better oversight and regulation. This bill was signed into law on May 22, 2009.

On October 26, 2009, the Committee approved H.R. 3639—Expedited CARD Reform for Consumers Act of 2009. H.R. 3639 would accelerate the implementation of certain provisions in existing law related to the regulation and operations of the credit card industry. The Credit Card Accountability Responsibility and Disclosure Act of 2009 (H.R. 627) set deadlines for implementing various reforms and procedures, with most of those measures scheduled to take effect in February and August of 2010. This bill would change those effective dates to December 1, 2009, subject to exemptions for entities that issue prepaid gift cards and depository institutions (such as banks and credit unions) with less than 2 million credit cards in circulation.

The Committee heard testimony from Federal and state government authorities, industry representatives and community and consumer groups on the need for the legislation. On October 8, 2009, the Committee held a hearing entitled “H.R. 2382, the Credit Card Interchange Fees Act of 2009 and H.R. 3639, the Expedited CARD Reform for Consumers Act of 2009.” On March 19, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “H.R. 627, the Credit Cardholders’ Bill of Rights Act of 2009; and H.R. 1456, the Consumer Overdraft Protection Fair Practices Act of 2009.”

CREDIT AVAILABILITY IN THE SMALL BUSINESS AND COMMERCIAL REAL ESTATE MARKETS

On May 19, 2010, the Committee approved the “Small Business Lending Fund Act of 2010” (H.R. 5297), which was designed to provide support for increased small business lending by providing additional capital to small banks that will enable them to increase such lending. The Committee held numerous hearings on the condition of small business and commercial real estate lending in local markets. The issues that were considered at these hearings in-

cluded the effect illiquidity in these markets was having on employment, in general, and on local small business, real estate markets and community banks. One issue, in particular, that was considered at several hearings was the issue of whether community banks were receiving unnecessarily strict examinations of their commercial real estate portfolios from Federal banking agency examiners when the management of these agencies are advising discretion. Testimony at these hearings included Treasury and the Banking Agencies, banks, small businesses and real estate developers.

The hearings held by the Committee included the following:

- On July 29, 2010, the Committee held a hearing entitled “Alternatives for Promoting Liquidity in the Commercial Real Estate Markets, Supporting Small Businesses and Increasing Job Growth”;
- On May 18, 2010, the Committee held a hearing entitled “Initiatives to Promote Small Business Lending, Jobs and Economic Growth”;
- On May 17, 2010, the Subcommittee on Oversight and Investigations held a hearing entitled “Commercial Real Estate: A Chicago Perspective on Current Market Challenges and Possible Responses”;
- On February 26, 2010, the Committee held a hearing entitled “Condition of Small Business and Commercial Real Estate Lending in Local Markets”;
- On January 21, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “The Condition of Financial Institutions: Examining the Failure and Seizure of an American Bank”;
- On November 30, 2009, the Subcommittee on Oversight held a hearing entitled “Improving Responsible Lending to Small Businesses”; and
- On March 25, 2009, the Committee held a hearing entitled “Exploring the Balance between Increased Credit Availability and Prudent Lending Standards”.

H.R. 5297 passed the House on June 17, 2010, and passed the Senate amended on September 16, 2010. The House concurred in the Senate amendment on September 23, 2010, and the legislation became Public Law 111-240 on September 27, 2010.

CONSUMER CREDIT

The Committee held a series of hearings in the Subcommittee on Financial Institutions and Consumer Credit to review the impact on the availability and affordability of financial products on consumers from creditors’ reliance on credit scores and credit information to assess consumers’ creditworthiness. The Subcommittee also reviewed the impact on individuals from the growing use of credit information beyond lending decisions such as, the use of credit information by employers for hiring, promotion and retention purposes.

FAIR LENDING

In April 2008, the Committee asked the Government Accountability Office (GAO) to conduct a comprehensive review of the cur-

rent state of Federal enforcement of the Fair Housing Act (FHA) and other fair lending statutes. In response to this request, GAO issued a report in July 2009 entitled, “FAIR LENDING: Data Limitations and the Fragmented U.S. Financial Regulatory Structure Challenge Federal Oversight and Enforcement Efforts” (GAO-09-704). GAO recommends in the report that Congress consider options to expand the data available to detect potential fair lending violations such as, requiring certain lenders to report additional data under the Home Mortgage Disclosure Act (HMDA). The Committee reviewed the GAO report, and passed several provisions under the Dodd-Frank Act to try to enhance Federal oversight and enforcement of fair lending laws, including: (1) establishing an Office of Fair Lending and Equal Opportunity within the CFPB to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities and (2) requiring lenders to collect and publicly report additional data fields under HMDA.

WORKFORCE DIVERSITY

The Committee continued to monitor the workforce diversity at Federal financial services agencies and the entities that they regulate. An amendment during consideration of the financial services regulatory reform legislation was incorporated into the Dodd-Frank Act creating Offices of Minority and Women Inclusion at several Federal financial services agencies.

GOVERNMENT SPONSORED ENTERPRISES AND HOUSING FINANCE REFORM

The Committee held a series of hearings in the 111th Congress that addressed the housing crisis, the conservatorship of Fannie Mae and Freddie Mac, and the reform of the U.S. housing finance system. Committee staff held frequent briefings, a majority of which were held on a bipartisan basis, on matters related to housing finance reform with a broad range of stakeholders, including both public and private entities, to assess the current crisis and to lay the groundwork for the reform of the system.

The Committee held three hearings to address the public and private sectors’ broad views on the critical functions of the housing finance system. These hearings addressed:

- the essential functions that any reformed housing market and mortgage finance system must be able to perform;
- the steps in the short run that need to be taken, broadly, to facilitate a housing finance market recovery;
- the functions performed by the housing government sponsored enterprises (GSEs) that are essential to a robust market for housing and housing finance and whether these functions should be performed by the government; and
- whether other entities could achieve the GSE housing mission objectives while at the same time ensuring safe and sound operations and minimizing risks to financial stability.

The first hearing, entitled “Housing Finance—What Should the New System Be Able to Do?: Part I—Government and Stakeholder Perspectives,” occurred on March 23, 2010, and consisted of two panels. The Honorable Timothy F. Geithner, Secretary, U.S. Department on the Treasury, testified alone on the first panel. The

second panel of private sector experts included Sarah Rosen Wartell, Executive Vice President, Center for American Progress; Michael Berman, President and CEO, CWCcapital on behalf of the Mortgage Bankers Association; Mark A. Calabria, Ph.D., Director, Financial Regulation Studies, Cato Institute; Vincent O'Donnell, Vice President, Affordable Housing Preservation Initiative, Local Initiatives Support Corporation (LISC); Robert E. DeWitt, President, CEO, and Vice Chairman, GID Investment Advisers LLC on behalf of the National Multi-Housing Council; Janis Bowdler, Deputy Director, Wealth-Building Policy Project, National Council of La Raza; Anthony Sanders, Distinguished Professor of Real Estate Finance, School of Management, George Mason University; and Vince Malta, Vice President and Liaison to Government Affairs, National Association of Realtors.

On April 14, 2010, the Committee held the second hearing entitled "Housing Finance—What Should the New System Be Able to Do?: Part II—Government and Stakeholder Perspectives." The Honorable Shaun Donovan, Secretary, U.S. Department of Housing and Urban Development, testified on the first panel. Presenters on the second panel included Anthony T. (Tuck) Reed, Executive Vice President, Capital Markets SunTrust Mortgage, Inc., on behalf of The Financial Services Roundtable; Sheila Crowley, President and CEO, National Low Income Housing Coalition; Alex J. Pollock, Resident Fellow, American Enterprise Institute; Jack E. Hopkins, President/CEO, CorTrust Bank, NA, on behalf of the Independent Community Bankers of America; Thomas Gleason, Executive Director, MassHousing; Anthony M. Randazzo, Director of Economic Research, Reason Foundation; and Rick Judson, Third Vice Chairman, National Association of Home Builders.

On September 29, 2010, the Committee held an additional hearing entitled "The Future of Housing Finance—A Review of Proposals to Address Market Structure and Transition." This hearing continued the Committee's investigation of the principles and proposals of various stakeholders related to reforming the U.S. housing finance system. The hearing focused on obtaining non-governmental perspectives on a variety of topics, including:

- the Dodd-Frank Act and its implications for mortgage origination and securitization;
- the implications of the Fannie Mae and Freddie Mac conservatorships and/or considerations for housing finance reform;
- key considerations for transition to a new system to facilitate housing finance in the United States; and
- the witnesses' housing finance reform proposals submitted to the U.S. Department of the Treasury and the Department of Housing and Urban Development through a public comment period, if any.

Witnesses for this hearing included Michael J. Heid, Co-President of Wells Fargo Home Mortgage and Chairman of the Housing Policy Council of The Financial Services Roundtable; The Honorable Phillip L. Swagel, McDonough School of Business, Georgetown University; Susan Wachter, Richard B. Worley Professor of Financial Management, The Wharton School, University of Pennsylvania; Christopher Papagianis, Managing Director, Economics21; Michael

Bodaken, President, National Housing Trust; Ed Pinto, Real Estate Financial Services Consultant; Michael A.J. Farrell, Chairman, CEO and President, Annaly Capital Management, Inc. on behalf of Annaly Capital Management and the National Association of Real Estate Investment Trusts' Mortgage REIT Council; and Tom Deutsch, Executive Director, American Securitization Forum.

As noted in the section on the oversight activities of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, the Committee's three hearings on housing finance reform complemented the four hearings of the Capital Markets Subcommittee on these matters.

THE CONSEQUENCES OF THE COLLAPSE OF LEHMAN BROTHERS

On May 5, 2009, the Committee held a hearing entitled "The Effect of the Lehman Brothers Bankruptcy on State and Local Governments." The hearing vetted the effects of the bankruptcy on the more than 100 U.S. municipalities with a total exposure of approximately \$1.7 billion in bonds, notes, commercial paper and guaranteed investment contracts. The affected municipalities had formed a coalition to advocate for the Treasury Department to purchase the defaulted securities and contracts at their face value.

Representative Jackie Speier and Representative Eshoo reviewed their legislation, H.R. 467, on the first panel of the hearing. The legislation would amend the Emergency Economic Stabilization Act to direct the Treasury Department to purchase all bonds and debt instruments of Lehman Brothers held by municipalities on the date of Lehman's bankruptcy. The second panel's witnesses included The Honorable Karen Rushing, Clerk of the Circuit Court and County Comptroller of Sarasota County, Florida; Ron Galatolo, Chancellor, San Mateo County Community College; The Honorable Richard Gordon, Supervisor, San Mateo County Board of Supervisors; The Honorable Bob Hullinghorst, Boulder County Treasurer, Boulder, Colorado; Chris Thornberg, Economist, Beacon Economics; and The Honorable Chriss W. Street, Orange County Treasurer, Santa Ana, California.

On March 11, 2010, the Court Appointed Examiner Anton R. Valukas in response to the request from the U.S. Bankruptcy Court for the Southern District of New York filed a report about the bankruptcy of Lehman Brothers Holdings on September 15, 2008. Among the key issues discussed in the report included the role of risk management at Lehman; the firm's use of "Repo 105 and 108" (an accounting tactic to adjust balance sheet leverage at quarter-end for purposes of reporting); and the role of governmental entities, such as the U.S. Securities and Exchange Commission (SEC) and the Federal Reserve Bank of New York (FRBNY) in regulating and lending to Lehman, respectively.

On April 20, 2010, the Committee held a hearing entitled "Public Policy Issues Raised by the Report of the Lehman Bankruptcy Examiner." Among other issues, the hearing focused on the public policy implications raised in the examiner's review, including:

- the extent to which corporate governance should be enhanced to appropriately manage firm risk;

- views regarding the communication, knowledge, and understanding among risk managers, boards of directors, and senior management;
- the role of the SEC as Lehman’s primary regulator in oversight, examination and enforcement in advance of Lehman’s bankruptcy filing, and the role of other government agencies, including the FRBNY, that were monitoring Lehman during the crisis;
- the relationship and means of communication, especially formal and informal information sharing, between the SEC and FRBNY as Lehman’s financial condition deteriorated as well as between Lehman, the SEC, the Treasury Department, the Board of Governors of the Federal Reserve System, and the FRBNY;
- the appropriateness of accounting practices such as Repo 105 or 108 and the adequacy of the disclosure of such accounting practices; and
- the quality of Lehman’s Management Discussion and Analysis disclosures in its public filings for the 2007 reporting periods.

The four-panel hearing began with testimony from Representatives Anna G. Eshoo and Ed Perlmutter. The second panel included senior government officials in their capacity as regulators in the run up to and the collapse of Lehman Brothers. These officials included The Honorable Timothy F. Geithner, Secretary, U.S. Department of the Treasury; The Honorable Ben S. Bernanke, Chairman, Board of Governors of the Federal Reserve System; and The Honorable Mary L. Schapiro, Chairman, U.S. Securities and Exchange Commission.

Anton Valukas, a partner at Jenner & Block and the Court Appointed Bankruptcy Examiner, testified on the third panel regarding his report. The fourth panel included members of the board of directors of Lehman Brothers and an academic. Witnesses included Richard Fuld, former Chairman and CEO, Lehman Brothers; Thomas Cruikshank, former member of the board of directors and chair of Lehman Brothers’ audit committee; and William Black, Professor of Economics and Law at the University of Missouri—Kansas City.

REFORM OF THE OVER-THE-COUNTER DERIVATIVES MARKET

On July 10, 2009, the Committee held a hearing jointly with the Committee on Agriculture entitled “A Review of the Administration’s Proposal to Regulate the Over-the-Counter Derivatives Market.” The Honorable Timothy F. Geithner, Secretary, U.S. Department of the Treasury appeared as the hearing’s sole witness. Secretary Geithner provided an overview of the views on derivatives regulation contained in the Administration’s white paper entitled “Financial Regulatory Reform, A New Foundation: Rebuilding Financial Supervision and Regulation” released in June 2009. Secretary Geithner’s testimony also addressed specific questions, including the level of standardization necessary for central clearing of derivatives contracts, the trade reporting protocols recommended by the Administration, and measures in the Administration’s plan

that would bring over-the-counter derivatives trading onto exchanges.

On October 7, 2009, the Committee held a legislative hearing entitled “Reform of the Over-the-Counter Derivative Market: Limiting Risk and Ensuring Fairness.” At the hearing, witnesses presented their views on a discussion draft of legislation released by the Committee on October 2, 2009. The draft legislation, later reported as H.R. 3795, the Over-the-Counter Derivatives Markets Act of 2009, proposed a new and comprehensive framework for regulating swaps and security-based swaps. Subject to certain exceptions, the bill required clearing of swap transactions; execution of swap transactions on exchanges or swap execution facilities; reporting and recordkeeping of swap transactions; registration and oversight of participants in the swap markets, including swap dealers, major swap participants and designated clearing organizations; and compliance with capital and margin levels.

Witnesses at this hearing included regulators, academics and derivatives market participants. Participants on the first panel included The Honorable Gary Gensler, Chairman, Commodity Futures Trading Commission; and Henry Hu, Director, Division of Risk, Strategy, and Financial Innovation, U.S. Securities and Exchange Commission. The witnesses on the second panel included Jon Hixson, Director, Federal Government Relations, Cargill Inc.; Ren M. Stulz, Everett D. Reese Chair of Banking and Monetary Economics, Fisher College of Business, The Ohio State University; Scott Sleyster, CFA, Chief Investment Officer, Domestic, Prudential Financial; David Hall, Chief Operating Officer, Chatham Financial Corp.; James J. Hill, Managing Director, Morgan Stanley on behalf of the Securities Industry and Financial Markets Association (SIFMA); Stuart J. Kaswell, Executive Vice President and Managing Director, General Counsel, Managed Funds Association; Steven A. Holmes, Director of Treasury Operations, Treasury Department, Deere & Company; Christopher Ferreri, Managing Director, ICAP on behalf of the Wholesale Markets Brokers Association; and Rob Johnson, Director of Economic Policy for the Roosevelt Institute in New York on behalf of Americans for Financial Reform.

On October 15, 2009, the Committee met to consider and mark up H.R. 3795. The bill proposed a comprehensive framework for the regulation of swaps and security-based swaps. Specifically, the bill imposed requirements relating to all aspects of the swaps and security-based swaps market, including clearing, exchange-trading, registration of market participants, reporting, recordkeeping, and capital and margin levels. The Committee reported H.R. 3795 to the House, as amended, with a favorable recommendation by a record vote of 43 yeas and 26 nays. H.R. 3795 was subsequently combined and reconciled with H.R. 977, a derivatives bill reported out of the House Agriculture Committee. The resulting provisions comprised Title III of H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, the comprehensive financial services regulatory reform bill passed by the House on December 11, 2009. Many of those provisions on enhanced regulation of swaps and security-based swaps are reflected in Title VII of the Dodd-Frank Act.

FINANCIAL REFORM HEARINGS—CAPITAL MARKETS

On October 6, 2009, the Committee held a three-panel legislative hearing entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” Each panel at the hearing vetted legislation introduced by Capital Markets Subcommittee Chairman Paul E. Kanjorski. These bills formed the foundation of the capital markets, investor protection and insurance information reforms ultimately incorporated into the Dodd-Frank Act.

The hearing’s first panel addressed a discussion draft of H.R. 3817, the Investor Protection Act of 2009. Witnesses included Denise Voigt Crawford, Texas Securities Commissioner, Securities Administrators Board, on behalf of the North American Securities Administrators Association; Richard Ketchum, Chairman and CEO, Financial Industry Regulatory Authority (FINRA); Mercer E. Bullard, Founder and President, Fund Democracy, Inc.; John Taft, Head of Wealth Management, RBC Wealth Management, on behalf of SIFMA; David G. Tittsworth, Executive Director, Investment Adviser Association; and Bruce W. Maisel, Vice President and Managing Counsel, General Counsel’s Office, Thrivent Financial for Lutherans, on behalf of the American Council of Life Insurers.

The second panel addressed a discussion draft of H.R. 3818, the Private Fund Investment Advisers Registration Act of 2009. Witnesses on this panel included The Honorable Richard H. Baker, President, Managed Funds Association; Douglas Lowenstein, President, Private Equity Council; James S. Chanos, Chairman, Coalition of Private Investment Companies; and Terry McGuire, Co-Founder and General Partner, Polaris Venture Partners, and Chairman, National Venture Capital Association.

The third panel’s participants commented on H.R. 2609, the Federal Insurance Office Act of 2009. Witnesses included Janice M. Abraham, President and CEO, United Educators Insurance, on behalf of the Property Casualty Insurers Association of America; David B. Atkinson, Executive Vice President and Vice Chairman, RGA Reinsurance Company, on behalf of the Reinsurance Association of America; Dennis S. Herchel, Assistant Vice President and Counsel, Massachusetts Mutual Life Insurance Company, on behalf of the American Council of Life Insurers; Spencer M. Houldin, President, Ericson Insurance Advisors, on behalf of the Independent Insurance Agents & Brokers of America; Therese Vaughan, CEO, National Association of Insurance Commissioners; and J. Stephen Zielezienski, Senior Vice President and General Counsel, American Insurance Association.

MUNICIPAL SECURITIES MARKETS

On May 21, 2009, the Committee held a multi-panel legislative hearing entitled “Legislative Proposals to Improve the Efficiency and Oversight of Municipal Finance.” The hearing focused on five legislative proposals:

- the Municipal Bond Insurance Enhancement Act (H.R. 2589 introduced by Representative Emanuel Cleaver) to establish the Office of Public Finance within the Treasury Depart-

ment to provide Federal reinsurance for municipal-only bond insurers, thus making it easier for smaller, lesser known bond issuers to obtain bond insurance and gain access to the capital markets;

- the Municipal Bond Liquidity Enhancement Act (H.R. 2551 introduced by Representative Bill Foster) to authorize the Federal Reserve to fund new liquidity facilities that could redeem variable rate municipal bonds, thereby enhancing liquidity in that market;

- the Municipal Financial Advisors Regulation Act (H.R. 2550 introduced by Representative Steve Driehaus) to create a regulatory regime for financial advisors to municipalities, including registration obligations, a fiduciary duty and prohibitions against fraud and manipulation;

- the Municipal Bond Fairness Act (H.R. 2549 introduced by Representative Michael E. Capuano) to impose requirements on Nationally Recognized Statistical Rating Organizations to ensure that their municipal bond credit ratings were not unfairly low relative to their corporate bond ratings; and

- the Federal Municipal Bond Marketing Support and Securitization Act (H.R. 1669 introduced by Representative Gerald E. Connolly) to give the Treasury Secretary the authority to provide credit enhancements to municipal issuers and to purchase municipal bonds in order to restore activity in the municipal bond market.

Witnesses at the hearing included representatives from Federal agencies and local governments, as well as participants in the municipal market. The participants on the first panel included Martha Mahan Haines, Chief, Office of Municipal Securities, U.S. Securities and Exchange Commission; Bill Apgar, Senior Advisor to the Secretary, U.S. Department of Housing and Urban Development; David W. Wilcox, Deputy Director, Division of Research and Statistics, Board of Governors of the Federal Reserve System; The Honorable Thomas C. Leppert, Mayor of Dallas, Texas, on behalf of the U.S. Conference of Mayors; and Ben Watkins, Director of the State of Florida Division of Bond Finance, State Board of Administration, Florida.

The witnesses on the second panel consisted of Michael J. Marz, Vice Chairman, First Southwest Company; Laura Levenstein, Senior Managing Director, Moody's Investors Service; Keith Curry, Managing Director, PFM Group; Alan B. Ispass, PE, BCEE, Vice President and Global Director of Utility Management Solutions, CH2M Hill; Sean W. McCarthy, President and Chief Operating Officer, Financial Security Assurance, Inc.; Bernard Beal, CEO, M.R. Beal and Company on behalf of SIFMA; Mary Jo Ochson, CFA, Senior Vice President, Chief Investment Officer for the Tax-Exempt Money Market and Municipal Bond Investment Groups and Senior Portfolio Manager, The Federated Funds; Mike Allen, Chief Financial Officer, Winona Health; and Sean Egan, Managing Director, Egan-Jones Ratings Company.

The provisions of the Municipal Financial Advisors Regulation Act were ultimately incorporated into Title V of the comprehensive financial services regulatory reform bill passed by the House on

December 11, 2009. Some of those provisions are also reflected in Subtitle H of Title IX of the Dodd-Frank Act.

SEC CONFIDENTIALITY PROVISION

On September 16, 2010, the Committee held a legislative hearing entitled “Legislative Proposals to Address Concerns Over the SEC’s New Confidentiality Provision.” The hearing focused on Section 929I of the Dodd-Frank Act, which protected SEC examination materials from production in response to Freedom of Information Act (FOIA) requests and subpoenas. Shortly after passage of the Dodd-Frank Act, some public interest groups and Members of Congress voiced concern that Section 929I protected too much information about the SEC from public scrutiny. The hearing also focused on four bills introduced to repeal and/or modify Section 929I, namely H.R. 5924 introduced by Representative Darrell E. Issa, H.R. 5948 introduced by Representative John Campbell, H.R. 5970 introduced by Representative Ron Paul, and H.R. 6086 introduced by Representative Edolphus Towns.

Witnesses at the hearing included bill sponsors and representatives from the SEC, open-government groups, and private sector securities lawyers. Specifically, the participants on the first panel included Representatives Towns and Issa. The sole witness on the second panel was SEC Chairman Mary L. Schapiro. Witnesses on the third panel consisted of The Honorable Harvey L. Pitt, CEO, Kalorama Partners, LLC; Angela Canterbury, Director of Public Policy, Project on Government Oversight; Rick Blum, Coordinator, Sunshine in Government Initiative; Steven Mintz, Partner, Mintz & Gold; and Susan Merrill, Partner, Bingham McCutchen LLP, on behalf of SIFMA.

On September 21, 2010, the Senate passed S. 3717 (introduced by Senator Patrick Leahy) by unanimous consent. A companion bill to H.R. 6086, S. 3717 provided for the repeal of Section 929I. The bill also mitigated the impact on the SEC by clarifying that the traditional FOIA exemption for exam materials applied to SEC-regulated entities. S. 3717 did not, however, preserve any protections for exam-related materials sought from the SEC by third-party subpoena.

To address concerns about the broad scope of Section 929I without further delay, the House passed S. 3717 on September 23, 2010, by voice vote, and the bill became law on October 5, 2010 (P.L. 111–257). On the House floor, Financial Services Chairman Barney Frank and Ranking Member Spencer Bachus, along with Oversight and Government Reform Chairman Edolphus Towns and Ranking Member Darrell Issa, affirmed their commitment to restore some of the protections lost through repeal of Section 929I, so that the SEC will be able to resist attempts by litigants to obtain exam-related information via third-party subpoena.

COVERED BONDS

On December 15, 2009, the Committee held a hearing entitled “Covered Bonds: Prospects for a U.S. Market Going Forward.” The hearing considered the potential role that covered bonds could play in U.S. markets and whether covered bonds could serve as an alternative to mortgage securitization. Witnesses included Alan Boyce,

CEO, Absalon; Scott A. Stengel, Partner, Orrick, Herrington & Sutcliffe LLP on behalf of the U.S. Covered Bond Council; Bert Ely, Ely & Company Inc.; Wesley Phoa, Senior Vice President, Capital International Research, Inc.; and J. Christopher Hoeffel, Managing Director, Investcorp International Inc. on behalf of the Commercial Mortgage Securities Association.

On July 27, 2010, the Committee subsequently held a markup of and favorably reported H.R. 5823, the United States Covered Bond Act of 2010, introduced by Capital Markets Subcommittee Ranking Member Scott Garrett, along with Financial Services Ranking Member Bachus and Capital Markets Subcommittee Chairman Kanjorski. In general, the bill establishes a regulatory framework for a covered bond market in the United States by providing rule-writing authority and direction to the covered bond regulator to determine the eligible participants, appropriate assets for inclusion in covered pools, and a resolution mechanism in the event of a default of the covered bond or resolution of an issuer.

INSURANCE REGULATORY REFORM

Although not formally considered by the Committee in the 111th Congress, two insurance regulatory reform bills previously considered by the Committee passed the House under suspension of the rules. On September 9, 2009, the House passed H.R. 2571, the Nonadmitted and Reinsurance Reform Act of 2009, and on May 21, 2010, the House approved H.R. 2554, the National Association of Registered Agents and Brokers Reform Act of 2010. The Nonadmitted and Reinsurance Reform Act was subsequently incorporated into the Dodd-Frank Act and became law on July 21, 2010.

INSURANCE INFORMATION

Building substantially on the oversight and legislative activities in the areas of insurance information and insurance regulatory reform of the Capital Markets Subcommittee during the 110th Congress and the 111th Congress, on October 6, 2009, the Committee held a hearing entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” As noted above in the section on financial reform hearings, the third panel of witnesses for this hearing commented on H.R. 2609, the Federal Insurance Office Act of 2009. H.R. 2609 was the 111th Congress iteration of Subcommittee Chairman Kanjorski’s Office of Insurance Information Act of 2008. Both bills sought to create an insurance office within the Treasury Department to provide advice to and expertise on insurance policy to the Administration and Congress. On December 2, 2009, H.R. 2609 passed the Committee by a unanimous voice vote. The bill was subsequently incorporated into H.R. 4173 and became public law as part of the Dodd-Frank Act.

NATIONAL FLOOD INSURANCE PROGRAM EXTENSION AND REFORM

H.R. 5114, the Flood Insurance Reform Priorities Act of 2010, and H.R. 1264, the Multiple Peril Insurance Act of 2009, were ordered reported by the Committee on April 27, 2010. H.R. 5114

would have reauthorized the National Flood Insurance Program (NFIP) for five years and provided various reforms to the program, including the phasing in of actuarial rates for newly mapped homeowners. H.R. 1264 would have allowed the NFIP to offer optional wind insurance policies and would have prohibited insurers from including anti-concurrent causation provisions in their homeowners' insurance policies. On April 22, 2010, the Committee reported both bills with favorable recommendations. On July 15, 2010, the House passed H.R. 5114 by a vote of 329 to 90.

The Committee additionally drafted legislation, H.R. 5569, to continue the NFIP for a three-month period pending the enactment of a long-term authorization. On July 2, 2010, President Obama signed H.R. 5569, legislation to continue the NFIP from June 1 to September 30, 2010. On September 30, 2010, President Obama subsequently signed S. 3814, legislation to continue the NFIP through September 30, 2011.

NATURAL DISASTER INSURANCE

H.R. 2555, the Homeowners' Defense Act of 2010, was ordered reported by the Committee on April 27, 2010, and was favorably reported to the House on July 13, 2010. H.R. 2555 would provide Federal encouragement for States to develop State-sponsored reinsurance programs designed to enhance the efficiency by which catastrophic risks are transferred into the capital markets. Specifically, H.R. 2555 would: (1) establish a non-profit consortium to coordinate catastrophe risk management actions by the States; (2) provide for a Federal guarantee of debt obligations issued by eligible state-based catastrophe insurance programs; (3) establish a Federal program to provide reinsurance to eligible state-based catastrophe insurance programs; (4) authorize a new Federal grant program to help the States prevent and mitigate losses from natural disasters; and (5) direct the GAO to study and report on the use of risk-based pricing by state-based catastrophe insurance programs.

FEDERAL INTERVENTION IN THE AMERICAN INTERNATIONAL GROUP

On March 24, 2009, the Committee held a hearing entitled "Oversight of the Federal Government's Intervention at American International Group." This hearing, chaired predominantly by Capital Markets Subcommittee Chairman Kanjorski, consisted of one panel of witnesses featuring Treasury Secretary Timothy F. Geithner, Federal Reserve Chairman Ben S. Bernanke, and Federal Reserve Bank of New York President William Dudley.

The hearing focused broadly on the lead up to and need for Federal intervention at American International Group (AIG), but centered substantially on compensation paid to employees at AIG's failing Financial Products division. This hearing and a corresponding Capital Markets Subcommittee hearing together formed only a small part of an extensive series of related correspondence and ongoing AIG oversight undertaken by the Committee and Capital Markets Subcommittee throughout the 111th Congress.

On March 25, 2009, the Committee also considered a resolution of inquiry, House Resolution 251, directing the Treasury Secretary to transmit to the U.S. House of Representatives all information in his possession relating to specific communications with AIG. The

Committee ordered the resolution reported to the House with a favorable recommendation by a recorded vote of 64 to zero (H. Rept. 111-84).

EXECUTIVE COMPENSATION

On March 18 and 24, 2009, the Capital Markets Subcommittee and the Committee, respectively, held hearings relating to the Federal intervention at AIG (see the discussion immediately above). Witnesses for these two hearings included Scott Polakoff, Acting Director, Office of Thrift Supervision; Joel Ario, Insurance Commissioner, Pennsylvania Insurance Department, on behalf of the National Association of Insurance Commissioners; Orice M. Williams, Director, Financial Markets and Community Investment, Government Accountability Office; Rodney Clark, Managing Director, Insurance Ratings, Standard & Poor's; Edward M. Liddy, Chairman and CEO, AIG; Treasury Secretary Geithner, Federal Reserve Chairman Bernanke, and Federal Reserve Bank of New York President Dudley.

These hearings dealt substantially with compensation practices at AIG following the intervention of the Federal Government and brought to the forefront the larger issues of compensation at financial institutions, particularly the financial institutions that received Federal financial assistance through the Troubled Asset Relief Program (TARP). In the immediate aftermath of the March 2009 AIG hearings, on March 25 the Committee considered H.R. 1664, a bill to amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation at companies participating in the TARP program. The Committee ordered H.R. 1664 reported to the House with a favorable recommendation by a record vote of 38 to 22. On April 1, 2009, H.R. 1664 passed the House by a recorded vote of 247 to 171.

On June 11, 2009, the Committee held the first of four executive compensation hearings conducted during the 111th Congress. This first hearing, entitled "Compensation Structure and Systemic Risk," focused broadly on oversight and regulation of compensation practices in the financial services industry, particularly in the context of systemic risk regulatory reform. Witnesses at this hearing included Gene Sperling, Counselor to the Secretary of the Treasury; Scott Alvarez, General Counsel, Board of Governors of the Federal Reserve System; Brian Breheny, Deputy Director of Corporate Finance, U.S. Securities and Exchange Commission; Lucien Bebchuk, Professor of Law, Economics, and Finance, and Director of the Program on Corporate Governance, Harvard Law School; Nell Minow, Editor and Founder, The Corporate Library; Lynn Turner, former Chief Accountant, U.S. Securities and Exchange Commission; Kevin Murphy, Trefftz Chair in Finance, University of Southern California; and J.W. Verret, Assistant Professor, George Mason University School of Law.

This hearing also served as a legislative hearing for H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act of 2009. H.R. 3269 provides shareholders a non-binding, advisory vote on their company's pay practices, requires Federal regulators to proscribe any inappropriate and imprudently risky compensation

practices as part of solvency regulation of all financial institutions, and mandates disclosure of compensation structures for financial institutions with assets in excess of \$1 billion. The Committee favorably reported H.R. 3269 by a recorded vote of 40 to 28 on July 28, 2009, and the bill passed the House by a recorded vote of 237 to 185 on July 31, 2009. H.R. 3269 was subsequently incorporated into H.R. 4173, and became public law as part of the Dodd-Frank Act.

On January 22, 2010, and February 25, 2010, the Committee held two hearings respectively entitled “Compensation in the Financial Industry” and “Compensation in the Financial Industry—Government Perspectives.” Building on the Committee’s 2009 compensation oversight and legislative activities, these two hearings solicited input on financial industry compensation structures and the anticipated impact of H.R. 3269 from witnesses including Lucian Bebchuk, Professor of Law, Economics, and Finance, and Director of the Program on Corporate Governance, Harvard Law School; Nell Minow, Editor and Founder, The Corporate Library; Joseph Stiglitz, University Professor, Columbia Business School; Kenneth Feinberg, Special Master for TARP Executive Compensation, U.S. Department of the Treasury; Scott Alvarez, General Counsel, Board of Governors of the Federal Reserve System; and Edward J. DeMarco, Acting Director, Federal Housing Finance Agency.

On September 24, 2010, the Committee held a hearing entitled, “Executive Compensation Oversight after the Dodd-Frank Wall Street Reform and Consumer Protection Act.” Witnesses included Scott Alvarez, General Counsel, Board of Governors of the Federal Reserve System; Meredith Cross, Director, Division of Corporation Finance, U.S. Securities and Exchange Commission; Marc Steckel, Associate Director, Division of Insurance and Research, Federal Deposit Insurance Corporation; Martin Baily, Senior Fellow, The Brookings Institution; and Darla C. Stuckey, Senior Vice President—Policy & Advocacy, Society of Corporate Secretaries and Governance Professionals. The hearing focused on the anticipated impact of the Dodd-Frank Act’s executive provisions on compensation practices, particularly in the financial services industry.

MORTGAGE FORECLOSURES AND LOAN MODIFICATIONS

The full Committee held three hearings on Federal foreclosure prevention efforts and programs. On July 9, 2009, the Committee held a hearing on “H.R. 3068, the TARP for Main Street Act of 2009.” That bill would have used TARP funds, including dividends, to provide funding for the National Housing Trust Fund, the Neighborhood Stabilization Program, Emergency Mortgage Relief in the form of loans to unemployed homeowners, and HUD multifamily mortgage resolution of troubled multifamily housing projects. Ultimately, Congress provided, in the Dodd-Frank reform bill, \$1 billion in assistance to unemployed homeowners, per the provisions of the Emergency Mortgage Relief section in H.R. 3068. The same bill included a requirement for HUD to engage in resolution of troubled multifamily housing projects, consistent with the provisions of H.R. 3068.

On December 8, 2009, the Committee held a hearing on “The Private Sector and Government Response to the Mortgage Foreclosure Crisis.” The hearing involved testimony from both Federal officials and private sector participants on activities to date to address the growing foreclosure problem, including the Federal HAMP program, banking regulators’ loan modification activities with respect to institutions it took over, and private sector loan modifications being made by mortgage servicers.

On April 13, 2010, the Committee held a hearing on “Second Liens and Other Barriers to Principal Reduction as an Effective Foreclosure Mitigation Program.” The hearing solicited testimony from major banking/mortgage servicing firms, on the challenges posed by second lien mortgage loans and other factors on the willingness and performance of lenders to offer troubled borrowers principal reductions in their mortgage loans, as part of loan modification efforts.

The Committee included language in the American Reinvestment and Recovery Act of 2009 (P.L. 111–5) protecting tenants at foreclosure in properties acquired using Neighborhood Stabilization Funds. These protections were expanded to tenants in all mortgaged rental properties in the Protecting Tenants at Foreclosure Act, which was included as part of the Helping Families Save their Home Act (P.L. 111–22). Generally, these protections require that tenants residing in foreclosed properties receive 90 days notice to vacate at notice of foreclosure, except when the purchaser will occupy the property as a primary residence.

The Dodd-Frank Act established a competitive program at the U.S. Department of Housing and Urban Development that would provide grants to State and local legal organizations for a full range of legal assistance to low- and moderate-income homeowners and tenants related to home ownership preservation, home foreclosure prevention, and tenancy associated with home foreclosure. Priority would be given to the 125 metropolitan statistical areas with the highest foreclosure rates.

Language was also included in the FHA Reform Act of 2010 (H.R. 5072) that would allow the Secretary of HUD to provide servicers of covered mortgages reimbursement for the costs of obtaining the services of independent third parties to make in-person contact with mortgagors whose payments are 60 or more days past due, solely for the purposes of providing information to such mortgagors on available counseling, available mortgage loan modification, refinance and assistance programs, and available counseling regarding financial management and credit risk. H.R. 5072 passed the House on June 10, 2010, and was sent to the Senate.

HOUSING PRESERVATION

The Committee held a series of hearings on affordable housing preservation in 2009 and 2010, which involved receiving testimony from HUD and a broad range of stakeholders. On July 27, 2010, the Committee ordered favorably reported H.R. 4868, the “Housing Preservation and Tenant Protection Act of 2010,” which would ensure long-term preservation of the HUD’s assisted housing inventory while protecting poor and low-income residents from being dis-

placed by higher rents once the affordability restrictions for their unit are lifted.

FEDERAL HOUSING ADMINISTRATION

The Committee examined FHA's ability to oversee approved lenders and its ability to prevent fraud in a hearing "FHA Oversight of Loan Originators" held on January 9, 2009. The Committee also examined FHA's FY09 Actuarial Report at a December 2, 2009 hearing. On April 22, 2010, the Committee favorably reported out the FHA Reform Act of 2010 (H.R. 5072) with a favorable recommendation, which provided FHA with additional tools to improve the health of the Mutual Mortgage Insurance Fund (MMIF). The Act passed the U.S. House of Representatives on June 10, 2010 by a margin of 406–4. The provision in the Act that allows the Secretary to increase the annual mortgage insurance premium in the single-family mortgage insurance program became law on August 11, 2010 (P.L. 111–229).

RURAL HOUSING

The Committee held a series of hearings on affordable housing preservation in 2009 and 2010, which included testimony from the U.S. Department of Agriculture's Office of Rural Development and a broad range of stakeholders. On July 27, 2010, the Committee ordered favorably reported H.R. 4868, the "Housing Preservation and Tenant Protection Act of 2010." Title VIII of H.R. 4868, which is similar to H.R. 2876, the "Rural Housing Preservation Act of 2009," would ensure long-term preservation of the Office of Rural Development's assisted housing inventory while protecting low-income tenants in rural communities.

The Committee held a markup on April 22, 2010 and ordered favorably reported H.R. 5017, a bill to preserve Section 502 single family direct and guaranteed loan programs. On April 27, 2010, H.R. 5017 passed the House by a motion to suspend the rules with a vote of 352–62. H.R. 5017 was referred to the Senate Committee on Banking, Housing, and Urban Affairs. On July 29, 2010, the language from H.R. 5017 was incorporated into the Supplemental Appropriations Act of 2010, H.R. 4899, and signed into law as P.L. 111–212.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

On July 23, 2009 the Committee ordered reported H.R. 3045, the Section 8 Voucher Reform Act of 2009. This legislation would reform and streamline the Section 8 voucher program. The report was filed on September 30, 2009 (H. Rept. 111–277). No further action on H.R. 3045 took place in the 111th Congress.

SUPPORTIVE HOUSING

Title VII of H.R. 4868, reformed the Section 202 Supportive Housing for the Elderly program to facilitate the construction of new units, and the preservation of existing units. The Committee ordered favorably reported H.R. 4868 on July 27, 2010.

AFFORDABLE HOUSING PRODUCTION

The National Housing Trust Fund was established to construct, maintain and preserve affordable rental housing for the lowest income families in both rural and urban areas. The Committee reviewed HUD's submission of proposed regulations to implement the Trust Fund. In H.R. 2847, the House capitalized the Trust Fund in the amount of \$1 billion, as requested in the Obama Administration's FY2010 budget proposal.

PUBLIC HOUSING

The Committee held several hearings on the current state of public housing, including the capital needs of the public housing properties, new proposals to preserve existing properties and proposals to provide public housing agencies and residents greater access to supportive services. On June 15, 2009, Chairman Frank, with Subcommittee Chairwoman Waters, wrote to the Secretary of Housing and Urban Development, Shaun Donovan, requesting a moratorium on the demolition and disposition of public housing units to allow the Committee to work with the Department and other interested stakeholders to enact legislation that would facilitate the preservation of public housing units. The Committee held several hearings on the preservation of public housing. The Committee considered legislation, H.R. 5814, the Public Housing Reinvestment and Tenant Protection Act of 2010, to authorize the Choice Neighborhoods program, reform the public housing disposition and demolition statute, to increase access to existing funding resources for public housing rehabilitation, and to authorize a new program for the training of public housing residents as home healthcare providers. The Committee ordered reported the bill favorably on July 27, 2010. The bill included four titles: the Choice Neighborhoods Initiative Act of 2010, the Public Housing One-for-One Replacement and Tenant Protection Act of 2010, the Public Housing Preservation and Rehabilitation Act of 2010, and the Together We Care Act of 2010.

The Committee held a hearing on May 25, 2010 on "The Administration's Proposal to Preserve and Transform Public Housing: The Transforming Rental Assistance Initiative" also known as PETRA. Witnesses at the hearing included HUD, public housing agencies, HUD-assisted multifamily housing owners and tenant representatives and advocates. The Administration's draft legislation proposed preserving public and HUD-assisted housing properties through conversion to a unified project-based assistance, enhancing housing choices for residents and create more uniform policies across HUD rental assistance programs. The Committee took no legislative action on PETRA.

HOPE VI AND CHOICE NEIGHBORHOODS

The HOPE VI program provides assistance to public housing agencies to improve the living environment of residents of severely distressed public housing projects. The Administration's budget request for Fiscal Years 2009 and 2010 included funds for the Choice Neighborhoods Initiative, a grant program to replace the HOPE VI program and provide funds for the revitalization of public and

HUD-assisted rental housing. On March 17, 2010, the Committee held a hearing on the Administration's proposal for the Choice Neighborhoods initiative. Witnesses included representatives from HUD, affordable housing advocacy groups and industry representatives. Title I of H.R. 5814, the "Public Housing Reinvestment and Tenant Protection Act of 2010, authorizes the Choice Neighborhood program. In addition, the new Choice Neighborhoods program would include a number of the important reforms from previous HOPE VI legislation, including expanding the number of replacement housing units, ensuring that residents have access to revitalized sites, requiring monitoring and tracking of displaced residents, and greater resident involvement in the planning and re-development process. The Committee reported the bill favorably on July 27, 2010.

FAIR HOUSING

The Committee favorably reported H.R. 476, the "Veterans, Women, Families with Children, and Persons with Disabilities Housing Fairness Act of 2010," which would authorize nationwide fair housing enforcement testing, increase the authorization level for a Fair Housing Initiatives Program, and create a competitive matching grant program for private nonprofit organizations to examine the causes of housing discrimination and segregation as well as their effects on education, poverty and economic development.

The Government Accountability Office issued a report (GAO-10-905) in October 2010 entitled, "Housing and Community Grants: HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans," which was requested by several Members of the Committee. Members of the Committee who requested the report have written to HUD to recommend that the Department implement each of the GAO report's recommendations.

REHABILITATION OF FORECLOSED PROPERTIES

Congress enacted the Neighborhood Stabilization Program (NSP) as part of the Housing and Economic Recovery Act (P.L. 110-289). NSP provided \$4 billion to states and local governments for the redevelopment of abandoned and foreclosed homes. A second round of funding in the amount of \$2 billion was included in the American Recovery and Reinvestment Act (P.L. 111-5), and a third and final round in the amount of \$1 billion was included in the Dodd-Frank Wall Street Reform and Consumer Protection Act (P.L. 111-203). The Committee provided oversight to HUD on the implementation of the NSP program. On May 22, the Chairman wrote to HUD Secretary Shaun Donovan requesting consideration of various implementation and regulatory issues, including the purchase discount requirement, the definition of abandoned properties, appraisal requirements, and rules concerning previously acquired foreclosed properties. In response, HUD reduced the purchase discount, clarified the definition of abandoned properties, agreed to a case-by-case review if necessary of rules concerning previously acquired properties and noted the Department's agreement with the appraisal requirements.

HOUSING COUNSELING

The Committee provided oversight of the National Foreclosure Mitigation Program (NFMC), initially enacted as part of the Consolidated Appropriations Act of 2008 (P.L. 110–161). P.L. 110–161 provided \$130 million to HUD approved housing counseling intermediaries, state housing finance agencies and NeighborWorks America organizations to provide foreclosure counseling. Subsequent rounds of funding included \$177.5 million in P.L. 110–289 along with \$25 million for legal assistance; \$50 million in P.L. 111–8; and \$65 million in P.L. 111–117.

On March 22, 2010, the Committee held a briefing to provide an overview of the housing counseling industry and the role of non-profit housing counselors for Congressional staff.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 contained a provision to establish an Office of Housing Counseling within HUD to boost homeownership and rental housing counseling.

ENERGY EFFICIENCY

On April 22, 2010, the Committee ordered favorably reported H.R. 2336, the “GREEN Resources for Energy Efficient Neighborhoods Act of 2009,” which would promote greater energy efficiency within HUD’s single and multi-family housing programs. The report was filed on September 22, 2010 (H. Rept. 111–619). On September 23, 2010, the Committee held a hearing on H.R. 4690, the “Livable Communities Act of 2010,” which would codify the Office of Sustainable Communities at HUD, establish an independent, interagency council on sustainable communities within the Executive Branch, and authorize a comprehensive planning grant program for municipalities and a sustainability challenge grant program to help communities execute their comprehensive regional plans.

HOMELESSNESS

On May 19, 2009, the House approved by a vote of 367–54, S. 896, an omnibus housing bill that included the reauthorization of the McKinney-Vento homeless programs. The bill was signed into law the next day as P.L. 111–22. The McKinney-Vento reauthorization bill that was enacted was virtually identical to H.R.7211, the “Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, which passed the House on October 2, 2008, and which had been sponsored by Reps. Gwen Moore and cosponsored by Reps. Biggert, Capito, Carson, Davis (Geoff), Frank, and Waters. The legislation was the first major reauthorization of McKinney-Vento in over 20 years, and makes a number of changes designed to improve the effectiveness of Federal homeless programs and assistance, including revising the definition of “homeless persons” and “chronic homelessness,” targeting more funds towards homeless prevention, and improving the delivery of homeless assistance in rural areas.

VETERANS HOUSING

On June 16, 2009, the House passed H.R. 403, the “Homes for Heroes Act of 2009” which authorizes 20,000 new housing vouchers for homeless veterans. H.R. 403 was referred to the Senate Committee on Banking, Housing, and Urban Affairs on June 17, 2009.

NATIVE AMERICAN HOUSING

On April 20, 2010, H.R. 3553 the “Indian Veterans Housing Opportunity Act of 2009,” a bill to ensure HUD housing benefits to qualified Native American veterans with disabilities passed out of the House by voice vote under a suspension of the Rules and was referred to the Senate. On September 27, 2010, the Senate passed H.R. 3553 by unanimous consent without amendment. On October 12, 2010, H.R. 3553 was signed by the President and became P.L. 111–269.

The Government Accountability Office issued a report (GAO–10–326) in February 2010, entitled “Native American Housing: Tribes Generally View Block Grant Program as Effective, but Tracking of Infrastructure Plans and Investments Needs Improvement,” pursuant to the mandate included in the 2008 reauthorization of the Native American Housing Assistance and Self-Determination Act of 1996. The mandate required the GAO to assess the program’s effectiveness.

COMMUNITY AND ECONOMIC DEVELOPMENT

The Committee held a hearing on June 19, 2009, on the Economic Disaster Area Act of 2009 to explore a legislative proposal to set aside CDBG funds for economic disaster areas. The Act sought to utilize CDBG as a resource to assist communities experiencing high and persistent unemployment, particularly in rural areas. On April 20, 2010, the Chairman and Subcommittee Chairwoman Waters wrote to the Appropriations Subcommittee requesting that \$6 million in budget authority for the CDBG Section 109 Loan Guarantee Program be restored.

THE STATE OF THE INTERNATIONAL FINANCIAL SYSTEM

On September 22, 2010, the Committee received the testimony of the Secretary of the Treasury on the state of the international financial system, including international regulatory issues relevant to the implementation of the Dodd-Frank Act.

INTERNATIONAL FINANCE

In spring 2009, Chairman Frank cautioned Treasury and International Monetary Fund (IMF) officials that unless a substantial amount of IMF resources was made available to help the world’s poorest countries that were being increasingly affected by the global economic crisis, there may not be sufficient support in the House to secure passage of the Administration’s request to boost IMF resources. The policy goal of insisting that some of the profits from the proposed sale of IMF gold should be used to help alleviate the most vulnerable countries’ burdens, was incorporated as a congressional directive in the “Supplemental Appropriations Act, 2009,”

thus strengthening the hand of the Treasury Secretary to negotiate such an outcome.

On May 13, 2009, Chairman Frank wrote to IMF Managing Director Dominique Strauss-Kahn to express his appreciation for the IMF's commitment under Strauss-Kahn's leadership to showing a greater understanding of the social dimension that must be present when decisions about economic assistance are made.

On July 8, 2009, Chairman Frank wrote to IMF Managing Director Dominique Strauss-Kahn emphasizing that he was able to work to help secure passage of the IMF package in the House in large part because he was able to assure his Democratic colleagues that the most vulnerable and poor low-income countries would not be left behind, and Frank reminded Strauss-Kahn how important it was to the United States that he push for an international consensus on this policy among IMF members.

U.S. OVERSIGHT OF THE MULTILATERAL DEVELOPMENT INSTITUTIONS

Throughout the 111th Congress, Committee staff met on a regular basis with Treasury officials and representatives from the multilateral development banks (MDBs) to examine MDB requests for significant general capital increases from donor countries, and staff closely monitored the status of proposed reforms at each development institution and emphasized that these reform agendas would be an integral part of the capital increase request process.

In spring 2009, Committee staff joined a policy expert from the AFL-CIO, a Washington representative of the International Trade Union Confederation, and a trade and labor expert from the Carnegie Endowment for International Peace to negotiate with the World Bank a moratorium on the Bank's use of its "Employing Workers" Indicator, which encourages the reduction of workers' protection, in its annual "Doing Business" report. The Bank also agreed to convene a consultative group to propose possible changes to the Indicator and to work to develop a new workers' protection indicator that would encourage compliance with core labor standards and improved social protection.

On March 23, 2010, Chairman Frank spoke at the G-20 meeting of Labor Ministers in Washington, D.C., on the importance of governments integrating the expertise of their respective labor ministries when loans or projects affecting labor markets and worker rights come before the Boards of the multilateral development institutions.

On May 25, 2010, Chairman Frank wrote to World Bank President Zoellick regarding ongoing biases reflected in the World Bank's annual "Doing Business" report.

On February 18, 2009, Chairman Frank and Senate Chairman Leahy wrote to Treasury Secretary Geithner expressing concern about the inadequacy of the Asian Development Bank's (AsDF) third draft of its safeguard policy update, including several areas in which the AsDF fell short of international standards.

In June 2009, Committee staff participated in the Inter-American Development Bank's (IDB's) Washington, D.C., consultations with IDB officials and civil society representatives to provide input into a significant overhaul of the IDB's inspection mechanism. Committee staff followed up with members of the IDB's executive

board, and in particular with members of the Board's Organization, Board Matters and Human Resources Committee, to stress that congressional consideration of any increase in the IDB's capital base would be linked, in part, to the degree to which the new mechanism was independent from Bank management, its overall transparency, the adequacy of the mechanism's budget, the elimination of conflicts of interest, and the degree of requester participation in the process.

In July 2009, Committee staff visited projects in Haiti financed by the Inter-American Development Bank (IDB) and participated in the meetings of the Governors of the IDB from the Caribbean member countries.

On September 10, 2009, the Committee held a hearing titled, "The World Bank's Disclosure Policy Review and the Role of Democratic Participatory Processes in Achieving Successful Development Outcomes." The Committee reviewed the World Bank's new proposed policy on information disclosure and examined how the lack of direct democratic accountability at multilateral institutions like the World Bank makes it necessary that other control mechanisms—such as increased and timely access to Bank documents, greater transparency and parliamentary oversight, and broad public debate about the Bank's development policies—are in place to ensure that broad, global international interests are being promoted. The Committee also examined the factors that drive or hinder change in complex international institutions and the principal instruments and mechanisms that leverage change. The Committee heard testimony from Nobel Laureate in Economics Joseph E. Stiglitz; Mr. Richard E. Bissell, Executive Director of the Policy and Global Affairs Division at the National Academy of Science; Professor Alnoor Ebrahim, Associate Professor, Harvard Business School; Thomas S. Blanton, Director of the National Security Archive at George Washington University; and Ms. Vijaya Ramachandran, Senior Fellow, Center for Global Development.

After examining at a hearing last Congress the Administration's proposal to support a multilateral "Clean Technology Fund" to help developing economies deploy clean technology to reduce greenhouse gas emissions, the Committee worked with the leadership and the House Appropriations Committee to include in the "Consolidated Appropriations Act, 2010" authorization for U.S. contributions to a "Clean Technology Fund" at the World Bank, which included policy conditions on country and project eligibility, restricted the types of projects, technologies and economic sectors that could receive funds, and limited the amount of funds that could be allocated to any one country.

On March 26, 2010, Chairman Frank and Senate Chairmen Kerry and Leahy wrote to World Bank President Zoellick asking the World Bank for more environmental and social commitments from Eskom Holdings Ltd. before lending the South African utility \$3.75 billion to build one of the world's largest coal-fired power plants.

On May 26, 2010, Chairman Frank and Representative McGovern sent a letter to the Department of the Treasury and IDB President Moreno recommending Ms. Korinna Horta for one of the five open Panel positions on the IDB's newly established "Independent

Consultation and Investigation Mechanism.” In recommending Ms. Horta, the members noted her strong background in international economic, social, and environmental development, her extensive investigative fieldwork, her experience working with indigenous peoples and other vulnerable population groups, and her understanding of the missions and policy frameworks of the multilateral development institutions.

On July 21, 2010, Representative Waters and members of the Committee organized a letter to President Obama urging him to include an expanded debt relief effort as part of his plan to work to achieve the Millennium Development Goals.

MULTILATERAL DEVELOPMENT FUNDS

In June 2009, the Committee worked with the House and Senate Appropriations Committees to incorporate into the “Supplemental Appropriations Act, 2009” authorizations for U.S. contributions to the 15th replenishment of the International Development Association and the 11th replenishment of the African Development Fund, as well as Committee-passed policy language directing the Secretary of the Treasury to work to reform the anti-worker indicator of the World Bank’s annual “Doing Business” report and to increase the independence and effectiveness of the World Bank’s Inspection Panel.

On July 21, 2009, Chairman Frank, Chairman Obey, Chairman Lowey, and Chairman Meeks sent a letter to President Obama cautioning the President that continued insistence on his right through signing statements to ignore provisions of laws providing funds to international financial institutions would make it highly unlikely that such funds would be provided in the future.

As the 111th Congress began to move towards adjournment, Committee staff coordinated with the House and Senate Appropriations Committees and the Senate Foreign Relations Committee in an effort to include in the year’s final appropriations measure authorizations for U.S. participation in the Asian Development Bank’s 5th general capital increase, the Asian Development Fund’s 9th replenishment, and authorization and policy language for the Clean Technology Fund.

TRADE IN FINANCIAL SERVICES

The Committee continued to monitor the negotiation of financial services and investment provisions in the U.S.-Korea Free Trade Agreement, with particular attention to the elimination of barriers to the delivery of financial services in Korea, such as foreign ownership limitations, product and service restrictions, client restrictions, and non-transparent regulations.

REVENUE TRANSPARENCY IN THE EXTRACTIVE INDUSTRIES

Building on the Committee’s early leadership last Congress when it held two hearings examining the importance of revenue transparency in the extractive industries, especially in resource-rich developing countries, a Senate provision requiring oil, gas, and mining companies listed on U.S. exchanges to publicly disclose the payments they make to governments for the extraction of natural re-

sources was included as part of the Dodd-Frank financial reform conference report.

SUDAN AND IRAN SANCTIONS AND DIVESTMENT

On February 23, 2009, Chairman Frank, Representative Capuano, and Representative Barbara Lee requested a report from the GAO on the Sudan Accountability and Divestment Act of 2007 (P.L. 110–174) to identify and evaluate actions that have been taken to implement the voluntary divestment provisions and compliance with the contract prohibition provisions in the Act.

On April 28, 2009, the Committee marked up H.R. 1327, the “Iran Sanctions Enabling Act of 2009.” H.R. 1327 would outline standard procedures and provide federal authority for states, local governments, and educational institutions to divest their public funds, if they choose, from foreign firms that have \$20 million or more invested in Iran’s energy sector. The bill would also prohibit legal action against asset managers who divest from or elect not to invest in securities of companies doing that level of business in Iran’s energy sector. The House passed two similar proposals in the last Congress, although the Senate did not act on either bill. The Committee ordered the bill to be reported (as amended) by voice vote. On October 14, 2009, the measure passed the House by a vote of 414–6 under suspension of the rules.

On April 22, 2010, the Speaker appointed Chairman Frank, Chairman Meeks, and Representative Garrett as conferees from the Committee on Financial Services for consideration of certain provisions of H.R. 2194, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, falling within the jurisdiction of the House Financial Services Committee. The Senate version of the bill included legislative language similar to the divestment provisions of the Iran Sanctions Enabling Act, and this language was successfully incorporated into the final conference report of the comprehensive Iran sanctions measure. H.R. 2194 became Public Law 111–195 on July 1, 2010.

FULL COMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111-1	Promoting Bank Liquidity and Lending Through Deposit Insurance Hope for Homeowners, and other Enhancements (Full).	February 3, 2009
111-3	An Examination of the Extraordinary Efforts by the Federal Reserve Bank to Provide Liquidity in the Current Financial Crisis (Full).	February 10, 2009
111-4	TARP Accountability: Use of Federal Assistance by the First TARP Recipients (Full).	February 11, 2009
111-7	Monetary Policy and the State of the Economy, Part I (Full)	February 25, 2009
111-8	Monetary Policy and the State of the Economy, Part II (Full)	February 26, 2009
111-14	Perspectives on Regulation of Systemic Risk in the Financial Services Industry (Full).	March 17, 2009
111-18	Federal and State Enforcement of Financial Consumer and Investor Protection Laws (Full).	March 20, 2009
111-19	Seeking Solutions: Finding Credit for Small and Mid-Size Businesses in Massachusetts (Full).	March 23, 2009
111-20	Oversight of the Federal Government’s Intervention at American International Group (Full).	March 24, 2009
111-21	Exploring the Balance between Increased Credit Availability and Prudent Lending Standards (Full).	March 25, 2009
111-22	Addressing the Need for Comprehensive Regulatory Reform (Full)	March 26, 2009

Serial No.	Title	Date(s)
111-25	H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009 (Full).	April 23, 2009
111-26	The Effect of the Lehman Brothers Bankruptcy on State and Local Governments (Full).	May 5, 2009
111-34	Capital Loss, Corruption and the Role of Western Financial Institutions (Full).	May 19, 2009
111-36	The Section 8 Voucher Reform Act (Full)	May 21, 2009
111-37	Legislative Proposals to Improve the Efficiency and Oversight of Municipal Finance (Full).	May 21, 2009
111-42	Compensation Structure and Systemic Risk (Full)	June 11, 2009
111-48	The Economic Disaster Area Act of 2009 (Full)	June 19, 2009
111-49	Regulatory Restructuring: Enhancing Consumer Financial Products Regulation (Full).	June 24, 2009
111-51	Legislative Options for Preserving Federally- and State-Assisted Affordable Housing and Preventing Displacement of Low-Income, Elderly and Disabled Tenants (Full).	June 25, 2009
111-54	H.R. 3068, TARP for Main Street Act of 2009 (Full)	July 9, 2009
111-55	A Review of the Administration's Proposal to Regulate the Over-the-Counter Derivatives Market (Full).	July 10, 2009
111-58	Banking Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals (Full).	July 15, 2009
111-61	Community and Consumer Advocates' Perspectives on the Obama Administration's Financial Regulatory Reform Proposals (Full).	July 16, 2009
111-62	Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals (Full).	July 17, 2009
111-64	Monetary Policy and the State of the Economy (Full)	July 21, 2009
111-65	Systemic Risk: Are Some Institutions Too Big to Fail and If So, What Should We Do About It? (Full).	July 21, 2009
111-66	Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals, Part I (Full).	July 22, 2009
111-68	Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals, Part II (Full).	July 24, 2009
111-73	The World Bank's Disclosure Policy Review and the Role of Democratic Participatory Processes in Achieving Successful Development Outcomes (Full).	September 10, 2009
111-74	Proposals to Enhance the Community Reinvestment Act (Full)	September 16, 2009
111-76	The Administration's Proposals for Financial Regulatory Reform (Full)	September 23, 2009
111-77	Federal Regulator Perspectives on Financial Regulatory Reform Proposals (Full).	September 23, 2009
111-78	Experts' Perspectives on Systemic Risk and Resolution Issues (Full)	September 24, 2009
111-80	H.R. 1207, the Federal Reserve Transparency Act of 2009 (Full)	September 25, 2009
111-81	Perspectives on the Consumer Financial Protection Agency (Full)	September 30, 2009
111-83	Federal Reserve Perspectives on Financial Regulatory Reform Proposals (Full).	October 1, 2009
111-84	Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office (Full).	October 6, 2009
111-85	Reform of the Over-the-Counter Derivative Market: Limiting Risk and Ensuring Fairness (Full).	October 7, 2009
111-86	H.R. 2382, the Credit Card Interchange Fees Act of 2009 and H.R. 3639, the Expedited CARD Reform for Consumers Act of 2009 (Full).	October 8, 2009
111-88	Systemic Regulation, Prudential Matters, Resolution Authority, and Securitization (Full).	October 29, 2009
111-89	The Overdraft Protection Act of 2009 (Full)	October 30, 2009
111-91	FY09 FHA Actuarial Report (Full)	December 2, 2009
111-92	H.R. 2266, The Reasonable Prudence in Regulation Act; and H.R. 2267, the Internet Gambling Regulation, Consumer Protection, and Enforcement Act (Full).	December 3, 2009
111-93	The Private Sector and Government Response to the Mortgage Foreclosure Crisis (Full).	December 8, 2009
111-95	Covered Bonds: Prospects for a U.S. Market Going Forward (Full)	December 15, 2009
111-98	Compensation in the Financial Industry (Full)	January 22, 2010
111-101	Prospects for Employment Growth: Is Additional Stimulus Needed? (Full)	February 23, 2010
111-102	Monetary Policy and the State of the Economy (Full)	February 24, 2010
111-103	Compensation in the Financial Industry Government Perspectives (Full)	February 25, 2010

Serial No.	Title	Date(s)
111-104	Condition of Small Business and Commercial Real Estate Lending in Local Markets (Full).	February 26, 2010
111-106	Community Development Financial Institutions (CDFIs): Their Unique Role and Challenges Serving Lower-Income, Underserved, and Minority Communities (Full).	March 9, 2010
111-112	Examining the Link Between Fed Bank Supervision and Monetary Policy (Full).	March 17, 2010
111-115	Housing Finance—What Should the New System Be Able to Do?: Part I—Government and Stakeholder Perspectives (Full).	March 23, 2010
111-118	Unwinding Emergency Federal Reserve Liquidity Programs and Implications for Economic Recovery (Full).	March 25, 2010
111-120	Second Liens and Other Barriers to Principal Reduction as an Effective Foreclosure Mitigation Program (Full).	April 13, 2010
111-121	Housing Finance—What Should the New System Be Able to Do?: Part II—Government and Stakeholder Perspectives (Full).	April 14, 2010
111-124	Public Policy Issues Raised by the Report of the Lehman Bankruptcy Examiner (Full).	April 20, 2010
111-137	Initiatives to Promote Small Business Lending, Jobs, and Economic Growth (Full).	May 18, 2010
111-140	The Administration's Proposal to Preserve and Transform Public and Assisted Housing: The Transforming Rental Assistance Initiative (Full).	May 25, 2010
111-146	H.R. 2267, The Internet Gambling Regulation, Consumer Protection, and Enforcement Act (Full).	July 21, 2010
111-147	Monetary Policy and the State of the Economy, Part I (Full)	July 22, 2010
111-148	Monetary Policy and the State of the Economy, Part II (Full)	July 22, 2010
111-150	Alternatives for Promoting Liquidity in the Commercial Real Estate Markets, Supporting Small Businesses and Increasing Job Growth (Full).	July 29, 2010
111-154	Legislative Proposals to Address Concerns Over the SEC's New Confidentiality Provision (Full).	September 16, 2010
111-155	The State of the International Financial System, Including International Regulatory Issues Relevant to the Implementation of the Dodd-Frank Act (Full).	September 22, 2010
111-156	Implementation of Higher FHA Loan Fees and Pending Legislative Proposals to Strengthen the FHA MMIF Fund and Improve Lender Oversight (Full).	September 22, 2010
111-157	Perspectives on the Livable Communities Act of 2010 (Full)	September 23, 2010
111-160	Executive Compensation Oversight after the Dodd-Frank Wall Street Reform and Consumer Protection Act (Full).	September 24, 2010
111-164	The Future of Housing Finance—A Review of Proposals to Address Market Structure and Transition (Full).	September 29, 2010
111-168	A Proposal to Increase the Offering Limit under SEC Regulation A	December 8, 2010

SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND
GOVERNMENT SPONSORED ENTERPRISES

(Ratio: 30–20)

PAUL E. KANJORSKI, Pennsylvania, *Chairman*

GARY L. ACKERMAN, New York	SCOTT GARRETT, New Jersey
BRAD SHERMAN, California	TOM PRICE, Georgia
MICHAEL E. CAPUANO, Massachusetts	MICHAEL N. CASTLE, Delaware
RUBEN HINOJOSA, Texas	PETER KING, New York
CAROLYN McCARTHY, New York	FRANK. D. LUCAS, Oklahoma
JOE BACA, California	DONALD A. MANZULLO, Illinois
STEPHEN F. LYNCH, Massachusetts	EDWARD R. ROYCE, California
BRAD MILLER, North Carolina	JUDY BIGGERT, Illinois
DAVID SCOTT, Georgia	SHELLEY MOORE CAPITO, West Virginia
NYDIA M. VELÁZQUEZ, New York	JEB HENSARLING, Texas
CAROLYN MALONEY, New York	ADAM PUTNAM, Florida
MELISSA L. BEAN, Illinois	J. GRESHAM BARRETT, South Carolina
GWEN MOORE, Wisconsin	JIM GERLACH, Pennsylvania
PAUL W. HODES, New Hampshire	JOHN CAMPBELL, California
RON KLEIN, Florida	MICHELE BACHMANN, Minnesota
ED PERLMUTTER, Colorado	THADDEUS McCOTTER, Michigan
JOE DONNELLY, Indiana	RANDY NEUGEBAUER, Texas
ANDRÉ CARSON, Indiana	KEVIN McCARTHY, California
JACKIE SPEIER, California	BILL POSEY, Florida
TRAVIS CHILDERS, Mississippi	LYNN JENKINS, Kansas
CHARLES A. WILSON, Ohio	
BILL FOSTER, Illinois	
WALT MINNICK, Idaho	
JOHN ADLER, New Jersey	
MARY JO KILROY, Ohio	
SUZANNE KOSMAS, Florida	
ALAN GRAYSON, Florida	
JIM HIMES, Connecticut	
GARY PETERS, Michigan	

BARNEY FRANK, Massachusetts, *ex officio* SPENCER BACHUS, Alabama, *ex officio*

SUBCOMMITTEE LEGISLATIVE ACTIVITIES

INVESTOR PROTECTION ACT OF 2009

(H.R. 3817)

Summary

H.R. 3817, the Investor Protection Act of 2009, would provide the U.S. Securities and Exchange Commission (SEC) with additional authorities to protect investors from violations of the securities laws and to enhance the agency's enforcement powers. The bill additionally seeks to remedy failures of the SEC to detect the Madoff Ponzi scheme and Stanford Financial frauds, two incidents that demonstrated deficiencies in the existing securities regulatory structure.

H.R. 3817 also includes an expeditious, independent, comprehensive study of the entire securities industry by a high caliber body to identify reforms and force the SEC and other entities to put in place further improvements designed to ensure superior investor protection. The bill includes a whistleblower bounty program to create incentives to identify wrongdoing in our securities markets and reward individuals whose tips lead to successful enforcement actions. Finally, among many other provisions, the bill would allow

for the establishment of a fiduciary duty standard for broker-dealers providing personalized investment advice.

Legislative History

On October 1, 2009, Capital Markets Subcommittee Chairman Kanjorski released a discussion draft of the Investor Protection Act.

On October 6, 2009, the Committee held a hearing at which Subcommittee Chairman Kanjorski presided entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” The first panel at this hearing examined the discussion draft of the Investor Protection Act.

Chairman Kanjorski revised and introduced H.R. 3817, the Investor Protection Act of 2009, on October 15, 2009, and the bill was referred to the Committee on Financial Services.

On November 4, 2009, the Committee ordered reported H.R. 3817 to the House, as amended, with a favorable recommendation, by a vote of 41 to 28.

The Committee subsequently consolidated H.R. 3817 along with several other Committee-passed bills to reform the regulation of the financial services industry into one legislative package, and on December 11, 2009, the House passed H.R. 4173, the Wall Street Reform and Consumer Protection Act, by a vote of 223 to 202.

After convening a conference to reconcile the House-passed and Senate-approved financial services regulatory reform bills, the House adopted the final version of H.R. 4173 on June 29, 2010.

President Obama subsequently signed H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act, into law on July 21, 2010. Title IX of the law adopts many of the reforms first proposed in H.R. 3817.

FEDERAL INSURANCE OFFICE ACT

(H.R. 2609)

Summary

The Federal Insurance Office Act establishes a new office within the U.S. Department of the Treasury to gather information about the insurance industry, to provide analysis and advice to the Administration and Congress on insurance matters, and to monitor the insurance industry for systemic risk purposes, among other duties and responsibilities.

Legislative History

On May 21, 2009, Capital Markets Subcommittee Chairman Kanjorski, Oversight Subcommittee Ranking Member Judy Biggert and five other members of the Financial Services Committee introduced H.R. 2609, the Insurance Information Act of 2009. The Capital Markets Subcommittee had approved a substantially similar bill in the 110th Congress.

On October 1, 2009, Chairman Kanjorski released a discussion draft of a manager’s amendment to H.R. 2609. Among other modifications, this discussion draft changed the bill’s name to the Federal Insurance Office Act.

On October 6, 2009, the Committee held a hearing entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” The third panel at this hearing examined H.R. 2609 and the manager’s amendment.

On October 16, 2009, the Federal Insurance Office Act was offered as an amendment in the nature of a substitute to H.R. 2609. On December 2, 2009, the Committee favorably reported H.R. 2609 by a voice vote.

The Committee subsequently consolidated H.R. 2609 and the other Committee-passed financial services regulatory reform bills into one legislative package, and on December 11, 2009, the House passed H.R. 4173, the Wall Street Reform and Consumer Protection Act.

After convening a conference to reconcile the House-passed and Senate-approved financial services regulatory reform bills, the House adopted the final version of H.R. 4173 on June 29, 2010.

President Obama subsequently signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law on July 21, 2010. Subtitle A of Title V of the law creates the Federal Insurance Office.

ACCOUNTABILITY AND TRANSPARENCY IN RATING AGENCIES ACT

(H.R. 3890)

Summary

H.R. 3890, the Accountability and Transparency in Rating Agencies Act, would require new disclosures by a Nationally Recognized Statistical Rating Organization (NRSRO) of revenues; add a duty to supervise NRSRO employees and give the SEC the authority to sanction supervisors for failing to do so; mitigate the conflicts arising from the issuer-pay model; enhance NRSRO accountability through liability reform; require each NRSRO to have a board with at least two independent directors, and provide requirements for compensation, term and duties; and add a one-year ban on the activities of issuers who hire former NRSRO employees.

Legislative History

On May 19, 2009, the Capital Markets Subcommittee convened a hearing entitled “Approaches to Improving Credit Rating Agency Regulation.”

On September 25, 2009, Capital Markets Subcommittee Chairman Kanjorski released a discussion draft of a bill to enhance the oversight, accountability and transparency of credit rating agencies called the Accountability and Transparency in Rating Agencies Act.

On September 30, 2009, the subcommittee held an additional hearing entitled “Reforming Credit Rating Agencies.” The witnesses testified about their views of the September 25 discussion draft on credit rating agency regulatory reform.

On October 21, 2009, Subcommittee Chairman Kanjorski introduced a revised version of the Accountability and Transparency in Rating Agencies Act as H.R. 3890, which was then referred to the Financial Services Committee.

On October 27, 2010, the Committee held a markup of H.R. 3890. The Committee amended and favorably reported the bill by a vote of 49 to 14.

The Committee then incorporated H.R. 3890 as Subtitle B of Title V of H.R. 4173, the Wall Street Reform and Consumer Protection Act. H.R. 4173 passed the House on December 11, 2009, by a vote of 223 to 202.

Subtitle C of Title IX of the Dodd-Frank Act, which passed the House on June 29, 2010, included many of the rating agency reform provisions first considered by the Subcommittee at its hearings on credit rating agencies.

President Obama signed H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act, into law on July 21, 2010.

PRIVATE FUND INVESTMENT ADVISERS REGISTRATION ACT OF 2009

(H.R. 3818)

Summary

H.R. 3818, the Private Fund Investment Advisers Registration Act of 2009, would eliminate the private adviser exemption contained in the Investment Advisers Act of 1940. The change would subject most private fund advisers to registration requirements. The bill would also authorize the SEC to require registered investment advisers to provide reports regarding the private funds they advise. The legislation additionally clarifies the authority of the SEC to issue regulations to define terms and differentiate between persons and matters in the Investment Advisers Act as it determines necessary.

Legislative History

On May 7, 2009, the Capital Markets Subcommittee held a hearing entitled "Perspectives on Hedge Fund Registration." Among other things, this hearing examined H.R. 711, the Hedge Fund Adviser Registration Act of 2009, which Representatives Michael E. Capuano and Michael N. Castle introduced on January 27, 2009.

October 1, 2009, Capital Markets Subcommittee Chairman Kanjorski released a discussion draft of the Private Fund Investment Advisers Registration Act of 2009.

On October 6, 2009, the Committee, with assistance from the subcommittee, held a three-panel legislative hearing entitled "Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office." The hearing's second panel addressed the reforms found in the discussion draft of the Private Fund Investment Advisers Registration Act of 2009.

On October 15, 2009, Subcommittee Chairman Kanjorski introduced the Private Fund Investment Advisers Registration Act of 2009 as H.R. 3818, and the bill was referred to the Financial Services Committee.

The Committee marked up H.R. 3818 on October 27, 2010, and favorably reported the bill, as amended, by a record vote of 67 to 1.

The Committee subsequently incorporated H.R. 3818 as Subtitle A of Title V of H.R. 4173, the Wall Street Reform and Consumer

Protection Act. H.R. 4173 passed the House on December 11, 2009, by a vote of 223 to 202.

After convening a conference to reconcile the House-passed and Senate-approved financial services regulatory reform bills, the House adopted the final version of H.R. 4173 on June 29, 2010. As enacted into law on July 21, 2010, Subtitle C of Title IX of the Dodd-Frank Act contains many of the provisions initially found in H.R. 3818.

MORTGAGE SERVICER SAFE HARBOR ACT

(H.R. 788)

Summary

H.R. 788, the Mortgage Servicer Safe Harbor Act, would provide a safe harbor from investor lawsuits for mortgage servicers who engage in specified mortgage loan modifications.

Legislative History

Capital Markets Subcommittee Chairman Kanjorski, along with Chairman Frank and Representative Castle, introduced H.R. 788 on February 2, 2009. The bill was referred to the Financial Services Committee.

On February 4, 2009, the Committee held a markup of H.R. 788, after which the bill was ordered reported to the House, as amended, with a favorable recommendation by voice vote.

While H.R. 788 was not voted on separately in the House, the safe harbor provision became part of H.R. 1106, the Helping Families Save Their Homes Act, which passed the House on March 5, 2009.

NONADMITTED AND REINSURANCE REFORM ACT OF 2009

(H.R. 2571)

Summary

H.R. 2571, the Nonadmitted and Reinsurance Reform Act of 2009, would streamline the regulation of surplus lines of insurance and reinsurance through State-based reforms.

Legislative History

On May 21, 2009, Oversight Subcommittee Chairman Dennis Moore and Representative Garrett reintroduced the Nonadmitted and Reinsurance Reform Act of 2009 as H.R. 2571, which the Capital Markets Subcommittee had reviewed and the Committee had favorably reported in both the 109th Congress and the 110th Congress.

On September 9, 2009, the House passed H.R. 2571 by a voice vote.

The text of H.R. 2571 was subsequently added to H.R. 4173, the Wall Street Reform and Consumer Protection Act, which passed the House on December 11, 2009.

The House and Senate convened a conference to reconcile their respective financial services regulatory reform bills. The House later adopted the final version of H.R. 4173 on June 29, 2010.

President Obama subsequently signed H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act, into law on July 21, 2010. As enacted, Title V of the law contains in substantially similar form the reforms first proposed by H.R. 2571.

SHAREHOLDER PROTECTION ACT

(H.R. 4790)

Summary

H.R. 4790, the Shareholder Protection Act, came in response to the U.S. Supreme Court's 5–4 decision in *Citizens United v. Federal Election Commission*, where the Court found that for-profit and non-profit corporations can spend unlimited amounts of money from their general treasury funds to influence federal elections. The bill would make corporate political expenditures more transparent and give shareholders more say in how those dollars are spent.

Legislative History

On March 9, 2010, H.R. 4790, the Shareholder Protection Act of 2010, was referred to the House Financial Services Committee after the bill's introduction by Representative Capuano.

On March 11, 2010, the Capital Markets Subcommittee held a hearing entitled "Corporate Governance after Citizens United" at which it reviewed H.R. 4790.

On July 29, 2010, the Committee held a mark-up session on the H.R. 4790. The Committee ordered the bill reported, as amended, to the full House by a vote of 35 to 28. No further action was taken on this legislation during the 111th Congress.

SHAREHOLDER EMPOWERMENT ACT OF 2009

(H.R. 2861)

CORPORATE GOVERNANCE REFORM ACT OF 2009

(H.R. 3272)

PROXY VOTING TRANSPARENCY ACT OF 2009

(H.R. 3351)

Summary

H.R. 2861, H.R. 3272 and H.R. 3351 generally would improve corporate governance by modifying the board election process, separating the functions of CEO and chairman within a public company, establishing risk-management committees, and enhancing voting transparency.

Legislative History

On June 12, 2009, Representative Gary C. Peters and 11 other Members of Congress introduced H.R. 2861, the Shareholder Empowerment Act of 2009. The bill was referred to the Financial Services Committee for review.

Representative Keith Ellison introduced H.R. 3272, the Corporate Governance Reform Act of 2009, on July 21, 2009, after which the bill was referred to the Financial Services Committee for review.

Introduced on July 27, 2009, by Representative Mary Jo Kilroy, H.R. 3351, the Proxy Voting Transparency Act, was referred to the Financial Services Committee for review.

On April 21, 2010, the Capital Markets Subcommittee held a hearing entitled “Corporate Governance and Shareholder Empowerment.” The hearing focused on H.R. 2861, H.R. 3272 and H.R. 3351.

Several corporate governance reform provisions from these three bills, including the provision on proxy access, were later included in Title IX of H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which President Obama signed into law on July 21, 2010.

HOMEOWNERS’ DEFENSE ACT OF 2010

(H.R. 2555)

Summary

H.R. 2555, Homeowners’ Defense Act of 2010, would establish a nonprofit, nonfederal entity to issue securities linked to catastrophe risks insured or reinsured through States and State-sponsored providers of natural catastrophe insurance.

Legislative History

Representative Ron Klein introduced H.R. 2555, the Homeowners’ Defense Act of 2009, on May 21, 2009. The bill was referred to the Financial Services Committee for review.

On March 10, 2010, the Capital Markets Subcommittee convened with the Subcommittee on Housing and Community Opportunity a joint hearing entitled “Approaches to Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, The Homeowners’ Defense Act.” The hearing examined issues related to natural disaster insurance.

The joint hearing on H.R. 2555 helped to inform the work of the Committee and with the assistance of Subcommittee staff, the Committee considered and reported H.R. 2555 to the House, as amended, with a favorable recommendation by a record vote of 39 yeas and 26 nays, on April 27, 2010.

On September 30, 2010, twenty-five representatives from the State of Florida wrote to Speaker Pelosi to request that the bill be brought to the House floor for consideration.

NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS REFORM ACT OF 2010

(H.R. 2554)

Summary

H.R. 2554, the National Association of Registered Agents and Brokers Reform Act of 2010, would establish a reciprocal licensing process for insurance agents and brokers across State lines.

Legislative History

Representative David Scott, along with Representative Randy Neugebauer, introduced H.R. 2554, the National Association of Registered Agents and Brokers Reform Act, on May 21, 2009. The bill was substantially similar to the reforms passed by the House in the 110th Congress as H.R. 5611, after having been considered previously by the Subcommittee in a markup.

H.R. 2554 was referred to the Committee and passed the House by voice vote on March 3, 2010.

UNITED STATES COVERED BOND ACT OF 2010

(H.R. 5823)

Summary

H.R. 5823, the United States Covered Bond Act of 2010, would establish a regulatory framework for a covered bond market in the United States by providing rule-writing authority and direction to the covered bond regulator to determine the eligible participants, appropriate assets for inclusion in covered pools, and a resolution mechanism in the event of a default of the covered bond or resolution of an issuer.

Legislative History

On December 15, 2009, with the assistance of the Subcommittee, the Committee held a hearing entitled, “Covered Bonds: Prospects for a U.S. Market Going Forward.” The hearing explored the potential role that covered bonds could play in U.S. markets and whether covered bonds could serve as an alternative to mortgage securitization.

On July 22, 2010, Capital Markets Subcommittee Ranking Member Scott Garrett, along with Financial Services Ranking Member Spencer Bachus and Capital Markets Subcommittee Chairman Kanjorski, introduced a revised version of the United States Covered Bond Act of 2010 as H.R. 5823.

With assistance from the Subcommittee, the Committee considered and ordered H.R. 5823 reported by a voice vote on July 28, 2010.

SUBCOMMITTEE OVERSIGHT ACTIVITIES

GOVERNMENT SPONSORED ENTERPRISES AND HOUSING FINANCE REFORM

During the 111th Congress, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises examined the status of the housing government-sponsored enterprises (GSEs) and began discussions about how to restructure the U.S. housing finance system. Together, the Capital Markets Subcommittee and the Committee held a series of seven hearings to examine the future of the housing finance system and to conduct oversight of the housing GSEs and their regulator. At these hearings, the Subcommittee received testimony from representatives of the Administration, academic institutions, think tanks, trade associations, consumer groups, housing advocates and industry participants.

On June 3, 2009, the Subcommittee held a hearing entitled “The Present Condition and Future Status of Fannie Mae and Freddie Mac.” This first congressional hearing on the GSEs in the 111th Congress reviewed a report of the Federal Housing Finance Agency (FHFA) about the finances, operations and mission-related activities of Fannie Mae, Freddie Mac and the Federal Home Loan Banks. The proceedings also reviewed ideas for reforming the U.S. housing finance system.

Witnesses from the FHFA at the hearing included The Honorable James B. Lockhart III, Director, FHFA; accompanied by Edward J. DeMarco, Chief Operating Officer and Senior Deputy Director for Housing Mission and Goals, and Christopher Dickerson, Deputy Director for Enterprise Regulation. Additional witnesses included Bruce A. Morrison, Chairman of Morrison Public Affairs Group; Susan M. Wachter, the Richard B. Worley Professor of Financial Management at The Wharton School of University of Pennsylvania; Frances Martinez Myers, Senior Vice President of Fox & Roach/Trident and representing the National Association of Realtors; Lawrence J. White, the Arthur E. Imperatore Professor of Economics of the Leonard N. Stern School of Business at New York University; Michael D. Berman, CMB, Vice Chairman of the Mortgage Bankers Association; and Joe Robson of Robson Companies and Chairman of the Board of the National Association of Home Builders.

On May 26, 2010, the Subcommittee held a second hearing entitled “FHFA Oversight: Current State of the Housing Government Sponsored Enterprises.” At this hearing, FHFA Acting Director Edward J. DeMarco testified about:

- the performance of the housing GSEs in carrying out their respective missions;
- the importance of the regulated entities in the current economic environment;
- the overall operational and financial status, including capital positions, of the regulated entities; and
- the material deficiencies in the conduct of the operations of the regulated entities.

The hearing also reviewed FHFA’s plans for the Home Valuation Code of Conduct, a legal agreement to strengthen the integrity of the appraisal process entered into in March 2008 between the New York State Attorney General Andrew Cuomo, Fannie Mae and Freddie Mac, in consultation with the FHFA.

On July 29, 2010, the Subcommittee held a third hearing entitled “Future of Housing Finance: The Role of Private Mortgage Insurance.” The hearing examined the structure, regulation, obligations and performance of mortgage insurers. The Subcommittee also reviewed the mortgage insurance industry’s experiences during the recent financial crisis and explored the need to alter the laws currently governing the industry, as part of the larger effort to reform the U.S. housing finance system.

Witnesses at this hearing included Patrick Sinks, President and Chief Operating Officer of Mortgage Guaranty Insurance Corporation on behalf of the Mortgage Insurance Companies of America; Marti Rodamaker, President of First Citizens National Bank of Iowa on behalf of the Independent Community Bankers Associa-

tion; Janneke Ratcliffe, Associate Director of the University of North Carolina Center for Community Capital and Senior Fellow, Center for American Progress; Anthony B. Sanders, Distinguished Professor of Finance of George Mason University and Senior Scholar of the Mercatus Center at George Mason University; John Taylor, President and CEO of the National Community Reinvestment Coalition; and Deborah Goldberg, Hurricane Relief Program Director, National Fair Housing Alliance.

On September 15, 2010, the Subcommittee held a fourth hearing entitled “The Future of Housing Finance Reform: A Progress Update on the GSEs.” The hearing focused on the progress that Fannie Mae and Freddie Mac had made since their placement into conservatorship, including examining the strategies that the two GSEs and the FHFA had employed to limit taxpayer capital infusions into Fannie Mae and Freddie Mac by the U.S. Department of the Treasury. The hearing also explored whether to modify the strategies or devise others. Witnesses included The Honorable Michael S. Barr, Assistant Secretary for Financial Institutions, U.S. Department of the Treasury, and Edward J. DeMarco, Acting Director, Federal Housing Finance Agency.

In addition to these four hearings, the Subcommittee provided input to and support for each of the following Committee hearings on the future of housing finance:

- “Housing Finance—What Should the New System Be Able to Do?: Part I—Government and Stakeholder Perspectives” on March 23, 2010;
- “Housing Finance—What Should the New System Be Able to Do?: Part II—Government and Stakeholder Perspectives” on April 14, 2010; and
- “The Future of Housing Finance—A Review of Proposals To Address Market Structure and Transition” on September 29, 2010.

On August 13, 2010, Subcommittee Chairman Kanjorski, Representative Brad Miller and Representative Jackie Speier also sent a letter to President Obama stating that the FHFA must vigorously pursue all available legal claims for losses sustained from the conservatorship of Fannie Mae and Freddie Mac. The letter stressed that it is critically important to protect taxpayers and to let the American people know that the Federal government is acting on their behalf.

Finally, throughout the 111th Congress, Subcommittee Chairman Kanjorski and the staff of the Capital Markets Subcommittee reviewed reports and met regularly with interested parties to obtain information about the performance of the GSEs and to review proposals to alter the U.S. housing finance system.

CAPITAL MARKETS REGULATORY REFORM AND INVESTOR PROTECTION

On October 6, 2009, Capital Markets Subcommittee Chairman Kanjorski presided at a Committee hearing entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” Capital Markets Subcommittee staff worked closely with Committee staff to organize the hearing and to draft the legislative proposals considered at the hearing.

The hearing's investor protection panel focused on the discussion draft of the Investor Protection Act, which Subcommittee Chairman Kanjorski prepared and later introduced as H.R. 3817. This legislation aimed to strengthen the powers of the U.S. Securities and Exchange Commission (SEC) and other securities regulators, close regulatory loopholes, better safeguard investors, hold wrongdoers accountable, and efficiently regulate the global capital markets.

Among its many provisions, H.R. 3817 included a requirement that all securities professionals providing personalized investment advice have a fiduciary duty toward their customers. Through a harmonized standard, broker-dealers and investment advisers would have to put investors' interests first. The Investor Protection Act also significantly expanded the ability of the SEC to reward those whistleblowers whose tips lead to successful enforcement actions.

As outlined below in the section about the SEC, the Subcommittee also examined proposals to reform the SEC's operations at an oversight hearing on July 14, 2009, and the implementation of the provisions contained in H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, including many of the requirements first proposed in H.R. 3817 at an oversight hearing on July 20, 2010.

HEDGE FUNDS

On May 7, 2009, the Capital Markets Subcommittee held a hearing entitled "Perspectives on Hedge Fund Registration." The Subcommittee convened the hearing to consider ways to increase the transparency and improve the oversight of hedge funds, which had been largely unregulated prior to the start of the 111th Congress. Among other things, the hearing examined H.R. 711, the Hedge Fund Adviser Registration Act of 2009, legislation introduced by Representatives Michael E. Capuano and Michael N. Castle. The hearing also focused on the appropriate balance between providing regulation of the industry to protect investors without unduly inhibiting the benefits hedge funds provide investors and the market more broadly.

Witnesses at the Subcommittee hearing included Todd Groome, Chairman of the Alternative Investment Management Association; The Honorable Richard H. Baker, President of Managed Funds Association; James S. Chanos, Chairman of the Coalition of Private Investment Companies; Orice Williams, Director of Financial Markets and Community Investment Team, Government Accountability Office; and Britt Harris, Chief Investment Officer of the Teacher Retirement System of Texas.

On October 6, 2009, the Committee held a three-panel legislative hearing entitled "Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office." The Subcommittee worked closely with the Committee to organize this hearing, and Subcommittee Chairman Kanjorski presided for much of the hearing. The hearing's second panel addressed the reforms found in a discussion draft of H.R. 3818, the Private Fund Investment Advisers Registration Act of 2009, introduced by Subcommittee Chairman Kanjorski. The Committee marked up H.R.

3818 on October 27, 2009, and the House then passed H.R. 3818 as part of H.R. 4173 in December 2009. As enacted into law in July 2010, the Dodd-Frank Act contains many of the provisions initially found in H.R. 3818.

Finally, on January 15, 2010, Chairman Frank and Subcommittee Chairman Kanjorski requested a GAO study on the use of leverage by the portfolio companies of private equity funds. The study will focus on the performance of these highly leveraged companies and their ability to weather a financial crisis *vis-a-vis* comparable public companies.

CREDIT RATING AGENCIES

On May 19, 2009, the Capital Markets Subcommittee convened a hearing entitled "Approaches to Improving Credit Rating Agency Regulation." At the hearing, the Subcommittee examined credit rating agency regulation and proposals to make credit rating agencies more accountable. Witnesses included Robert Auwaerter, Principal and Head of the Fixed Income Group of Vanguard; Robert Dobilas, President and CEO of Realpoint LLC; Eugene Volokh, Gary T. Schwartz Professor of Law, UCLA School of Law; Stephen W. Joynt, President and CEO, Fitch, Inc.; Alex J. Pollock, Resident Fellow, American Enterprise Institute; and Gregory Smith, General Counsel, Colorado Public Employees' Retirement Association.

On September 30, 2009, the Subcommittee held an additional hearing entitled "Reforming Credit Rating Agencies." The hearing focused on a discussion draft of legislation to enhance the oversight, accountability and transparency of credit rating agencies released on September 25, 2009, by Subcommittee Chairman Kanjorski.

Witnesses at this hearing included Daniel M. Gallagher, Co-Acting Director of the Division of Trading and Markets, U.S. Securities and Exchange Commission; Raymond McDaniel, Chairman and CEO, Moody's Corporation; Deven Sharma, President, Standard & Poor's; Stephen W. Joynt, President and Chief Operating Officer, Fitch Inc.; Robert Dobilas, President and CEO, RealPoint LLC; James H. Gellert, President and CEO, Rapid Ratings International Inc.; and Kurt Schacht, Managing Director, CFA Institute Centre for Financial Market Integrity.

Among other things, the Kanjorski discussion draft of the Accountability and Transparency in Rating Agencies Act, later introduced as H.R. 3890:

- required new disclosures by Nationally Recognized Statistical Rating Organization (NRSRO) of revenues;
- added a duty to supervise NRSRO employees and gave the SEC the authority to sanction supervisors for failing to do so;
- mitigated the conflicts arising from the issuer-pay model;
- enhanced NRSRO accountability through liability reform;
- required each NRSRO to have a board with at least two independent directors, and provided requirements for compensation, term and duties; and
- added a one-year ban on the activities of issuers who hire former NRSRO employees.

On October 27, 2009, the Committee held a markup of Subcommittee Chairman Kanjorski's discussion draft. The Committee

amended and favorably reported the bill. Subsequently, the Committee incorporated H.R. 3890 into H.R. 4173, which passed the House on December 11, 2009. Subtitle C of Title IX of the Dodd-Frank Act included many of the rating agency reform provisions first considered by the Subcommittee at its hearings on credit rating agencies.

INSURANCE REGULATORY REFORM

While the States have long functioned as the primary regulators of the insurance marketplace, during the 111th Congress the Capital Markets Subcommittee continued to examine both Federal and State efforts to modernize and improve insurance regulation.

On May 14, 2009, the Capital Markets Subcommittee convened a hearing entitled “How Should the Federal Government Oversee Insurance?” The hearing focused on insurance regulatory reform, particularly in light of the larger regulatory reform questions raised and the interventions and reforms undertaken as a result of the financial crisis. Witnesses at this hearing included Baird Webel, Specialist in Financial Economics, Congressional Research Service; Patricia Guinn, Managing Director of Global Risk and Financial Services Business, Towers Perrin; J. Robert Hunter, Director of Insurance, Consumer Federation of America; Martin F. Grace, James S. Kemper Professor, Department of Risk Management and Insurance, Georgia State University; and Scott Harrington, Alan B. Miller Professor, Wharton School of Business, University of Pennsylvania.

On June 16, 2009, the Subcommittee subsequently held a hearing entitled “Systemic Risk and Insurance.” The hearing explored how insurance would fit into a restructuring of the financial services regulatory system, including an examination of the complexities of insurance firms and insurance holding companies. The hearing also reviewed particular types of insurance products to determine whether they pose a risk to the insurance or financial services system and are of national significance.

Participants in the hearing included The Honorable Peter Skinner, Member, European Parliament; The Honorable Michael T. McRaith, Director, Illinois Department of Insurance, on behalf of the National Association of Insurance Commissioners; Teresa Bryce, President, Radian Guaranty Inc., on behalf of the Mortgage Insurance Companies of America; Sean McCarthy, Chief Operating Officer, Financial Security Assurance, Inc.; Kenneth F. Spence, Executive Vice President and General Counsel, Travelers; Franklin Nutter, President, Reinsurance Association of America; Patrick S. Baird, CEO of Aegon USA, LLC, on behalf of the American Council of Life Insurers; and John T. Hill, President and Chief Operating Officer, Magna Carta Companies, on behalf of the National Association of Mutual Insurance Companies.

On March 18, 2010, the Subcommittee met at a hearing entitled “Insurance Holding Company Supervision.” The hearing focused on:

- the existing authorities of State and Federal regulators with regard to insurers and affiliated companies under the same holding company;
- the supervision and the coordination among State and Federal regulators of these financial entities; and

- how insurance holding company regulation differs from bank and thrift holding company regulation.

Witnesses included Jon Greenlee, Associate Director, Division of Banking Supervision and Regulation, Federal Reserve Board of Governors; Grovetta N. Gardineer, Managing Director for Corporate and International Activities, Office of Thrift Supervision; Sean Dilweg, Commissioner of Insurance for the State of Wisconsin; and Ann Frohman, Director of Nebraska's Department of Insurance.

PERSPECTIVES ON SYSTEMIC RISK

On March 5, 2009, the Capital Markets Subcommittee held a hearing entitled "Perspectives on Systemic Risk." The hearing explored systemic risk issues related to the capital markets, including hedge funds, derivatives and credit default swaps. At this hearing, the Subcommittee continued discussions earlier about how to reform financial services regulation to mitigate systemic risk. Witnesses at the hearing included Orice Williams, Director of Financial Markets and Community Investment, Government Accountability Office; The Honorable Richard H. Baker, President and CEO of the Managed Funds Association; The Honorable Steve Bartlett, President and CEO of the Financial Services Roundtable; Therese Vaughan, CEO of the National Association of Insurance Commissioners; Robert A. DiMuccio, President and CEO of Amica Mutual Group; and Timothy Ryan, Jr., President and CEO of the Securities Industry and Financial Markets Association.

CORPORATE GOVERNANCE

On March 11, 2010, the Capital Markets Subcommittee held a hearing entitled "Corporate Governance after Citizens United." The hearing came in response to the U.S. Supreme Court's 5-4 decision in *Citizens United v. Federal Election Commission*, where the Court found that for-profit and non-profit corporations can spend unlimited amounts of money from their general treasury funds to influence federal elections. The Subcommittee considered potential legislative responses aimed at limiting the impact of the decision, some by empowering shareholders through corporate governance reforms and by increasing disclosure requirements for public companies. The hearing also reviewed H.R. 4790, the Shareholder Protection Act. Introduced by Representative Michael E. Capuano, this bill sought to make corporate political expenditures more transparent and to give shareholders more say in how those dollars are spent.

Witnesses at the hearing included John C. Coffee, Jr., Adolf A. Berle Professor of Law, Columbia Law School; Karl J. Sandstrom, Of Counsel, Perkins Coie; Ann Yerger, Executive Director, Council of Institutional Investors; J.W. Verret, Assistant Professor of Law, George Mason University School of Law; Nell Minow, Editor and Co-Founder of The Corporate Library; Michael Klausner, Nancy and Charles Munger Professor of Business and Professor of Law, Stanford Law School; and Jan Baran, Partner at Wiley Rein LLP.

On April 21, 2010, the Capital Markets Subcommittee held an additional hearing entitled "Corporate Governance and Shareholder Empowerment." At the hearing, the Subcommittee focused on cor-

porate governance reform legislation aimed at modifying the board election process, separating the functions of CEO and chairman within a public company, establishing risk-management committees, and enhancing voting transparency. The hearing considered three specific bills: H.R. 2861, the Shareholder Empowerment Act of 2009; H.R. 3272, the Corporate Governance Reform Act of 2009; and H.R. 3351, the Proxy Voting Transparency Act of 2009. Several corporate governance reforms from these bills, including the provision on proxy access, were later included in Title IX of H.R. 4173, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which became law on July 21, 2010.

Witnesses at the hearing included The Honorable Steven D. Irwin, Commissioner, Pennsylvania Securities Commission; Gregory W. Smith, Chief Operating Officer and General Counsel, Colorado Public Employees' Retirement Association; Thomas F. Brier, Deputy Chief Investment Officer and Director of Corporate Governance, Pennsylvania State Employees' Retirement System; Alexander M. Cutler, Chairman and CEO of Eaton Corporation; Brandon J. Rees, Deputy Director, Office of Investment, AFL-CIO; Robert E. Smith, Vice President of, Deputy General Counsel to, and Assistant Secretary of NiSource, on behalf of the Society of Corporate Secretaries and Governance Professionals; and James Allen, Head of Capital Markets Policy, CFA Institute.

DERIVATIVES

In response to a request by Capital Markets Subcommittee Chairman Kanjorski and Financial Services Ranking Member Spencer Bachus, the GAO completed in early 2009 a study to review the regulatory oversight of and recent initiatives to address the systemic risk of credit default swaps. GAO delivered its findings on these matters as testimony at the March 5, 2009, Subcommittee hearing entitled "Perspectives on Systemic Risk," which is discussed above.

On June 9, 2009, the Subcommittee also held a hearing entitled "The Effective Regulation of the Over-the-Counter Derivatives Markets." The hearing focused on ways to strengthen the regulation of the over-the-counter (OTC) derivatives market to mitigate systemic risk. Specific issues addressed during the hearing included whether clearing should be mandatory for all OTC derivatives contracts and how transparency in the OTC derivatives market could be increased.

Witnesses on the first panel of the hearing included Donald Fewer, CEO, Standard Credit Group; Robert Pickel, CEO, International Swaps and Derivatives Association, Inc; Timothy J. Murphy, Foreign Currency Risk Manager, 3M; Don Thompson, Managing Director and Associate General Counsel, JPMorgan Chase & Co.; Christopher Ferreri, Managing Director, ICAP; and Christian A. Johnson, Professor at University of Utah School of Law. Participants on the second panel included Thomas Callahan, CEO, NYSE Liffe; Terrence A. Duffy, Executive Chairman, CME Group Inc; Christopher Edmonds, CEO, International Derivatives Clearing Group, LLC; Jeffrey Sprecher, CEO, IntercontinentalExchange, Inc.; and Larry E. Thompson, Managing Director and General Counsel, Depository Trust and Clearing Corporation.

In connection with the June 2009 Subcommittee hearing and subsequent Committee hearings on the subject of derivatives regulation, staff of the full Committee and the Subcommittee regularly attended meetings and briefings with regulators, market participants and consumer advocates to gather background information and receive a variety of proposals and recommendations on regulatory approaches to supervising the derivatives markets. The findings from these meetings, briefings and aforementioned hearings also helped to inform the content of Title VII of the Dodd-Frank Act.

Finally, on April 29, 2010, the Capital Markets Subcommittee convened a hearing entitled “Credit Default Swaps on Government Debt: Potential Implications of the Greek Debt Crisis.” The hearing came in response to reports that speculation by Wall Street banks in the credit default swap market might have adversely affected the price of debt for the Greek government. Witnesses at the hearing included Robert Pickel, Executive Vice Chairman, International Swaps and Derivatives Association, Inc.; Robert Johnson, Director of Global Finance, Roosevelt Institute; Darrell Duffie, Professor of Finance, Graduate School of Business, Stanford University; Anthony B. Sanders, Distinguished Professor of Real Estate Finance, George Mason University; and Joseph R. Mason, Louisiana Bankers Association Endowed Professor of Banking, Louisiana State University. Additionally, Subcommittee staff participated in meetings with representatives of the Delegation of the European Union to the United States and other interested parties before and after the hearing to evaluate the issue.

SECURITIES AND EXCHANGE COMMISSION

The Subcommittee conducted oversight of and advanced changes to the structure of the SEC in several ways during the 111th Congress. For example, on June 9, 2009, Capital Markets Subcommittee Chairman Paul E. Kanjorski wrote to SEC Chairman Mary L. Schapiro to discern what initiatives the agency planned to take to improve investor protection and restore confidence in the financial markets, as well as to identify needed legislative changes to the laws governing the U.S. capital markets.

Subsequently, the Subcommittee held a hearing entitled “SEC Oversight: Current State and Agenda” on July 14, 2009, to explore these initiatives and to examine the operations and organizational structure of the SEC, with particular emphasis on its supervisory and inspection functions. The hearing also helped to inform legislative proposals, many of which were ultimately incorporated into Title IX of the Dodd-Frank Act as signed into law. SEC Chairman Schapiro testified as the sole witness at the hearing.

The Subcommittee held a second SEC oversight hearing on July 20, 2010. At the hearing entitled “Oversight of the U.S. Securities and Exchange Commission: Evaluating Present Reforms and Future Challenges,” SEC Chairman Schapiro briefed the Subcommittee on reforms implemented since her appointment in January 2009. She also explained how the SEC planned to implement the requirements of the Dodd-Frank Act.

MARKET STRUCTURE

The Capital Markets Subcommittee examined developments in the structure of the equity and options markets during the 111th Congress. In particular, the Subcommittee exercised its oversight responsibilities in response to the “flash crash” of May 6, 2010, during which the stock market indices experienced an extreme drop in value only to recover within a matter of minutes.

On May 6, Subcommittee Chairman Kanjorski wrote to SEC Chairman Schapiro expressing concern about the market events of that day and seeking the SEC’s views and plan of action related to those events. At a hearing entitled “The Stock Market Plunge: What Happened and What Is Next?” on May 11, 2010, the Subcommittee then received testimony from SEC Chairman Schapiro and CFTC Chairman Gary Gensler. Other participants at the hearing included Lawrence Leibowitz, Chief Operating Officer, NYSE Euronext; Eric Noll, Executive Vice President, NASDAQ Transaction Services; and Terrence A. Duffy, Executive Chairman, CME Group Inc.

In the months following the hearing, Subcommittee staff met with and received briefings from the SEC and the CFTC about the causes of the market volatility and the structural reforms implemented as a result of the events of May 6, including the implementation of circuit-breakers for individual stocks.

On September 30, 2010, Chairman Frank and Subcommittee Chairman Kanjorski wrote to SEC Chairman Schapiro and CFTC Chairman Gensler requesting that the agencies release their joint report, also dated September 30, 2010, entitled “Findings Regarding the Market Events of May 6, 2010: Report of the Staffs of the CFTC and SEC to the Joint Advisory Committee on Emerging Regulatory Issues.” Subcommittee staff not only reviewed the findings of that report and participated in regular meetings with parties affected by or interested in the events of May 6, but also explored related market structure issues like high-frequency trading, market data fees, the SEC’s modified uptick rule, and short sale restrictions during the 111th Congress.

SECURITIES FRAUD

The Capital Markets Subcommittee responded to the SEC’s failure to detect the \$65 billion Ponzi scheme orchestrated by Mr. Bernard L. Madoff, as well as other sizable securities frauds in the wake of the financial crisis of 2008 and 2009, by holding hearings and conducting oversight.

Subcommittee staff worked to organize the first meeting of the Committee in 2009. Entitled “Assessing the Madoff Ponzi Scheme and the Need for Regulatory Reform,” the Committee’s proceedings took place on January 5, 2009. Witnesses at the hearing included H. David Kotz, Inspector General, U.S. Securities and Exchange Commission; Stephen P. Harbeck, President, Securities Investor Protection Corporation; Allan Goldstein, a retiree and investor with Bernard L. Madoff Investment Securities; Tamar Frankel, Professor of Law and Michaels Faculty Research Scholar, Boston University School of Law; and Leon Metzger, adjunct faculty member

at Columbia University, Cornell University, New York University, and Yale University.

Insights gleaned from this Committee meeting resulted in a subsequent hearing of the Capital Markets Subcommittee on February 4, 2009, entitled “Assessing the Madoff Ponzi Scheme and Regulatory Failures.” Witnesses at this hearing included Harry Markopolos, an independent financial fraud investigator for institutional investors and others seeking forensic accounting expertise, as well as a Chartered Financial Analyst and Certified Fraud Examiner; Linda Thomsen, Director, Division of Enforcement, U.S. Securities and Exchange Commission; Andrew J. Donohue, Director, Division of Investor Management, U.S. Securities and Exchange Commission; Erik Sirri, Director, Division of Trading and Markets, U.S. Securities and Exchange Commission; Andy Vollmer, Acting General Counsel, U.S. Securities and Exchange Commission; Lori A. Richards, Director, Office of Compliance Inspections and Examinations, U.S. Securities and Exchange Commission; and Stephen Luparello, Interim CEO, Financial Industry Regulatory Authority.

In combination, these proceedings of the Committee and the Subcommittee also informed the work of the Subcommittee in undertaking the most substantial rewrite of the laws governing the U.S. securities markets since the Great Depression.

To ensure that the Subcommittee received a fulsome and timely explanation as to why the SEC failed to detect the Madoff fraud, Capital Markets Subcommittee Chairman Kanjorski also wrote a number of letters and met with key officials at the SEC. In January 2009, for instance, he wrote to outgoing SEC Chairman Christopher Cox to ask why the SEC missed several red flags that could have helped to identify the Madoff fraud at an earlier point in time. Chairman Kanjorski additionally met in February 2009 with SEC Chairman Schapiro shortly after she took over the agency, and they publicly agreed to maintain an open, cooperative dialogue regarding the Committee’s examination of the Madoff Ponzi scheme and the SEC’s actions regarding the matter.

Chairman Kanjorski also continued to press for answers into the SEC’s failures related to the Madoff fraud by writing two letters to the Inspector General of the SEC in June 2009. Both letters urged the timely completion of the Inspector General’s report on his investigation into the Madoff matter and the SEC’s failure to identify it.

Finally, Chairman Kanjorski monitored the administration of claims for losses by Madoff victims by writing to the Securities Investor Protection Corporation (SIPC) in August 2010. In the letter, Chairman Kanjorski requested data on the status of claims filed by victims of the Madoff fraud. As outlined in the next section, the Capital Markets Subcommittee additionally convened two hearings to examine SIPC’s operations.

SECURITIES INVESTOR PROTECTION ACT

In response to complaints raised by investors affected by the Madoff Ponzi scheme and the Stanford Financial fraud, the Capital Markets Subcommittee held two hearings on December 9, 2009, and September 23, 2010, to examine the operations, initiatives and

activities of SIPC. The hearings also explored proposals to better protect investors in today's volatile markets by reforming certain aspects of the Securities Investor Protection Act (SIPA).

The December 2009 hearing entitled "Additional Reforms to the Securities Investor Protection Act" considered reforms in addition to those included in the House-passed H.R. 4173, the Wall Street Reform and Consumer Protection Act. Witnesses included Jeannene Langford, an investor in Mot Family Investors; Joel Green, General Counsel, Upsher-Smith Laboratories, Inc.; Helen Chaitman, Madoff investor and legal advisor to the Madoff Coalition for Investor Protection; Pete Leveton, Co-Chairman, Agile Funds Investor Committee; Gregory Lancette, Business Manager, Plumbers and Steamfitters Local 267 of Syracuse, New York; John C. Coffee, Adolf A. Berle Professor of Law, Columbia Law School; Michael Conley, Deputy Solicitor, U.S. Securities and Exchange Commission; and Steve Harbeck, President, Securities Investor Protection Corporation.

As a result of the hearing, SIPC formed a Task Force to review SIPA and to make recommendations for change. On March 3, 2010, Chairman Kanjorski wrote a letter to request that SIPC's Task Force be comprised of a diverse group of representatives and that the Task Force broaden its focus to consider, among other things, how SIPC operates. Participants from this Task Force testified at the Subcommittee hearing entitled "Assessing the Limitations of the Securities Investor Protection Act" in September 2010. The witnesses included Joseph Borg, Director, Alabama Securities Commission; The Honorable Orlan Johnson, Chairman of the Board, Securities Investor Protection Corporation; John C. Coffee, Adolf A. Berle Professor of Law, Columbia Law School; Ira Hammerman, Senior Managing Director and General Counsel, Securities Industry and Financial Markets Association; and Steven Caruso, Partner at Maddox, Hargett, & Caruso.

ACCOUNTING AND AUDITING

The Capital Markets Subcommittee held a hearing on March 12, 2009, entitled "Mark-to-Market Accounting: Practices and Implications" to examine the mark-to-market accounting rules that many contend exacerbated the trouble in the financial industry and in the broader economy. Witnesses included James Kroeker, Acting Chief Accountant, U.S. Securities and Exchange Commission; Robert Herz, Chairman, Financial Accounting Standards Board; Kevin Bailey, Deputy Comptroller for Regulatory Policy, Office of the Comptroller of the Currency; Jeff Mahoney, General Counsel, Council of Institutional Investors; Cindy Fornelli, Executive Director, Center for Audit Quality; Thomas Bailey, Chairman, Pennsylvania Association of Community Bankers, and President and CEO of Brentwood Bank; Lee Cotton, Past President, Commercial Mortgage Securities Association; Tanya Beder, Chairman, SBCC Group; Robert D. McTeer, Distinguished Fellow, National Center for Policy Analysis; and The Honorable William Isaac, Chairman, Secura Group of LECG.

Additionally, Chairman Frank, Ranking Member Bachus, Capital Markets Subcommittee Chairman Kanjorski, and Capital Markets Ranking Member Garrett sent a letter on April 2, 2009, to SEC

Chairman Schapiro to emphasize the importance of an independent accounting standard setter and to urge the SEC to provide leadership in the implementation and application of accounting standards.

On May 21, 2010, the Subcommittee held an additional hearing entitled “Accounting and Auditing Standards: Pending Proposals and Emerging Issues.” Witnesses included James Kroeker, Chief Accountant, U.S. Securities and Exchange Commission; Robert Herz, Chairman, Financial Accounting Standards Board; Daniel L. Goelzer, Acting Chairman, U.S. Public Company Accounting Oversight Board (PCAOB). During the hearing, witnesses provided an overview of their current and anticipated rulemaking and standard-setting activities.

Subcommittee staff also explored and worked to incorporate into the Dodd-Frank Act several reforms related to the PCAOB. For example, Section 982 of the law expanded the oversight responsibilities of the PCAOB by requiring auditors of brokers-dealers, as defined in the Securities Exchange Act, to register with the PCAOB. This section also authorizes the PCAOB to develop an inspection program for the auditors of broker-dealers. Section 981 of the Dodd-Frank Act additionally allows the PCAOB to share information with foreign auditing regulators. These reforms were informed, in part, by public proceedings and hearings held by the Committee and the Subcommittee in early 2009 after the revelation of the Madoff Ponzi scheme.

NATURAL DISASTER INSURANCE

On March 10, 2010, the Capital Markets Subcommittee convened a joint hearing with the Subcommittee on Housing and Community Opportunity to examine issues related to natural disaster insurance. Witnesses at the hearing entitled “Approaches to Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, The Homeowners’ Defense Act” included James Lee Witt, former Director of the Federal Emergency Management Agency, on behalf of ProtectingAmerica.org; Glenn Pomeroy, CEO, California Earthquake Authority; Steve Ellis, Vice President, Taxpayers for Common Sense; and Charles McMillan of Coldwell Banker Residential Brokerage, Dallas-Fort Worth, and Immediate Past President of the National Association of Realtors.

AMERICAN INTERNATIONAL GROUP (AIG)

On March 18, 2009, the Capital Markets Subcommittee held a hearing entitled “American International Group’s Impact on the Global Economy: Before, During, and After Federal Intervention.” Witnesses included Scott Polakoff, Acting Director, Office of Thrift Supervision; The Honorable Joel Ario, Insurance Commissioner, the Pennsylvania Insurance Department, on behalf of the National Association of Insurance Commissioners; Orice M. Williams, Director of Financial Markets and Community Investment, Government Accountability Office; Rodney Clark, Managing Director of Insurance Ratings, Standard & Poor’s; and Edward M. Liddy, Chairman and CEO of AIG. The hearing focused broadly on the lead up to and need for Federal intervention at AIG, but centered substan-

tially on compensation paid to employees at AIG's failing Financial Products division.

As follow-up to this hearing, the Subcommittee provided input and leadership to the March 24, 2009, full Committee hearing entitled "Oversight of the Federal Government's Intervention at American International Group." This second hearing, chaired predominantly by Subcommittee Chairman Kanjorski, consisted of one panel of witnesses featuring Treasury Secretary Timothy F. Geithner, Federal Reserve Chairman Ben S. Bernanke, and Federal Reserve Bank of New York President William Dudley.

These hearings together formed only a small part of an extensive series of related correspondence and ongoing AIG oversight undertaken by the Committee and Subcommittee staff throughout the 111th Congress.

SECURITIZATIONS OF LIFE SETTLEMENTS

On September 24, 2009, the Capital Markets Subcommittee held a hearing entitled "Recent Innovations in Securitization." The hearing focused on the life settlement industry and its connection to the securities markets. The hearing examined whether lessons learned from the problems in real estate securitization were being applied to the securitization of life settlements.

Witnesses included Paula Dubberly, Associate Director, Division of Corporation Finance, U.S. Securities and Exchange Commission; The Honorable Susan E. Voss, Commissioner, the Iowa Department of Insurance, on behalf of the National Association of Insurance Commissioners; J. Russel Dorsett, Co-Managing Director, Veris Settlement Partners, on behalf of the Life Insurance Settlement Association; Brian Pardo, CEO, Life Partners Holdings, Inc.; Jack Kelly, Director of Government Relations, Institutional Life Markets Association; Kurt Gearhart, Global Head of Regulatory and Execution Risk, Life Finance Group, Credit Suisse; Steven H. Strongin, Managing Director and Head of Global Investment Research, Goldman, Sachs & Co.; and Daniel Curry, President, DBRS, Inc.

After the hearing, Subcommittee and Committee staff reviewed the report on life settlements prepared by the SEC staff. Subcommittee and Committee staff also consulted with the SEC about legislative language to implement the SEC report's recommendations.

FEDERAL HOME LOAN BANK COMMUNITY AND ECONOMIC DEVELOPMENT

At the request of Capital Markets Subcommittee Chairman Kanjorski, GAO completed a study released on August 11, 2010, entitled "Federal Housing Finance Agency: Oversight of the Federal Home Loan Banks' Agricultural and Small Business Collateral Policies Could Be Improved." The report found that the Federal Home Loan Bank System had fallen short in its efforts to prioritize economic development in communities throughout the country, as part of its mandate requires it to do. In response to the report, Chairman Kanjorski wrote to FHFA Acting Director DeMarco and each of the twelve Federal Home Loan Bank presidents to request that they outline the steps they intend to take to improve economic

and community development activities. Subcommittee staff reviewed the responses.

ECONOMIC STABILITY

In a letter on June 23, 2009, Capital Markets Subcommittee Chairman Kanjorski urged the Federal Deposit Insurance Corporation (FDIC) to encourage banks to expand access to credit, so that big and small businesses alike could weather the economic crisis, and so that businesses could create much needed jobs. FDIC Chairman Sheila Bair responded on July 7, 2009, that the FDIC and other banking regulators were encouraging banks to continue making loans to creditworthy customers and working with borrowers having difficulty remaining current on their payments.

On July 31, 2009, Chairman Kanjorski and other Members of the Financial Services Committee sought to further expand the availability of credit to businesses by sending a letter to the U.S. Department of Treasury Secretary and the Board of Governors of the Federal Reserve System to request the extension of the Term Asset-Backed Securities Loan Facility (TALF) through the end of 2010. The Federal Reserve later extended the TALF from December 31, 2009 to June 30, 2010 in order to help restart the commercial mortgage-backed securities market and to enhance liquidity in the commercial real estate sector.

GLOBAL COMPETITIVENESS OF U.S. FINANCIAL MARKETS

The Capital Markets Subcommittee worked to examine and maintain the competitiveness of the U.S. capital markets in a number of ways during the 111th Congress. For example, Subcommittee Chairman Kanjorski and staff regularly met with representatives from other nations and the European Parliament to ascertain developments related to foreign financial markets, laws and rules.

Additionally, Subcommittee Chairman Kanjorski led a delegation of the Committee in meetings with European legislative, regulatory, and financial industry leaders in late August and early September 2009. The delegation also included Capital Markets Ranking Member Garrett, Financial Institutions Subcommittee Chairman Luis V. Gutierrez, and Committee staff. As part of its agenda, the delegation participated in a hearing of the European Parliament's Committee on Economic and Monetary Affairs in Brussels on September 2, 2009. The hearing examined developments related to financial services regulation across international borders.

During the debates on the legislation that became the Dodd-Frank Act, Subcommittee staff also regularly explored international competitiveness and coordination issues. For example, Chairman Kanjorski received a letter dated October 22, 2009, from Charlie McGreevy, the then-European Commissioner for Internal Market and Services, related to H.R. 3817, the Investor Protection Act. In response to concerns raised in this letter, the Committee adjusted the bill's provisions related to international regulatory cooperation on auditing oversight and the extraterritorial jurisdiction of the antifraud provisions of Federal securities laws.

FINANCIAL GUARANTEE INSURANCE

The financial guarantee insurance industry with products like municipal bond insurance, credit default swaps, and mortgage insurance played a central role in the credit and liquidity crisis of 2008 and 2009. Following on the Capital Markets Subcommittee's focus on the bond insurance segment of the financial guarantee insurance industry in the 110th Congress, during the 111th Congress the Subcommittee undertook closer oversight and review of the mortgage insurance segment of the financial guarantee business.

On July 29, 2010, the Subcommittee held a hearing to examine the "Future of Housing Finance Reform: The Role of Private Mortgage Insurance." The proceeding focused on the business model, structure, regulation, history and performance of the private mortgage insurance (PMI) industry. The hearing also reviewed the PMI industry's experiences during the recent financial crisis and explored the need to alter the laws currently governing the industry.

Witnesses included Patrick Sinks, President and Chief Operating Officer, Mortgage Guaranty Insurance Corporation, on behalf of the Mortgage Insurance Companies of America; Marti Rodamaker, President, First Citizens National Bank of Iowa, on behalf of the Independent Community Bankers Association; Janneke Ratcliffe, Associate Director, Center for Community Capital, University of North Carolina, and Senior Fellow, Center for American Progress; Anthony B. Sanders, Distinguished Professor of Finance, George Mason University, and Senior Scholar for the Mercatus Center at George Mason University; John Taylor, President and CEO, National Community Reinvestment Coalition; and Deborah Goldberg, Hurricane Relief Program Director, National Fair Housing Alliance.

The Subcommittee monitored the ongoing efforts of the financial guarantee industry to recapitalize itself, and Subcommittee staff regularly met with regulators, insurers and industry experts to examine these matters. On July 7, 2009, Subcommittee Chairman Kanjorski also sent a letter to the U.S. Department of the Treasury recommending that the Federal government help to recapitalize mortgage insurers by providing funding access to the Troubled Asset Relief Program. Chairman Kanjorski additionally recommended that the Treasury Department consider how the mortgage insurance industry could be directly regulated at the Federal level.

On March 25, 2010, Chairman Kanjorski publicly commented that the ongoing troubles in the bond insurance industry demonstrated the need for better information at the Federal level about developments in the insurance industry. The Committee favorably reported out of the Committee H.R. 2609, legislation introduced by Chairman Kanjorski to create a Federal Insurance Office (FIO) within the Treasury Department. As enacted into law in Title V, Subtitle A of the Dodd-Frank Act, the FIO is authorized to gather information about the insurance industry and to monitor the insurance industry for systemic risk purposes, among other duties and responsibilities.

SUBCOMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111-2	Assessing the Madoff Ponzi Scheme and Regulatory Failures (Capital Markets).	February 4, 2009
111-10	Perspectives on Systemic Risk (Capital Markets)	March 5, 2009
111-12	Mark-to-Market Accounting: Practices and Implications (Capital Markets)	March 12, 2009
111-15	American International Group's Impact on the Global Economy: Before, During, and After Federal Intervention (Capital Markets).	March 18, 2009
111-29	Perspectives on Hedge Fund Registration (Capital Markets)	May 7, 2009
111-32	How Should the Federal Government Oversee Insurance? (Capital Markets)	May 14, 2009
111-33	Approaches to Improving Credit Rating Agency Regulation (Capital Markets)	May 19, 2009
111-38	The Present Condition and Future Status of Fannie Mae and Freddie Mac (Capital Markets).	June 3, 2009
111-41	The Effective Regulation of the Over-the-Counter Derivatives Markets (Capital Markets).	June 9, 2009
111-44	Systemic Risk and Insurance (Capital Markets)	June 16, 2009
111-57	SEC Oversight: Current State and Agenda (Capital Markets)	July 14, 2009
111-79	Recent Innovations in Securitization (Capital Markets)	September 24, 2009
111-82	Reforming Credit Rating Agencies (Capital Markets)	September 30, 2009
111-94	Additional Reforms to the Securities Investor Protection Act (Capital Markets).	December 9, 2009
111-108	Approaches to Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, The Homeowners' Defense Act (Capital Markets and Housing).	March 10, 2010
111-109	Corporate Governance after Citizens United (Capital Markets)	March 11, 2010
111-114	Insurance Holding Company Supervision (Capital Markets)	March 18, 2010
111-125	Corporate Governance and Shareholder Empowerment (Capital Markets)	April 21, 2010
111-130	Credit Default Swaps on Government Debt: Potential Implications of the Greek Debt Crisis (Capital Markets).	April 29, 2010
111-133	The Stock Market Plunge: What Happened and What Is Next? (Capital Markets).	May 11, 2010
111-139	Accounting and Auditing Standards: Pending Proposals and Emerging Issues (Capital Markets).	May 21, 2010
111-142	FHFA Oversight: Current State of the Housing Government Sponsored Enterprises (Capital Markets).	May 26, 2010
111-144	Oversight of the U.S. Securities and Exchange Commission: Evaluating Present Reforms and Future Challenges (Capital Markets).	July 20, 2010
111-149	Future of Housing Finance: The Role of Private Mortgage Insurance (Capital Markets).	July 29, 2010
111-153	The Future of Housing Finance: A Progress Update on the GSEs (Capital Markets).	September 15, 2010
111-158	Assessing the Limitations of the Securities Investor Protection Act (Capital Markets).	September 23, 2010

SUBCOMMITTEE ON DOMESTIC MONETARY POLICY AND TECHNOLOGY

(Ratio: 10–7)

MELVIN L. WATT, North Carolina, Chairman

CAROLYN B. MALONEY, New York	RON PAUL, Texas
GREGORY W. MEEKS, New York	MICHAEL N. CASTLE, Delaware
WILLIAM LACY CLAY, Missouri	FRANK D. LUCAS, Oklahoma
BRAD SHERMAN, California	JIM GERLACH, Pennsylvania
AL GREEN, Texas	TOM PRICE, Georgia
EMANUEL CLEAVER, Missouri	BILL POSEY, Florida
KEITH ELLISON, Minnesota	LEONARD LANCE, New Jersey
JOHN ADLER, New Jersey	SPENCER BACHUS, Alabama, <i>ex officio</i>
SUZANNE KOSMAS, Florida	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE LEGISLATIVE ACTIVITIES

NEW MARKETS TAX CREDITS (NMTC)

The Subcommittee on Domestic Monetary Policy and Technology held a hearing on June 18, 2009, entitled “An Exploration of Barriers to Full Minority Participation in the New Markets Tax Credit Program”, receiving testimony from the U.S. Department of Treasury Community Development Financial Institutions (CDFI) Fund and the U.S. Government Accountability Office (GAO), along with Community Development Entities (CDEs), the New Markets Tax Credit Coalition, the Ohio CDFI Fund and an investment research firm. The hearing examined challenges and barriers faced by minority-owned firms in obtaining allocations to the NMTC program, following up on a GAO report entitled “NEW MARKETS TAX CREDIT: Minority Entities Are Less Successful in Obtaining Awards than Non-Minority Entities” (GAO–09–536). The GAO report found: (1) that most minority CDEs did not meet the minimum threshold for advancing past the first phase of the NMTC review process; (2) of all the factors that influence whether a CDE receives a NMTC allocation, the asset size of the firm is the predominant factor, with smaller CDEs generally receiving lower application scores and fewer allocations; and (4) minority status was a significant factor in the probability of receiving a NMTC award.

While the GAO report does not contain any formal recommendations, it does discuss potential options for Congress to consider if it intends for minority CDEs participation in the NMTC to exceed current levels, including: (1) requiring that a certain portion of the overall amount of allocation authority be directed to minority CDEs; (2) exploring the potential for creating a pool of NMTC allocation authority dedicated specifically for community banks, including minority-owned banks; and (3) offering priority points to minority CDEs that apply for NMTC allocations.

REGULATORY RESTRUCTURING

The Subcommittee held two hearings on regulatory restructuring. On July 9, 2009, the Subcommittee held a hearing, entitled “Regulatory Restructuring: Balancing the Independence of the Federal Reserve in Monetary Policy with Systemic Risk Regulation.” The Vice Chairman of the Board of Governors of the Federal Reserve testified, along with executives, economists and academics

who study monetary policy, about how to balance the Federal Reserve's proposed new authority in systemic risk regulation with its traditional and important role as the independent authority on monetary policy. The hearing examined the statutory basis for the independence of the Federal Reserve and the rationale for independent central banks in the United States and around the world.

The second Subcommittee regulatory restructuring hearing, held on July 16, 2009, was entitled "*Regulatory Restructuring: Safeguarding Consumer Protection and the Role of the Federal Reserve.*" A Federal Reserve System Governor, representatives of consumer protection organizations and academics, testified at the hearing. This hearing, unlike full committee hearings that were held on enhancing consumer financial products regulation generally, specifically examined some of the public policy and operational considerations related to the Consumer Financial Protection Agency as proposed by the Obama administration. The primary topic of the hearing was whether, in light of its responsibilities for writing rules, supervising institutions, and enforcing the nation's consumer protection laws, the Federal Reserve should maintain some role in consumer protection. The hearing explored how the Federal Reserve could balance such a role in consumer protection with proposed new responsibilities for systemic risk regulation while also maintaining its unique role as the nation's independent authority on monetary policy.

GLOBAL ECONOMIC CRISIS

On May 20, 2010, the Subcommittee held a joint hearing with the International Monetary Policy and Trade Subcommittee, entitled "The Role of the International Monetary Fund and Federal Reserve in Stabilizing Europe." A Federal Reserve Governor and several academics testified at the hearing about the global economic crisis and the efforts of governments, central banks and international financial institutions to alleviate it. Hearing issues included: (1) the Federal Reserve's re-opening of temporary U.S. dollar liquidity swap facilities with foreign central banks and (2) the International Monetary Fund's (IMF) financial \$40 billion commitment as part of a larger multilateral financing package.

COINS AND CURRENCY

On July 20, 2010, the Subcommittee held a hearing entitled "The State of U.S. Coins and Currency," at which the U.S. Mint, U.S. Bureau of Engraving & Printing, Federal Reserve's Reserve Bank Operations and Payment Systems Division and the U.S. Secret Service testified. These agencies are jointly responsible for the circulation of all U.S. coins and currency as well as anti-counterfeiting measures to protect the U.S. money supply.

The hearing provided general oversight of the current state of U.S. coins and currency and examined (1) the effectiveness of anti-counterfeiting measures, (2) rising production costs of coin and currency, (3) potential oversupply of one dollar coins, (4) supply of metals for numismatic coin products and (5) access to currency by the vision-impaired.

SUBCOMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111-47	An Exploration of Barriers to Full Minority Participation in the New Markets Tax Credit Program (Domestic).	June 18, 2009
111-53	Regulatory Restructuring: Balancing the Independence of the Federal Reserve in Monetary Policy with Systemic Risk Regulation (Domestic).	July 9, 2009
111-60	Regulatory Restructuring: Safeguarding Consumer Protection and the Role of the Federal Reserve (Domestic).	July 16, 2009
111-138	The Role of the International Monetary Fund and Federal Reserve in Stabilizing Europe (Domestic and International).	May 20, 2010
111-145	The State of U.S. Coins and Currency (Domestic)	July 20, 2010

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

(Ratio: 27–18)

LUIS V. GUTIERREZ, IL, Chair

CAROLYN MALONEY, New York	JEB HENSARLING, Texas
MELVIN L. WATT, North Carolina	J. GRESHAM BARRETT, South Carolina
GARY L. ACKERMAN, New York	MICHAEL N. CASTLE, Delaware
BRAD SHERMAN, California	PETER KING, New York
DENNIS MOORE, Kansas	EDWARD R. ROYCE, California
PAUL E. KANJORSKI, Pennsylvania	WALTER B. JONES, North Carolina
MAXINE WATERS, California	SHELLEY MOORE CAPITO, West Virginia
RUBEN HINOJOSA, Texas	SCOTT GARRETT, New Jersey
CAROLYN McCARTHY, New York	JIM GERLACH, Pennsylvania
JOE BACA, California	RANDY NEUGEBAUER, Texas
AL GREEN, Texas	TOM PRICE, Georgia
WM. LACY CLAY, Missouri	PATRICK T. McHENRY, North Carolina
BRAD MILLER, North Carolina	JOHN CAMPBELL, California
DAVID SCOTT, Georgia	KEVIN McCARTHY, California
EMANUEL CLEAVER, Missouri	KENNY MARCHANT, Texas
MELISSA BEAN, Illinois	CHRISTOPHER LEE, New York
PAUL W. HODES, New Hampshire	ERIK PAULSEN, Minnesota
KEITH ELLISON, Minnesota	LEONARD LANCE, New Jersey
RON KLEIN, Florida	SPENCER BACHUS, Alabama, <i>ex officio</i>
CHARLES A. WILSON, Ohio	
GREGORY W. MEEKS, New York	
BILL FOSTER, Illinois	
ED PERLMUTTER, Colorado	
JACKIE SPEIER, California	
TRAVIS CHILDERS, Mississippi	
WALT MINNICK, Idaho	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE LEGISLATIVE ACTIVITIES

CREDIT CARD ACT OF 2009

(H.R. 627)

Summary

H.R. 627, the “Credit Card Act of 2009,” provides consumers protections against anti-competitive, unfair and deceptive acts and practices in the credit card industry. The bill: (1) increases notice and disclosures to consumers of increases in interest rates and other changes to significant contract terms; (2) ends arbitrary rate increases; (3) prohibits double-cycle billing and universal default rate increases; (4) requires the fair allocation of payments for accounts with multiple balances; (5) requires that penalty fees be reasonable and proportionate to the omission or error; and (6) eliminates diminishing value and hidden fees for gift cards.

Legislative History

H.R. 627, the “Credit Card Act of 2009” was introduced by Rep. Carolyn Maloney and 42 co-sponsors on January 22, 2009 and was referred to the Committee on Financial Services.

On March 19, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing entitled, “H.R. 627, The Credit Cardholders’ Bill of Rights Act of 2009; and H.R. 1456, the Consumer Overdraft Protection Fair Practices Act of 2009.” The hearing focused on provisions in H.R. 627 that addressed credit

card pricing practices, fees and billing practices, the effectiveness of credit card disclosures and joint unfair and deceptive acts and practices rulemaking by federal banking regulators. The hearing also focused on upcoming Regulation E amendments on overdraft protections that were proposed by the Federal Reserve and were relevant to H.R. 1456. The Subcommittee heard testimony from Sandra F. Braunstein, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Montrice Yakimov, Managing Director, Compliance and Consumer Protection, Office of Thrift Supervision, Sheila Albin, Associate General Counsel, National Credit Union Administration, Kenneth J. Clayton, Senior Vice President/General Counsel, American Bankers Association Card Policy Council, Linda Echard, President and CEO ICBA Bancard, on behalf of the Independent Community Bankers of America, Douglas Fecher, President and CEO, Wright-Patt Credit Union, Inc., on behalf of the Credit Union National Association, Oliver I. Ireland, Partner, Morrison & Foerster, LLP, Washington, DC, Todd McCracken, President, National Small Business Association, Ed Mierzwinski, Senior Fellow, Consumer Program, U.S. PIRG, and Travis Plunkett, Legislative Director, Consumer Federation of America.

On April 2, 2009, the Subcommittee met in open session and ordered the bill to be forwarded to the full Committee, as amended, with a favorable recommendation on a voice vote.

On April 22, 2009, the full Committee met in open session and ordered the bill to be reported, as amended, with a favorable recommendation on a recorded vote of 48 yeas and 19 nays. The Committee reported the bill to the House, H. Rept. 111–88, on April 27, 2009.

On April 30, 2009, the House adopted H. Res. 379 providing for the consideration of H.R. 627 under a structured rule. Also on that day, the House passed the bill by a recorded vote of 357 yeas and 70 nays. The bill was received in the Senate the same day and was read twice and placed on the Senate Legislative Calendar.

On May 19, 2009, H.R. 627 passed the Senate, as amended, by a vote of 90 yeas and 5 nays.

On May 20, 2009, the House agreed to the Senate amendment on H.R. 627 by a vote of 279 yeas and 147 nays.

On May 22, 2009, H.R. 627 was signed into law by the President and became Public Law 111–24.

CONSUMER OVERDRAFT PROTECTION FAIR PRACTICES ACT

(H.R. 1456)

Summary

H.R. 1456, the Consumer Overdraft Protection Fair Practices Act amends the Electronic Funds Transfer Act to protect consumers from unfair and deceptive acts and practices involving overdraft protections. The bill: (1) requires affirmative consumer request for overdraft protections; (2) prohibits manipulation of payments to increase overdraft fees; (3) restricts overdraft fees and services initiated via an ATM; (4) prohibits false or misleading claims about the nature of overdraft fees; (5) prohibits misrepresentation regarding

the coverage of overdraft fees; and (6) authorizes the Federal Reserve to enact rulemaking to restrict additional acts and practices.

Legislative History

H.R. 1456, the “Consumer Overdraft Protection Fair Practices Act” was introduced by Rep. Carolyn Maloney and 6 co-sponsors on March 12, 2009 and was referred to the Committee on Financial Services.

On March 19, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing entitled, “H.R. 627, The Credit Cardholders’ Bill of Rights Act of 2009; and H.R. 1456, the Consumer Overdraft Protection Fair Practices Act of 2009.” The hearing focused on provisions in H.R. 627 that addressed credit card pricing practices, fees and billing practices, the effectiveness of credit card disclosures and joint unfair and deceptive acts and practices rulemaking by federal banking regulators. The hearing also focused on upcoming Regulation E amendments on overdraft protections that were proposed by the Federal Reserve and were relevant to H.R. 1456. The Subcommittee heard testimony from Sandra F. Braunstein, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Montrice Yakimov, Managing Director, Compliance and Consumer Protection, Office of Thrift Supervision, Sheila Albin, Associate General Counsel, National Credit Union Administration, Kenneth J. Clayton, Senior Vice President/General Counsel, American Bankers Association Card Policy Council, Linda Echard, President and CEO ICBA Bancard, on behalf of the Independent Community Bankers of America, Douglas Fecher, President and CEO, Wright-Patt Credit Union, Inc., on behalf of the Credit Union National Association, Oliver I. Ireland, Partner, Morrison & Foerster, LLP, Washington, DC, Todd McCracken, President, National Small Business Association, Ed Mierzewski, Senior Fellow, Consumer Program, U.S. PIRG, and Travis Plunkett, Legislative Director, Consumer Federation of America.

No further legislative activity occurred on H.R. 1456 in the 111th Congress.

PAYDAY LOAN REFORM ACT OF 2009

(H.R. 1214)

Summary

H.R. 1214, the Payday Loan Reform Act of 2009, would establish federal protections for consumers from unfair fees and practices in the payday loan industry. The bill would: (1) mandate disclosures of the nature of the loan; (2) create a mandatory repayment plan option for all loans; (3) limit the amount of fees and interest to 15 cents on the dollar; and (4) prohibit certain acts and practices that lenders have commonly used to take advantage of borrowers.

Legislative History

H.R. 1214, the “Payday Loan Reform Act of 2009” was introduced by Rep. Luis Gutierrez and 4 co-sponsors on March 12, 2009 and was referred to the House Committee on Financial Services.

On April 2, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing entitled, "H.R. 1214, the Payday Loan Reform Act of 2009." The hearing was held to give a better understanding of the industry, its economics, how it functions as well as the effects, both negative and positive, on consumers. The Subcommittee heard testimony from Jean Ann Fox, Director of Financial Services, Consumer Federation of America, Troy McCullen, President and Chief Executive Officer, Finance America of Louisiana, G. Michael Flores, Chief Executive Officer, Bretton Woods, Inc., Gerri Guzman, Montebello, California.

No further activity on H.R. 1214 occurred in the 111th Congress.

THE CREDIT UNION SHARE INSURANCE STABILIZATION ACT

(H.R. 2351)

Summary

H.R. 2351, the Credit Union Share Insurance Stabilization Act, would authorize the necessary steps to stabilize the Share Insurance Fund of the credit union industry. The bill would: (1) create a Temporary Corporate Credit Union Stabilization Fund; (2) permanently increase the authority of the National Credit Union Administration (NCUA) to borrow from the Treasury Department; (3) provide short-term authority for the NCUA to borrow up to \$30 billion; (4) authorize the NCUA to establish a restoration plan if these funds were to fall below desired levels; and (5) require the NCUA Board to make annual reports on the operations and financial status of the Fund.

Legislative History

H.R. 2351, the Credit Union Share Insurance Stabilization Act, was introduced by Rep. Paul Kanjorski and 4 co-sponsors on May 12, 2009 and was referred to the House Committee on Financial Services.

On May 20, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing entitled, "H.R. 2351, the Credit Union Share Insurance Stabilization Act." The hearing was held to examine the current state of the federal credit union system and the potential need for Congress to authorize the creation of a temporary corporate credit union stabilization fund as proposed by this legislation. The subcommittee heard testimony from Michael E. Fryzel, Chairman, National Credit Union Administration, George Reynolds, Chairman, National Association of State Credit Union Supervisors; Senior Deputy Commissioner, Georgia Department of Banking and Finance, Jim Bedinger, Chief Operations Officer, Chicago Patrolmen's Federal Credit Union on behalf of the National Association of Federal Credit Unions, William Lavage, President and Chief Executive Officer, Service 1st Federal Credit Union on behalf of the Credit Union National Association.

No further activity on H.R. 2351 occurred in the 111th Congress.

THE EQUAL EMPLOYMENT FOR ALL ACT

(H.R. 3149)

Summary

H.R. 3149, the Equal Employment for All Act, would prohibit the use of credit reports for employment purposes with the exception of jobs that require national security or FDIC clearance, employment that is at the supervisory, managerial, professional or executive level, or is otherwise required by law.

Legislative History

H.R. 3149, the “Equal Employment for All Act,” was introduced by Rep. Steve Cohen with 26 co-sponsors on July 9, 2009 and was referred to the House Committee on Financial Services.

On September 23, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing entitled, “Legislative Hearing on H.R. 3149, the Equal Employment for All Act.” The hearing was held to examine the current extent to which credit reports play a role in the hiring practices of companies and the implication of these practices for job applicants as well as the potential effects of this legislation on hiring practices. The Subcommittee heard testimony from Steve Cohen, Member of Congress, Sarah Crawford, Senior Counsel, Lawyers’ Committee on Civil Rights Under Law, Chi Chi Wu, Staff Attorney, National Consumer Law Center (NCLC), Donald R. Livingston, Partner, Akin Gump Strauss Hauer & Feld LLP, on behalf of the U.S. Chamber of Commerce, Adam Klein, Partner, Outten & Golden LLP, Judy Gootkind, Vice President of Finance and Administration, Creative Services; and Member, National Association of Professional Background Screeners (NAPBS) Board of Directors, Colleen Parker Denston, Director of Human Resources, Worcester Preparatory School, on behalf of Society for Human Resource Management (SHRM), Hilary Shelton, Senior Vice-President for Advocacy, NAACP.

No further activity on H.R. 3149 occurred in the 111th Congress.

SUBCOMMITTEE OVERSIGHT ACTIVITIES

TARP OVERSIGHT

On March 4, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, “TARP Oversight: Is TARP Working for Main Street?” The hearing focused on the role of TARP and whether or not it had been successful in freeing up credit for American businesses, especially the small and medium-sized firms that are vital to the U.S. economy. The Subcommittee examined whether large TARP recipient banks have actually decreased their lending to businesses after receiving TARP funds, and proposals for making more TARP funds available to regional banks, community banks and other institutions that are willing and able to immediately lend those funds to small firms. The Subcommittee heard testimony from Dr. David Scharfstein, Professor of Finance and Banking, Harvard Business School, Dr. Dean Baker, Co-Director, Center for Economic and Policy Research, Rob-

ert W. Davenport President, National Development Council, C.R. Cloutier, President and CEO, MidSouth Bank NA on behalf of the Independent Community Bankers of America, Bert Ely, Ely & Company, Joseph Zuccherro, Owner, Mr. Beef Deli.

MORTGAGE LENDING

On March 11, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Mortgage Lending Reform: A Comprehensive Review of the American Mortgage System." The hearing examined the current state of the U.S. mortgage system with a specific focus on upcoming comprehensive mortgage reform legislation that the Financial Services Committee took up later in the year. The witnesses were asked to focus their testimony on recommended changes to H.R. 3915, "The Mortgage Reform and Anti-Predatory Lending Act of 2007" which passed the House in the 110th Congress. The Subcommittee heard testimony from Sandra Braunstein, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Steven Antonakes, Commissioner, Massachusetts Division of Banks on behalf of the Conference of State Bank Supervisors, David Berenbaum, Executive Vice President, National Community Reinvestment Coalition, Julia Gordon, Senior Policy Council, Center for Responsible Lending, Margot Saunders, Counsel, National Consumer Law Center, Stephanie Jones, Executive Director, National Urban League Policy Institute, Graciela Aponte, Analyst, National Council of La Raza, Michael Middleton, President and CEO, Community Bank of Tri-County, on behalf of the American Bankers Association, David G. Kittle, Chairman, Mortgage Bankers Association, Marc Savitt, President, National Association of Mortgage Brokers, Charles McMillan, President, National Association of Realtors, Jim Amarin, President, Appraisal Institute, Joe Robson, Chairman of the Board, National Association of Home Builders, Lawrence E. Platt, Partner, K&L Gates, on behalf of the Securities Industry and Financial Markets Association, Donald Lampe, Partner, Womble Carlyle Sandridge & Rice, PLLC.

INTERNATIONAL MONEY TRANSFERS

On June 3, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Remittances: Regulation and Disclosure in a New Economic Environment." The hearing examined consumer access to remittance transfer outlets, the costs associated with sending remittances, current levels of transparency regarding fees and exchange rates, and the effect of competition in the marketplace. The hearing focused on the progress made by the industry in reducing consumer fees over the last several years and explored whether additional consumer disclosures should be mandated by federal law. The hearing also examined whether or not a federal regulator is needed to oversee the remittance industry. The Subcommittee heard testimony from Dr. Manuel Orozco, Senior Associate and Director of Remittances and Development, Inter-American Dialogue, Annette LoVoi, Field Director, Appleseed, Mark Thompson, Associate General Counsel, The Western Union Company, Scott McClain, Deputy General Counsel, Financial Services Centers of America.

On March 10, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Regulation of Money Service Businesses." The hearing examined the role of remittances and money service businesses in the world economy, national security concerns around the remittances industry and the proper role of federal regulators in the remittances industry. The Subcommittee heard testimony from Joe Cachey, Chief Compliance Officer and Associate General Counsel, Western Union, Mr. Scott K. McClain, Partner, Winne Banta Hetherington Basralian & Kahn, P.C., on behalf of Financial Service Centers of America, Ms. Deborah Thoren-Peden, Partner, Pillsbury Winthrop Shaw Pittman LLP.

FINANCIAL LITERACY

On June 25, 2009, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Improving Consumer Financial Literacy under the New Regulatory System." The hearing examined the continuing need for financial literacy with a particular focus on the role of consumer literacy under the President's newly proposed regulatory framework. Among the issues that were addressed are: how the consumer friendly "plain language" products proposed under the President's regulatory restructuring plan would be created and regulated; the efficacy of previous federal financial literacy efforts; and which agency should have primacy over financial literacy efforts going forward under the new plan. The Subcommittee heard testimony from Laura Levine, Executive Director, Jumpstart Coalition for Personal Financial Literacy, Lot Diaz, Vice President, Community Development, National Council of La Raza, Dallas Salisbury, President and CEO, Employee Benefit Research Institute, Stephanie J. Jones, Executive Director, National Urban League Policy Institute, Dr. Gerald Lauber, Chief Senior Advisor, National Urban Alliance, John Gannon, Senior Vice President, Office of Investor Education and President of the FINRA Investor Education Foundation, The Financial Industry Regulatory Authority, Brent Neiser, Director of Strategic Programs and Alliances, National Endowment for Financial Education.

FINANCIAL SUPERVISION

On January 21, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "The Condition of Financial Institutions: The Failure and Seizure of an American Bank." The hearing examined the condition of the lending industry by focusing on a case study of a recent bank failure. The process behind the Federal Deposit Insurance Corporation's failed bank resolution procedure was examined along with the federal government's ongoing efforts to restore stability to our nation's financial system. The Subcommittee heard testimony from Steven McCullough, Chief Executive Officer, Bethel New Life, Michael E. Kelly, Chairman and Chief Executive Officer, FBOP Corporation, Richard Hartnack, Vice Chairman, U.S. Bank, Jeff Austin III, Vice Chairman, Austin Bank, Mr. David Miller, Director of Investments, U.S. Department of the Treasury, Ms. Jennifer Kelly, Senior Deputy Comptroller for Midsize/Community Bank Supervision, Office of the Comptroller of the Currency, Mitchell Glassman, Director,

Division of Resolutions and Receiverships, Federal Deposit Insurance Corporation.

CREDIT SCORES AND REPORTS

On March 24, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Keeping Score on Credit Scores: An Overview of Credit Scores, Credit Reports and Their Impact on Consumers." The hearing examined the role of consumer credit reports and scores on the economy and an individual's financial life. The hearing focused on a range of specific issues dealing with consumer credit reports including: implementation of Federal Trade Commission rules governing risk-based pricing notices; the accuracy and integrity of information contained in the credit reports and the dispute resolution process for known errors; and the effect that the credit crisis has had on consumer credit scores in aggregate. The Subcommittee heard testimony from Evan Hendricks, Editor/Publisher, Privacy Times, Stuart K. Pratt, President and CEO, Consumer Data Industry Association, Mr. Tom Quinn, Vice President, Global Scoring Solutions, FICO, Barrett Burns, President & CEO, VantageScore Solutions, LLC, Chet D. Wiermanski, Global Chief Scientist, Analytic Decision Services, TransUnion LLC, Stan Oliai, Senior Vice President, Decision Sciences, Experian Decision Analytics, Experian, Myra K. Hart, Ph.D., Senior Vice President, Analytical Services, Equifax Inc., Ms. Anne P. Fortney, Partner, Hudson Cook, LLP, Sandra Braunstein, Director, Division of Consumer and Community Affairs, Federal Reserve Board of Governors, David Vladeck, Director, Bureau of Consumer Protection, Federal Trade Commission.

On May 10, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Use of Credit Information Beyond Lending: Issues and Reform Proposals." The hearing reviewed the methodology, use and impact of personal consumer credit information in the financial services marketplace. The first panel focused on how credit-based insurance scores are used in the rating and underwriting of insurance and efforts to improve the supervision and consumer understanding of the use of credit-based insurance scores. The second panel focused on other uses of credit information, including for employment purposes, and the impact of medical debt on credit reports and scores. The Subcommittee heard testimony from Michael T. McRaith, Director, Illinois Department of Insurance, on behalf of the National Association of Insurance Commissioners, David Snyder, Vice President and Associate General Counsel, Public Policy, American Insurance Association, John Wilson, Director, Analytics, LexisNexis Risk Solutions, Chi Chi Wu, Staff Attorney, National Consumer Law Center, Mark Rukavina, Executive Director, The Access Project, Stuart K. Pratt, President and CEO, Consumer Data Industry Association, Ms. Anne Fortney, Partner, Hudson Cook, LLP.

COMMUNITY REINVESTMENT ACT

On April 15, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled, "Perspectives and Proposals on the Community Reinvestment Act." The hearing examined the future of the Community Reinvestment Act (CRA)

given the changes within the financial services marketplace over the past decade. The hearing also examined proposals by members of the banking industry, community advocacy organizations and academics on improvements to CRA enforceability and effectiveness. The Subcommittee heard testimony from John Taylor, President, National Community Reinvestment Coalition, Cy Richardson, Vice President of Housing and Community Development, National Urban League, Eric Rodriguez, Vice President of the Office of Research, Advocacy, and Legislation, National Council of La Raza, William Askew, Senior Policy Advisor, Financial Services Roundtable, Calvin Bradford, Board Member, National People's Action, Mark A. Willis, Resident Research Fellow, Furman Center for Real Estate and Urban Policy, New York University, Eugene A. Ludwig, Chief Executive Officer, Promontory Financial Group, LLC, Vincent R. Reinhart, Resident Scholar, American Enterprise Institute for Public Policy Research.

SUBCOMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111-9	TARP Oversight: Is TARP Working for Main Street) (Financial Institutions)	March 4, 2009
111-11	Mortgage Lending Reform: A Comprehensive Review of the American Mortgage System (Financial Institutions).	March 11, 2009
111-17	H.R. 627, the Credit Cardholders' Bill of Rights Act of 2009; and H.R. 1456, the Consumer Overdraft Protection Fair Practices Act of 2009 (Financial Institutions).	March 19, 2009
111-24	H.R. 1214, the Payday Loan Reform Act of 2009 (Financial Institutions)	April 2, 2009
111-35	H.R. 2351, the Credit Union Share Insurance Stabilization Act (Financial Institutions).	May 20, 2009
111-39	Remittance Regulation and Disclosure in a New Economic Environment (Financial Institutions).	June 3, 2009
111-50	Improving Consumer Financial Literacy under the New Regulatory System (Financial Institutions).	June 25, 2009
111-97	The Condition of Financial Institutions: Examining the Failure and Seizure of an American Bank (Financial Institutions).	January 21, 2010
111-107	Regulation of Money Service Businesses (Financial Institutions)	March 10, 2010
111-117	Keeping Score on Credit Scores: An Overview of Credit Scores, Credit Reports, and their Impact on Consumers (Financial Institutions).	March 24, 2010
111-123	Perspectives and Proposals on the Community Reinvestment Act (Financial Institutions).	April 15, 2010
111-134	Use of Credit Information Beyond Lending: Issues and Reform Proposals (Financial Institutions).	May 12, 2010
111-159	Legislative Hearing on H.R. 3149, the Equal Employment for All Act (Financial Institutions).	September 23, 2010

SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

(Ratio: 15–10)

MAXINE WATERS, California, *Chairwoman*

NYDIA M. VELÁZQUEZ, New York	SHELLEY MOORE CAPITO, West Virginia
STEPHEN F. LYNCH, Massachusetts	THADDEUS McCOTTER, Michigan
EMANUEL CLEAVER, Minnesota	JUDY BIGGERT, Illinois
AL GREEN, Texas	GARY G. MILLER, California
WILLIAM LACY CLAY, Missouri	RANDY NEUGEBAUER, Texas
KEITH ELLISON, Missouri	WALTER B. JONES, North Carolina
JOE DONNELLY, Indiana	ADAM PUTNAM, Florida
MICHAEL E. CAPUANO, Massachusetts	KENNY MARCHANT, Texas
PAUL KANJORSKI, Pennsylvania	LYNN JENKINS, Kansas
LUIS V. GUTIERREZ, Illinois	CHRISTOPHER LEE, New York
STEVE DRIEHAUS, Ohio	SPENCER BACHUS, Alabama, <i>ex officio</i>
MARY JO KILROY, Ohio	
JIM HIMES, Connecticut	
DAN MAFFEI, New York	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE LEGISLATIVE ACTIVITIES

VETERANS, WOMEN, FAMILIES WITH CHILDREN, PERSONS WITH
DISABILITIES HOUSING FAIRNESS ACT OF 2010

(H.R. 476)

Summary

H.R. 476, the “Veterans, Women, Families with Children, Persons with Disabilities Housing Fairness Act of 2010,” would authorize HUD to establish a nationwide housing discrimination testing program with an authorization of \$15 million annually for five years; authorize \$42.5 million annually for five years for the HUD Fair Housing Initiatives Program; and establish a \$5 million competitive grant program to study the root causes and effects of housing discrimination.

Legislative History

H.R. 476 was introduced by Representative Green on January 13, 2009 and was referred to the Committee on Financial Services.

On January 15, 2010, the Subcommittee held a legislative hearing on H.R. 476 and included witnesses from HUD, community groups, and academics.

On May 27, 2010, the Subcommittee held a markup of H.R. 476 and forwarded the bill out of the subcommittee on a voice vote.

On July 28, 2010, the Committee held a markup of H.R. 476 and ordered the bill reported favorably by voice vote. The Committee report was filed on December 9, 2010 (H. Rept. 111–678). No further action on H.R. 476 occurred in the 111th Congress.

SECTION 8 VOUCHER REFORM

On June 4, 2009, the Subcommittee held a hearing on H.R. 3045, the Section 8 Voucher Reform Act of 2009. This legislation would reform and streamline the Section 8 voucher program by reforming the funding formula, simplifying inspections and deductions, and reforming the Moving-to-Work panel. Witnesses included HUD, public housing agencies, tenant advocates, and housing experts. On

July 23, 2009 the Committee marked up the legislation and reported it to the House with a favorable recommendation on September 30, 2009 (H. Rept. 111-277). No further action on H.R. 3045 occurred in the 111th Congress.

FEDERAL HOUSING ADMINISTRATION

The Committee, along with the Subcommittees on Housing and Community Opportunity and Oversight and Investigations, held a combined six hearings on various issues related to the Federal Housing Administration. The first two of those hearings examined FHA's ability to oversee approved lenders and its ability to prevent fraud. The first hearing, "FHA Oversight of Loan Originators" was held on January 9, 2009 and the second hearing, "Strengthening Oversight and Preventing Fraud in FHA and Other HUD Programs" was held on June 18, 2009. At the January hearing, the Committee heard testimony from HUD's Deputy Assistant Secretary for Single Family Housing, and from the HUD Assistant Inspector General for Audit, about processes used to prevent fraud and possible challenges to FHA oversight of loan originators. The Committee also heard testimony from the National Association of Mortgage Brokers and the Mortgage Bankers Association. At the June hearing, the Committee heard testimony from the HUD Inspector General as well as industry participants, as well as the National Community Reinvestment Coalition, an advocacy organization.

The other four hearings on FHA examined the status of FHA's Mutual Mortgage Insurance Fund (MMIF), which in FY2009 fell below the 2 percent mandated under The Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625), as well as regulatory, administrative and statutory proposals to improve the financial health of the MMIF (the first Subcommittee hearing on FHA's financial condition was held on October 8, 2010; a Committee hearing also examined this topic on December 2, 2009; a legislative hearing in the Subcommittee on the FHA Reform Act of 2010 was held on March 11, 2010; a hearing on FHA's implementation of higher loan fees and pending legislative proposals was held on September 22, 2010). In these hearings, the Subcommittee and Committee conducted oversight of FHA's regulatory and administrative actions taken to improve the financial condition of the MMIF, including: hiring a Chief Risk Officer; creating stricter guidelines for the streamline refinance program; announcing new appraisal controls; increasing net worth requirements for mortgagees; increasing the upfront mortgage insurance premium; changing downpayment requirements for borrowers with low credit scores; and reducing allowable seller concessions.

On April 22, 2010, the Committee reported out the FHA Reform Act of 2010 (H.R. 5072) with a favorable recommendation, which provided FHA with additional tools to improve the health of the MMIF. The Act included a provision to allow the Secretary to increase the annual mortgage insurance premium for the single-family mortgage insurance program, which will increase funds to the MMIF by an estimated \$300 million per month. The Act also extended the Secretary's authority to require indemnification from Direct Endorsement lenders; provided the Secretary with the au-

thority to terminate mortgagee approval on a nationwide basis if the mortgagee originates or underwrites mortgages with excessive rates of claim or default; and provided the Secretary with enhanced ability to review mortgagee performance, including hiring outside credit risk analysts, reviewing significant or rapid increases in early defaults or claims, reporting mortgagee actions taken against other mortgagees, enhancing annual and quarterly reports on the MMIF, providing default and origination information by loan servicer and originating direct endorsement lender, and requiring a GAO report. H.R. 5072 passed the House of Representatives on June 10, 2010 by a margin of 406–4. The provision in the Act that would allow the Secretary to increase the annual mortgage insurance premium on the single-family mortgage insurance program became law on August 11, 2010 (H.R. 5981, P.L. 111–229).

FLOOD INSURANCE

Due to the lack of a long-term authorization, the National Flood Insurance program lapsed 3 times during the 111th Congress: for two days in March 2010, for 18 days in April 2010, and again from June 1 to July 2, 2010. Chairwoman Waters introduced H.R. 5569 to continue the program for a three-month period pending the enactment of a long-term authorization, which was passed by the House on June 23, 2010 and by the Senate on June 30, 2010. On July 2, President Obama signed this legislation continuing the program from July 2 through September 30 into law (P.L. 111–196). On September 30, 2010, President Obama signed S. 3814, legislation to continue the program through September 30, 2011 (P.L. 111–250).

On April 21, 2010 the Subcommittee held a hearing on “Legislative Proposals to Reform the National Flood Insurance Program.” The hearing focused on two bills designed to reform and expand the NFIP: H.R. 5114, the Flood Insurance Reform Priorities Act of 2010 and H.R. 1264, the Multiple Peril Insurance Act of 2009. H.R. 5114 would have reauthorized the flood insurance program for 5 years and provided various reforms to the program, including the phasing in of actuarial rates for newly mapped homeowners and the elimination of subsidized rates over time for certain categories of properties. H.R. 1264 would have directed the NFIP to offer actuarially priced optional wind insurance policies and would have prohibited insurers from including anti-concurrent causation provisions in their wind insurance policies. On April 22, 2010, both bills were reported out of the Committee with a favorable recommendation. On July 15, 2010, the House of Representatives passed H.R. 5114 by a vote of 329–90.

AFFORDABLE HOUSING PRESERVATION

The Subcommittee held two hearings on legislation to preserve the nation’s affordable housing stock. On July 15, 2009, the Subcommittee held a hearing on “Legislative Options for Preserving Federally and State Assisted Affordable Housing and Preventing the Displacement of Low-Income, Elderly, and Disabled Tenants.” The hearing focused on a discussion draft of the “Housing Preservation and Tenant Protection Act of 2009,” authored by Chairman Frank. The draft bill would address the preservation of the nation’s

housing stock by providing protections for tenants, incentives for owners, and better funding streams for certain assisted housing developments. Witnesses included the Rural Housing Service, tenant advocates, owners, and affordable housing experts. On March 24, 2010, the Subcommittee held its second hearing on this legislation. The hearing was on the draft, which was introduced on March 17, 2010 as H.R. 4868, the “Housing Preservation and Tenant Protection Act of 2010.” Witnesses included the Rural Housing Service, HUD, tenant advocates, owners, and affordable housing experts. H.R. 4868 was marked up by the Committee on July 29, 2010 and forwarded to the House with a favorable recommendation.

PUBLIC HOUSING

The Subcommittee held a hearing on July 29, 2010, the Subcommittee held a hearing on “Academic Proposals on the Future of Public Housing.” At the hearing various academics testified about the current state of the public housing stock, resident characteristics, and issues facing the program as moves into the 21st century. On April 28, 2010, the Subcommittee held a hearing on “Legislative Proposals to Preserve Public Housing.” The hearing focused on two discussion drafts. The first, the Public Housing One-for-One Replacement and Tenant Protection Act of 2010, was designed to preserve public housing stock through one-for-one replacement of demolished or disposed units. The second, the Public Housing Preservation and Rehabilitation Act of 2010, was designed to provide public housing agencies with various financial tools in order to facilitate preservation of the stock. Both pieces of legislation were eventually included in H.R. 5814, the Public Housing Reinvestment and Tenant Protection Act of 2010. On July 28, 2010, the Committee marked up H.R. 5814 and reported it to the House with a favorable recommendation.

GREEN DEVELOPMENT

The Subcommittee held two hearings in June 2009 on H.R. 2336, the “Green Resources for Energy Efficient Neighborhoods Act of 2009 or GREEN Act of 2009.” The bill would create programs within HUD that are designed to make residences energy efficient to the 2009 International Energy Conservation Code (IECC), which contains energy efficiency criteria for residential and commercial buildings and additions to existing buildings. The witnesses testified about the importance of green affordable housing, especially for low-income families living in multi-family housing projects. On April 22, 2010, the Committee held a markup of H.R. 2336 and ordered the bill reported by voice vote. On September 22, 2010, the report was filed (H. Rept. 111–619). No further activity occurred on H.R. 2336 in the 111th Congress.

NATURAL DISASTER INSURANCE

H.R. 2555, the Homeowners Defense Act of 2010, was ordered reported by the Committee on April 27, 2010, and the report was filed on July 13, 2010 (H. Rept. 111–534). Specifically, H.R. 2555 would: (1) establish a non-profit consortium to coordinate catastrophe risk management actions by the States; (2) provide for a

Federal guarantee of debt obligations issued by eligible state-based catastrophe insurance programs; (3) establish a Federal program to provide reinsurance to eligible state-based catastrophe insurance programs; (4) authorize a new Federal grant program to help the States prevent and mitigate losses from natural disasters; and (5) direct the GAO to study and report on the use of risk-based pricing by state-based catastrophe insurance programs. No further activity on H.R. 2555 occurred in the 111th Congress.

INCLUSIVE HOME DESIGN

On September 29, 2010, the Subcommittee held a hearing on the Inclusive Home Design Act, which was introduced by Congresswoman Jan Schakowsky on March 10, 2009 (H.R. 1408). The bill would require that, with certain exceptions, all newly built single-family homes and townhouses receiving federal funds from the U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Veterans Affairs (VA) or the U.S. Department of Agriculture (USDA) under title V of the Housing Act of 1949, meet four specific standards, including: 1) having at least one accessible (“zero-step”) entrance into the home; 2) ensuring all doorways on the main floor have a minimum of 32 inches of clear passage space; 3) having at least one indoor room with an area of not less than 70 square feet and one wheelchair-accessible bathroom on the main floor; and 4) placing electrical and climate controls at heights reachable from a wheelchair. Congresswoman Schakowsky testified on her legislation. Additionally, individuals from across the country testified on their experiences advocating for inclusive home design principles, while a researcher testified on the need for affordable, accessibly-designed housing across the nation.

SUBCOMMITTEE OVERSIGHT ACTIVITIES

MORTGAGE FORECLOSURES AND LOAN MODIFICATIONS

The Subcommittee held four hearings on the performance of mortgage servicers in modifying loans and assisting homeowners, including modifications through the Treasury’s Home Affordable Modification Program (HAMP). At these hearings Treasury and other government officials, mortgage servicers, academics, and consumer advocates testified about the status of loan modifications, problems with the loan modification process, the implications for homeowners, and other issues related to mortgage servicing. The Subcommittee on Housing and Community Opportunity held a hearing on November 18, 2010, to examine HAMP and other issues related to foreclosure documentation and due process requirements. Witnesses included housing and banking regulators, mortgage servicers, consumer advocates, foreclosure attorneys, and other experts.

In addition, the Subcommittee held a hearing on May 6, 2009, on “Legislative Solutions for Preventing Loan Modification and Foreclosure Rescue Fraud.” The hearing examined the growing industry of foreclosure consultants who purport to, for a fee, prevent a foreclosure or obtain a loan modification on a homeowner’s behalf. Legislation to provide for the regulation of these persons was included

in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111–203).

PUBLIC HOUSING

The Subcommittee held a hearing on July 29, 2010, on “Academic Proposals on the Future of Public Housing.” At the hearing various academics testified about the HOPE VI program’s record on revitalizing public housing and building mixed-income communities. The hearing also examined the impact of HOPE VI on tenants’, including tenants’ ability to find affordable housing during HOPE VI rehabilitations and return to their original communities once redevelopment is complete.

On April 28, 2010, the Subcommittee held a hearing on “Legislative Proposals to Preserve Public Housing.” The hearing focused on two discussion drafts. The first, the Public Housing One-for-One Replacement and Tenant Protection Act of 2010, was designed to preserve public housing stock through one-for-one replacement of demolished or disposed units. The second, the Public Housing Preservation and Rehabilitation Act of 2010, was designed to provide public housing agencies with various financial tools in order to facilitate preservation of the stock. Both pieces of legislation were eventually included in H.R. 5814, the Public Housing Reinvestment and Tenant Protection Act of 2010. On July 28, 2010, the Committee marked up H.R. 5814 and ordered reported it to the House with a favorable recommendation.

On July 20, 2009, the Subcommittee held a field hearing in New York City on “Legislative Proposals to Increase Work and Health Care Opportunities for Public and Subsidized Housing Residents.” The hearing covered two discussion drafts authored by Representative Velázquez. The first, the Earnings and Living Opportunity Act would reform the Section 3 program which provides employment opportunities for residents of public and assisted housing that live in or near developments that undergoing rehabilitation or reconstruction. The second, the Together We Care Act, would create a pilot program to train public housing residents to become home health care aides to elderly residents in public housing. Witnesses included representatives from HUD and New York state and local government; experts on public housing, employment, and health care; and residents of public and assisted housing. Representative Velázquez introduced the Together We Care Act as H.R. 4224 on December 8, 2009. The legislation was later included in H.R. 5814, which was ordered reported by the Committee on July 29, 2010.

On March 17, 2010, the Subcommittee held a legislative hearing on a discussion draft of the Administration’s Choice Neighborhoods Initiative. Choice Neighborhoods would expand the HOPE VI program to assisted housing, include transportation and education as eligible activities, and focus the grant as a catalyst for revitalization of the neighborhood in which the housing is located.

On July 28, 2010, the Committee reported out H.R. 5814, the Public Housing Reinvestment and Tenant Protection Act of 2010 with a favorable recommendation. The bill included four titles: the Choice Neighborhoods Initiative Act of 2010, the Public Housing One-for-One Replacement and Tenant Protection Act of 2010, the

Public Housing Preservation and Rehabilitation Act of 2010, and the Together We Care Act of 2010.

FEDERAL HOUSING ADMINISTRATION (FHA)

The Committee, along with the Subcommittees on Housing and Community Opportunity and Oversight and Investigations, held a combined six hearings on various issues related to the Federal Housing Administration. The first two of those hearings examined FHA's ability to oversee approved lenders and its ability to prevent fraud (the first hearing, "FHA Oversight of Loan Originators" was held on January 9, 2009 and the second hearing, "Strengthening Oversight and Preventing Fraud in FHA and Other HUD Programs" was held on June 18, 2009). The other four hearings on FHA examined the status of FHA's Mutual Mortgage Insurance Fund (MMIF), which in FY2009 fell below the 2 percent mandated under The Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625), as well as regulatory, administrative and statutory proposals to improve the financial health of the MMIF (the first Subcommittee hearing on FHA's financial condition was held on October 8, 2010; a Committee hearing also examined this topic on December 2, 2009; a legislative hearing in the Subcommittee on the FHA Reform Act of 2010 was held on March 11, 2010; a hearing on FHA's implementation of higher loan fees and pending legislative proposals was held on September 22, 2010). In these hearings, the Subcommittee and Committee conducted oversight of FHA's regulatory and administrative actions taken to improve the financial condition of the MMIF, including: hiring a Chief Risk Officer; creating stricter guidelines for the streamline refinance program; announcing new appraisal controls; increasing net worth requirements for mortgagees; increasing the upfront mortgage insurance premium; changing downpayment requirements for borrowers with low credit scores; and reducing allowable seller concessions.

On April 22, 2010, the Committee ordered reported the FHA Reform Act of 2010 (H.R. 5072) with a favorable recommendation, which provided FHA with additional tools to improve the health of the MMIF. The Act included a provision to allow the Secretary to increase the annual mortgage insurance premium for the single-family mortgage insurance program, which will increase funds to the MMIF by an estimated \$300 million per month. The Act also extended the Secretary's authority to require indemnification from Direct Endorsement lenders; provided the Secretary with the authority to terminate mortgagee approval on a nationwide basis if the mortgagee originates or underwrites mortgages with excessive rates of claim or default; and provided the Secretary with enhanced ability to review mortgagee performance, including hiring outside credit risk analysts, reviewing significant or rapid increases in early defaults or claims, reporting mortgagee actions taken against other mortgagees, enhancing annual and quarterly reports on the MMIF, providing default and origination information by loan servicer and originating direct endorsement lender, and requiring a GAO report. H.R. 5072 passed the House on June 10, 2010 by a margin of 406-4. The provision in the Act that would allow the Secretary to increase the annual mortgage insurance premium on

the single-family mortgage insurance program became law on August 11, 2010 (P.L. 111–229).

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

On June 4, 2009, the Subcommittee held a hearing on H.R. 3045, the Section 8 Voucher Reform Act of 2009. This legislation would reform and streamline the Section 8 voucher program by reforming the funding formula, simplifying inspections and deductions, and reforming the Moving-to-Work panel. Witnesses included HUD, public housing agencies, tenant advocates, and housing experts. On July 23, 2009 the Committee marked up the legislation and reported it to the House with a favorable recommendation.

RURAL HOUSING

The Committee held a markup on April 22, 2010 on H.R. 5017, a bill to preserve Section 502 single family direct and guaranteed loan programs. The bill passed out of the Committee on April 22, 2010. On April 27, 2010, H.R. 5017 passed out of the House under a suspension of the Rules with a vote of 352–62. H.R. 5017 was referred to the Senate Committee on Banking, Housing, and Urban Affairs. On July 29, 2010, the language from H.R. 5017 was incorporated into the Supplemental Appropriations Act of 2010, H.R. 4899, and signed into law, P.L. 111–212.

HOMELESSNESS

On March 28, 2009, the Subcommittee held a field hearing in Los Angeles, California to discuss the impact of the foreclosure crisis on various populations, including the specific effect of foreclosures on the homeless population. Witnesses included state elected officials, state and local government agencies, community advocates and academics. Witnesses testified about the growing number of homeless families and the lack of resources available to the rising homeless population in both Los Angeles County as well as the rest of the country. On June 16, 2009, the House passed H.R. 403, the “Homes for Heroes Act of 2009” which authorizes 20,000 new housing vouchers for homeless veterans. H.R. 403 was referred to the Senate Committee on Banking, Housing, and Urban Affairs on June 17, 2009.

NATIVE AMERICAN HOUSING

On April 10, 2010, the Subcommittee held a legislative field hearing in Window Rock, Arizona focusing on H.R. 3553, the “Indian Veterans Housing Opportunity Act of 2009,” which ensures HUD housing benefits to qualified Native American veterans with disabilities. The hearing addressed the need for housing services within the Native American veteran community, especially among those with disabilities. Witnesses included HUD, local government agencies and elected officials, tribal leaders, community advocates, and affected veterans. On April 20, 2010, H.R. 3553 passed out of the House under a suspension of the Rules by voice vote and was referred to the Senate. On September 27, 2010, the Senate passed H.R. 3553 by unanimous consent without amendment. On October

12, 2010, H.R. 3553 was signed by the President and became Public Law 111-269.

NEIGHBORHOOD STABILIZATION PROGRAM

The Subcommittee conducted a field hearing in the Minnesota Twin Cities on January 23, 2010, that examined the Neighborhood Stabilization Program (NSP) and how that program is being used to increase the supply of public and assisted housing across the country, and specifically in the Twin Cities. The Subcommittee heard testimony from HUD on the condition of the housing market in the Twin Cities, and efforts under NSP to stabilize that market. The Subcommittee also heard from local government officials about the challenges that foreclosed, abandoned and vacant property pose to the city and from non-profit stakeholders about the need for, and challenges in implementing, NSP. Witness testimony informed Subcommittee work with HUD on revising relevant regulations to speed up spend out rates and allow grantees to more effectively stabilize communities.

COMMUNITY DEVELOPMENT BLOCK GRANTS

Chairwoman Waters requested and received a report by the Government Accountability Office (GAO) on how CDBG funds are distributed and expended by grantees to subrecipients at the local level (*Community Development Block Grants: Entitlement Communities' and States' Methods of Distributing Funds Reflect Program Flexibility*, September 15, 2010). This included a review of entitlement grantee distribution and expenditure processes, and methods of distribution used by states. GAO found that distribution processes varied widely between grantees, consistent with the flexibility embedded within the CDBG program.

The Committee also requested and received a report by the Government Accountability Office on how grantees under the CDBG and HOME Investment Partnerships Program fulfill their requirement to prepare planning documents known as Analyses of Impediments (AI), which are used to identify impediments to fair housing (such as restrictive zoning or segregated housing) and actions to overcome them (*Housing and Community Grants: HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans*, September 14, 2010). The report found that 29 percent of AIs were out-of-date per HUD guidance. GAO also found that, in some cases, required documents may not be maintained by grantees. GAO recommended that, through regulation, HUD require grantees to update their AIs periodically, follow a specific format, and submit them for review.

FEDERAL HOUSING RESPONSE TO NATURAL DISASTERS

The Subcommittee held two days of hearings in 2009 on August 28 and 29 in New Orleans, Louisiana to examine issues facing the recovery of the city's housing market 4 years after Hurricane Katrina. The hearings focused on the status of two programs critical to the City's housing recovery: the redevelopment of the Big Four public housing developments and the Road Home program. Following the hearing, Chairwoman Waters continued to engage

with HUD on the status of these programs, including writing to the Secretary about actions HUD planned to take to address allegations that some developers were implementing illegal work requirements.

NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

Due to the lack of a long-term authorization, the National Flood Insurance program lapsed 3 times during the 111th Congress: For 2 days in March 2010, for 18 days in April 2010, and again from June 1 to July 2, 2010. Chairwoman Waters drafted legislation, H.R. 5569, to continue the program for a three-month period pending the enactment of a long-term authorization. On July 2nd, President Obama signed H.R. 5569, legislation to continue the program from July 2nd through September 30th. On September 30, 2010, President Obama signed S. 3814, legislation to continue the program through September 30, 2011.

On April 21, 2010 the Subcommittee held a hearing on “Legislative Proposals to Reform the National Flood Insurance Program.” The hearing focused on two bills designed to reform and expand the NFIP: H.R. 5114, the Flood Insurance Reform Priorities Act of 2010 and H.R. 1264, the Multiple Peril Insurance Act of 2009. H.R. 5114 would have reauthorized the flood insurance program for 5 years and provided various reforms to the program, including the phasing in of actuarial rates for newly mapped homeowners and the elimination of subsidized rates over time for certain categories of properties. H.R. 1264 would have directed the NFIP to offer actuarially priced optional wind insurance policies and would have prohibited insurers from including anti-concurrent causation provisions in their wind insurance policies. On April 22, 2010, both bills were reported out of the Committee with a favorable recommendation. On July 15, 2010, the House of Representatives passed H.R. 5114 by a vote of 329–90.

HOUSING COUNSELING

On May 13, 2009, the Subcommittee held a hearing on the role of NeighborWorks and housing counseling intermediaries in preventing foreclosures through housing counseling and included witnesses from NeighborWorks and foreclosure counseling intermediaries. The hearing focused specifically on challenges and outcomes under the National Foreclosure Mitigation Counseling (NFMC) Program, a NeighborWorks program established to provide foreclosure counseling to troubled homeowners from qualified foreclosure counseling intermediaries receiving grant funding under the program. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 contained a provision to establish an Office of Housing Counseling within HUD to boost homeownership and rental housing counseling.

FAIR HOUSING

On January 15, 2010, the Subcommittee held a legislative hearing on H.R. 476, the “Veterans, Women, Families with Children, Persons with Disabilities Housing Fairness Act of 2010.” The bill would authorize HUD to establish a nationwide housing discrimi-

nation testing program with an authorization of \$15 million annually for five years; authorize \$42.5 million annually for five years for the HUD Fair Housing Initiatives Program; and establish a \$5 million competitive grant program to study the root causes and effects of housing discrimination. Witnesses included HUD, community groups, and advocates. On May 27, 2010, the Subcommittee held a subcommittee markup of H.R. 476 and passed the bill out of the subcommittee. On July 28, 2010, the Committee marked up H.R. 476 and ordered the bill reported by voice vote.

GREEN DEVELOPMENT

The Subcommittee held two hearings in June 2009 on H.R. 2336, the “Green Resources for Energy Efficient Neighborhoods Act of 2009 or GREEN Act of 2009.” The bill would create programs within HUD that are designed to make residences energy efficient to the 2009 International Energy Conservation Code (IECC), which contains energy efficiency criteria for residential and commercial buildings and additions to existing buildings. The witnesses included HUD and industry experts who testified about the importance of green affordable housing, especially for low-income families living in multi-family housing projects. On April 22, 2010, the Committee held a markup of H.R. 2336 and ordered the bill reported by voice vote. On September 22, 2010, the report was filed (H. Rept. 111–619) and the bill was placed on the Union Calendar.

SUBCOMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111–6	Loan Modifications: Are Mortgage Servicers Assisting Borrowers with Unaffordable Mortgages (Housing).	February 24, 2009
111–16	Examining the Making Home Affordable Program (Housing)	March 19, 2009
111–23	The Housing Crisis in Los Angeles and Responses to Preventing Foreclosures and Foreclosure Rescue Fraud (Housing).	March 28, 2009
111–28	Legislative Solutions for Preventing Loan Modification and Foreclosure Rescue Fraud (Housing).	May 6, 2009
111–30	The Role of NeighborWorks and Housing Counseling Intermediaries in Preventing Foreclosures (Housing).	May 13, 2009
111–40	The Section 8 Voucher Reform Act (Housing)	June 4, 2009
111–43	H.R. 2336, the GREEN Act of 2009, Part I (Housing)	June 11, 2009
111–45	H.R. 2336, the GREEN Act of 2009, Part II (Housing)	June 16, 2009
111–59	Legislative Options for Preserving Federally- and State-Assisted Affordable Housing and Preventing Displacement of Low-Income, Elderly and Disabled Tenants (Housing).	July 15, 2009
111–63	Legislative Proposals to Increase Work and Health Care Opportunities for Public and Subsidized Housing Residents (Housing).	July 20, 2009
111–69	Academic Perspectives on the Future of Public Housing (Housing)	July 29, 2009
111–70	Implementation of the Road Home Program Four Years after Hurricane Katrina (Housing).	August 20, 2009
111–71	Status of the “Big Four” Four Years After Hurricane Katrina (Housing)	August 21, 2009
111–72	Progress of the Making Home Affordable Program: What Are the Outcomes for Homeowners and What Are the Obstacles to Success? (Housing).	September 9, 2009
111–87	The Future of the Federal Housing Administration’s Capital Reserves: Assumptions, Predictions, and Implications for Homebuyers (Housing).	October 8, 2009
111–96	H.R. 476, the Housing Fairness Act of 2009 (Housing)	January 20, 2010
111–99	The Impact of the Foreclosure Crisis on Public and Affordable Housing in the Twin Cities (Housing).	January 23, 2010
111–108	Approaches to Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, The Homeowners’ Defense Act (Capital Markets and Housing).	March 10, 2010
111–110	The FHA Reform Act of 2010 (Housing)	March 11, 2010
111–116	H.R. 4868, The Housing Preservation and Tenant Protection Act of 2010 (Housing).	March 24, 2010

Serial No.	Title	Date(s)
111-119	Addressing the Housing Needs of Native American Veterans with Disabilities (Housing).	April 10, 2010
111-122	The Recently Announced Revisions to the Home Affordable Modification Program (HAMP) (Housing).	April 14, 2010
111-126	Legislative Proposals to Reform the National Flood Insurance Program (Housing).	April 21, 2010
111-128	Legislative Proposals to Preserve Public Housing (Housing)	April 28, 2010
111-135	Minorities and Women in Financial Regulatory Reform: The Need for Increasing Participation and Opportunities for Qualified Persons and Businesses (Housing and Oversight).	May 12, 2010
111-163	The Inclusive Home Design Act (Housing)	September 29, 2010
111-166	Robo-Signing, Chain of Title, Loss Mitigation and Other Issues in Mortgage Servicing (Housing).	November 18, 2010

SUBCOMMITTEE ON INTERNATIONAL MONETARY POLICY AND TRADE

(Ratio: 9–6)

GREGORY W. MEEKS, New York, *Chairman*

LUIS V. GUTIERREZ, Illinois	GARY G. MILLER, California
MAXINE WATERS, California	EDWARD R. ROYCE, California
MELVIN L. WATT, North Carolina	RON PAUL, Texas
GWEN MOORE, Wisconsin	DON MANZULLO, Illinois
ANDRÉ CARSON, Indiana	MICHELE BACHMANN, Minnesota
STEVE DRIEHAUS, Ohio	ERIK PAULSEN, Minnesota
GARY PETERS, Michigan	SPENCER BACHUS, Alabama, <i>ex officio</i>
DAN MAFFEI, New York	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE LEGISLATIVE ACTIVITIES

FOREIGN DIVESTMENT STRATEGY

On March 12, 2009, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “The Iran Sanctions Enabling Act of 2009”. The Members discussed the legislation, H.R. 1327, which built on similar legislation passed in the previous Congress, which makes it the official policy of the United States to support state and local governments who seek to divest from, or to prevent investments in Iran’s energy sector, as well as extending safe harbor provisions to the private sector, to individuals or corporations who may consider the U.S.-Iran relationship in their investment decisions. Earlier versions of a similar bill had been introduced and passed with overwhelming support in the 110th Congress, including H.R. 2347, “The Iran Sanctions Enabling Act” and “The Comprehensive Iran Sanctions Accountability and Divestment Act of 2008”. Companion bills were passed in the Senate; however a final reconciled bill was never approved during the 110th Congress. The Subcommittee heard testimony from the Honorable Ted Deutch, State Senator from Florida, Mr. Trita Parsi, President, National Iranian-American Council, Mr. Jason Isaacson, Director of Government and International Affairs, American Jewish Committee and Professor Orde F. Kittrie, Professor of Law, Sandra Day O’Connor College of Law, Arizona State University.

DEBT RELIEF

On March 4, 2010, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “Haiti Debt Relief”. The Members discussed the legislation, H.R. 4573 the “Debt Relief for Earthquake Recovery in Haiti Act of 2010”. Following the devastating January 12, 2010 earthquake that struck Haiti, the world rallied to mobilize resources to assist the nation and its population in the immediate aftermath of the destruction. Indeed, on February 4, 2010, U.S. Treasury Secretary Tim Geithner stated that “[t]he earthquake in Haiti was a catastrophic setback to the

Haitian people who are now facing tremendous emergency humanitarian and reconstruction needs, and meeting Haiti's financing needs will require a massive multilateral effort, [. . .] we are voicing our support for what Haiti needs and deserves—comprehensive multilateral debt relief.” In 2009, following Haiti's successful completion of the Heavily Indebted Poor Countries (HIPC) process, the Inter-American Development Bank, World Bank and the International Monetary Fund forgave \$1.2 billion of Haiti's debts. However, this process only included debts accrued by the government of Haiti up to 2004. Since then, however, and before the January 12 earthquake, Haiti had accrued additional sovereign debts, including \$447 million owed to the IDB, \$165 million owed to the IMF, and \$38.6 million to the World Bank. Since 2007, however, the IDB has worked with Haiti strictly on a grants basis. Similarly, the World Bank now works in Haiti primarily through the International Development Association (IDA), its grants facility aimed at the poorest, most vulnerable nations. The Subcommittee heard testimony from Ms. Nancy Lee, Deputy Assistant Secretary, U.S. Department of the Treasury, Ms. Melinda St. Louis, Deputy Director, Jubilee USA Network, Mr. Tom Hart, Senior Director, ONE, and the Honorable Timothy D. Adams, The Lindsey Group.

SUBCOMMITTEE OVERSIGHT ACTIVITIES

G–20

On May 13, 2009, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “Implications of the G–20 Leaders Summit for Low Income Countries and the Global Economy”. The hearing focused on the G–20 communiqué section entitled “Strengthening our global financial institutions”, which highlighted the prominence of emerging markets in the discussions, and makes explicit the importance of incorporating them in earnest in any strategy for a global economic recovery. Indeed, the G–20 leaders stated that “Emerging markets and developing countries, which have been the engine of recent world growth, are also now facing challenges which are adding to the current downturn in the global economy. It is imperative for global confidence and economic recovery that capital continues to flow to them. This will require a substantial strengthening of the international financial institutions, particularly the IMF. We have therefore agreed today to make available an additional \$850 billion of resources through the global financial institutions to support growth in emerging market and developing countries by helping to finance counter-cyclical spending, bank recapitalizations, infrastructure, trade finance, balance of payments support, debt rollover, and social support.” The Subcommittee heard testimony from Mr. Amar Bhattacharya, Director, Intergovernmental Group of Twenty Four, Ms. Nancy Birdsall, Founding President, Center for Global Development, Mr. Simon Johnson, Professor, Sloan School of Management, Massachusetts Institute of Technology, The Honorable Timothy D. Adams, Managing Director, The Lindsey Group.

MICROFINANCE

On January 27, 2010, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “The State of Global Microfinance: How Public and Private Funds Can Effectively Promote Financial Inclusion for All”. The members discussed the microfinance industry, which is one of the great success stories of foreign aid and multilateral development banks’ private sector initiatives, providing millions of poor people with basic financial services. Current estimates suggest that over 150 million poor people are being reached by microcredit. Microinsurance, which was virtually unheard of a decade ago, is now reaching millions with crop, health, life and other forms of insurance. Yet there are still gaps in the availability of microfinance funding. Only 14 percent of investment capital is estimated to go to Africa and Asia combined. Much of the gap is due to lack of capacity to run microfinance programs, and weak capital market frameworks that limit the flows and effectiveness of capital. The lack of access is particularly severe in sub-Saharan Africa (SSA), where the World Bank estimates that structured microfinance is only reaching a small percentage of the economically active population. The Financial Access Initiative (FAI), a research consortium based at New York University, estimates that 2.5 billion adults worldwide still do not have a savings or credit account with either a traditional or alternative financial institution. Data indicate that countries can improve levels of financial inclusion by creating effective policy and regulatory oversight. Further, the new focus on Social Performance Management (SPM) can help ensure that the social mission of microfinance is preserved. The Subcommittee heard testimony from Mr. Wagane Diouf, Managing Partner, Mecene Investment, Ms. Susy Cheston, Senior Vice President, Opportunity International, Ms. Elisabeth Rhyne, Managing Director, Center for Financial Inclusion at ACCION International, Mr. Robert Annibale, Global Director, Citi Microfinance, Mr. Damian von Stauffenberg, Founder and Chairman, MicroRate, Mr. Donald F. Terry, former head of the Inter-American Development Bank’s Multilateral Investment Fund.

HAITI

On March 16, 2010, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “Rebuilding Haiti’s Competitiveness and Private Sector”. The Members discussed the post-earthquake economic situation in Haiti. Following the devastating January 12, 2010 earthquake that struck Haiti, the world rallied to mobilize resources to assist the nation and its population. As the scope of the damage, and the commensurate reconstruction and economic recovery effort become clear, increased focus has shifted to the capital needs of the Government of Haiti, and the critical role to play of the development banks and international financial institutions, particularly by the Inter-American Development Bank (IDB), the World Bank, and the International Monetary Fund (IMF). The IDB estimated total cumulative reconstruction costs of at least \$14 billion, about double the national GDP. According to State Department figures, some 230,000 people lost their lives as a result of the earthquake, and up to 40 percent

of civil servants are estimated to have perished, 28 of 29 government ministry buildings were destroyed, 70 percent of the population was unemployed, 80 percent of the population was living on less than \$2 per day, and 24 percent of Haitians were suffering from chronic malnutrition. The hearing focused on the work that the government of Haiti and the private sector had been doing prior to the earthquake to identify a long-term economic strategy focused on a select list of industry clusters in which the nation could compete domestically and internationally. Following the passage of the Haiti debt relief bill in the full House of Representatives on March 10, 2010, this hearing explored the role of the international institutions, in enabling a long-term economic recovery strategy under the leadership of the Haitian people themselves. The Subcommittee heard testimony from Mr. Michael C. Fairbanks, Founder, S.E.V.E.N Fund, Mr. Pierre-Marie Boisson, Chairman, Sogesol, Mr. Mark D'Sa, Senior Director, Gap International Sourcing—Americas, Ms. Nancy Birdsall, Founding President, Center for Global Development, Mr. Francis J. Skrobiszewski, Associate, VisionAmericas LLC.

On April 28, 2010, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “Promoting Small and Micro Enterprise in Haiti”. The Members discussed the state of small enterprise in Haiti, the poorest country in the western hemisphere. Indeed, more than half its population lives on less than one dollar a day and 78 percent on less than two. Haiti ranks 146th out of 177 countries on the United Nations Development Program (UNDP) Human Development Index. More than two-thirds of the labor force do not have formal jobs. Most Haitians depend on agriculture and micro-entrepreneurial activities for survival and operate in the informal economy. Informal sector activity in Haiti is estimated to represent well over half of the country’s economy. Formal and sustainable entrepreneurship initiatives, particularly in the poorer parts of Haiti, are almost entirely absent. Most small and micro-enterprises in Haiti confront difficulties that limit their competitiveness and lead to high failure rates. The predominant informality of the Haitian private sector also dramatically limits the government’s tax base, regulatory oversight, and overall formal employment creation. The Subcommittee heard testimony from Mr. Simon Winter, Senior Vice President, Development, TechnoServe Inc, Mr. Mathias Pierre, GaMa Consulting S.A., Mr. Olivier Barrau, Managing Director, Alternative Insurance Company, Mr. David Roodman, Research Fellow, Center for Global Development, Mr. John Sanbrailo, Executive Director, Pan American Development Foundation.

GREECE

On May 20, 2010, the Subcommittee on International Monetary Policy and Trade and the Subcommittee on Domestic Monetary Policy and Technology held a joint legislative hearing entitled “The Role of the International Monetary Fund and Federal Reserve in Stabilizing Europe”. The Members discussed the recently announced plan to stabilize Europe, including the Federal Reserve plan to re-open temporary U.S. dollar liquidity swap facilities with foreign central banks, including the European Central Bank (ECB),

Bank of England (BOE), Swiss National Bank (SNB), Bank of Japan (BOJ) and the Bank of Canada (BOC). Members also discussed the International Monetary Fund (IMF), which has taken on a significant role in the effort to foster financial stability in Europe. The IMF committed approximately \$40 billion of IMF funds, as part of a larger multilateral financing package, to help the Greek government address its economic challenges. The funding will assist Greece in its efforts to restore confidence and fiscal sustainability, restore market competitiveness and safeguard financial sector stability. IMF Managing Director Dominique Strauss-Kahn stated that the IMF was “ready to support our European members’ individual adjustment and recovery programs through the design and monitoring of economic measures as well as through financial assistance, when requested.” The subcommittees heard testimony from the Honorable Daniel K. Tarullo, Governor, Board of Governors of the Federal Reserve; Ms. Carmen Reinhart, Professor of Economics, University of Maryland, Mr. Edwin M. Truman, Senior Fellow, The Peterson Institute for International Economics, Mr. Peter Morici, Professor, Robert H. Smith School of Business, University of Maryland.

EXPORT-IMPORT BANK

On September 29, 2010, the Subcommittee on Oversight and Investigation and the Subcommittee on International Monetary Policy and Trade held a joint hearing entitled “Ex-Im Bank Oversight: The Role of Trade Finance in Doubling Exports over Five Years”. This hearing focused on the work of the Export-Import Bank of the United States (“Ex-Im Bank”). The Subcommittees reviewed its activities to promote export growth, especially since the onset of the global financial crisis and recession, which made credit availability more challenging for businesses. The Subcommittees also examined what role Ex-Im Bank is and should be playing in the Obama Administration’s National Export Initiative to double exports over five years. Another key issue was ensuring small businesses had adequate access to trade finance through Ex-Im. The Subcommittee Chairs and Ranking Members transmitted a letter to GAO the day of the hearing, asking that they review “how Ex-Im’s efforts compare to the export financing efforts of other export credit agencies,” and report back to Congress. This initial hearing lays the groundwork for reauthorizing the Export-Import Bank when their authority expires in 2011. The Subcommittee heard testimony from the Honorable Fred P. Hochberg, Chairman and President, Export-Import Bank of the United States, Mr. Osvaldo Luis Gratacós, Acting Inspector General, Export-Import Bank of the United States, Mr. Loren Yager, Director, International Affairs and Trade, U.S. Government Accountability Office (GAO), Mr. John Hardy, President, Coalition for Employment Through Exports (CEE).

FINANCIAL CRISIS IN AFRICA

On November 16, 2010, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled “The Global Financial Crisis and Financial Reforms in Nigeria”. The Members discussed the impact of the global financial crisis in Africa, and financial reforms being implemented in Nigeria. Sub-Saha-

ran Africa (Africa) suffered from the secondary effects of the global financial crisis as demand and prices for Africa's primary exports collapsed, along with falling remittances. Economic growth across much of the continent slowed dramatically. International response to the crisis included a dramatic increase in IMF resources, with some reweighting of SDR allocations, to the benefit of developing countries, including in Africa. Windfall profits from planned IMF gold sales garnered an estimated \$6 billion in additional capital available for least developed countries, of which Africa is expected to be a primary beneficiary. The World Bank and African Development Bank dramatically increased lending and grant programs to Africa in response to the crisis. Nigeria, Africa's most populous country with an estimated 149 million people, is also its second largest economy after South Africa. The governor of the Central Bank of Nigeria (CBN) is leading efforts to modernize Nigeria's financial sector. The CBN conducted a series of audits or "stress tests" of Nigeria's largest banking institutions, which revealed that nine banks were near collapse. The Nigerian government provided a U.S. \$4 billion bailout to the banks and stringent new capital rules were introduced. Nigeria is establishing an Asset Management Company, or a "bad bank," to buy toxic loans in exchange for government bonds in an effort to get banks lending again. Other bank reforms being implemented include differentiated banking licenses, to allow the creation of "specialized banks" to meet the financial needs of specific demographic groups. Nigeria's financial sector reforms also include reforming the capital markets. The subcommittee heard testimony from Mr. Lamido Sanusi, Governor, Central Bank of Nigeria, Ms. Arunma Oteh, Director General, Securities and Exchange Commission of Nigeria, Mr. Todd Moss, Vice President for Programs and Senior Fellow, Center for Global Development.

FOREIGN DIVESTMENT STRATEGY

On November 30, 2010, the Subcommittee on International Monetary Policy and Trade held a legislative hearing entitled "Investments Tied to Genocide: Sudan Divestment and Beyond." The members discussed the impact of the Sudan Accountability and Divestment Act (SADA), which Congress passed in 2007. This law authorizes States and investment companies to divest from companies with certain business ties to Sudan and prohibits these companies from federal contracting. By drafting SADA in a manner that gives States and investment companies the right, but not the obligation to divest from, or prevent investment in select companies with business ties to the Sudan Government in Khartoum, the Act empowers investors to refrain from providing financial support to businesses that may be seen as supporting a civil war and genocide, while providing investment managers safe harbor from prosecution for doing so. Witnesses spoke to the documented impact of SADA, and lessons learned thus far from the experience of SADA's implementation. In particular, a GAO report indicates that American investors have indeed withdrawn funds from targeted companies and investments. Witnesses and members discussed the trade-off between American engagement in conflict areas such as Sudan, including by American companies and investors who may promote

social and civic engagement that help to alleviate the suffering of affected people, versus the withdrawal of American capital which may open the door for other investors and businesses who may not seek to promote any resolution to the conflict, or be supportive of local humanitarian initiatives. The subcommittee heard testimony from Mr. Thomas Melito, Director, International Affairs & Trade, U.S. Government Accountability Office, Mr. Eric Cohen, Chairperson, Investors Against Genocide, Mr. Adam M. Kanzer, Esq., Managing Director & General Counsel, Domini Social Investments LLC and Mr. Richard S. Williamson, Former Special Envoy to Sudan.

AFRICA

In an effort to further understand the impact of the global financial crisis on development efforts in Africa, and to better understand the role of international financial institutions and multilateral development banks, Rep. Meeks led a bipartisan Congressional Delegation (CODEL) to Tunisia, Rwanda and Zimbabwe, from August 27 to September 4, 2009.

Tunisia is the temporary home of the African Development Bank (AfDB). In Tunisia, the delegation met with the senior leadership of the AfDB for extended discussions about the institution's work across the continent, and ongoing reforms within the institution. Members also met with senior Tunisian government officials, including the Prime Minister, Parliamentarians, as well as a roundtable discussion with private sector leaders, including representatives of American businesses in Tunisia.

Rwanda has achieved exceptional economic growth since the genocide. Its rapid, trade-driven development may serve as an example for others in the region. In Rwanda, the delegation conducted site visits of development projects, including a small-holder farm benefiting from agricultural technical assistance, a road and bridge construction site, the Kigali University Teaching Hospital and a textile factory. Members met with senior Rwandan government officials, including the President, Minister of Finance, the Rwanda Development Board, and representatives of the private sector, including American companies.

Dubbed "the world's fastest shrinking economy," Zimbabwe's Gross Domestic Product (GDP) has declined over 50 percent since 1998. World Bank and International Monetary Fund (IMF) lending have been suspended since 2000 due to nonpayment of arrears. Zimbabwe has stabilized under a fragile unity government, following particularly violent national elections in 2008. In Zimbabwe, members met with the President, Prime Minister, Minister of Finance, parliamentarians responsible for drafting the new constitution, and representatives of civil society.

Rep. Meeks led a CODEL to Africa, jointly with Rep. Watt from February 14–21, 2010. The bipartisan CODEL traveled to Nigeria, Ethiopia, Zimbabwe and Botswana. The purpose of the trip was to evaluate the role of international financial institutions and multilateral development banks on the continent, the role of central banks in establishing stable monetary policy that leads to economic growth, as well as financial and regulatory reforms being imple-

mented in Africa's major economies to achieve sustained economic recovery from the global financial crisis.

Nigeria, is undergoing significant reform of its energy and financial sectors, yielding hopes that it will finally reach its potential as the economic engine of Africa. Nigeria is also a major shareholder of the African Development Bank (AfDB), in which the U.S. is also a major shareholder. In Nigeria, members met with the central bank governor and representatives of the leading financial companies.

Ethiopia, a country of 85 million people that has undergone exceptional economic transformation in the past 15 years, is home to the African Union (AU). Since the first democratic elections in the country's history in 1995, Ethiopia has emerged as an economic engine in East Africa and a critical player in the East African region, despite continued conflicts in neighboring Somalia and Sudan and recurrent food security concerns. Members met with senior government officials, including the Prime Minister, Minister of Finance and Central Bank Governor, as well as senior leadership of the AU. Members also visited the Ethiopian Commodity Exchange.

Following up on the September CODEL, members returned to Zimbabwe to evaluate progress of the unity government and economic reforms. Members met with senior government officials, including the President and Minister of Finance, and conducted a site visit to a low-income, semi-rural savings and loan and income support initiative supported by U.S. government funds.

Botswana has been one of the strongest sustained performers in Africa in the area of social and economic development, consistently achieved superior economic growth relative to its peers. However, in addition to its continued struggle against the AIDS pandemic, this mineral-rich nation has been especially hard hit by the global financial crisis and collapsing demand and prices for its exports, including mainly diamonds. Members met with senior Botswana government officials, including the President, Minister of Finance, and Central Bank Governor, visited the world's largest diamond production operation, and representatives of the private sector.

SUBCOMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111-13	The Iran Sanctions Enabling Act of 2009 (International)	March 12, 2009
111-31	Implications of the G-20 Leaders Summit for Low Income Countries and the Global Economy (International).	May 13, 2009
111-100	The State of Global Microfinance: How Public and Private Funds Can Effectively Promote Financial Inclusion for All (International).	January 27, 2010
111-105	Haiti Debt Relief (International)	March 4, 2010
111-111	Rebuilding Haiti's Competitiveness and Private Sector (International)	March 16, 2010
111-127	Promoting Small and Micro Enterprise in Haiti (International)	April 28, 2010
111-138	The Role of the International Monetary Fund and Federal Reserve in Stabilizing Europe (Domestic and International).	May 20, 2010
111-162	Ex-Im Bank Oversight: The Role of Trade Finance in Doubling Exports over Five Years (Oversight and International).	September 29, 2010
111-165	The Global Financial Crisis and Financial Reforms in Nigeria (International)	November 16, 2010
111-167	Investments Tied to Genocide: Sudan Divestment and Beyond (International)	November 30, 2010

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

(Ratio: 10–7)

DENNIS MOORE, Kansas, *Chair*

STEPHEN LYNCH, Massachusetts	JUDY BIGGERT, Illinois
RON KLEIN, Florida	PATRICK MCHENRY, North Carolina
JACKIE SPEIER, California	RON PAUL, Texas
GWEN MOORE, Wisconsin	MICHELE BACHMANN, Minnesota
JOHN ADLER, New Jersey	CHRISTOPHER LEE, New York
MARY JO KILROY, Ohio	ERIK PAULSEN, Minnesota
STEVE DRIEHAUS, Ohio	SPENCER BACHUS, Alabama, <i>ex officio</i>
ALAN GRAYSON, Florida	
BARNEY FRANK, Massachusetts, <i>ex officio</i>	

SUBCOMMITTEE OVERSIGHT ACTIVITIES

OVERSIGHT OF THE TARP AND THE FINANCIAL STABILITY PLAN

When Congress enacted the Emergency Economic Stabilization Act of 2008 (EESA, P.L. 110–343), it authorized the establishment of the Troubled Asset Relief Program (TARP) within the Treasury Department, and created the Office of Financial Stability within Treasury to implement TARP and other financial stability efforts. The Treasury Department has issued, as required by Sec. 105(a) of EESA, monthly reports to Congress on the status of promoting financial stability.

The Act also established a regulatory framework for overseeing the implementation of the program. EESA created the Congressional Oversight Panel (COP) and the Special Inspector General for TARP (SIGTARP). It also established new audit and oversight duties for the Government Accountability Office (GAO). The multiple layers of oversight included in EESA were designed to ensure effective oversight, accountability, and transparency. COP, SIGTARP and GAO have produced thousands of pages of oversight reports, audits and investigations to ensure taxpayers are fully protected.

Since the Emergency Economic Stabilization Act was signed into law on October 3, 2008, the Subcommittee on Oversight and Investigations held a number of hearings about TARP oversight, accountability and transparency. The goal of these hearings was to look at key issues exposed by the financial crisis and the next steps to continue improving financial stability in an economic recovery.

The Subcommittee held its first hearing entitled, “A Review of TARP Oversight, Accountability and Transparency for U.S. Taxpayers” on February 24, 2009. The Subcommittee heard from Neil Barofsky, the Special Inspector General for TARP (SIGTARP), Professor Elizabeth Warren who chaired the Congressional Oversight Panel for TARP, and Acting Comptroller General Gene Dodaro of the Government Accountability Office. Mr. Barofsky urged Congress to give SIGTARP more authority and staff to better track all the TARP funds. After the hearing, Chairman Moore filed H.R.

1341 with Ranking Member Biggert to do that, and the House approved the Senate version of the bill on March 25, 2009, with a unanimous 423–0 vote. The measure was enacted into law on April 24, 2009 (P.L. 111–15). The legislation has strengthened the SIGTARP’s hiring authority and other enforcement powers to provide vigorous oversight of the \$700 billion TARP program.

In its work overseeing the implementation of TARP, the Subcommittee has focused several of its hearings on the warrant repurchasing process. When TARP recipient repays its original Capital Purchase Program (CPP) investment, they have the right to repurchase its warrants at an agreed upon fair market value. This is done through direct negotiations with Treasury, which has established a multiple step process to value the warrants before they agree to sell them. If an institution decides not to repurchase its warrants, Treasury has indicated a preference to sell the warrants to a third party through a public auction.

On June 2, 2009, Chairman Moore wrote Treasury Secretary Geithner regarding concerns that: “financial institutions that have received TARP funds are lobbying to buy back warrants the U.S. government received for providing taxpayer assistance at a reduced or minimal value. I strongly urge you to utilize your authority to maximize the best deal for taxpayers.” On July 22, 2009, the Subcommittee held its second TARP oversight hearing entitled “TARP Oversight: Warrant Repurchases and Protecting Taxpayers.” TARP’s new administrator, Herb Allison, testified on the status of the TARP, as well as issues surrounding the repurchasing of TARP warrants by banks. Professor Warren discussed COP’s July report focused on maximizing taxpayer returns in the warrant repurchasing process. The day of the hearing, Goldman Sachs announced an agreement with Treasury to repurchase their TARP warrants for a higher-than-expected \$1.1 billion, marking a new trend of higher returns for taxpayers.

The Subcommittee’s third TARP oversight hearing, entitled “Utilizing Technology to Improve TARP and Financial Oversight”, was held on September 17, 2009. The hearing focused on the role of technology in efforts to provide transparency and accountability for programs, such as TARP, and using technology to ensure federal agencies provide strong, coordinated oversight of financial services activity. Rep. Carolyn Maloney’s TARP database and monitoring bill, H.R. 1242, was noted as a good idea to improve TARP transparency. The House approved H.R. 1242 on December 2, 2009. A week later, the Treasury Department announced an open government plan to “to increase transparency in government and maintain accountability of taxpayer dollars”. This included a new commitment by the Office of Financial Stability to release a TARP Transaction Report for every new TARP transaction including investments made and funds repaid. In an effort to make the reports user-friendly, they would be made available in XML format for easy sorting of data.

The fourth TARP oversight hearing, entitled “TARP Oversight: An Update on Warrant Repurchases and Benefits to Taxpayers” was held on May 11, 2010. The Subcommittee received a SIGTARP audit focused on the TARP warrants program. Witnesses included Treasury and other experts reviewing the benefits taxpayers

reaped from the TARP warrants program. One academic witness testified that “oversight works” with respect to TARP, and both SIGTARP and COP agreed that the TARP warrants program generally succeeded.

As a result of the Subcommittee’s oversight efforts with respect to the TARP warrant repurchasing program, this program has generated over \$7 billion of extra returns for taxpayers with even more expected, and that’s in addition to over \$200 billion of repayments of the initial TARP investment as of November 2010.

EMERGING LESSONS FROM THE 2007–09 FINANCIAL CRISIS

The Subcommittee held a three-part series where it focused on lessons learned from the recent financial crisis. The series of hearings was inspired by the cover story from the April 6, 2009, issue of *Time* magazine, entitled “The End of Excess: Why this crisis is good for America,” written by Kurt Andersen. The first hearing in this series was held on May 6, 2010, and was entitled “Reversing Our Addiction to Debt and Leverage.” This hearing centered on the role debt and leverage has played in the past decade, both in the U.S. economy and in the financial sector, leading up to the financial crisis. Witnesses included Tom Hoenig, Kansas City Federal Reserve Bank President, and David Walker, former Comptroller General of the United States.

The second and third hearings in the series were field hearings held in the Midwest. The second hearing was held in Overland Park, Kansas, on August 23, 2010, on the topic of “Too Big Has Failed: Learning from Midwest Banks and Credit Unions.” The Subcommittee examined the recent performance and success of many community banks, regional banks and credit unions in the Midwest. The Subcommittee explored key trends and lessons that can be learned from responsible financial intermediaries that can be applied to promote a stronger, more stable financial system in the United States. At the hearing, the recently enacted and landmark Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) was discussed, focusing on how the new law shielded community banks, credit unions, and small businesses from unnecessary regulatory burdens while ending the notion that any large financial firm is “too big to fail”.

The third and final hearing in this series was held in Lawrence, Kansas, on August 24, 2010, to focus on the question: “Empowering Consumers: Can Financial Literacy Education Prevent Another Financial Crisis?” The Subcommittee examined what kinds of programs have worked well in promoting greater financial literacy. The hearing focused on the recent financial crisis, and what lessons should be learned in terms of what role financial literacy should play in a safer, more stable financial system, including examining how best to coordinate efforts, and utilizing limited resources most efficiently to increase access to quality financial education for all people. Also discussed were several key provisions included in the Dodd-Frank Act to promote financial literacy, including the creation of an Office of Financial Education within the newly created Bureau of Consumer Financial Protection.

THE ROLE OF FINANCE IN AN ECONOMIC RECOVERY

Another key topic the Subcommittee focused on was the role of various components of finance and how it can promote a strong economic recovery across the board—for homeowners, workers, women, minorities and small businesses. A number of these were field hearings so that the Subcommittee could hear directly from various stakeholders how the Great Recession was impacting them and their communities, and discuss what ways finance can promote a strong economic recovery.

The Subcommittee went to West Palm Beach, Florida, and held a hearing on July 2, 2009, on the issue of “The Homeowners’ Insurance Crisis: Solutions for Homeowners, Communities, and Taxpayers”. Rep. Ron Klein had reintroduced H.R. 2555 to address the concern that demand for homeowners’ insurance in Atlantic and Gulf Coast states has outpaced supply, making affordable homeowners insurance difficult to find. At the hearing, the Subcommittee heard from local residents, businesses and government officials on how proposed solutions can help homeowners. Following the hearing, the Committee reported H.R. 2555 out favorably on July 13, 2010.

On November 30, 2009, the Subcommittee travelled to Southfield, Michigan, to hold a hearing entitled “Improving Responsible Lending to Small Businesses.” Rep. Gary Peters invited the subcommittee to visit this suburb of Detroit to hear about the problems the local business community has had in accessing finance and credit, the pressure banks and credit unions are under from bank examiners to make fewer loans, and the challenges facing bank regulators as bank failures rise. As a result of the hearing, Rep. Peters and Chairman Moore introduced H.R. 5302, the State Small Business Credit Initiative Act. A version of the measure was included in the Small Business Jobs and Credit Act that was enacted into law on September 27, 2010 (P.L. 111–240).

The Subcommittee held a joint hearing with the Subcommittee on Housing and Community Opportunity entitled: “Minorities and Women in Financial Regulatory Reform: The Need for Increasing Participation and Opportunities for Qualified Persons and Businesses,” on May 12, 2010. The Subcommittees received an update from GAO on the level of professional opportunities for women and minorities in the financial industry and financial regulatory agencies. The Subcommittee Chairs—Chairman Moore and Chairwoman Waters—request GAO research the matter further and report back to Congress with their updated findings.

On May 17, 2010, the Subcommittee held a field hearing in Chicago, Illinois on the issue of “Commercial Real Estate: A Chicago Perspective on Current Market Challenges and Possible Responses.” The Subcommittee heard from a wide variety of local industry representatives, experts and regulators on the state of commercial real estate, and its impact on an economy recovery. The aforementioned Small Business Jobs and Credit Act included important provisions to aid commercial real estate lending.

Another important hearing the Subcommittee held was entitled “Ex-Im Bank Oversight: The Role of Trade Finance in Doubling Exports over Five Years,” held on September 29, 2010. This hearing

was held jointly with the Subcommittee on International Monetary Policy & Trade and focused on the work of the Export-Import Bank of the United States (“Ex-Im Bank”). The Subcommittees reviewed its activities to promote export growth, especially since the onset of the global financial crisis and recession, which made credit availability more challenging for businesses. The Subcommittees also examined what role Ex-Im Bank is and should be playing in the Obama Administration’s National Export Initiative to double exports over five years. Another key issue was ensuring small businesses had adequate access to trade finance through Ex-Im. The Subcommittee Chairs and Ranking Members transmitted a letter to GAO the day of the hearing, asking that they review “how Ex-Im’s efforts compare to the export financing efforts of other export credit agencies,” and report back to Congress. This initial hearing lays the groundwork for reauthorizing the Export-Import Bank when their authority expires in 2011.

MINIMIZING WASTE, FRAUD AND ABUSE IN FINANCIAL REGULATION

The Subcommittee reviewed a variety of ways in how financial regulation could be improved to protect taxpayers and minimize any waste, fraud and abuse in federal programs. A new addition to the Rules of the House sponsored by Rep. John Tanner (H. Res. 40) requires House committees to hold at least one hearing every four months “on the topic of waste, fraud, abuse, or mismanagement in Government programs. . . .” The Subcommittee on Oversight and Investigations, along with the Full Committee and other Financial Services subcommittees have far exceeded this requirement by holding over 65 oversight hearings in the 111th Congress that qualify under the Tanner Rule. These hearings have resulted in legislation to provide better oversight and eliminate waste, fraud and abuse with respect to financial agency programs.

For example, on May 5, 2009, the Subcommittee held a hearing on “The Role of Inspectors General: Minimizing and Mitigating Waste, Fraud and Abuse.” This hearing focused on the work of the Inspectors General (IGs) at Treasury, Federal Reserve and FDIC, in particular the concern the IGs have that mandated Material Loss Reviews (MLR) are overloading their resources, preventing them to investigate other high priority concerns to expose waste, fraud and abuse. Rep. Steve Driehaus, Chairman Moore, Rep. Christopher Lee and Ranking Member Biggert introduced H.R. 3330, the Improved Oversight by Financial Inspectors General Act, to reform the MLR system and the House unanimously approved it by voice vote on July 29, 2009. A modified version of the bill was included in the Dodd-Frank Wall Street Reform and Consumer Protection Act (987–988, P.L. 111–203).

Additionally, the Dodd-Frank Act includes provisions originally offered by Subcommittee Chairman Moore and Rep. Stephen Lynch as a financial reform amendment which creates a new Council of Inspectors General on Financial Oversight, connecting existing financial agency Inspectors General and requiring financial agencies to respond to their oversight recommendations. The Moore-Lynch amendment also requires a mandatory Inspector General review be performed on future large financial firms that fail, as well as new GAO reporting requirements, which will better inform the Con-

gress and financial agencies as the new regulatory system is implemented.

Another key area the Subcommittee focused on was mortgage fraud and improving oversight of FHA and other HUD programs. On June 18, 2009, the Subcommittee held a hearing entitled: "Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs." HUD's Inspector General, Kenneth Donohue, and other housing experts discussed combating fraud in the housing and mortgage market. The hearing focused on FHA, the importance of independent appraisals and the need for adequate resources at HUD to mitigate waste, fraud and abuse. Chairman Moore joined Judiciary Committee Chairman John Conyers as a sponsor of the Fight Fraud Act, which the House approved on May 6, 2009, by a vote of 367-59, giving the HUD IG more resources to combat financial and mortgage fraud. The measure was enacted into law two weeks later (P.L. 111-21).

The Subcommittee also held a hearing on July 13, 2009, on the issue of "Preventing Unfair Trading by Government Officials." The Subcommittee examined cases of unfair trading by government officials, including the Securities and Exchange Commission's Inspector General's findings of alleged inappropriate trading by SEC enforcement officials. The Subcommittee also reviewed H.R. 682, the Stop Trading on Congressional Knowledge Act, sponsored by Reps. Brian Baird and Louise Slaughter, which would prohibit insider trading by Members of Congress or their staff.

COMBATING TERRORISM FINANCING AND MONEY LAUNDERING

Another key oversight priority for the Subcommittee has been focused on strengthening the federal government's efforts in combating terrorism financing and money laundering. On April 28, 2010, the Subcommittee held a hearing on "Reviewing FinCEN Oversight Reports." The Subcommittee received an update from the Financial Crimes Enforcement Network's (FinCEN) Director and examined oversight reports issued by GAO and the Treasury Department's Inspector General that looked at FinCEN's efforts with respect to Suspicious Activity Reports, Bank Secrecy Act compliance, and anti-money laundering. The Treasury Department established FinCEN in 1990 to provide a government-wide multisource financial intelligence and analysis network. FinCEN's operation was later expanded to include the responsibilities for administering the Bank Secrecy Act.

The Subcommittee held its second hearing on these issues on May 26, 2010, focused on "Anti-Money Laundering: Blocking Terrorist Financing and Its Impact on Lawful Charities." The Subcommittee reviewed ongoing efforts by the Treasury Department to stop the financing of terrorism. The hearing focused on various controls, disclosure and decision-making processes to ensure innocent individuals and charities receive due process while efforts to block terrorist financing remain robust.

Another Subcommittee hearing was held on September 28, 2010, entitled: "A Review of Current and Evolving Trends in Terrorism Financing." This hearing focused on a broader perspective offered by non-governmental witnesses on the current and evolving trends in terrorism financing today. The Subcommittee focused on how

terrorist organizations continue to finance their activities and how these organizations are altering their financing techniques to avoid current methods exercised by the U.S. government to stem the flow of money to terrorists. The Subcommittee reviewed potential vulnerabilities in the financial institutions systems of the United States and the world that could be exploited by terrorist organizations.

SUBCOMMITTEE HEARINGS HELD

Serial No.	Title	Date(s)
111-5	A Review of TARP Oversight, Accountability, and Transparency for U.S. Taxpayers (Oversight).	February 24, 2009
111-27	The Role of Inspectors General: Minimizing and Mitigating Waste, Fraud, and Abuse (Oversight).	May 5, 2009
111-46	Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs (Oversight).	June 18, 2009
111-52	The Homeowners' Insurance Crisis: Solutions for Homeowners, Communities, and Taxpayers (Oversight).	July 2, 2009
111-56	Preventing Unfair Trading by Government Officials (Oversight)	July 13, 2009
111-67	TARO Oversight: Warrant Repurchases and Protecting Taxpayers (Oversight)	July 22, 2009
111-75	Utilizing Technology to Improve TARP and Financial Oversight (Oversight)	September 17, 2009
111-90	Improving Responsible Lending to Small Businesses (Oversight)	November 30, 2009
111-129	Reviewing FinCEN Oversight Reports (Oversight)	April 28, 2010
111-131	The End of Excess (Part One): Reversing Our Addiction to Debt and Leverage (Oversight).	May 6, 2010
111-132	TARP Oversight: An Update on Warrant Repurchases and Benefits to Taxpayers (Oversight).	May 11, 2010
111-135	Minorities and Women in Financial Regulatory Reform: The Need for Increasing Participation and Opportunities for Qualified Persons and Businesses (Oversight and Housing).	May 12, 2010
111-136	Commercial Real Estate: A Chicago Perspective on Current Market Challenges and Possible Responses (Oversight).	May 17, 2010
111-141	Anti-Money Laundering: Blocking Terrorist Financing and Its Impact on Lawful Charities (Oversight).	May 26, 2010
111-143	After the Financial Crisis: Ongoing Challenges Facing Delphi Retirees (Oversight).	July 13, 2010
111-151	Too Big Has Failed: Learning from Midwest Banks and Credit Unions (Oversight).	August 23, 2010
111-152	Empowering Consumers: Can Financial Literacy Education Prevent Another Financial Crisis? (Oversight).	August 24, 2010
111-161	A Review of Current and Evolving Trends in Terrorism Financing (Oversight)	September 28, 2010
111-162	Ex-Im Bank Oversight: The Role of Trade Finance in Doubling Exports over Five Years (Oversight and International).	September 29, 2010

OVERSIGHT PLAN FOR THE 111TH CONGRESS

Clause 2(d) of rule X of the Rules of the House of Representatives for the 111th Congress requires that each standing committee in the first session of a congress adopt an oversight plan for the two-year period of the Congress and submit the plan to the Committee on Oversight and Government Reform and the Committee on House Administration.

Clause 1(d)(1) of rule XI requires each committee to submit to the House not later than January 2 of each odd-numbered year, a report on the activities of that committee under rules X and XI during the Congress ending on January 3 of such year. Clause 1(d)(3) of rule XI also requires that the report include a summary of the oversight plans submitted pursuant to clause 2(d) of rule X; a summary of the actions taken and recommendations made with respect to each such plan; and a summary of any additional oversight activities undertaken by the committee and any recommendations made or actions taken thereon.

Part A of this section contains the Oversight Plan of the Committee on Financial Services for the One Hundred Eleventh Congress, which the Committee considered and adopted on February 12, 2009.

Part B of this section contains a summary of the actions taken to implement that plan and the recommendations made with respect to the plan. Additional oversight activities undertaken by the Committee, and the recommendations made or actions taken thereon, are contained in the specific sections relating to the activities of the full Committee and each of the subcommittees.

Part A**OVERSIGHT PLAN OF THE COMMITTEE ON FINANCIAL SERVICES FOR THE ONE HUNDRED ELEVENTH CONGRESS**

February 12, 2009.—Approved by the Committee on Financial Services

Mr. FRANK, from the Committee on Financial Services, submitted to the Committee on Oversight and Government Reform and the Committee on House Administration the following

REPORT

Clause 2(d)(1) of rule X of the Rules of the House of Representatives for the 111th Congress requires each standing committee, not later than February 15 of the first session to adopt an oversight plan for the 111th Congress. The oversight plan must be submitted simultaneously to the Committee on Oversight and Government Reform and the Committee on House Administration.

The following agenda constitutes the oversight plan of the Committee on Financial Services for the 111th Congress. It includes areas in which the Committee and its subcommittees expect to conduct oversight during this Congress, but does not preclude oversight or investigation of additional matters or programs as they arise. Any areas mentioned in the oversight plan may be considered by the Financial Services Committee, the five subcommittees of jurisdiction or the Subcommittee on Oversight and Investigations. The Committee will consult, as appropriate, with other committees of the House that may share jurisdiction on any of the subjects listed below. The Committee will also comply with House Resolution 40, adopted earlier this Congress, by holding periodic hearings on the topic of waste, fraud, abuse, or mismanagement in Government programs authorized by this Committee.

FINANCIAL INSTITUTIONS

Troubled Asset Relief Program (TARP) and other Initiatives to Stabilize the Financial System. The Committee will continue to examine closely the operation of the TARP program authorized by Emergency Economic Stabilization Act (EESA). This oversight will include working with the Government Accountability Office, the Congressional Oversight Panel, and the Special Inspector General for TARP in order to ensure that the program adequately protects taxpayer interests; that the program properly addresses the mortgage foreclosure crisis; and that the program's operations are properly transparent and accountable. The Committee will also ensure that the Treasury Department reports to the Committee on its progress in establishing a program to insure troubled assets as set forth in section 102 of Public Law 110-343; and that Treasury regularly reports to the Committee on matters of lending, liquidity, and safety and soundness related to those financial institutions receiving TARP funds or guarantees. The Committee will look into trends related to financial fraud, including mortgage and securities

fraud, as well as unsound lending practices of financial institutions and financial institutions affiliated with those that received TARP funds or guarantees, which contributed to the crises and lack of confidence in the U.S. financial industry and led to the creation of TARP.

The Committee will also examine carefully whether the recipients of TARP funds are spending the money appropriately, with special attention paid to any instances of waste, fraud, and abuse. The Committee will concentrate on issues related to the distortion of TARP fund distribution caused by political pressure and interference rather than the judgment of the regulators. The Committee will carefully analyze the viability of any new TARP initiatives, such as the newly announced measures by the Treasury to create “bad banks” funded in part with taxpayer dollars, and assess whether TARP funding is deployed by recipient institutions in a manner consistent with Congressional priorities and with restoring liquidity and promoting the stability of the financial system. The Committee will also continue to examine non-TARP efforts by the Treasury, the Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), and other agencies to stabilize the financial system and promote economic recovery.

The Committee also will examine the application by Federal regulators of the “too big to fail” doctrine and the designation of “systemically significant” institutions to determine if these are effective, fair or rational public policy distinctions. The Committee will ask if this doctrine means that other institutions are “too small to save” and if recent initiatives by the Treasury Department and Federal Reserve have prejudiced local and community banks and credit unions at the expense of institutions the regulators believe are “too big to fail.” During this review, the Committee will study the ways that financial institutions have expanded and the incentives that drove them to grow. The Committee will try to determine if it is possible to have a government regulator unwind a systemically important institution in an orderly fashion to prevent systemic disruptions.

Financial Supervision. The Committee will continue to examine Federal regulators safety and soundness supervision of the banking, thrift and credit union industries, to ensure that systemic risks or other structural weaknesses in the financial sector are identified and addressed promptly. The trend toward consolidation in the banking industry and the growing number of large credit unions serving broad fields of membership requires that Federal regulators maintain the expertise and risk evaluation systems necessary to oversee the activities of the increasingly complex institutions under their supervision. The Committee will also seek updates on consumer compliance supervision of financial institutions and review the regulatory enforcement of the Community Reinvestment Act, consumer protections, and agency customer service.

Consumer Protections. In addition to issues addressed throughout this oversight plan that relate to consumers of financial services, the Committee will consider other specific consumer protection issues within its jurisdictional purview, including, but not limited to, disparate interpretations and applications of individual States’ laws related to national banks, Federal thrifts and their affiliates

or subsidiaries, marketing tactics, rising fees, and penalties on credit card, payday, mortgages and other consumer loans, unfair or deceptive acts or practices such as foreclosure rescue scams, the use of credit reports to change the rates and terms of preexisting accounts, to ensure that the financial services industry fulfills its responsibility to treat its customers fairly and fully disclose the terms on which financial products and services are offered to the public. The Committee will also consider industry practices with respect to overdraft protection programs, deposit hold periods, and other fees.

Data Security and Identity Theft. Building on the Committee's long-standing role in developing laws governing companies handling of sensitive personal financial information about consumers, including the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act (FACT Act), the Committee will continue to seek legislation that better protects the security and confidentiality of such information from any loss, unauthorized access, or misuse. The Committee will also monitor major data security breaches at government agencies to ensure that personal financial information is properly safeguarded and that the affected individuals receive prompt notification where that is appropriate.

Implementation of FACT Act. The Committee will monitor government and private sector implementation of the Fair and Accurate Credit Transactions (FACT) Act (Public Law 108-159), the 2003 legislation that renewed certain provisions of the Fair Credit Reporting Act (FCRA) and gave consumers new rights and protections against identity theft, including the ability to obtain free credit reports annually. The Committee may examine whether, after the FACT Act is implemented, there remain barriers for consumers in maintaining accurate and complete consumer files. The Committee will seek to determine if additional efforts need to be undertaken to promote voluntary reporting of data not currently being supplied to credit reporting agencies, to facilitate greater access to affordable financial products and services. As part of this review, the Committee will continue to review the use of credit scores by lenders in assessing consumers' creditworthiness to determine whether credit is extended to them and on what terms, including the growing practice of using nontraditional data to measure creditworthiness.

Mortgage Lending. The Committee will study the complex problem of, and potential solutions to, abusive and deceptive lending in the mortgage industry. The Committee recognizes that extending credit to under-served segments of the population has positive aspects and the Committee's effort will be to decrease the amount of abuses without undermining such access to credit. In targeting abusive practices, the Committee will be cognizant of the need to avoid policy prescriptions that result in shutting off credit to underserved borrowers. Although the Committee recognizes the limitations inherent in data analysis, Home Mortgage Disclosure Act (HMDA) data continues to show substantial disparities in the incidence of higher-priced lending across racial and ethnic lines, with Black and Hispanic borrowers more likely to obtain loans with prices above the pricing thresholds than non-Hispanic white borrowers. The Committee will continue to examine HMDA data to

help assess patterns of home mortgage lending to minority populations. The Committee will extend its inquiry to examine all relevant factors.

Deposit Insurance Reform. The Committee will monitor the implementation of the Deposit Insurance Reform Act of 2005 and the Federal Deposit Insurance Reform Conforming Amendments Act of 2005, to ensure that deposit insurance continues to serve its historic function as a source of stability in the banking system and a valued safety net for depositors. During the consideration of the Emergency Economic Stabilization Act, deposit insurance coverage for banks and credit unions was expanded from \$100,000 per account to \$250,000. This was particularly important for small businesses, which rely on their bank deposits to meet payroll and other critical needs. The increase will ensure that they have access to their working capital at all times, and discourage them from moving funds due to concerns about a particular institution. According to the Federal Reserve, for the smallest businesses (less than 10 employees, which are 80 percent of small businesses, raising the limit will have a major impact: 75 percent fewer firms will have uninsured deposits and the amount of their deposits remaining uninsured will fall by two-thirds. The insurance increase also gives small banks greater parity with the temporary money market fund insurance recently implemented by the Treasury Department. This will help keep deposits in banks and promote their stability. The Committee will monitor the implementation and effects of this expansion.

Credit Unions. The Committee will review issues relating to the conversion policies and procedures, safety and soundness and regulatory treatment of the credit union industry. In the 110th, the Committee supported the lifting of the statutory borrowing cap on National Credit Union Administration's Central Liquidity Fund and will continue to monitor its ability to meet the liquidity needs of credit unions.

Regulatory Burden Reduction. The Committee will continue to review the current regulatory burden on banks, thrifts, and credit unions with the goal of reducing unnecessary, duplicative, or overly burdensome regulations, consistent with consumer protection and safe and sound banking practices. The Committee's starting point will be H.R. 6312, the Credit Union, Bank and Thrift Regulatory Relief Act, which passed the House by voice vote in the 110th Congress.

Remittances. The Committee will continue to review the marketing and disclosure practices of financial institutions and money transmitters who offer international remittance services to consumers seeking to send funds to relatives in other countries.

Payment System Innovations. The Committee will review government and private sector efforts to achieve greater innovations and efficiencies in the payments system. The Committee will continue to assess the appropriateness of the current maximum hold periods and dollar amount limits provided under the Expedited Funds Availability Act. The Committee will also review improvements to the payments system, including ACH debit entries, wire transfers, and international remittances.

Internet Gambling. The Committee will continue to examine the implications of the Unlawful Internet Gambling Enforcement Act (UIGEA) and whether the final regulations drafted by the Treasury Department and Federal Reserve, in consultation with the Justice Department, impose unreasonable compliance burdens on financial institutions. Legislation which would have prevented the implementation of these regulations was ordered reported by the Committee in the 110th Congress after such a measure had once been defeated.

Access to Financial Services. The Committee will continue to explore ways to expand access to mainstream financial services by traditionally underserved segments of the U.S. population, particularly those without any prior banking history (commonly referred to as “the unbanked”). One area of review will be an assessment of the Treasury Department’s First Accounts Program—a grant program intended to provide financial services to low- and moderate-income Americans without bank accounts.

Credit Card Regulation. The Committee will continue its review of credit card industry practices, particularly relating to marketing, fees and disclosures. The Committee will monitor the implementation of recent Federal Reserve regulations: (i) defining unfair and deceptive credit card industry practices and (ii) making the format and content of credit card disclosures required by Truth in Lending more effective. These regulations become effective on July 1, 2010.

Community Development Financial Institution Fund. The Committee will continue to oversee the operations of the Community Development Financial Institutions Fund (Fund) which was created in 1994 to promote economic revitalization and community development. The Committee will examine the Fund’s contributions to community revitalization and measure its impact on efforts in rural, urban, suburban, and Native American communities. In addition, the Committee will assess the Fund’s progress in implementing reforms to make the grant making process more fair and transparent. The Committee will also monitor the Fund’s administration of the New Markets Tax Credit program (NMTC), including reviewing the efforts being taken by the Fund to assist minority-owned community development entities to effectively compete for allocations under the NMTC program.

Community Reinvestment Act of 1977. The Committee will continue to review developments and issues related to the Community Reinvestment Act of 1977 (CRA). Particular focus will be placed on ensuring that regulators are accurately interpreting the law and consistently applying regulations to all institutions. In addition, the Committee will examine how well institutions are complying with the CRA and will seek to ensure that CRA loans, services, and investments are efficiently directed to low- and moderate-income communities. The Committee will also explore recommendations for updating CRA to make it more effective in light of changes in the financial services sector.

Credit Counseling. The Committee will continue to review the credit counseling industry which provides financial education and debt management services to consumer seeking to address excessive levels of personal indebtedness. A particular focus will include

examining complaints regarding abusive and deceptive practices by some for-profit industry groups.

Financial Literacy. The Committee will continue its efforts to promote greater financial literacy and awareness among the public. As part of these efforts, the Committee will monitor the operations, and evaluate the efficacy, of the Financial Literacy and Education Commission. The Commission was established to coordinate efforts of the Federal government and encourage government and private sector initiatives to promote financial literacy.

Payday Lending. The Committee will review practices by the payday lending industry, with a particular emphasis on marketing, consumer disclosures, interest rates, and fees charged.

Discrimination in Lending. The Committee will examine the effectiveness of Federal fair lending oversight and enforcement efforts, including a review of the policies and procedures used by primary regulators to assess lenders' compliance with fair lending laws and a review of the steps taken by the enforcement agencies to investigate potential violations of fair lending laws. As part of this review, the Committee will assess the adequacy of the current reporting requirements under the Home Mortgage Disclosure Act (HMDA) to evaluate the patterns of home mortgage lending to underserved populations. In April 2008, several members of the Committee asked the Government Accountability Office (GAO) to conduct a comprehensive assessment of the current state of Federal enforcement of the Equal Credit Opportunity Act, the Fair Housing Act, and other related laws and regulations. The Committee will review this report when it is completed. The Committee will also continue to review the adequacy of the data sources currently used by regulators and researchers to detect possible discrimination in non-mortgage lending.

Diversity in Financial Services. The Committee will continue to explore financial services industry's efforts to attract and retain a diverse workforce, particularly at the senior management level. The Committee will also review the policies, programs, and initiatives used by Federal financial services agencies to promote, obtain, and report on supplier diversity, particularly with the use of asset managers, investment bankers, and other providers of professional services under any programs to assist troubled financial institutions. The Committee will continue to monitor Federal regulators' efforts to promote and preserve minority-owned financial institutions, including the steps taken to implement the goals outlined in a report issued by the Government Accountability Office (GAO) entitled, "MINORITY BANKS: Regulators Need to Better Assess Effectiveness of Support Efforts," (GAO-07-6) in October 2006.

Money Laundering and the Financing of Terrorism. The Committee will review enforcement of anti-money laundering laws and regulations. The Committee's work in this area will include an examination of (1) the costs and benefits of ongoing regulatory and filing requirements, and (2) opportunities to decrease the burden of complying with these and similar statutes without impairing the operations of law enforcement. The Committee will also monitor the Office of Terrorism and Financial Intelligence, to ensure that adequate resources are applied efficiently, and in particular will monitor the effectiveness of the Financial Crimes Enforcement Net-

work (FinCEN) and ongoing changes at the Office of Foreign Assets Control (OFAC). The Committee will also monitor the practice of data mining and examination of personal financial information conducted by government agencies, to ensure that an appropriate balance is struck between law enforcement priorities and the protection of civil liberties.

Money Service Businesses' Access to Financial Institution Services. The Committee will examine why financial institutions continue to sever their relationships with Money Services Businesses (MSBs) and assess the effectiveness of FinCEN regulatory guidance to both MSBs and financial institutions, and review actions that regulators can take to ensure that such MSBs are not denied access to the banking system.

New Technologies and Cash Alternatives. The Committee will examine cash alternatives, such as prepaid credit cards, the use of telephones to transfer and hold sums of money, websites that serve as alternatives to the banking system, and informal money transfer systems, businesses or networks, to determine their susceptibility to money laundering and terrorism financing, and other financial crimes.

Appraisals. The Government Accountability Office in a 2003 study found that 69 percent of states need more staffing for appraisal industry oversight, and 40 percent needed more resources to support related litigation efforts. Since then, anecdotal media reports about appraisal fraud, lender pressure, and faulty appraisals have continued to grow. The Committee will examine these matters, the effectiveness of the Appraisal Subcommittee of the Federal Financial Institutions Examination Counsel in overseeing State-based appraisal enforcement and licensing programs, and the need for appraisal regulatory reform. It will also explore the implementation of the appraisal independence standards adopted by the Federal Reserve in its 2008 rulemaking under the Home Ownership and Equity Protection Act.

CAPITAL MARKETS AND SECURITIES

Reforming Oversight of Financial Services. The Committee will assess the effectiveness of the current regulatory regime for the financial services industry and work to establish a more efficient oversight structure that may include a systemic risk regulator. As a part of this effort, the Committee will consider whether and how best to eliminate duplicative oversight functions among agencies, consolidate regulatory functions where appropriate, prevent charter shopping, and impose oversight over previously unregulated or lightly regulated activities, products, and market participants. The Committee will also review proposals to combine securities and futures regulation, establish appropriate new safeguards for investment banking functions, and set uniform standards for and combine the regulation of broker-dealers and investment advisers.

Derivatives and Credit Default Swaps. The Committee will monitor market developments regarding over-the-counter derivatives, including credit default swaps. In its examinations, the Committee will specifically explore the need to create new statutory and regulatory safeguards to mitigate possible systemic risks posed by these products. The Committee will also examine the efforts of regulators

and dealers to create credit default swap clearing platforms as a way to manage this risk.

Oversight and Restructuring of the Securities and Exchange Commission (SEC). The Committee will carefully examine the operations and organizational structure of the SEC, placing an emphasis on its supervisory and inspection functions. The Committee will additionally consider and review proposals to enhance the overall effectiveness of the agency in light of recent scandals and the ongoing turmoil in the securities markets. Part of those discussions will include an evaluation of the sufficiency of the SEC's available resources and staffing levels. The Committee will also consider the impact of separating the SEC's exam and policy functions and whether such functions should be consolidated. The Committee will also consider how the SEC fits into the broader regulatory restructuring framework the Committee will pursue.

Securities Fraud. In light of the December 2008 emergence of a \$50 billion Ponzi scheme committed by Bernard Madoff's financial services firm, the Committee will review the failure to detect this massive securities fraud particularly, as well as other smaller securities frauds generally. As part of its comprehensive review of financial services regulation, the Committee will also scrutinize the internal operations of the SEC, especially its compliance, inspections, examinations, and enforcement functions.

Impact of Emergency Economic Stabilization Act (EESA) on Capital Markets. The Committee will closely monitor the Administration's implementation of the \$700 billion provided for in the EESA to determine whether the program is having its desired effect of easing the credit crisis. In its reviews, the Committee will consider whether the Administration uses funds within the Troubled Asset Relief Program (TARP) to satisfy the statutory objectives, including mortgage foreclosure prevention efforts, whether the Administration vigorously pursues EESA's executive compensation limitations, and whether banks receiving TARP funds increase lending efforts. The Committee will also focus on the auto companies who received aid via TARP to ensure that they establish viability plans and spend taxpayer dollars wisely.

Loan Modifications in Securitized Pools. As a part of its ongoing efforts to mitigate foreclosures, the Committee will continue to consider methods to encourage and facilitate sustainable modifications of mortgages that have been securitized by servicers.

Auction Rate Securities. The Committee will continue to monitor the efforts of the SEC, the Financial Industry Regulatory Authority, state securities regulators, and other law enforcement agencies to reach settlements with financial institutions to buy back illiquid auction rate securities from retail investors. The Committee will also examine the sales practices—particularly with respect to disclosure concerning the liquidity of the securities—as well as the training and education of broker-dealers that sold auction rate securities to investors, including those securities issued by municipalities and student lenders.

Equity/Options Markets. The Committee will review recent developments in the U.S. equity and option markets that are increasingly made up of global, for-profit, shareholder-owned and multi-product institutions. The Committee will explore the impact that

the ongoing credit crisis has had on exchange trading system volatility. It will also review the impact that the removal of the uptick rule and short-selling restrictions may have had on liquidity. The Committee will additionally study the growth of the options market and efforts of the U.S. options markets to implement decimal pricing for quoting options contracts. Finally, to better protect investors, the Committee will reexamine the need for legislation to permit the effective cross-margining of futures and securities products.

Mutual Funds. The Committee will review the current state of regulation of investment companies and their advisors with respect to mutual fund operations, governance, disclosure, and sales, including the impact on investors of recent rule changes and court decisions. The Committee also will review the effectiveness and efficiency of the approval process for new products, such as exchange-traded funds. In addition, the Committee will continue to monitor the impact of the credit crisis on money market mutual funds, the stability provided by the Treasury Department's Guarantee Fund, and the liquidity of auction rate preferred stock issued by closed-end funds.

Covered Bonds. Due to the success of covered bonds in other countries, the Committee will continue to monitor the emergence of covered bonds as a potential tool to ease the strain in U.S. capital markets. The Committee will review the potential for covered bonds to increase mortgage financing, improve underwriting standards, and strengthen U.S. financial institutions by providing a new funding source that could diversify their overall portfolio. The Committee will also examine the treatment of covered bonds as qualified financial contracts with insured depository institutions.

Public Company Accounting Oversight Board (PCAOB). The Committee will review the effectiveness of the PCAOB in responding to the concerns of capital markets participants. The Committee will review the PCAOB's oversight of public company auditors, including reforms of auditing standards and the results of the PCAOB's inspection program. The Committee will also explore expanding the PCAOB's oversight to include auditors of broker-dealers, previously excluded from the regulatory regime, and the impact this increased oversight may have on the PCAOB's budget and funding. In conjunction with that change, the Committee will consider other proposals to improve oversight of auditors more broadly.

Financial Accounting Standards Board (FASB). The Committee will review FASB's responsiveness to all segments of the capital markets, FASB's relationship with the SEC, and proposals to enhance Congressional oversight of the FASB. The Committee will monitor and review the work of the FASB to improve financial accounting standards, paying careful attention to the appropriate form for standards and the need for additional guidance concerning the development of standards regarding market valuations for accounting purposes.

Convergence of International Accounting Standards. The Committee will review efforts by the SEC and the FASB to achieve robust, uniform international accounting standards. The Committee will also monitor the SEC's plans to incorporate those standards as a part of U.S. financial reporting requirements.

Mark-to-Market Accounting. In conjunction with regulators, the Committee will review mark-to-market accounting rules and consider whether there is a need for: (i) clearer and more specific guidance; (ii) new and additional changes to the current standard; and/or (iii) viable alternatives exist to pricing distressed assets in an inactive market, such as separating “liquidity” and “credit” risk. The SEC has recently issued its EESA-mandated study on mark-to-market accounting. The Committee will review that study and consider its conclusions and recommendations, and ensure that the SEC takes all additional and necessary steps to revisit and address these issues accordingly. The Committee will examine the extent to which mark-to-market accounting may have exacerbated the current credit and market crisis and explore possible reforms that would revitalize financial institutions, deploy capital throughout the economy and lead to job creation.

Corporate Governance. The Committee will review developments and issues concerning corporate governance in public companies, including proposals to increase accountability to shareholders through enhanced shareholder access to management’s proxy, shareholder nomination of directors, and majority voting. In addition, the Committee will review the role of proxy advisory firms in the shareholder voting process. The Committee also will review issues raised with respect to the integrity of the shareholder voting process. Additionally, the Committee will monitor the SEC’s regulatory proposals for enhanced disclosure regarding executive compensation and other corporate governance issues.

Executive Compensation. The Committee will review proposals to increase accountability to shareholders in public companies with regard to executive compensation. The Committee will also generally explore other current executive compensation and disclosure issues. In addition, the Committee will focus special attention on ongoing compliance with and the impact of the executive compensation restrictions imposed on institutions participating in programs established under the EESA.

Oversight of Self-Regulatory Organizations (SROs). As a part of its comprehensive review of the oversight of the financial services industry, the Committee will examine the effectiveness of SROs in today’s markets and assess the impact of SRO mergers on the oversight of securities markets, market participants, and investors. The Committee also will consider limitations or regulatory gaps in the current SRO system and ways to streamline and strengthen the regulatory, compliance, examination, and enforcement structure. This review will additionally examine the impact of mandatory arbitration requirements on securities investors, as well as the balance, fairness, and efficiency of the current arbitration system.

Hedge Funds and Private Pools of Capital. The Committee will examine the current state of the hedge fund, private equity and alternative investment industry. The Committee will review the role hedge funds and private pools of capital serve in the capital markets, and their interaction with investors, financial intermediaries, and public companies. The Committee will also examine issues related to pension funds’ investments in hedge funds. The Committee will further consider whether hedge funds should be subject to greater oversight under a revised regulatory regime. Finally, the

Committee will examine whether hedge funds and other private pools of capital may have contributed to and had an effect on the ongoing credit crisis.

Federal/State Allocation of Enforcement Responsibilities. The Committee will examine the impact of several pieces of legislation over the last decade streamlining securities registration and allocating responsibilities between state and Federal authorities. In particular, the Committee will examine the impact of these laws on the enforcement of the securities laws and whether loopholes have been created that permit fraudulent securities offerings to escape either Federal or state law enforcement. The Committee will also examine whether there is a need to raise the threshold for investment adviser registration—currently those advisers who have over \$25 million in assets under management—to allow the SEC to better focus on the largest investment advisers and the states on the smaller advisers.

Capital Allocation to New Technologies. For years, the United States has supported the Overseas Private Investment Corporation to promote growth in emerging markets abroad. In order to now promote long-term, sustainable economic growth and productivity at home, the Committee will explore how to create incentives in the capital markets aimed at facilitating the growth of emerging innovative technologies and promising industrial sectors.

Business Development Companies (BDCs). The Committee will examine the regulations governing BDCs, which could play a larger role in the nation's economic recovery. The Committee will also continue to monitor BDCs' minimum capital requirements. Given the current credit crisis, the Committee may consider proposals related to altering the BDCs' required leverage ratios.

Credit Rating Agencies. The Committee will monitor the SEC's ongoing implementation of the Credit Rating Agency Reform Act, which became effective in 2007. The Committee will also examine ways to limit the conflicts associated with the way credit rating agencies are compensated, approaches to increase their accountability and the possibility of regulatory fee assessments. In addition, the Committee will examine the current methodology for rating tax-exempt municipal bonds and consider possible changes to the Credit Rating Agency Reform Act to ensure the ratings on municipal bonds accurately reflect the risk of loss posed to an investor.

Securities Investor Protection Corporation (SIPC). The Committee will examine the operations, initiatives, and activities of SIPC, and possible opportunities to better protect investors in today's volatile markets. In light of SIPC's exposure to the failure of Bernard L. Madoff Investment Securities, the Committee will examine SIPC's existing reserves, access to private and public lines of credit, coverage levels, and its prior decision to significantly lower the annual assessments of participating broker-dealers.

Fair Fund. The Committee will examine the operations of the Fair Fund established under the Sarbanes-Oxley Act and the success of Federal regulators in implementing the Fair Fund. The Committee also will review options for expediting collection of civil fines and ill-gotten gains from corporate wrongdoers and the distribution of recovered amounts to defrauded investors.

Business Continuity Planning/Critical Infrastructure Protection. The Committee will monitor the implementation of the Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System as well as the related efforts of all participants in the securities industry to improve business continuity planning to protect investors against the effects of natural disasters, terrorism events, and pandemics. The Committee will also review the impact of global mergers and alliances and their impact on business continuity planning. The Committee will additionally review the Government Accountability Office's work related to planning and preparation efforts of financial organizations to minimize the disruptions of critical operations in the event of a pandemic and the ability of the United States telecommunication infrastructure to support telecommuting during a pandemic.

Sarbanes-Oxley Act of 2002. The Committee will continue to monitor the impact of the Sarbanes-Oxley Act on investors, public companies—particularly non accelerated filers—and markets, particularly with respect to the ongoing credit and financial markets crisis. The Committee will review the efforts of the SEC and PCAOB to improve the efficiency of implementation of the internal control requirements under section 404 of that Act, the impact of the Act's corporate governance reforms, and the adequacy of investor protections provided by the Act generally.

Global Competitiveness of U.S. Financial Markets. The Committee may examine studies, concerning the competitive position of U.S. financial market participants. The Committee also will assess proposals to enhance the competitiveness of U.S. markets, including those to streamline and consolidate regulation and oversight of U.S. financial markets, institutions, and exchanges.

Municipal Securities. The Committee will review the state of the \$2.5 trillion municipal securities market that is accessed by more than 55,000 state and local issuers including present efforts to make the municipal bond market more efficient and improve issuers' access to capital. The Committee will also examine how different segments of the market are regulated including the role of independent financial advisors, including those involved in derivative transactions, and disclosure requirements. The Committee will also examine the Municipal Securities Rulemaking Board's recently launched Electronic Municipal Market Access (EMMA) document and real-time trade price database of municipal securities.

GOVERNMENT SPONSORED ENTERPRISES

Charter Restructuring for Government Sponsored Enterprises (GSEs). On September 7, 2008, the Federal Housing Finance Agency placed Fannie Mae and Freddie Mac into conservatorship. As part of this conservatorship, the two GSEs have signed contracts to issue new senior preferred stock to the Treasury, which has agreed to purchase up to \$100 billion of this stock from each of them. The decision to place the two GSEs into conservatorship has raised questions about their public-private organizational structure, as well. The Committee will therefore examine proposals to modify the statutory charters of the GSEs.

GSE Regulatory Reform. The Committee will monitor the Federal Housing Finance Agency, the new regulator for the Fannie Mae,

Freddie Mac, and the Federal Home Loan Banks, and will consider ways to improve the effectiveness of the new regulator. The Committee will also consider, as part of its comprehensive review of the oversight of the financial services industry, proposals to improve, or otherwise alter the purpose and functions of the GSEs and their appropriate roles in the mortgage market.

Federal Home Loan Bank (FHLB) System. The Committee will monitor the capital requirements, financial health, and stability of the FHLB System, as well as the FHLB System's ability to fulfill its housing mission and provide liquidity to the cooperative's member banks in a safe and sound manner during the ongoing credit crisis. The Committee will pay particular attention to recent reports that several of the Federal Home Loan Banks may fall below required capital levels as a result of troubled mortgage assets held on their books.

GSE Appraisal Standards. The Committee will examine the implementation of the Home Valuation Code of Conduct by Fannie Mae and Freddie Mac and how it affects the appraisal industry. It will also review the implementation of a new regulation by the Federal Housing Finance Agency requiring the use of loan-level appraiser identifiers to combat fraud in mortgage lending.

FHLB Community and Economic Development. The Committee will focus on the efforts to advance community and economic development within the FHLB System, including the implementation of the enhanced targeted economic development lending for small business, small farms, and small agri-businesses allowed under the Gramm-Leach-Bliley Act and of the performance of the FHLBs in implementing the community investment cash advance regulation. The Committee will review the effects of the estimated \$8 billion in community-related financing the FHLBs have already provided to community financial institutions and examine whether the FHLBs can accomplish more to help the nation overcome the continuing economic crisis.

Resolution Funding Corporation (REFCorp) Payments. The Committee will monitor the efforts of the housing GSEs to pay the obligations of REFCorp established to cover the costs of resolving the savings-and-loan crisis and the policy implications for the GSEs upon the satisfaction of the remaining REFCorp debts.

HOUSING

Mortgage Foreclosures and Loan Modifications. The Committee will continue its comprehensive focus on Federal efforts to address the rising delinquency and foreclosure rate, including hearings and legislation designed to avert foreclosures. Agencies and programs of focus may include the Federal Housing Administration (including Hope for Homeowners and FHA's ongoing refinance efforts), Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, Federal programs which provide funds for foreclosure prevention, housing counseling, foreclosure protections, purchase of foreclosed properties, and efforts to spur appropriate levels of home purchase. The Committee will also consider proposals to protect the rights of bona fide tenants subject to foreclosure.

The Committee will also conduct a hearing or a series of hearings on the status of mortgage loan modifications as a means of

helping struggling borrowers to avoid foreclosure. Successful mortgage modifications change the terms of the loan so that it is more affordable to the borrower over the long term. The Committee will also examine systematic approaches to mortgage modification, such as the program implemented by the Federal Deposit Insurance Corporation at IndyMac Federal Bank and the recently announced Federal Reserve Homeownership Preservation Policy. In addition, the Committee will review foreclosure prevention plans originated from the private sector, such as HOPE Now. As part of that examination, the Committee will seek to define the criteria in determining which borrowers should receive help in modifying their loans. For those that are determined to be ineligible for loan modifications, the Committee will investigate appropriate alternatives for providing assistance.

In its examination of foreclosure prevention and loan modification proposals the Committee will also take into account that most borrowers continue to make on-time payments in spite of economic hardship and will consider the moral hazards associated with systematic loan modification and foreclosure mitigation.

Housing Preservation. The Committee will consider proposals to preserve federally assisted housing, including the challenge of maintaining affordability for those federally assisted properties scheduled to experience mortgage maturities in the next decade. The Committee may review HUD's policies and performance in approving proposals by owners to preserve and rehabilitate older assisted housing projects. In addition, the Committee may also explore other related topics, such as prepayment policies, troubled projects, renewal of expiring project-based voucher contracts and transfer of project-based section 8 contracts. The Committee will continue to monitor the role of the Office of Affordable Housing Preservation in overseeing and preserving HUD-assisted multi-family housing. The Committee may examine HUD's property disposition program, and the extent to which HUD has worked with local housing authorities and non-profit organizations to preserve the affordability of HUD's inventory of multi-family housing following foreclosure by the borrower. Further, the Committee may review the circumstances by which current owners choose to leave the program and how incentives can be used, coupled with a reduced regulatory burden, to encourage continued participation by the private sector. The Committee will review programs aimed at preservation to determine the cost effective and efficient means of promoting preservation including the impact of one-for-one replacement policies, prohibitions on demolition of existing properties and transfer of subsidy from one property to another.

FY 2010 Budget for the Department of Housing and Urban Development, the Rural Housing Service, the Neighborhood Reinvestment Corporation and the National Flood Insurance Program. The Committee will conduct a hearing or a series of hearings to consider Administration FY 2010 budget proposals for these agencies and programs, including receiving testimony from relevant agencies. Such hearings will concentrate on the Department's efforts to be responsive to current market challenges as well as ensuring decent affordable housing. During these hearings the Committee will examine

spend out rates for assisted programs in addition to program oversight and accountability measures.

Public Housing. The Committee will conduct a hearing or a series of hearings on the state of public housing programs, including, but not limited to, the public housing operating and capital funds the HOPE VI program, current spend-out rates and potential funding sources with which public housing agencies can supplement their efforts to maintain and operate public housing units. The Committee also will review HUD's implementation of the Quality Housing Work Responsibility Act of 1998 (QHWRA); the Community Service requirement; the performance to date of Moving to Work agencies; and areas where unnecessary regulation could be curtailed, while fully maintaining protections for tenants.

HOPE VI. The Committee will review the HOPE VI program and the need for reauthorization, including, but not limited to, the needs of distressed public housing developments, a prohibition on demolition-only grants, a one for one replacement requirement, tenant eligibility standards on the availability of decent and affordable housing and the benefits of mixed-use communities. The Committee will review the progress by past HOPE VI award recipients of implementing and completing their revitalization plans, including the amount of funds that remain unspent in some HOPE VI accounts. Additionally, the Committee will examine the effects of HOPE VI revitalization projects on tenants, including the ability of tenants to find alternative housing during rehabilitation, as well as their ability to return once rehabilitation is completed.

Affordable Housing Production. The Committee may conduct a hearing on preserving a dedicated source of funding and identifying additional funding mechanisms for the newly created National Housing Trust Fund. The Housing Trust Fund was established to construct, maintain and preserve affordable rental housing for the lowest income families in both rural and urban areas. The Committee will review HUD's progress in developing regulations to implement the Trust Fund, including oversight policies for Trust Fund grantees, and whether additional legislation is required to clarify and enhance issues that cannot be resolved by regulation.

Housing Tax Credit Programs. The Committee may conduct a hearing or series of hearings on legislative and administrative proposals to address the recent dislocations in the funding of Low Income Housing Tax Credit (LIHTC) program, including legislative efforts to address such dislocations. The Committee may conduct hearings reviewing the implementation of provisions included in Public Law 110-289 which were designed to facilitate the use of housing tax credits in conjunction with HUD and Rural Housing Service programs. In any evaluations of reforms to the LIHTC program the Committee will examine the role of syndicators and investors in affordable housing production.

Federal Housing Administration (FHA). The Committee will conduct hearings on the FHA single family loan program, on issues which may include the financial status of the program, the recent growth in loan volume, oversight of FHA loan originators, FHA loan limits, implementation of provisions enacted under Public Law 110-289, FHA loss mitigation, and the recently eliminated FHA gift downpayment program. In hearings the Committee will also

examine legislative proposals affecting the financial viability of the FHA insurance fund. Other areas of focus will include the FHA reverse mortgage loan program and the Title 1 manufactured home loan program, both of which underwent major reforms as part of Public Law 110–289. In addition, the Committee will continue to monitor FHA’s ability to oversee FHA-approved lenders/licensees, employ appropriate technology and manage its human capital.

Section 8 Housing Choice Voucher Program. The Committee will resume its efforts to complete comprehensive reform of the Section 8 voucher program, through efforts to enact the Section 8 Voucher Reform Act (SEVRA).

Rural Housing. The Committee will consider proposals to create a revitalization program at the Rural Housing Service (RHS) to preserve and rehabilitate affordable housing under the Section 502 single family direct and guaranteed loan programs as well as the Section 514, 515 and 516 multi-family housing programs. The Committee will monitor the loan commitment authority of Section 502 programs and examine innovative proposals to address potential funding shortfalls in all RHS single family and multifamily programs. The Committee will also review the effectiveness of HUD programs that address the various affordable and basic housing needs of rural and colonias communities.

Section 202 Elderly and Section 811 Disabled Housing. The Committee will review the Section 202 and 811 supportive housing programs for the elderly and disabled, including proposals to facilitate the timely production of new units, preserve the existing housing stock of 202 and 811 projects and increase refinancing flexibility for such projects to carry out needed rehabilitation of older properties. The Committee will continue to monitor the ease of use for layered financing limited partnership arrangements between non-profit and for-profit project sponsors. Additionally, the Committee will explore the availability and provision of supportive services to residents.

Homelessness. The Committee will review the McKinney-Vento homeless assistance program, including resuming its effort to enact comprehensive homeless reform legislation, as was passed by the House last Congress, the “Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008.” The Committee will also review HUD homeless assistance programs and services for veterans who are homeless or at risk of becoming homeless. The Committee will look at the impact of homeless programs on families and children.

Native American Housing. The Committee will review issues arising out of Native American housing programs at HUD, particularly the implementation of the Native American Housing and Self Determination Act (NAHASDA—Public Law 110–411), and a report to be published by the General Accountability Office as required by the legislation.

Neighborhood Stabilization Program. The Committee will conduct a hearing or a series of hearings on the Neighborhood Stabilization Program, including whether there is a need for statutory changes regarding the program’s efficiency and effectiveness. The Committee will consider the need for alterations to the funding formula, the program spend out rate, as well as the role of nonprofits and local government capacity in carrying out the program. The

Committee will examine the effectiveness of accountability language inserted in Public Law 110–289 that was designed to ensure proper transparency and oversight of eligible entities for Neighborhood Stabilization funding.

Community Development Block Grants. The Committee will conduct a hearing or a series of hearings on the Community Development Block Grant (CDBG) program, including the role of Congressional input and oversight in CDBG projects, the use of block grant funds at the local level, and program waivers. The Committee will also review the impact of environmental and economic benefit mandates on the timely expenditure of CDBG funds. The Committee may also review the current allocation formula for CDBG funds.

Federal Housing Response to Natural Disasters. The Committee will continue to review the progress of housing reconstruction in the Gulf Coast, including the availability of affordable housing for low-income families, the impact of disasters on public and assisted housing, the ability of displaced residents to return home and the impact on surrounding communities. In addition, the Committee will continue to examine the role of government in long-term disaster housing and conduct oversight of recovery efforts in effected areas receiving Federal recovery assistance. The Committee will review the role of government in long-term housing, as well as economic and infrastructure recovery of the Gulf Coast region and the ability of homeowners to rebuild, including the availability of homeowner's insurance. Finally, the Committee will examine potential funding sources for the production, repair, and reconstruction of affordable housing in areas affected by natural disasters.

The Committee will also continue to monitor efforts by HUD and the Federal Emergency Management Agency (FEMA) to coordinate efforts to provide funding to public housing developments that are damaged or destroyed by natural disaster or emergencies. Such review will be in coordination with the Committee on Transportation and Infrastructure, which has jurisdiction over FEMA.

National Flood Insurance Program (NFIP). During the 110th Congress, the House passed the Flood Insurance Reform and Modernization Act of 2007, H.R. 3121. The Committee remains committed to the comprehensive reform and long-term reauthorization of the NFIP. To this end the Committee will continue its general review of NFIP participation, rate setting, map modernization, loss mitigation, claims handling, and rate subsidization for repetitive loss properties and second homes. The Committee will continue its efforts to achieve reforms that phase-in more actuarially sound premium rates in the short term.

HUD Mission, Management Reform and Staffing. The Committee will review the overall mission, organization, human resources and information technology capabilities of the Department of Housing and Urban Development to determine whether the Department is meeting and addressing housing issues in the most efficient manner. The Committee will continue to track the transparency, accountability and oversight protocols for all HUD grant and loan recipients, including non-profit organizations. The Committee will consider the need for additional personnel to properly administer and monitor new and expanded HUD programs designed to address

the current mortgage foreclosure crisis and increasing affordable housing needs.

Project-Based Section 8 Program. The Committee will continue to review the timeliness of Housing Assistance Payments for project-based Section 8 properties and may review the need to make statutory changes to ensure the timeliness of Housing Assistance Payments.

Housing Counseling. The Committee will review current housing counseling programs, which includes Federal, state, private and nonprofit efforts, to help ensure that such programs are an effective tool in minimizing defaults and foreclosures. The Committee will also consider whether improvements could be made to enhance consumer education as well as prevent abusive lending practices.

Fair Housing. The Committee will review a report to be published by the Government Accountability Office regarding fair lending enforcement by regulatory agencies, including HUD and may hold a hearing, or series of hearings, on the GAO report.

Green Development. The Committee will monitor proposals to promote green development in Federally assisted housing, including legislation from the last Congress entitled the Green Resources for Energy Efficient Neighborhoods Act of 2008, and any voluntary, private sector green building standards already in place that encourage cost effective energy efficiency for affordable housing.

Housing and Services. The Committee will conduct a hearing or a series of hearings on the delivery of housing-based social services, including child care, education, and employment training for low income families, and mental health and substance addiction services for chronically homeless individuals. The Committee will also examine the extent to which affordable housing developers and their social service provider partners face challenges in financing these services.

Oversight of Federal Housing Programs. The Committee will hold oversight hearings on other Federal housing programs run by HUD and the Rural Housing Service. In addition to examining whether these programs are meeting their housing missions, they will focus on the costs, spend out rates and oversight and accountability measures governing these programs.

Real Estate Settlement Procedures Act (RESPA). The Committee may review issues related to RESPA including implementation of the RESPA rule promulgated by HUD in November 2008. The Committee will also examine HUD's recommendations for statutory reforms to RESPA.

Escrows. The Committee will generally explore problems related to establishing and servicing escrow accounts. This examination will also focus on the need to advance Federal reforms to require escrow accounts for those homeowners with less-than-perfect credit scores or high-cost mortgages.

Mortgage Broker Licensing and Oversight. The Committee will monitor implementation of the S.A.F.E. Mortgage Licensing Act of 2008 which established a mortgage originator licensing system and registry to better protect homebuyers.

Impact of Bankruptcy Cram Down on the Mortgage Market. The Committee will conduct oversight on the impact of bankruptcy cram down legislation on the mortgage market, in general, and spe-

cifically on the programs operated by the FHA and the RHS. The oversight review will include the impact of bankruptcy cram down on continued lender participation, the solvency of the FHA Mutual Mortgage Insurance Fund and the solvency of the RHS Section 502 program. The Committee will also conduct oversight on the impact of cram down legislation on primary mortgage interest rates, overall access to mortgage credit, especially for borrowers with weaker credit histories and the future of the GSE's and the securitization market.

Oversight of Entities Receiving Government Funds. The Committee will conduct oversight over the use of Federal funds by non-profits, for-profits and third-party institutions. The scope of the review will assess the policies and practices of the agencies under this Committee's jurisdiction (HUD, RHS, and Neighborworks) to ensure that eligible entities are using Federal funds for eligible purposes. The Committee will monitor the agencies' policies to assess and ensure that Federal funds paid out to these entities are being used for their intended purposes and in a cost effective and efficient manner. In addition, the Committee will look at specific requirements and procedures in place in agencies under the Committee's jurisdiction, to evaluate entities' applications to participate in government programs, particularly with respect to the agency's ability to identify illegal activities on the part of applicants.

INSURANCE

Insurance Regulatory Modernization. The States have long had the primary responsibility for regulating the business of insurance. In recent years, there has also been both a state and Federal effort to modernize and improve insurance regulation. During the 110th Congress, the Capital Markets Subcommittee held a series of hearings on reforming insurance regulation and approved a number of incremental reforms, including a bill to strengthen the corporate governance standards and improve the effectiveness of risk retention groups, as well as other legislation described below. In the 111th Congress, the Committee will reconsider these previously approved reforms and, as part of its ongoing comprehensive review of the oversight of the financial services industry, will evaluate new policy alternatives for modernizing insurance regulation.

Financial Guarantee Insurance. The financial guarantee insurance industry lies at the center of the ongoing credit and liquidity crisis that has roiled financial markets in recent months. Turmoil within this sector has caused tens of billions of dollars of losses to investors and financial institutions, and an unraveling of many secondary debt markets. The Committee will therefore monitor the ongoing efforts of the financial guarantee insurance industry to recapitalize itself and the efforts of individual financial guarantee insurers to restore their triple-A credit ratings. The Committee will also review the consequences of the actions by financial guarantee insurers to expand their business model beyond traditional insurance into financial products guaranteeing the credit worthiness of more complex securities, including those backed by subprime mortgages. The Committee will further examine the ability of municipal issuers to access the capital markets in an unfavorable credit environment. In this regard, the Committee will explore the possibility

of Federal participation in the municipal bond or reinsurance marketplace.

Insurer Access to the Troubled Asset Relief Program (TARP). The Federal Government has taken unprecedented measures to rescue American International Group (AIG), a financial services holding company with major insurance components. AIG has been given access to more than \$170 billion in taxpayer funds, including \$40 billion from TARP under the Emergency Economic Stabilization Act. Some insurance companies (generally life insurers and financial guarantee insurers) have also sought access to Federal bailout funds through the TARP. To date, the Treasury Department has approved Federal assistance for Federally-regulated entities only. As a result, numerous insurance companies have recently sought to convert themselves into savings-and-loan holding companies subject to Federal regulation. The Committee will review the need for insurer access to TARP funds and the resulting implications of any Federal aid to insurers.

Regulation of Insurer Systemic Risks. As part of its overhaul of systemic risk regulation, the Committee will look at the role insurance plays in the economy and its interconnectedness with other sectors of the financial services system. As noted above, insurers offering financial guarantee products, like AIG and the municipal bond insurers, have demonstrated that insurers and their holding companies can create systemic risks. The Committee therefore will work to identify solutions aimed at mitigating the systemic risks posed by insurers or their holding companies.

Terrorism Risk Insurance. During the 110th Congress, Congress revised and reauthorized the Terrorism Risk Insurance Program through December 31, 2014 with passage of the Terrorism Risk Insurance Program Reauthorization Act of 2007. In order to ensure the continued availability of terrorism insurance coverage and protect the economic security of the United States, the Committee will review Treasury Department's implementation of new and revised elements of the program. Furthermore, the Committee will monitor the continued impact of the program on the terrorism insurance marketplace and the utilization by the marketplace of the coverage provided through the program, paying particular attention to: (i) The applicability of the program to single-risk, captive insurers created since 2002; (ii) the implications of the program's failure to cover nuclear, chemical, biological and radiological events; and (iii) lessons learned from the program that relate to the private sector's capacity to provide insurance coverage for the risk of extreme catastrophic events and the larger topic of insurance regulatory reform.

Agent and Broker Licensing Reform. As part of the Gramm-Leach-Bliley Act, Congress sought to establish greater reciprocity or uniformity thresholds for non-resident producer licensing. Although many States have made considerable progress in streamlining their producer licensing systems, during the 110th Congress the House passed H.R. 5611, a bill to create the National Association of Registered Agents and Brokers (NARAB) and further streamline insurance producer licensing by allowing NARAB to establish minimum licensing reciprocity standards through which an insurance agent or broker licensed in one State could automatically qualify as a broker or agent in any other State. The Committee will

continue its incremental efforts to facilitate insurance producer licensing within the current regulatory system. As part of the larger topic of financial services regulatory reform, the Committee may consider other measures intended to promote even greater insurance producer licensing uniformity and reciprocity while still assuring sufficient consumer protections.

Surplus Lines and Reinsurance. In the 109th and 110th Congresses, the House passed the Nonadmitted and Reinsurance Reform Act. To promote greater efficiency in the surplus lines and reinsurance marketplaces used by large and sophisticated entities to obtain coverage against losses, the Committee will continue its review of these matters and renew its efforts to achieve positive incremental reforms that benefit insurance consumers.

Guarantee Funds. To protect policyholders in the event of an insolvency of an insurer, each State has in place a system of guarantee funds. In this period of growing financial insecurity, the Committee will monitor the effectiveness of these systems to protect policyholders in the event of an insurer's insolvency and study whether changes should be made to the present guarantee system if broader changes are made to the regulation of insurance.

Insurance Investments. Insurance companies seek to match long-term obligations with long-term investments. In doing so, many insurance companies invest in real estate, with an emphasis on commercial real estate. As the real estate sector faces unprecedented loss, life insurance companies sought capital and surplus relief from State regulators in late 2008. The Committee will monitor the financial health of insurance companies. Separately, the Committee may also examine the two investment pools in Massachusetts, one for property-and-casualty insurers and one for life insurers, working to help fund the development of affordable housing, commercial and industrial real estate, small business, and other community projects.

Insurance Information. After the September 11, 2001, terrorist attacks and Hurricane Katrina, many noted that the Federal Government lacked an in-house resource for obtaining information about the insurance industry. The current economic crisis further points out the significant role insurance can have in our economy, and the lack of information within the Federal Government of the industry. The ratings downgrades of bond insurers in 2007 and 2008 resulted in a tighter credit for municipalities and other bond issuers, even though the bond insurers account for only 0.3 percent of the total premium written for the entire insurance industry. Moreover, the American taxpayer is now a major shareholder in AIG, after the unprecedented intervention of the Federal Government into the financial services holding company to prevent a systemic collapse. The Committee therefore will continue to review ways to increase the Federal knowledge base on insurance issues, including establishing an Office of Insurance Information. Such a centralized insurance informational resource center within the Federal Government could help to better coordinate responses after disasters, enhance international discussions on insurance issues, and provide expert advice to both Congress and Federal financial regulators on issues affecting the insurance industry.

Credit Scoring and Insurance. During the 110th Congress the Committee examined the use of consumer credit information to underwrite personal lines of insurance, including automobile and homeowners insurance. On July 19, 2007, the Federal Trade Commission also released the first portion of a statutorily required, two-part report entitled, "Credit-Based Insurance Scores: Impacts on Consumers of Automobile Insurance." The pending second portion of that report, addressing homeowners insurance, will be reviewed by this Committee when it is completed. The Committee will also continue to monitor the effects of the use of consumer credit information by insurance companies to underwrite and rate in all personal lines of insurance to assess its impact on consumers, including whether its use is accurate and fair in assessing insurance risks and whether it is effective in assuring accessibility and affordability to all consumers.

Natural Catastrophe Insurance. Over the past decade, insurance markets throughout all regions of the United States have experienced ever increasing issues surrounding the availability and affordability of natural catastrophe insurance. When combined with the complexities of single- and multi-peril coverage and coverage exclusions, these nationwide issues of availability and affordability often result in otherwise insurable properties being uninsured or underinsured in the event of a natural disaster. Uninsured natural disaster losses are not only a financial burden to individual property owners, but impose financial costs on the properties' inhabitants, private insurers, lenders, and Federal, State and local governments. To address these interrelated, growing national issues, the Committee will continue to collect information and review the general availability, affordability, and uptake rates of personal and commercial natural catastrophe insurance across the United States. The Committee will also continue its study of how those at risk for natural catastrophes are informed of the availability of Federal programs and private insurance coverage, and how well individuals, businesses, and local governments understand the risks they assume for uninsured disaster losses as a result of their choices. Further, the Committee will explore existing programs in foreign countries and the States, as well as proposals initiated by private market insurers, for providing insurance or reinsurance for natural catastrophes. Given the volume and complexity of the information to be collected on this topic, the Committee may explore the creation of a commission to gather relevant information and report on a range of potential legislative, private market, and public-private solutions to improve the availability, affordability, and uptake rates of natural catastrophe insurance. While committed to reforming and reauthorizing the National Flood Insurance Program for the immediate future, the Committee will include flood insurance as part of any discussion of natural catastrophe insurance. Likewise, the Committee will examine ways to ensure that any comprehensive approach to natural catastrophe insurance include effective loss mitigation measures and responsible land management provisions. Finally, the Committee will consider legislative solutions designed to maximize the use of private market insurance and minimize the instability of temporary and extreme fluctuations

in the availability, affordability and utilization of natural catastrophe insurance.

Retirement Products. Given Americans increased reliance on personally controlled retirement savings and the proliferation of increasingly complex retirement products, the Committee will continue to monitor the response of the insurance industry to these developments, including review of the expected impact of the Security and Exchange Commission's recently finalized indexed annuities rule, Rule 151(A). In its review, the Committee will explore the ability of financial regulators to adequately protect consumers of annuity products, especially in the current volatile markets, and whether any gaps in functional oversight exist.

Reinsurance. As an essential tool for spreading and managing risk, reinsurance and its regulation directly impact the availability and affordability of all insurance coverage available in the United States. The Committee will review existing economic and regulatory constraints on the United States' reinsurance marketplace and seek to identify legislative approaches designed to foster reinsurance availability without sacrificing necessary consumer protections. As part of the larger topic of insurance regulatory reform, the Committee will also explore alternate systems of national reinsurance regulation.

International Developments. Though regulated on a State-by-State basis, the business of insurance has for many decades transcended State boundaries. The capital pools provided by the reinsurance industry and the adoption of international trade agreements have long since made the insurance industry a global one. For these reasons, the Committee will continue to monitor developments in international insurance regulation. As part of the larger topic of insurance regulatory reform, the Committee will also explore how the current State-by-State insurance regulatory system fits into an increasingly evolving global insurance marketplace.

INTERNATIONAL FINANCE

Annual Report and Testimony by the Secretary of the Treasury on the State of the International Financial System and International Monetary Fund Reform. The Committee will review and assess the annual report to Congress from the Secretary of the Treasury on the state of the international financial system and the International Monetary Fund (IMF). Pursuant to section 613 of Public Law 105-277, the Committee will hear annual testimony from the Secretary of the Treasury on the contents of this report, as well as on matters relating to the international financial institutions and international economic issues generally. The Committee will also consider the capacity of the IMF to fulfill its mission in the current global economic crisis and any requests from the Administration for legislation to authorize U.S. commitments pursuant to an IMF reform agreement.

Exchange Rates. The Committee will review and assess the semi-annual report to Congress from the Secretary of the Treasury on International Economic and Exchange Rate Policies pursuant to the Omnibus Trade and Competitiveness Act of 1988. The Committee will monitor developments related to the exchange rate policies of the United States' major trading partners and will pay par-

particular attention to the policies of countries that seek to maintain a fixed exchange rate for their currencies. The Committee will assess the effects of these currency practices on the competitiveness of U.S. firms and on the stability of the international financial system.

Global Capital Flows. The Committee will monitor the effects of the flow of capital globally, and in particular, trends in foreign countries' investments of their large currency reserves in the United States and other countries. The Committee will assess the effects of the investment of these reserves on global financial stability and on multilateral policy initiatives. The Committee will also assess U.S. and multilateral policies on the regulation of capital flows.

Trade in Financial Services. The Committee will remain active in the oversight of trade negotiations and discussions as they pertain to investment and trade in financial services. The Committee will also monitor the progress of the United States' trading partners in meeting their financial services and investment commitments under existing trade and investment agreements.

Export-Import Bank of the United States. The Committee will assess the role of the Export-Import Bank in providing trade finance particularly in light of the current credit retrenchment by private sources of trade finance. The Committee will consider the adequacy of the current authorization level for Bank lending as well as other potential constraints on the Bank's ability to play a greater role in filling the gap in trade finance. The Committee will also closely monitor the Bank's competitiveness relative to foreign credit agencies (ECAs), with particular attention to competitiveness with the export credit practices of countries that are not members of the Organization for Economic Co-Operation and Development.

International Clean Technology Fund. The Committee will be prepared to consider a possible Administration request for funding of the U.S. commitment under the 2008 agreement to establish an international Clean Technology Fund to be administered by the World Bank. The Committee will pay particular attention to the standards and requirements for the funding of projects under the CTF, including eligibility of countries, types of projects, eligible technologies and economic sectors, and the level of funds allocated to any one country.

Counter-Terrorism Financing Policy. The Committee will continue to monitor the role of the Treasury Department in promoting the adoption and implementation of counter-terrorism standards around the world through the Financial Action Task Force (FATF), the IMF, and the MDBs as well as the evolution of the standards themselves as promulgated FATF. The Committee will also monitor the Office of Technical Assistance at Treasury, its coordination with the other agencies in the Terrorist Financing Working Group and its assessment and alignment of resources in the delivery of counter-terrorism financing training and technical assistance abroad. The Committee will also monitor FinCEN and its coordination with Egmont as our nation's foreign intelligence unit (FIU).

U.S. Oversight Over the International Financial Institutions (IFIs). The Committee will review U.S. participation in, and the effectiveness of U.S. policy toward, the International Financial Insti-

tutions, including the International Monetary Fund, the World Bank, and the regional development banks.

The Committee will continue to press for increased accountability, openness and transparency within the multilateral institutions. The Committee will examine the importance of public participation in these institutions as a critical component of effective development and growth, which includes access to information and documents, as well as increased consultation with civil society in the development of the institutions' social and environmental safeguard policies.

The Committee will examine the role of trade, investment and private sector activity in helping to promote growth and reduce poverty. It will also explore the essential role of the state in addressing market excesses and in helping to assure that the gains of economic growth are more fairly distributed throughout society.

The Committee will continue to closely examine the World Bank's policies and operations in areas relating to labor markets, extractive industries and the expanded collaboration between IDA and the World Bank's private sector affiliate, the International Finance Corporation. With regard to labor market and employment policies, the Committee will continue to closely examine the "Employing Workers" and "Paying Taxes" indices of the World Bank's annual "Doing Business" report, and their implications with regard to the ability of countries to comply with the labor standards and conventions of the International Labor Organization and to maintain adequate social safety nets. With regard to extractive industries, the Committee will continue to examine standards and policies of revenue transparency that can help ensure that citizens in resource-rich countries benefit from the sale of these resources.

With regard to enhanced collaboration between the IDA and IFC, the Committee will examine how recipient countries can maintain an appropriate role for the state as these institutions expand the role of the private sector in development.

Replenishment of the International Development Association (IDA) and the African Development Fund (AfDF). The Committee will work to enact legislation authorizing U.S. participation in, and the commitment of U.S. funds for, the IDA-15 and AfDF-11 replenishments requested by the Administration.

Replenishment of the Asian Development Fund. The Committee will consider legislation to authorize the commitment of U.S. funds for the 10th replenishment of the Asian Development Fund. In considering the authorization of this replenishment, the Committee will consider the degree to which the current Asian Development Bank's Safeguard Policy Update exercise preserves or strengthens the social and environment policies of the institution.

International Debt Relief. For many years, this Committee has worked in a bipartisan way on the issue of debt relief for the world's poorest countries as an essential component in the overall effort to help alleviate the desperate poverty and misery that exists in many parts of the world. Following House passage of the "Jubilee Act for Responsible Lending and Expanded Debt Cancellation" in the 110th Congress, the Committee will evaluate the need for expanded debt cancellation to eligible low-income countries and will continue to examine the extent to which economic and policy

conditionality has negative consequences, such as deepening poverty, degrading the environment, and reducing the policy flexibility required for governments to respond to national interests as conveyed through democratic processes. In addition, in light of the findings of a recent GAO report on debt relief, the Committee will examine the ways in which poverty alleviation through debt relief is measured, as well as the impact of U.S. arrearages to IDA on funding for debt relief.

The Committee will closely monitor the dire economic situation facing the people of Haiti and will consider appropriate policy responses to help alleviate one of the worst cases of human misery in the hemisphere.

Institutionalizing Democratic Accountability at the IFIs. Because international economic institutions like the World Bank are at some distance from direct democratic accountability, the Committee will begin to examine ways to increase democratic participation and accountability within the IFIs. Based on their charters, the international financial institutions are accountable to the finance ministers of member countries, who may not always be impartial representatives of the people. The Committee will be calling on experts to undertake a study of various options to improve parliamentary oversight, including the possibility of forming an international parliamentary committee, which would include both donor and recipient countries, before which officials of the IMF and World Bank could appear to review their institution's agendas and procedures.

Sudan Accountability and Divestment Act. The Committee will hold a hearing to look at the degree to which the Sudan Accountability and Divestment Act of 2007 has affected the decisions of individual states and private asset fund managers to divest Sudan-related assets from their portfolios as a way of pressuring the government of Sudan to end its systematic atrocities against the people in the Darfur region.

Strengthening Sanctions Against Iran. Following House passage of the "Iran Sanctions Enabling Act" in the 110th Congress, the Committee will assess the need to step up financial pressures on Iran including proposals to remove certain legal barriers to make it easier for state and local pension funds and other asset managers to divest their funds from Iranian investments should they choose to do so.

THE ECONOMY, DOMESTIC MONETARY POLICY, AND TECHNOLOGY

The Economy and Its Impact on Living Standards. The Committee will examine the extent to which changes in the economy, and in particular changes in labor and capital markets, as well as changes in public policy, have altered the way in which policymakers should think about the relationship between economic growth, productivity growth, and growth in employment and incomes. The Committee will examine these relationships in an effort to determine policy responses that will increase our ability to improve the standard of living for American families. The Committee will examine the consequences of taking unprecedented monetary and fiscal policy moves simultaneously in an effort to stimulate new economic growth, and attempt both to determine the con-

sequences of such moves and to discover actions that might be taken to avoid any severe negative effects.

Conduct of Monetary Policy by the Board of Governors of the Federal Reserve System. The Committee will hold hearings to receive the Chairman of the Board of Governors of the Federal Reserve System's semi-annual reports on the conduct of monetary policy. As part of this effort, the Committee will review issues associated with monetary policy and the state of the economy, including whether the current path of monetary policy is consistent with the triple goals—maximum employment, stable prices, and moderate long-term interest rates—set forth in the Federal Reserve Reform Act of 1977 (Public Law 95–188). The Committee will continue to monitor the Federal Reserve Board to see if ways can be found to make its activities more transparent, consistent with the increased transparency the institution has shown over the past decade and a half.

Management of Reform of the Federal Reserve System. The Committee will conduct oversight of the operations of the Federal Reserve System, including the System's management structure, its role in providing financial services, its conduct of monetary policy, and its role as a regulator with particular attention to compliance with anti-money laundering and anti-terrorist financing laws and regulations.

Defense Production Act. The Committee will act on legislation to reauthorize the Defense Production Act (DPA) before its expiration in 2009. As part of this effort, the Committee will consider the effectiveness of the DPA authorities in promoting national security. The Committee's review of DPA will consider the findings and recommendations of the Government Accountability Office's June 2008 report, "Defense Production Act: Agencies Lack Policies and Guidance for Use of Key Authorities," as well as the April 2008 inter-agency report that was mandated by the 9/11 Commission Act of 2007. Committee action on DPA will also include consideration of defense contract offsets and their impact on the U.S. economy.

Committee on Foreign Investment in the United States. The Committee will monitor the implementation of the Foreign Investment and National Security Act of 2007, which reformed the Committee on Foreign Investment in the United States (CFIUS). The Committee will closely monitor CFIUS actions to seek to ensure that foreign investments that pose legitimate threats to national security are either rejected or the threats are effectively mitigated. The Committee will also monitor the extent to which the United States maintains a policy of openness toward foreign investment, so that investments that pose no threat to national security are able to go forward.

Management of the Nation's Money: Activities of the Bureau of the Mint and the Bureau of Engraving and Printing. The Committee will conduct oversight of the activities of these Treasury bureaus as they relate to the printing and minting of U.S. currency and coins, and of the operation of U.S. Mint programs for producing Congressionally authorized commemorative coins and Congressional gold medals. The Committee will examine methods to reduce the cost of minting coins through the use of alternative metals. The Committee will examine efforts to make currency more accessible to the visually impaired. The Committee will continue its review of

efforts to detect and combat the counterfeiting of U.S. coins and currency in the United States and abroad.

The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN). The Committee will continue to oversee the operations of FinCEN and the Bureau's ongoing efforts to implement its regulatory mandates pursuant to the Bank Secrecy Act (BSA), as amended, to fight against money laundering and terrorist financing activities. The Committee will examine the filing process of Suspicious Activity Reports (SARs) and Currency Transaction Reports (CTRs) with the Bureau, including the utility of the forms, electronic filing, organizational structure of the filing process, and burden to financial institutions in filing these reports. The Committee will examine means to reduce the burden on financial institutions in complying with BSA regulations, while maintaining the utility of the material gathered by these filings to law enforcement. The Committee will examine the protections for consumer privacy in the filing of these BSA reports and the sharing of this sensitive information among the agencies and law enforcement entities that utilize this data. The Committee will examine the guidance issued by FinCEN to BSA examiners to foster more uniform examination and enforcement practices. The Committee will examine the balance of responsive work and analytical work performed by FinCEN and their relative benefit to law enforcement. The Committee will oversee FinCEN's efforts to implement a statutory provision in section 6302 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458), that required the Treasury Secretary to certify the benefit of certain cross-border electronic transfers to law enforcement, compared to the related cost to financial institutions and the government, before issuing regulations requiring financial institutions to report certain cross-border electronic transfers to FinCEN.

Treasury's Office of Foreign Asset Control (OFAC). The Committee will continue to monitor the functions of OFAC as its workload increases, and study ways of improving its working relationship with financial institutions.

Part B

IMPLEMENTATION OF THE OVERSIGHT PLAN OF THE COMMITTEE ON FINANCIAL SERVICES FOR THE ONE HUNDRED ELEVENTH CONGRESS

FINANCIAL INSTITUTIONS

Troubled Asset Relief Program (TARP) and other Initiatives to Stabilize the Financial System.

TARP implementation and oversight reports: The Treasury Department has issued—as required by Sec. 105(a) of the Emergency Economic Stabilization Act of 2008 (EESA, P.L. 110–343)—monthly reports to Congress on the status of promoting financial stability (<http://www.financialstability.gov/latest/reportsanddocs.html>). EESA also established a regulatory framework for overseeing the implementation of the program. EESA created the Congressional Oversight Panel (COP) and the Special Inspector General for TARP (SIGTARP). It also established new audit and oversight duties for the Government Accountability Office (GAO). The multiple layers of oversight included in EESA were designed to ensure effective oversight, accountability, and transparency. COP (<http://cop.senate.gov/>), SIGTARP (<http://www.sig tarp.gov/>) and GAO (<http://www.gao.gov/docsearch/featured/financialmarketsandhousing.html>) have produced thousands of pages of oversight reports, audits and investigations to ensure taxpayers are fully protected. Committee staff was regularly briefed by these TARP oversight entities on the details and findings of these reports.

TARP oversight hearings: The Subcommittee on Oversight & Investigations (O&I) has conducted four hearings specifically on TARP oversight. The O&I Subcommittee held its first hearing entitled, “A Review of TARP Oversight, Accountability and Transparency for U.S. Taxpayers” on February 24, 2009. The Subcommittee heard from Neil Barofsky, the Special Inspector General for TARP (SIGTARP), Professor Elizabeth Warren who chaired the Congressional Oversight Panel for TARP, and Acting Comptroller General Gene Dodaro of the Government Accountability Office. Mr. Barofsky urged Congress to give SIGTARP more authority and staff to better track all the TARP funds. After the hearing, Chairman Moore filed H.R. 1341 with Ranking Member Biggert to do that, and the House approved the Senate version of the bill on March 25, 2009, with a unanimous 423–0 vote. The measure was enacted into law on April 24, 2009 (P.L. 111–15). The legislation has strengthened the SIGTARP’s hiring authority and other enforcement powers to provide vigorous oversight of the \$700 billion TARP program.

In its work overseeing the implementation of TARP, the O&I Subcommittee has focused several of its hearings on the warrant repurchasing process. When TARP recipient repays its original Capital Purchase Program (CPP) investment, they have the right to repurchase its warrants at an agreed up on fair market value. This is done through direct negotiations with Treasury, which has

established a multiple step process to value the warrants before they agree to sell them. If an institution decides not to repurchase its warrants, Treasury has indicated a preference to sell the warrants to a third party through a public auction.

On June 2, 2009, Chairman Moore wrote Treasury Secretary Geithner regarding concerns that: “financial institutions that have received TARP funds are lobbying to buy back warrants the U.S. government received for providing taxpayer assistance at a reduced or minimal value. I strongly urge you to utilize your authority to maximize the best deal for taxpayers.” On July 22, 2009, the Subcommittee held its second TARP oversight hearing entitled “TARP Oversight: Warrant Repurchases and Protecting Taxpayers”. TARP’s new administrator, Herb Allison, testified on the status of the TARP, as well as issues surrounding the repurchasing of TARP warrants by banks. Professor Warren discussed COP’s July report focused on maximizing taxpayer returns in the warrant repurchasing process. The day of the hearing, Goldman Sachs announced an agreement with Treasury to repurchase their TARP warrants for a higher-than-expected \$1.1 billion, marking a new trend of higher returns for taxpayers.

The O&I Subcommittee’s third TARP oversight hearing, entitled “Utilizing Technology to Improve TARP and Financial Oversight”, was held on September 17, 2009. The hearing focused on the role of technology in efforts to provide transparency and accountability for programs, such as TARP, and using technology to ensure federal agencies provide strong, coordinated oversight of financial services activity. Rep. Carolyn Maloney’s TARP database and monitoring bill, H.R. 1242, was noted as a good idea to improve TARP transparency. The House approved H.R. 1242 on December 2, 2009. A week later, the Treasury Department announced an open government plan to “to increase transparency in government and maintain accountability of taxpayer dollars”. This included a new commitment by the Office of Financial Stability to release a TARP Transaction Report for every new TARP transaction including investments made and funds repaid. In an effort to make the reports user-friendly, they would be made available in XML format for easy sorting of data.

The fourth O&I TARP oversight hearing, entitled “TARP Oversight: An Update on Warrant Repurchases and Benefits to Taxpayers” was held on May 11, 2010. The O&I Subcommittee received a SIGTARP audit focused on the TARP warrants program. Witnesses included Treasury and other experts reviewing the benefits taxpayers reaped from the TARP warrants program. One academic witness testified that “oversight works” with respect to TARP, and both SIGTARP and COP agreed that the TARP warrants program generally succeeded.

As a result of the Committee’s oversight efforts with respect to the TARP warrant repurchasing program, this program has generated over \$7 billion of extra returns for taxpayers with even more expected, in addition to over \$200 billion of repayments of the initial TARP investment as of November 2010.

Lessons from the financial crisis and fraud prevention efforts: On June 18, 2009, the O&I Subcommittee held a hearing entitled: “Strengthening Oversight and Preventing Fraud in FHA and other

HUD Programs.” HUD’s Inspector General, Kenneth Donohue, and other housing experts discussed combating fraud in the housing and mortgage market. The hearing focused on FHA, the importance of independent appraisals and the need for adequate resources at HUD to mitigate waste, fraud and abuse. Chairman Moore joined Judiciary Committee Chairman John Conyers as a sponsor of the Fight Fraud Act, which the House approved on May 6, 2009, by a vote of 367–59, giving the HUD IG more resources to combat financial and mortgage fraud. The measure was enacted into law two weeks later (P.L. 111–21), and also included the establishment of a bipartisan Financial Crisis Inquiry Commission, which is authorized to investigate the financial crisis and issue a report to Congress on December 15, 2010.

Financial Supervision. OTS backdating of capital infusions: The Oversight & Investigations Subcommittee held a hearing on May 5, 2009, entitled “The Role of Inspectors General: Minimizing and Mitigating Waste, Fraud and Abuse.” This hearing focused on the work of the Inspectors General (IGs) at Treasury, Federal Reserve and FDIC, in particular the concern the IGs have that mandated Material Loss Reviews (MLR) are overloading their resources, preventing them to investigate other high priority concerns to expose waste, fraud and abuse. During the hearing, the Treasury Inspector General indicated that in an investigation, they found that a senior Office of Thrift Supervision (OTS) official approved a capital contribution to be backdated to a previous quarter so that IndyMac would maintain its well-capitalized position for that quarter. Less than four months later, IndyMac failed. Through additional work by the IG’s office, they learned that OTS permitted, and in one case directed, other thrifts to backdate capital contributions. As a result of their inquiry, OTS removed the senior official involved with the IndyMac backdated capital contribution. That individual has since retired from federal service. As a result of another backdating episode, the one directed by OTS, the responsible OTS official was placed on administrative leave pending a departmental review. Following the hearing, on May 21, 2009, the Treasury IG issued a report with their full findings of their investigation entitled “SAFETY AND SOUNDNESS: OTS Involvement With Backdated Capital Contributions by Thrifts” (OIG–09–037). That same day, Rep. Dennis Moore wrote the OTS Acting Director, John Bowman, about the IG’s investigation including a question about why the former Acting Director of OTS had not been terminated given the findings of the report. Less than a month later, the OTS official elected to retire. On July 8, 2009, OTS Acting Director Bowman wrote back with a detailed response, and OTS staff provided Committee staff a briefing explaining what corrective steps the agency has taken to prevent this kind of capital infusion backdating to be tolerated.

Consumer Protections. In addition to issues addressed throughout this oversight plan that relate to consumers of financial services, the Committee will consider other specific consumer protection issues within its jurisdictional purview, including, but not limited to, disparate interpretations and applications of individual States’ laws related to national banks, Federal thrifts and their affiliates or subsidiaries, marketing tactics, rising fees, and penalties on credit card, payday, mortgages and other consumer loans, unfair or

deceptive acts or practices such as foreclosure rescue scams, the use of credit reports to change the rates and terms of preexisting accounts, to ensure that the financial services industry fulfills its responsibility to treat its customers fairly and fully disclose the terms on which financial products and services are offered to the public. The Committee will also consider industry practices with respect to overdraft protection programs, deposit hold periods, and other fees.

Data Security and Identity Theft. Building on the Committee's long-standing role in developing laws governing companies' handling of sensitive personal financial information about consumers, including the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act (FACT Act), the Committee will continue to seek legislation that better protects the security and confidentiality of such information from any loss, unauthorized access, or misuse. The Committee will also monitor major data security breaches at government agencies to ensure that personal financial information is properly safeguarded and that the affected individuals receive prompt notification where that is appropriate.

Implementation of FACT Act. On October 2, 2009, the Committee considered H.R. 3763, a bill to amend the Fair Credit Reporting Act (FCRA) to exempt health care, accounting or legal practices with twenty employees or fewer as well as other businesses meeting certain criteria from having to comply with Federal Trade Commission's (FTC) Red Flags rule. While the House passed H.R. 3763 by a vote of 400 to 0 on October 20, 2009, no action on that bill was taken in the Senate. On October 29, 2009, Chairman Barney Frank, along with Ranking Member Spencer Bachus and Representatives Mike Simpson, John Adler, Paul Broun, Chris Lee, and Daniel Maffei wrote to the FTC to request it delay enforcement of the Red Flags rule to give the Senate sufficient time to act on the matter. The full House passed a revised bill to H.R. 3763, S. 3987, the (Red Flag Program Clarification Act of 2010, (on December 7, 2010, that will exempt creditors from having to comply with the rule to those that: (1) obtain or use consumer reports in connection with a credit transaction; (2) furnish information to consumer reporting agencies in connection with a credit transaction; (3) advance funds to or on behalf of a person based on an obligation of the person to repay the funds or are repayable from specific property pledged by or on behalf of the person. S. 3987 was presented to the President for signature on December 9, 2010, and became P.L. 111-319 on December 18, 2010.

The Committee continued to monitor the use of credit scores by lenders in assessing consumers' creditworthiness in determining whether credit is extended to them and on what terms. In order to obtain more information on consumers' awareness of and ability to understand how creditors are using creditor scores, the Committee included a provision under Section 1078 of the Dodd-Frank Act directing the CBPB to conduct a study and report back to Congress within one year on the nature, range, and size of variations between the credit scores sold to creditors and those sold by consumers on a nationwide basis, and whether such variations disadvantage consumers.

The Committee also supported a provision under Section 1100F, which will require creditors to provide consumers with a free credit score, along with at least four factors that have negatively impacted the score, as part of adverse action and risk-based pricing notices under the FCRA. These notices are used to alert consumers when the use of their credit information by creditors has resulted in them either being denied credit or receiving credit on materially less favorable terms than a substantial portion of other consumers.

Mortgage Lending. In April 2008, the Committee asked the Government Accountability Office (GAO) to conduct a comprehensive review of the current state of Federal enforcement of the Fair Housing Act (FHA) and other fair lending statutes. In response to this request, GAO issued a report in July 2009 entitled, "FAIR LENDING: Data Limitations and the Fragmented U.S. Financial Regulatory Structure Challenge Federal Oversight and Enforcement Efforts" (GAO-09-704). GAO recommends in the report that Congress consider options to expand the data available to detect potential fair lending violations such as, requiring certain lenders to report additional data under the Home Mortgage Disclosure Act (HMDA). The Committee reviewed the GAO report, and passed several provisions under the Dodd-Frank Act to try to enhance Federal oversight and enforcement of fair lending laws, including: (1) establishing an Office of Fair Lending and Equal Opportunity within the CFPB to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities and (2) requiring lenders to collect and publicly report additional data fields under HMDA.

Deposit Insurance Reform. The Committee will monitor the implementation of the Deposit Insurance Reform Act of 2005 and the Federal Deposit Insurance Reform Conforming Amendments Act of 2005, to ensure that deposit insurance continues to serve its historic function as a source of stability in the banking system and a valued safety net for depositors. During the consideration of the Emergency Economic Stabilization Act, deposit insurance coverage for banks and credit unions was expanded from \$100,000 per account to \$250,000. This was particularly important for small businesses, which rely on their bank deposits to meet payroll and other critical needs. The increase will ensure that they have access to their working capital at all times, and discourage them from moving funds due to concerns about a particular institution. According to the Federal Reserve, for the smallest businesses (less than 10 employees, which are 80 percent of small businesses, raising the limit will have a major impact: 75 percent fewer firms will have uninsured deposits and the amount of their deposits remaining uninsured will fall by two-thirds. The insurance increase also gives small banks greater parity with the temporary money market fund insurance recently implemented by the Treasury Department. This will help keep deposits in banks and promote their stability. The Committee will monitor the implementation and effects of this expansion.

Credit Unions. The Committee reviewed issues relating to the conversion policies and procedures, safety and soundness and regulatory treatment of the credit union industry in the 111th Congress. The Committee also continued its support of the lifting of the

statutory borrowing cap on the Central Liquidity Fund of the National Credit Union Administration (NCUA) and continued to monitor the fund's ability to meet the liquidity needs of credit unions.

In addition, the Committee worked to enact deposit insurance reform legislation (S. 896) that contained provisions to enhance the liquidity and stability of insured depository institutions to ensure the availability of credit and reduce foreclosures. Specifically, S. 896 extended through 2013 the temporary increase in deposit insurance coverage for both the FDIC Deposit Insurance Fund and the National Credit Union Share Insurance Fund (NCUSIF) to \$250,000 (the temporary increase was currently scheduled to sunset on December 31, 2009). The Dodd-Frank Act made this extension permanent.

In addition, S. 896 provides the FDIC and the NCUA an increase in Treasury borrowing authority and contains the Corporate Credit Union Stabilization Fund, a fund separate from the NCUSIF, first proposed by the NCUA to allow credit unions to spread the entire cost of replenishing the losses experienced by the conservatorship of several corporate credit unions over a seven-year period. Representatives Paul E. Kanjorski, Luis V. Gutierrez, and Ed Royce, among others, introduced this plan in the House as H.R. 2351, the Credit Union Share Insurance Stabilization Act. The Subcommittee on Financial Institutions and Consumer Credit convened a hearing to examine H.R. 2351 on May 20, 2009. Witnesses at the hearing included Federal and State regulators, as well as credit union executives.

The Dodd-Frank Act also preserved the independent credit union charter, and ensured that small banks and credit unions, which play a key role in their communities, and were not the cause of the subprime crisis, are not subject to undue regulatory burdens. In addition, credit unions under \$10 billion in assets will continue to have their consumer protection examinations done by their existing regulators. Moreover, the law provides the NCUA Chairman with a seat on the Financial Stability Oversight Council.

Finally, the Committee explored opportunities for credit unions to advance economic growth by increasing member business lending, including proposals like H.R. 3380, the Promoting Lending to America's Small Businesses Act of 2009, introduced by Representatives Kanjorski and Royce. Participants from the credit union movement testified at Committee hearings on February 26, 2010, and May 18, 2010, entitled "Condition of Small Business and Commercial Real Estate Lending in Local Markets" and "Initiatives to Promote Small Business Lending, Jobs and Economic Growth," respectively.

Regulatory Burden Reduction. The Committee continued to review the current regulatory burden on banks, thrifts and credit unions. As a result of the Committee's work, the Dodd-Frank Act ensured that credit unions with less than \$10 billion in assets will continue to have their consumer protection examinations done by their existing regulators. That law also included provisions that were previously introduced in various regulatory relief bills, including the removal of the prohibition on paying interest on demand deposits, and reducing the hurdles or prohibitions to banks establishing de novo interstate branches.

Reps. Erik Paulsen, Dennis Moore and Peter Roskam introduced the Eliminate Privacy Notice Confusion Act in 2009, H.R. 3506. In the 110th Congress, this legislation was included in the Credit Union, Bank and Thrift Regulatory Relief Act, which the House approved but the Senate did not consider. H.R. 3506 would help minimize confusion consumers have about their privacy rights regarding two conflicting provisions of two prior laws. The Fair Debt Collection Practices Act specifically prohibits subject companies from sharing personal information with third parties. Yet the Gramm-Leach-Bliley Act still requires these firms to provide annual privacy notices that allow consumers to opt out of having their information shared with third parties. Since this practice is already prohibited by law, these annual notices only confuse the consumers that receive them. H.R. 3506 was approved by the House on April 14, 2010, by voice vote.

Remittances. The Committee continued its review of the marketing and disclosure practices of financial institutions and money transmitters who offer international remittance services to consumers seeking to send funds to relatives in other countries, enacting significant reforms to this area as part of the Dodd-Frank Act.

Payment System Innovations. The Committee will review government and private sector efforts to achieve greater innovations and efficiencies in the payments system. The Committee will continue to assess the appropriateness of the current maximum hold periods and dollar amount limits provided under the Expedited Funds Availability Act. The Committee will also review improvements to the payments system, including ACH debit entries, wire transfers, and international remittances.

Internet Gambling. The Committee continued to examine the implications of the Unlawful Internet Gambling Enforcement Act (UIGEA) and the level of unreasonable compliance burdens imposed on financial institutions by the final regulations issued by the Treasury Department and Federal Reserve, in consultation with the Justice Department. Legislation which would have prevented the implementation of these regulations was ordered reported by the Committee in the 110th Congress after such a measure had once been defeated. Multiple hearings were held in this Congress on these regulations, as well as the legislation that would protect consumers by licensing and regulating internet gambling, and this legislation, H.R. 2267 was reported out of Committee on July 28, 2010, and the report was filed on September 29, 2010 (H. Rept. 111-656 part I).

Access to Financial Services. The Committee will continue to explore ways to expand access to mainstream financial services by traditionally underserved segments of the U.S. population, particularly those without any prior banking history (commonly referred to as “the unbanked”). One area of review will be an assessment of the Treasury Department’s First Accounts Program—a grant program intended to provide financial services to low- and moderate-income Americans without bank accounts.

Credit Card Regulation. On April 22, 2009, the Committee ordered reported H.R. 627, the “Credit Cardholders’ Bill of Rights Act of 2009.” The bill would prohibit certain unfair and deceptive credit card practices and provides consumers with tools to manage their

credit card debt responsibly. The bill passed the House on April 30, 2009 and passed the Senate amended on May 19, 2009. The House concurred in the Senate amendment on May 20, 2009, and this bill was signed into law on May 22, 2009.

On October 26, 2009, the Committee approved H.R. 3639—Expedited CARD Reform for Consumers Act of 2009. H.R. 3639 would accelerate the implementation of certain provisions in existing law related to the regulation and operations of the credit card industry. The Credit Card Accountability Responsibility and Disclosure Act of 2009 (H.R. 627) set deadlines for implementing various reforms and procedures, with most of those measures scheduled to take effect in February and August of 2010. This bill would change those effective dates to December 1, 2009, subject to exemptions for entities that issue prepaid gift cards and depository institutions (such as banks and credit unions) with less than 2 million credit cards in circulation

Community Development Financial Institution Fund. On March 9, 2010, the Committee held a hearing entitled, “Community Development Financial Institutions (CDFIs): Their Unique Role and Challenges Serving Lower-Income, Underserved and Minority Communities.” Witnesses included representatives of the Treasury Department and the range of CDFIs, including community development banks, credit unions and loan funds. The hearing examined the state of CDFIs, especially in light of the economic downturn, the communities they serve and their unique needs and demands.

The CDFI Fund received \$100 million as part of the Recovery Act, which the Committee supported. In addition, the committee sent letters to the leadership of the Appropriations Committee requesting an increase in overall funding for the CDFIs various programs to \$300 million for FY 2011. Additionally, the Committee sent letters to the Treasury Department requesting that CDFIs receive assistance under the TARP program. In connection with those efforts, the Treasury Department announced the Community Development Capitalization Initiative (CDCI) which lends to CDFIs at a dividend rate of 2 percent for up to eight years. So far, the program has served 84 institutions. As part of the Small Business Jobs Act of 2010, there were two initiatives that will be run by the CDFI Fund. First, the Small Business Lending Facility sets aside 1 percent, or up to \$300 million, in lending authority for low cost loans to community development loan funds. This program parallels the CDCI program for community development banks and credit unions under TARP. Programs must be certified to qualify and their activities must be targeted to small business lending. Secondly, that law creates CDFI Bond Guarantee program for community and economic development. These bonds will be a source of long-term capital for CDFIs which can be sold in capital markets.

The committee continues to explore the connections between CDFIs and the New Markets Tax Credit (NMTC) program, coordinating these efforts with the Ways and Means Committee, which has primary jurisdiction over the tax portion of this program run out of the CDFI Fund.

Community Reinvestment Act of 1977. The Committee held a hearing entitled “Proposals to Enhance the Community Reinvestment Act” on September 16, 2009. The hearing explored rec-

ommendations for updating CRA to make it more effective in light of changes in the financial services sector. On September 29, 2010, Committee members introduced H.R. 6334, “The American Community Reinvestment Reform Act of 2010,” which would reform and enhance the Community Reinvestment Act.

Credit Counseling. The Committee will continue to review the credit counseling industry which provides financial education and debt management services to consumer seeking to address excessive levels of personal indebtedness. A particular focus will include examining complaints regarding abusive and deceptive practices by some for-profit industry groups.

Financial Literacy. The Committee enacted a series of measures designed to improve and expand financial literacy and access to financial services. Specifically, as part of Title XII of the Dodd-Frank Act, the Bank On USA program was authorized to bring unbanked residents into the financial mainstream by offering financial services and education to help underserved people save and build assets through grants to financial institutions. Additionally, Title XII created the Small Dollar Consumer Loan program. This program, pending funding through the appropriations process, would enable entities to offset their loan loss reserve funds to mitigate the risk of offering small dollar (under \$2,500) loans to customers at low interest rates as an alternative to pay day loans. Finally, Congress established the Office of Financial Education as part of the new Consumer Finance Protection Bureau which will be a clearinghouse of research, education and program guidance for organizations nationwide which are interested in providing financial literacy programs in their communities. In addition, the committee will continue to monitor the activities of the Financial Literacy and Education Commission (FLEC), coordinated by the Treasury Dept.

The O&I Subcommittee held a field hearing in Lawrence, Kansas, on August 24, 2010, to focus on the question: “Empowering Consumers: Can Financial Literacy Education Prevent Another Financial Crisis?” The Subcommittee examined what kinds of programs have worked well in promoting greater financial literacy. The hearing focused on the recent financial crisis, and what lessons should be learned in terms of what role financial literacy should play in a safer, more stable financial system, including examining how best to coordinate efforts, and utilizing limited resources most efficiently to increase access to quality financial education for all people. Also discussed were several key provisions included in the Dodd-Frank Act to promote financial literacy, including the creation of an Office of Financial Education within the newly created Bureau of Consumer Financial Protection.

Payday Lending. The Dodd-Frank Act included provisions specifically subjecting payday lenders to the authority of the Consumer Financial Protection Bureau.

Discrimination in Lending. In order to combat any issues in discrimination in lending going forward, under Section 1014 of the Dodd-Frank Act, the Committee pushed to ensure the membership of the Consumer Advisory Board within the CFPB includes experts on fair lending and civil rights, consumer financial products or services and representatives of depository institutions that primarily serve underserved communities, and representatives of com-

munities that have been significantly impacted by higher-priced mortgage loans.

Based on many of the recommendations contained in the GAO report entitled, "FAIR LENDING: Data Limitations and the Fragmented U.S. Financial Regulatory Structure Challenge Federal Oversight and Enforcement Efforts" (GAO-09-704), under Section 1094 of the Dodd-Frank Act, the Committee expanded the type of data that lenders will be required to collect and report under the HMDA. The new data will provide more specific loan pricing information on mortgage loans such as, the total points and fees payable at origination in connection with the mortgage loan, the difference between the annual percentage rate of the loan and a benchmark rate or rates for all loans, the actual or proposed term of any introductory period after which the interest rate may change, and the actual or proposed term of the mortgage loan. The new data will provide more transparency on underwriting practices and patterns in mortgage lending and help improve the oversight and enforcement of fair lending laws.

In order to ensure the enforcement of fair lending laws for borrowers of nonmortgage credit and enable communities, governmental entities, and creditors to identify business and community development needs and opportunities of women-owned, minority-owned, and small businesses, the Committee also pushed to require lenders to collect and report data, including personal characteristic data, on some business loans. The new requirements under Section 1071 of the Dodd-Frank Act are based, in part, on concerns raised, and recommendations issued, in a GAO report entitled, "FAIR LENDING: Race and Gender Data Are Limited for NonMortgage Lending" that was released in June 2008 (GAO-08-698).

Diversity in Financial Services. The Committee continued to monitor the workforce diversity within the financial services industry, particularly at the management level, and steps that the industry has taken to try to promote diversity. Based on findings from a GAO report entitled, "FINANCIAL SERVICES INDUSTRY: Overall Trends in Management-Level Diversity and Diversity Initiatives, 1993-2004" issued in June 2006 (GAO-06-617) and follow-up research from the GAO discussed in written testimony in February 2008 (GAO-08-445T) and in May 2010 (GAO-10-736T), the Committee supported the creation of Offices of Minority and Women Inclusion (Offices) under Section 342 of the Dodd-Frank Act at several Federal financial services agencies, including the Board of Governors of the Federal Reserve system, the Federal Housing Finance Agency, each of the Federal Reserve banks, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the CFPB. The directors of these Offices will be responsible for: (1) developing standards for equal employment opportunities and workforce diversity at all levels within each agency; (2) increasing the participation of minority-owned and women-owned businesses in the programs and contracts of teach agency, including standards for coordinating technical assistance to these businesses; and (3) assessing the diversity policies and practices of entities regulated by each agency.

The Committee also continued to monitor Federal regulators' efforts to promote and preserve minority-owned financial institu-

tions. Based in part on recommendations from a GAO report entitled, “MINORITY BANKS: Regulators Need to Better Assess Effectiveness of Support Efforts” issued in October 2006 (GAO–07–6) and written testimony in October 2007, “MINORITY BANKS: Regulators’ Assessments of the Effectiveness of Support Efforts Have Been Limited” (GAO–08–233T), the Committee supported expanding the requirements under Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to additional financial services agencies, which was accomplished under Section 367 of the Dodd-Frank Act.

The Subcommittee on Oversight & Investigations and Subcommittee on Housing and Community Opportunity held a joint hearing entitled: “Minorities and Women in Financial Regulatory Reform: The Need for Increasing Participation and Opportunities for Qualified Persons and Businesses,” on May 12, 2010. The Subcommittees received an update from GAO on the level of professional opportunities for women and minorities in the financial industry and financial regulatory agencies. Subcommittee Chairs Moore and Waters formally requested GAO research the matter further and report back to Congress with their updated findings.

Money Laundering and the Financing of Terrorism. The Subcommittee on Oversight & Investigations (O&I) held a series of hearings looking at strengthening the federal government’s efforts in combating terrorism financing and money laundering. On April 28, 2010, the O&I Subcommittee held a hearing on “Reviewing FinCEN Oversight Reports.” The Subcommittee received an update from the Financial Crimes Enforcement Network’s (FinCEN) Director and examined oversight reports issued by GAO and the Treasury Department’s Inspector General that looked at FinCEN’s efforts with respect to Suspicious Activity Reports, Bank Secrecy Act compliance, and anti-money laundering. The Treasury Department established FinCEN in 1990 to provide a government-wide multi-source financial intelligence and analysis network. FinCEN’s operation was later expanded to include the responsibilities for administering the Bank Secrecy Act.

The O&I Subcommittee held its second hearing on these issues on May 26, 2010, focused on “Anti-Money Laundering: Blocking Terrorist Financing and Its Impact on Lawful Charities.” The Subcommittee reviewed ongoing efforts by the Treasury Department to stop the financing of terrorism. The hearing focused on various controls, disclosure and decision-making processes to ensure innocent individuals and charities receive due process while efforts to block terrorist financing remain robust.

Another O&I Subcommittee hearing was held on September 28, 2010, entitled: “A Review of Current and Evolving Trends in Terrorism Financing.” This hearing focused on a broader perspective offered by non-governmental witnesses on the current and evolving trends in terrorism financing today. The Subcommittee focused on how terrorist organizations continue to finance their activities and how these organizations are altering their financing techniques to avoid current methods exercised by the U.S. government to stem the flow of money to terrorists. The Subcommittee reviewed potential vulnerabilities in the financial institutions systems of the

United States and the world that could be exploited by terrorist organizations.

Committee staff met regularly with staff of FinCEN and representatives of financial institutions to discuss the issue of the costs of Bank Secrecy Act (BSA) compliance relative to the utility of this information to law enforcement and the issue of privacy concerns related to the examination and storage of personal financial information and BSA reports.

Money Service Businesses' Access to Financial Institution Services. On March 10, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Regulation of Money Service Businesses." The hearing examined the issue of financial institutions severing their ties to money service businesses and included testimony from related industry on proposals to reform regulations related to money laundering and money service businesses.

Committee staff met regularly with staff of FinCEN and representatives of money service businesses and financial institutions to discuss the issue of financial institutions severing their ties to money service businesses and proposals to reform related regulations.

New Technologies and Cash Alternatives. On September 28, 2010, the Subcommittee on Oversight and Investigations held a hearing entitled "A Review of Current and Evolving Trends in Terrorism Financing." The hearing examined how terrorist organizations continue to finance their activities, how these organizations have altered their financing techniques to avoid current methods exercised by the U.S. Government to stem the flow of money to terrorists, and potential vulnerabilities in the financial institutions system of the U.S. and the world that could be exploited by terrorist organizations.

Committee staff met regularly with staff of FinCEN and representatives of the cash-alternative technology industry to discuss potential susceptibility of these technologies to money laundering and terrorism financing.

Appraisals. The Committee continued its work in the 111th Congress to protect against appraisal fraud and improve appraisal regulation. Specifically, in April 2009 the Committee approved and in May 2009 the House passed H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act. Drafted by Capital Markets Subcommittee Chairman Paul E. Kanjorski with the support of Oversight Subcommittee Ranking Member Judy Biggert, Title VI of H.R. 1728 contains the first update of Federal appraisal laws in a generation, including provisions to improve consumer protection, establish a national appraisal independence standard, enhance appraisal licensing standards, better State appraisal regulation, and strengthen Federal oversight of State appraisal programs, among other things. The Kanjorski-Biggert appraisal reforms became law as part of Subtitle F of Title XIV of the Dodd-Frank Act. Committee staff also reviewed and met with interested parties about the interim final appraisal independence rules issued pursuant to the Dodd-Frank Act by the Federal Reserve.

On June 18, 2009, the O&I Subcommittee held a hearing entitled: "Strengthening Oversight and Preventing Fraud in FHA and

other HUD Programs.” HUD’s Inspector General, Kenneth Donohue, and other housing experts discussed combating fraud in the housing and mortgage market. One of the key issues the hearing focused on was appraisal abuse and the importance of independent appraisals.

CAPITAL MARKETS AND SECURITIES

Reforming Oversight of Financial Services. The Committee considered and reported proposals ultimately incorporated into the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) to reform the regulatory regime for the financial services industry, including the U.S. capital markets and the securities sector, and to establish a more efficient oversight structure. The new structure, for the first time, requires monitoring for systemic risks and empowers the Federal Government to preemptively rein in and break up too-big-to-fail, excessively risky and overly concentrated financial firms in order to protect the broader economy.

To identify appropriate reforms, the Committee held multiple hearings to consider whether and how best to eliminate duplicative oversight functions among agencies, consolidate regulatory functions where appropriate, prevent charter shopping, and impose oversight of previously unregulated or lightly regulated activities, products and market participants. The Committee additionally reviewed proposals to combine securities and futures regulation, establish appropriate new safeguards for investment banking functions, and set uniform fiduciary duty standards for broker-dealers and investment advisers. The Committee also explored combining the regulation of broker-dealers and investment advisers.

Some of the hearings convened in the 111th Congress by the Committee and its Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises related to exploring reforms for financial services regulation included:

- “Perspectives on Systemic Risk” on March 5, 2009;
- “Perspectives on Regulation of Systemic Risk in the Financial Services Industry” on March 18, 2009;
- “Approaches to Improving Credit Rating Agency Regulation” on May 19, 2009;
- “Compensation Structure and Systemic Risk” on June 11, 2009;
- “A Review of the Administration’s Proposal to Regulate the Over-the-Counter Derivatives Market” on July 10, 2009;
- “Regulatory Perspectives on the Obama Administration’s Financial Regulatory Reform Proposals” on July 22, 2009 and July 24, 2009;
- “Reforming Credit Rating Agencies” on September 30, 2009;
- “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office” on October 6, 2009; and
- “Reform of the Over-the-Counter Derivative Market: Limiting Risk and Ensuring Fairness” on October 7, 2009.

As part of this process, the Committee considered and favorably reported several bills affecting the regulation of securities products and the U.S. capital markets. These bills included:

- H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009, on May 7, 2009;
- H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act of 2009, on July 28, 2009;
- H.R. 3795, the Over-the-Counter Derivatives Markets Act of 2009, on October 15, 2009;
- H.R. 3818, the Private Fund Investment Advisers Registration Act, on October 27, 2009;
- H.R. 3890, the Accountability and Transparency in Rating Agencies Act, on October 28, 2009;
- H.R. 3817, the Investor Protection Act, on November 4, 2009; and
- H.R. 3996, the Financial Stability Improvement Act, on December 2, 2009.

The Committee subsequently consolidated these bills into one legislative package, and on December 11, 2009, the House passed, H.R. 4173, the Wall Street Reform and Consumer Protection Act. After convening a conference to reconcile the House-passed and Senate-approved financial services regulatory reform bills, the House adopted the final version of H.R. 4173 on June 29, 2010. President Obama subsequently signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law on July 21, 2010.

Derivatives and Credit Default Swaps. The Committee and its Capital Markets Subcommittee held a series of hearings to examine ways to strengthen the regulation of the over-the-counter derivatives market in order to mitigate systemic risk. These hearings included:

- “The Effective Regulation of the Over-the-Counter Derivatives Markets” on June 9, 2009;
- “A Review of the Administration’s Proposal to Regulate the Over-the-Counter Derivatives Market” on July 10, 2009; and
- “Reform of the Over-the-Counter Derivatives Market: Limiting Risk and Ensuring Fairness” on October 7, 2009.

To better understand derivatives and the challenges of regulating these financial products effectively, staff of the Committee and the Capital Markets Subcommittee regularly attended meetings and briefings with regulators, market participants, and consumer advocates. At these meetings, staff gathered background information and received a variety of proposals and recommendations on approaches to regulating the derivatives markets.

On October 15, 2009, the Committee convened to mark up H.R. 3795, the Over-the-Counter Derivatives Markets Act of 2009. The bill proposed a comprehensive framework for the regulation of swaps and security-based swaps. Subject to certain exceptions, it required:

- clearing of swap transactions;
- execution of swap transactions on exchanges or swap execution facilities;
- reporting and recordkeeping of swap transactions;

- registration and oversight of participants in the swap markets, including swap dealers, major swap participants, and designated clearing organizations; and
- compliance with capital and margin levels.

The Committee reported H.R. 3795, as amended, to the House by a favorable vote of 43 yeas and 26 nays.

On November 3, 2009, Chairman Barney Frank also wrote a letter to Securities and Exchange Commission Chairman Mary L. Schapiro and Commodity Futures Trading Commission Chairman Gary Gensler emphasizing the need to ensure that final legislation regulating swaps (1) gives regulators, not market participants, the authority to determine which swaps are subject to mandatory clearing, and (2) limits the trading and clearing exemption to *bona fide* end-users, not speculators masquerading as such.

H.R. 3795 was ultimately combined and reconciled with H.R. 977, a derivatives bill reported out of the House Agriculture Committee, and the resulting compromise was folded into Title III of H.R. 4173, the Wall Street Reform and Consumer Protection Act. The House passed H.R. 4173 on December 11, 2009. Many of those provisions on enhanced regulation of swaps and security-based swaps are reflected in Title VII of the Dodd-Frank Act, which became law on July 21, 2010.

Oversight and Restructuring of the Securities and Exchange Commission (SEC). The Committee conducted oversight and advanced changes to the structure of the SEC in several ways during the 111th Congress. For example, on June 9, 2009, Capital Markets Subcommittee Chairman Paul E. Kanjorski wrote to SEC Chairman Schapiro to discern what initiatives the agency planned to take to improve investor protection and restore confidence in the financial markets, as well as to identify needed legislative changes to the laws governing the U.S. capital markets.

Subsequently, the Capital Markets Subcommittee held a hearing on July 14, 2009, to explore these initiatives and to examine the operations and organizational structure of the SEC, with particular emphasis on its supervisory and inspection functions. The hearing also helped inform legislative proposals, many of which were ultimately incorporated into Title IX of the Dodd-Frank Act.

Regarding the future structure of the SEC, Section 967 of the Dodd-Frank Act requires an organizational study of the SEC's operations by an independent consultant of high caliber and with expertise in organizational restructuring. The section further requires the SEC to report to Congress on a regular basis about the agency's efforts to implement the study's recommendations.

Section 991 of the Dodd-Frank Act additionally makes changes to the SEC's funding mechanism. Among other things, this section builds in flexibility for the SEC for multi-year budget authority and addressing unanticipated needs. Like H.R. 3817 and H.R. 4173, which passed the Committee and the House, respectively, the Dodd-Frank Act authorizes a graduated doubling of authorized funding levels for the SEC between Fiscal Years 2011 and 2015.

The Capital Markets Subcommittee held an additional oversight hearing on July 20, 2010, to evaluate the status of the initiatives and reforms implemented by the SEC and to ascertain plans to implement the legislative mandates included in the Dodd-Frank Act,

including the promulgation of more than 90 rules by the SEC and the creation of several new offices within the SEC related to credit rating agencies, municipal securities, and an investor advocate, among others.

Securities Fraud. The Committee and its Capital Markets Subcommittee responded to the SEC's failure to detect the \$65 billion Ponzi scheme orchestrated by Mr. Bernard L. Madoff, as well as other sizable securities frauds in the wake of the financial crisis of 2008 and 2009, by holding high-profile hearings. Prior to the formal organization of the Committee, the Committee first met to hear from witnesses at a meeting entitled "Assessing the Madoff Ponzi Scheme and the Need for Regulatory Reform," on January 5, 2009. Insights gleaned from these proceedings resulted in a subsequent hearing of the Capital Markets Subcommittee on February 4, 2009, entitled "Assessing the Madoff Ponzi Scheme and Regulatory Failures." In combination these hearings informed the work of the Committee in undertaking the most substantial rewrite of the laws governing the U.S. securities markets since the Great Depression.

To ensure that the Committee received a fulsome and timely explanation as to why the SEC failed to detect the Madoff fraud, Capital Markets Subcommittee Chairman Kanjorski also wrote a number of letters and met with key officials at the SEC. In January 2009, for instance, he wrote to outgoing SEC Chairman Christopher Cox to ask why the SEC missed several red flags that could have helped to identify the Madoff fraud at an earlier point in time. Chairman Kanjorski additionally met in February 2009 with SEC Chairman Schapiro shortly after she took over the agency, and they publicly agreed to maintain an open, cooperative dialogue regarding the Committee's examination of the Madoff Ponzi scheme and the SEC's actions regarding the matter.

Chairman Kanjorski also continued to press for answers into the SEC's failures related to the Madoff fraud by writing two letters to the Inspector General of the SEC in June 2009. Both letters urged the timely completion of the Inspector General's report on his investigation into the Madoff matter and the SEC's failure to identify it.

Chairman Kanjorski further monitored the administration of claims for losses by Madoff victims by writing to the Securities Investor Protection Corporation (SIPC) a letter in August 2010. In that letter, Chairman Kanjorski requested data on the status of claims filed by victims of the Madoff fraud. The Capital Markets Subcommittee additionally convened two hearings to examine SIPC's operations in December 2009 and September 2010.

Impact of Emergency Economic Stabilization Act (EESA) on Capital Markets. The Committee continued to monitor the implementation of EESA, including the restructuring of U.S. auto companies, mortgage foreclosure prevention efforts, limitations on executive compensation, bank lending, and the Federal Government's investment in American International Group (AIG) by holding hearings and by reaching out to and regularly obtaining information from senior industry leaders and Executive Branch officials.

On March 18 and 24, 2009, the Capital Markets Subcommittee and the Committee, respectively, held hearings relating to the Fed-

eral Government's intervention at AIG. These hearings dealt substantially with compensation practices at AIG following the Federal Government's intervention and brought to the forefront the larger issues of compensation at financial institutions, particularly financial institutions that received Federal financial assistance through the Troubled Asset Relief Program (TARP) created by ESSA.

In the immediate aftermath of these two AIG hearings, the Committee considered H.R. 1664, a bill to amend the executive compensation provisions of EESA to prohibit unreasonable and excessive compensation at companies participating in the TARP program. The Committee ordered H.R. 1664 reported to the House with a favorable recommendation by a vote of 38 to 22. On April 1, 2009, H.R. 1664 passed the House by a recorded vote of 247 to 171.

Outreach by the Speaker of the House and Chairman Frank to the Chairman and Chief Executive Officer of Chrysler LLC, and the Chairman and Chief Executive Officer of General Motors Corporation, also contributed to the emergence of restructuring plans from both automakers that minimized taxpayer losses and kept the American automotive industry viable. This outreach effort additionally helped to bring about a process that allowed the two manufacturing companies to emerge quickly from bankruptcy.

On March 4, 2010, Chairman Frank sent a letter to the CEOs of the four largest holders of second liens, namely Bank of America Corporation, Wells Fargo and Company, Citigroup, Inc., and JPMorgan Chase and Company. The letter urged the four institutions to take immediate action to write down second mortgages, which would allow principal reduction modifications on the underlying first lien to take place. On April 27, 2009, Chairman Frank previously sent a letter to Citigroup's CEO expressing dismay about Citigroup's reluctance to modify troubled second liens, and requesting that Citigroup participate in the Administration's foreclosure mitigation programs.

In a letter on June 23, 2009, Capital Markets Chairman Kanjorski urged the Federal Deposit Insurance Corporation (FDIC) to encourage banks to expand access to credit, so that big and small businesses alike could weather the economic crisis, and so that businesses could create much needed jobs. FDIC Chairman Sheila Bair responded on July 7, 2009, that the FDIC and other banking regulators were encouraging banks to continue making loans to creditworthy customers and working with borrowers having difficulty remaining current on their payments.

On July 31, 2009, Chairman Kanjorski and other Members of the Financial Services Committee sought to further expand the availability of credit to businesses by sending a letter to the U.S. Department of Treasury Secretary and the Board of Governors of the Federal Reserve System to request the extension of the Term Asset-Backed Securities Loan Facility (TALF) through the end of 2010. The Federal Reserve later extended the TALF from December 31, 2009, to June 30, 2010, in order to help restart the commercial mortgage-backed securities market and to enhance liquidity in the commercial real estate sector.

Finally, on July 21, 2010, the Dodd-Frank Act became law. With respect to EESA, the Dodd-Frank Act reduced the authorization of

appropriations for TARP from \$700 billion outstanding at any one time, to a maximum of \$475 billion.

Loan Modifications in Securitized Pools. The Committee continued its legislative work in the 111th Congress on mitigating foreclosures. On February 2, 2009, Capital Markets Subcommittee Chairman Kanjorski, along with Chairman Frank and Representative Castle, introduced H.R. 788, the Mortgage Servicer Safe Harbor Act, to provide a safe harbor from investor lawsuits for mortgage servicers who engage in specified mortgage loan modifications. The safe harbor provision in H.R. 788 became part of H.R. 1106, the Helping Families Save Their Homes Act, which passed the House on March 5, 2009.

Auction Rate Securities. The Capital Markets Subcommittee received a letter from SEC Chairman Schapiro on July 5, 2009, detailing steps the agency had taken since her arrival as Chairman to better protect investors and to restore confidence in the marketplace for Auction Rate Securities (ARS).

On March 29, 2010, concerned with the adverse effect on regulatory capital caused by the write-downs of ARS in depository institution portfolios, pension plans, and charitable organizations, Chairman Frank and Capital Markets Subcommittee Chairman Kanjorski, joined by Representative Don Young, wrote letters to a number of Chief Executive Officers of financial institutions that underwrite ARS in general and more specifically, student loan-backed ARS. The letters urged the institutions to meet with credit unions and depository institutions that hold student loan-backed ARS to work out a mutually agreeable solution to address the illiquidity of the paper and pare back portfolio losses.

Equity/Options Markets. The Capital Markets Subcommittee examined developments in the structure of the equity and options markets during the 111th Congress. In particular, the Subcommittee expeditiously exercised its oversight responsibilities in response to the “flash crash” of May 6, 2010, during which the stock market indices experienced an extreme drop in value only to recover within a matter of minutes. On May 6, Capital Markets Subcommittee Chairman Kanjorski wrote to SEC Chairman Schapiro expressing concern about the market events of that day and seeking the SEC’s views and plan of action related to those events. The Subcommittee then received testimony from SEC Chairman Schapiro and CFTC Chairman Gensler, among others, at a hearing entitled “The Stock Market Plunge: What Happened and What Is Next?” on May 11, 2010. In the following months, Committee staff met with and received briefings from the SEC and the CFTC about the causes of the market volatility and the structural reforms implemented as a result of the events of May 6, including the implementation of circuit-breakers for individual stocks.

On September 30, 2010, Chairman Frank and Capital Markets Subcommittee Chairman Kanjorski wrote to SEC Chairman Schapiro and CFTC Chairman Gensler requesting that the agencies release their joint report, also dated September 30, 2010, entitled “Findings Regarding the Market Events of May 6, 2010: Report of the Staffs of the CFTC and SEC to the Joint Advisory Committee on Emerging Regulatory Issues.” Committee staff also reviewed the findings of that report. Committee staff additionally

participated in regular meetings with parties affected by or interested in not only the events of May 6, but also related market structure issues like high-frequency trading, market data fees, the SEC's modified uptick rule, and short sale restrictions.

Finally, the Dodd-Frank Act incorporated a proposal first passed in Committee as part of H.R. 3817, the Investor Protection Act, and then approved by the House as part of H.R. 4173, the Wall Street Reform and Consumer Protection Act, to extend SIPC coverage and allow for the cross-margining of securities and futures products. This provision ultimately was included in Section 983 of the Dodd-Frank Act.

Mutual Funds. Committee staff held numerous meetings with interested parties about the status of the Reserve Primary Fund, which collapsed in September 2008, and the effect of failures in the ARS market on the mutual fund industry. On January 27, 2010, the SEC also adopted new rules aimed at better regulating money market mutual funds, and Committee staff received briefings from the SEC about these new regulations. The SEC issued the rules to improve investor protection by further regulating the risks associated with money market funds.

Additionally, Committee staff continued to monitor developments related to the President's Working Group on Financial Markets (PWG) report drafted in response to the crisis in 2008 which highlights specific policy proposals addressing reform of money market mutual funds and mitigating systemic risk. According to the report, despite the development and adoption of some reforms, more must be done in this area to stem the recurrence of a similar crisis and to better protect investors. The PWG has also proposed that the Financial Stability Oversight Council, established by the Dodd-Frank Act, take the report's policy ideas under advisement and pursue whichever reforms it deems necessary.

Covered Bonds. The Committee explored the emergence of covered bonds as a potential tool to ease the strain in U.S. capital markets. On December 15, 2009, the Committee held a hearing entitled, "Covered Bonds: Prospects for a U.S. Market Going Forward." The hearing explored the potential role that covered bonds could play in U.S. markets and whether covered bonds could serve as an alternative to mortgage securitization.

The Committee additionally considered H.R. 5823, the United States Covered Bond Act of 2010, introduced by Capital Markets Subcommittee Ranking Member Scott Garrett, along with Financial Services Ranking Member Spencer Bachus and Capital Markets Subcommittee Chairman Kanjorski. As part of the bill's consideration, Chairman Frank also requested that FDIC Chairman Bair offer her views regarding the treatment of covered bonds as qualified financial contracts with insured depository institutions. On July 28, 2010, the Committee ordered H.R. 5823 reported by a voice vote.

Public Company Accounting Oversight Board (PCAOB). The Committee explored and incorporated into the Dodd-Frank Act several reforms related to the PCAOB. For example, Section 982 of the law expanded the oversight responsibilities of the PCAOB by requiring auditors of brokers-dealers, as defined in the Securities Exchange Act, to register with the PCAOB. This section also author-

izes the PCAOB to develop an inspection program for the auditors of broker-dealers. Section 981 of the Dodd-Frank Act additionally allows the PCAOB to share information with foreign auditing regulators. These reforms were informed, in part, by public proceedings and hearings held by the Committee and the Capital Markets Subcommittee in early 2009 after the revelation of the Madoff Ponzi scheme.

The Capital Markets Subcommittee also held an oversight hearing on May 21, 2010, at which the Acting Chairman of the PCAOB provided an update on PCAOB's current and anticipated rule-making activities, budget and funding, staffing, and ongoing efforts to implement the auditing reforms required by the Sarbanes-Oxley Act.

Financial Accounting Standards Board (FASB). On May 21, 2010, the Capital Markets Subcommittee held a hearing to review what the FASB has done and what more the standard setter intends to do to promote principles-based accounting standards and what the FASB has done to improve the understandability, consistency and overall utility of the existing accounting literature. As outlined below, the Capital Markets Subcommittee also held a hearing in March 2009 related to FASB's mark-to-market accounting standards. Committee staff additionally received regular briefings about FASB's initiatives and the application of fair value measures in financial statements.

Convergence of International Accounting Standards. On May 21, 2010, the Capital Markets Subcommittee held a hearing entitled "Accounting and Auditing Standards: Pending Proposals and Emerging Issues." At this hearing the Subcommittee reviewed efforts by the SEC and the FASB to achieve robust, uniform international accounting standards. The Committee also monitored the SEC's plans to incorporate those standards into U.S. financial reporting requirements.

Mark-to-Market Accounting. The Capital Markets Subcommittee held a hearing on March 12, 2009, to examine the mark-to-market accounting rules that many contend exacerbated the trouble in the financial industry and in the broader economy during the financial crisis of 2008 and 2009. Shortly after this hearing, the FASB provided additional guidance on the application of the mark-to-market accounting rules on April 2, 2009. Additionally, Chairman Frank, Ranking Member Bachus, Capital Markets Subcommittee Chairman Kanjorski, and Capital Markets Ranking Member Garrett sent a letter on April 2, 2009, to SEC Chairman Schapiro to emphasize the importance of an independent accounting standard setter and to urge the SEC to provide leadership in the implementation and application of accounting standards.

Corporate Governance. The Committee engaged in many activities aimed at altering corporate governance rules during the 111th Congress. For example, the Capital Markets Subcommittee held hearings entitled "Corporate Governance after Citizens United" and "Corporate Governance and Shareholder Empowerment" on March 11, 2010, and April 21, 2010, respectively. At these hearings, the Subcommittee explored corporate governance reforms found in bills like:

- H.R. 4537, the Shareholder Protection Act of 2010;

- H.R. 2861, the Shareholder Empowerment Act of 2009;
 - H.R. 3272, the Corporate Governance Reform Act of 2009;
- and
- H.R. 3351, the Proxy Voting Transparency Act of 2009.

As part of the initial markups on the legislative proposals incorporated into H.R. 4173, the Wall Street Reform and Consumer Protection Act, the Committee also adopted an amendment by Housing Subcommittee Chairman Maxine Waters and Representative Gary C. Peters to clarify the ability of the SEC to issue rules regarding the nomination by shareholders of individuals to serve on the boards of public companies. These provisions regarding proxy access aimed to enhance democratic participation in corporate governance. As signed into law, Section 971 of the Dodd-Frank Act includes proxy access language similar the Waters-Peters proposal first adopted by the Committee.

Finally, on July 28, 2010, the Committee considered and favorably reported H.R. 4790, the Shareholder Protection Act of 2010, introduced by Representative Michael E. Capuano. In response to the U.S. Supreme Court's ruling in the Citizen's United case, this bill proposes corporate governance and disclosure reforms related to the expenditures by public corporations on political activities.

Executive Compensation. On June 11, 2009, the Committee held the first of four executive compensation hearings conducted during the 111th Congress. Entitled "Compensation Structure and Systemic Risk", this initial hearing focused broadly on the oversight and regulation of compensation practices in the financial services industry, particularly in the context of systemic regulatory reform. This first hearing also served as a legislative hearing for H.R. 3269, the Corporate and Financial Institution Compensation Fairness Act of 2009.

H.R. 3269 provides shareholders a nonbinding, advisory vote on their company's pay practices, requires Federal regulators to proscribe any inappropriate and imprudently risky compensation practices as part of solvency regulation of all financial institutions, and mandates disclosure of compensation structures for financial institutions with assets in excess of \$1 billion. The Committee favorably reported H.R. 3269 by a recorded vote of 40 to 28 on July 28, 2009, and the legislation passed the House by a recorded vote of 237 to 185 on July 31, 2009. H.R. 3269 was subsequently folded into H.R. 4173, and became law as part of the Dodd-Frank Act.

On January 22, 2010, and February 25, 2010, the Committee held two additional hearings respectively entitled "Compensation in the Financial Industry" and "Compensation in the Financial Industry—Government Perspectives." Building on the Committee's 2009 compensation oversight and legislative activities, these two additional hearings solicited input on financial industry compensation structures and the anticipated impact of H.R. 3269.

On September 24, 2010, the Committee held a fourth hearing on CEO pay entitled "Executive Compensation Oversight after the Dodd-Frank Act." The hearing focused on the anticipated impact of the Dodd-Frank Act's executive compensation provisions on compensation practices, particularly in the financial industry.

For additional information about the executive compensation activities of the Committee, please refer to the discussion of the "Im-

impact of the Emergency Economic Stabilization Act (EESA) on Capital Markets” found above.

Oversight of Self-Regulatory Organizations (SROs). Through meetings and briefings, Committee staff monitored the effectiveness of SROs in policing the capital markets and the impact of SRO mergers on the oversight of securities markets, market participants, and investors.

As part of the Committee’s efforts to streamline the functioning of SROs, Section 916 of the Dodd-Frank Act imposes new deadlines by which the SEC is required to publish and act upon proposed rule changes submitted by SROs. Additionally, Section 416 of the Dodd-Frank Act requires a Government Accountability Office (GAO) study on the feasibility of forming an SRO to oversee private funds. Section 914 of the Dodd-Frank Act also requires a study by the SEC about, among other things, the extent to which having Congress authorize the SEC to designate one or more SROs to augment the SEC’s efforts in overseeing investment advisers would improve the frequency of examinations of investment advisers.

Finally, Section 921 of the Dodd-Frank Act authorizes the SEC to prohibit, or impose conditions or limitations on the use of agreements that require customers or clients of any broker, dealer or municipal securities dealer to arbitrate any future dispute between them arising under the Federal securities laws, the rules and regulations thereunder, or the rules of an SRO if the SEC finds that such prohibition, imposition of conditions, or limitations are in the public interest and for the protection of investors.

Hedge Funds and Private Pools of Capital. The Committee addressed issues related to hedge funds and private pools of capital and their regulatory framework during the 111th Congress. On May 7, 2009, the Capital Markets Subcommittee held a hearing entitled “Perspectives on Hedge Fund Registration.” The hearing examined H.R. 711, the Hedge Fund Adviser Registration Act of 2009, introduced by Representatives Capuano and Castle. The hearing also focused on the appropriate balance between providing regulation of the industry to protect investors without unduly inhibiting the benefits hedge funds provide investors and the market more broadly.

On October 6, 2009, the Committee held a three panel legislative hearing entitled, “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” The second panel of the hearing addressed the reforms found in the discussion draft of H.R. 3818, the Private Fund Investment Advisers Registration Act of 2009, introduced by Capital Markets Subcommittee Chairman Kanjorski.

On October 27, 2010, the Committee held a markup of H.R. 3818. This legislation broadly amends the Investment Advisers Act of 1940 by eliminating exemptions for private fund advisers and authorizing the SEC to require registered investment advisers to maintain records of information from private fund advisers. In December 2009, the House then passed H.R. 3818 as part of H.R. 4173. As enacted into law in July 2010, the Dodd-Frank Act contains many of the provisions initially found in H.R. 3818.

Finally, on January 15, 2010, Chairman Frank and Capital Markets Subcommittee Chairman Kanjorski requested a GAO study on the use of leverage by the portfolio companies of private equity funds. The study will focus on the performance of these highly leveraged companies and their ability to weather a financial crisis *vis-a-vis* comparable public companies.

Federal/State Allocation of Enforcement Responsibilities. On March 20, 2009, the Committee held a hearing entitled “Federal and State Enforcement of Financial Consumer and Investor Protection Laws.” Issues explored at the hearing included reforms to the States’ ability to protect investors from fraud and abuse, including limits on Federal preemption, a Federal grant program to support State enforcement efforts, and improved cooperation and communication between Federal and State regulators.

On October 6, 2009, the Committee held an additional hearing entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” At this hearing, Denise Voigt Crawford, President of the North American Securities Administrators Association and Texas Securities Commissioner, advocated for a variety of investor protection reforms, including an increase in the States’ authority over investment advisers.

On October 27, 2009, the Committee held a markup of H.R. 3817, the Investor Protection Act of 2009, introduced by Capital Markets Subcommittee Chairman Kanjorski. The Committee favorably reported the bill to the House by a vote of 41 yeas and 28 nays. Among other things, H.R. 3817 contained a provision that reallocated Federal and State authority over investment advisers by raising the limit for State registration from \$25 million to \$100 million in assets under management. The intent was to increase the States’ responsibility for regulating smaller investment advisers so that the SEC could devote more resources to oversight of the larger advisers.

H.R. 3817 also contained a provision enhancing the States’ ability to protect senior citizens from fraud and abuse, through enforcement and investor education. Specifically, the legislation established a Federal grant program for States that have adopted rules restricting the use of misleading senior designations in the sale of securities or insurance products. The bill also provided for grants to States that impose suitability requirements in connection with the sale of securities or annuities.

H.R. 3817 was incorporated into H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009, which passed the House in December 2009. The provisions on State oversight of investment advisers and grant funding to States for the protection of senior investors both appear, in substantially the same form as proposed, in Section 410 and Section 989A, respectively, of the Dodd-Frank Act.

The Dodd-Frank Act further strengthened the regulation of private securities offerings under Rule 506 of SEC Regulation D. Both the SEC and State securities regulators have expressed concerns about the degree of fraud and abuse associated with Rule 506 offerings, which are exempt from Federal and State registration requirements. To police this segment of our capital markets more ef-

fectively, Section 926 of the Dodd-Frank Act makes the registration exemption under Rule 506 unavailable if the issuer or its principals have been the subject of civil, criminal or administrative disciplinary proceedings, including actions brought by State securities, banking, or insurance regulators. This provision enhances the oversight of Rule 506 offerings under both State and Federal law.

Capital Allocation to New Technologies. In order to create incentives in the U.S. capital markets aimed at facilitating the growth of emerging innovative technologies and promising industrial sectors, Subcommittee staff reviewed a proposal first approved by the Committee in the 106th Congress known as the America's Private Investment Companies Act.

Business Development Companies (BDCs). Committee staff continued to monitor the regulations governing BDCs, particularly those regarding BDCs' minimum capital requirements and required leverage ratios. In response to a December 2008 letter from Capital Markets Subcommittee Chairman Kanjorski about the regulatory accounting rules applied to BDCs, SEC Chairman Schapiro responded on February 2, 2009, with a staff memorandum on the subject and by noting that BDCs serve as an important source of capital for small and mid-sized companies.

Credit Rating Agencies. The financial crisis highlighted the level of accountability and liability assumed by the credit rating agencies in regard to assessing the credit quality of securities, especially in the structured finance market. In many legal battles about the liability for faulty assessments of a company's credit risk, however, the credit rating agencies have successfully invoked a First Amendment defense.

In considering H.R. 4173, the Committee therefore reviewed a proposal from the Administration for a mandatory SEC registration regime for credit rating agencies. At the request of Chairman Frank and Capital Markets Subcommittee Chairman Kanjorski, the Department of Justice's Office of Legal Counsel provided a brief defending the constitutionality of the mandatory regime initially requested by the Treasury Department.

On May 19, 2009, the Capital Markets Subcommittee held a hearing entitled "Approaches To Improving Rating Agency Regulation." The witnesses addressed the issue of credit rating agency regulation, focusing in particular on ways to make credit rating agencies more accountable.

On September 30, 2009, the Capital Markets Subcommittee held a second hearing entitled "Reforming Credit Rating Agencies." The hearing examined a discussion draft of legislation to enhance the oversight, accountability and transparency of credit rating agencies released five days earlier by Capital Markets Subcommittee Chairman Kanjorski.

On October 27, 2010, the Committee then held a markup of Chairman Kanjorski's discussion draft. The proposed legislation amended the Securities Exchange Act of 1934 to enhance the accountability of the Nationally Recognized Statistical Rating Organizations (NRSROs) by:

- clarifying the ability of individuals to sue NRSROs;

- clarifying the limitation on the SEC or any State not to regulate the substance of credit ratings or ratings methodologies does not afford a defense against civil anti-fraud actions;
- mitigating conflicts of interest between NRSROs and the issuers they rate; and
- providing the marketplace greater disclosure of ratings methodologies and the NRSRO fee structure.

The Kanjorski discussion draft was ordered reported by the Committee as H.R. 3890 and incorporated into H.R. 4173, which passed the House on December 11, 2009. Mandatory registration of credit rating agencies was passed on the floor of the House as part of Title V, Subtitle B of H.R. 4173, but the final version of the credit agency reform legislation incorporated into the Dodd-Frank Act did not include the Administration's mandatory registration provisions.

Securities Investor Protection Corporation (SIPC). In response to complaints raised by investors affected by the Madoff Ponzi scheme and the Stanford Financial fraud, the Capital Markets Subcommittee held two hearings on December 9, 2009, and September 23, 2010, to examine the operations, initiatives, and activities of SIPC. The hearings also explored proposals to better protect investors in today's volatile markets by reforming certain aspects of the Securities Investor Protection Act (SIPA).

On March 3, 2010, Chairman Kanjorski wrote a letter to request that SIPC's Task Force to explore reforms to SIPA be comprised of a diverse group of representatives and that the Task Force broaden its focus to consider, among other things, how SIPC operates. Participants from this Task Force testified at the September 2010 hearing.

In addition to these SIPC hearings, the Investor Protection Act, as approved by the Committee as H.R. 3817, contained several SIPA reforms. In December 2009, the House adopted these SIPA amendments as part of H.R. 4173, and the Dodd-Frank Act as enacted contains several SIPA reforms found in Section 929C, Section 929H, Section 929V, and Section 983 to increase customer cash advance limits, provide coverage for futures held in portfolio margin accounts, and raise minimum assessments paid by brokerages for SIPC coverage, among other things.

Fair Funds. During the 111th Congress, the Committee examined the operations of the Fair Funds established under the Sarbanes-Oxley Act and the success of Federal regulators in implementing the Fair Funds provision. On September 16, 2009, Oversight Subcommittee Chairman Moore requested that the GAO update the Committee on the status of Fair Funds collections and distributions, and the actions that the SEC had taken to address the GAO's previous recommendations in this area. In response, on April 22, 2010, the GAO issued a report entitled "Securities and Exchange Commission: Information on Fair Fund Collections and Distributions" (GAO-10-44BR).

The Wall Street Reform and Consumer Protection Act provided additional authority for the SEC to collect civil penalty payments on behalf of victims of securities law violations and add them to Fair Funds to recompense defrauded investors. The provision was first incorporated into H.R. 3817, the Investor Protection Act, introduced by Capital Markets Subcommittee Chairman Kanjorski. On

July 21, 2010, President Obama signed the Dodd-Frank Act into law, including the Fair Funds provisions previously passed in the House.

Business Continuity Planning/Critical Infrastructure Protection. The Committee continued to monitor the implementation of the Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System as well as the related efforts of all participants in the securities industry to improve business continuity planning to protect investors against the effects of natural disasters, terrorism events, and pandemics. In particular, Committee staff reviewed the October 26, 2009, GAO-issued report entitled “Influenza Pandemic: Key Securities Market Participants Are Making Progress, but Agencies Could Do More to Address Potential Internet Congestion and Encourage Readiness.”

Sarbanes-Oxley Act of 2002. The Committee continued to examine the effects of the Sarbanes-Oxley Act on investors, public companies and the capital markets at public hearings and in staff meetings with experts. The Committee also considered and adopted proposals to amend the law during the 111th Congress.

Specifically, the Committee reviewed issues related to the Sarbanes-Oxley Act at the SEC oversight hearings held by the Capital Markets Subcommittee on July 14, 2009, and on July 20, 2010. On May 21, 2010, the Capital Markets Subcommittee also held a hearing entitled “Accounting and Auditing Standards: Pending Proposals and Emerging Issues” to examine, among other matters, the activities of and reforms affecting the PCAOB, the body to regulate auditors created by the Sarbanes-Oxley Act.

As part of the markup on H.R. 3817, the Investor Protection Act, the Committee approved, as detailed above in the discussion about the PCAOB, reforms aimed at improving the effectiveness of the PCAOB and better protecting investors. These reforms ultimately became law as part of the Dodd-Frank Act in July 2010.

During the debate on H.R. 3817, the Committee also considered and adopted an amendment by Capital Markets Ranking Member Garrett and Representative John H. Adler to permanently exempt public companies with market capitalizations of \$75 million or less from the external audit of internal controls requirement of Section 404(b) of the Sarbanes-Oxley Act. The Garrett-Adler provision passed the House as part of H.R. 4173 and became law as Section 989G of the Dodd-Frank Act.

Global Competitiveness of U.S. Financial Markets. The Committee worked to examine and maintain the competitiveness of the U.S. capital markets in a number of ways during the 111th Congress. For example, Chairman Frank, Capital Markets Subcommittee Chairman Kanjorski and Committee staff regularly met with representatives from other nations and the European Parliament to ascertain developments related to foreign financial markets, laws and rules.

Additionally, Capital Markets Subcommittee Chairman Kanjorski led a delegation of the Committee in meetings with European legislative, regulatory, and financial industry leaders in late August and early September 2009. The delegation also included Capital Markets Ranking Member Garrett, Financial Institutions Subcommittee Chairman Luis V. Gutierrez, and Committee staff.

As part of its agenda, the delegation participated in a hearing of the European Parliament's Committee on Economic and Monetary Affairs in Brussels on September 2, 2009. The hearing examined developments related to financial services regulation across international borders.

During the debates on the legislation that became the Dodd-Frank Act, the Committee also regularly explored international competitiveness and coordination issues. For example, Capital Markets Subcommittee Chairman Kanjorski received a letter dated October 22, 2009, from Charlie McGreevy, the then-European Commissioner for Internal Market and Services, related to H.R. 3817, the Investor Protection Act. In response to concerns raised in this letter, the Committee adjusted the bill's provisions related to international regulatory cooperation on auditing oversight and the extraterritorial jurisdiction of the antifraud provisions of Federal securities laws.

In addition, during the debates in the House-Senate conference on the Volcker Rule, which was ultimately incorporated as Section 619 into the Dodd-Frank Act, Chairman Frank received a letter from Treasury Secretary Timothy F. Geithner on June 24, 2010, indicating that the Administration would push for the adoption by other countries of rules to address off-balance sheet exposures, too-big-to-fail, and excessive leverage.

To further protect the competitiveness of the U.S. financial markets, as part of the original Kanjorski "too-big-to-fail" amendment to H.R. 3996, the Financial Stability Improvement Act of 2009, the Committee adopted a provision concerning international policy coordination that became part of Section 175 of the Dodd-Frank Act in substantially the same form. This provision authorizes the Administration to coordinate through all available international policy channels similar policies as those found in U.S. law relating to limiting the scope, nature, size, scale, concentration and interconnectiveness of financial companies, in order to protect financial stability and the global economy.

Finally, on May 6, 2010, and on May 14, 2010, Chairman Frank wrote to leaders of the European Parliament, representatives of the European Commission, and European finance ministers about provisions contained in the European Union's proposed directive on Alternative Investment Fund Managers (AIFM) that would pose significant implications for the U.S. banking system and potentially increase systemic risk. These letters also expressed concerns about the discriminatory treatment of third country funds and managers included in the draft AIFM directive. The letters urged modifications to the AIFM proposal to ensure a level playing field for all financial market participants.

Municipal Securities. On March 20, 2009, Chairman Frank, Capital Markets Subcommittee Chairman Kanjorski, and 25 additional Members of the Committee sent a letter to Federal Reserve Chairman Ben Bernanke and Treasury Secretary Geithner urging them to create a temporary lending facility to improve access to the bond market by State and local governments in need of capital.

On May 1, 2009, Chairman Frank wrote another letter to 12 organizations representing the interests of State and local governments, affirming his intention to advance H.R. 2549, the Municipal

Bond Fairness Act, which would require rating agencies to rate corporate and municipal bonds on the same footing. The letter also expressed support for a number of other bills that would significantly improve conditions in the distressed municipal securities market.

On May 21, 2009, the Committee held a hearing entitled “Legislative Proposals to Improve the Efficiency and Oversight of Municipal Finance.” The hearing focused on five draft bills:

- the Municipal Bond Insurance Enhancement Act to establish the Office of Public Finance within the Treasury Department to provide Federal reinsurance for municipal-only bond insurers, thus making it easier for smaller, lesser known bond issuers to obtain bond insurance and gain access to the capital markets;
- the Municipal Bond Liquidity Enhancement Act to authorize the Federal Reserve to fund new liquidity facilities that could redeem variable rate municipal bonds, thereby enhancing liquidity in that market;
- the Municipal Financial Advisors Regulation Act to establish a regulatory regime for financial advisors to municipalities, including registration obligations, a fiduciary duty, and prohibitions against fraud and manipulation;
- the Municipal Bond Fairness Act to impose requirements on NRSROs to ensure that their municipal bond credit ratings were not unfairly low relative to their corporate bond ratings; and
- The Federal Municipal Bond Marketing Support and Securitization Act (H.R. 1669) to give the Treasury Secretary the authority to provide credit enhancements to municipal issuers and to purchase municipal bonds in order to restore activity in the municipal bond market.

A markup amendment by Representative Steve Driehaus incorporated the provisions of the Municipal Financial Advisors Regulation Act first into H.R. 3817, the Investor Protection Act, and subsequently into Section 7801 through Section 7803 of H.R. 4173, the Wall Street Reform and Consumer Protection Act. In addition, H.R. 4173 included a provision requiring the Municipal Securities Rule-making Board (MSRB) to be comprised of a majority of independent public representatives at all times.

As enacted into law, Sections 975 through 979 of the Dodd-Frank Act instituted similar reforms in the regulation of the municipal securities market, including a registration regime for municipal advisers, the imposition of a fiduciary duty and other standards of conduct on those advisers, and changes in the composition of the MSRB to ensure its independence. The Dodd-Frank Act also requires the GAO to study the municipal securities market and the adequacy of the disclosures that municipal issuers must make to investors. Finally, the Dodd-Frank Act established an Office of Municipal Securities within the SEC, to administer the rules applicable to participants in the municipal securities markets and to coordinate with the MSRB.

GOVERNMENT SPONSORED ENTERPRISES

Charter Restructuring for Government Sponsored Enterprises (GSEs). In general, the Committee held seven hearings during the

111th Congress on the status of the housing government sponsored enterprises and the U.S. housing finance system, monitoring the conservatorships of Fannie Mae and Freddie Mac, conducting oversight of the Federal Home Loan Banks, reviewing the work of the Federal Housing Finance Agency (FHFA), and considering proposals to reform the housing finance markets. Committee staff additionally participated in multiple meetings with interested parties to discuss the future of the U.S. housing finance system and proposals to modify this system. Section 1074 of the Dodd-Frank Act also requires that the U.S. Department of the Treasury develop and submit to Congress a proposal to reform the housing finance system by January 31, 2011.

To examine the status of the GSE conservatorships and strategies for protecting taxpayers, the Capital Markets Subcommittee convened two hearings during the 111th Congress. On June 3, 2009, the Subcommittee held a hearing entitled “The Present Condition and Future Status of Fannie Mae and Freddie Mac” to review an FHFA report about the finances, operations and mission-related activities of the enterprises, and proposals to reform the U.S. housing finance system. On September 15, 2010, the Capital Markets Subcommittee convened a second hearing entitled “The Future of Housing Finance Reform: A Progress Update on the GSEs” to examine the progress the enterprises have made since being placed into conservatorship and the strategies that the two enterprises and the FHFA had employed to limit capital infusions by the Treasury Department into Fannie Mae and Freddie Mac. The Subcommittee hearing also explored whether to modify the strategies and devise others.

Discussions about the future of Fannie Mae and Freddie Mac further arose during a May 26, 2010, Capital Markets Subcommittee hearing entitled “FHFA Oversight: Current State of the Housing Government Sponsored Enterprises.”

The Committee convened three additional hearings that considered proposals to improve, or otherwise alter the purpose and functions of the GSEs and their appropriate roles in the mortgage market. These hearings included:

- “Housing Finance—What Should the New System Be Able to Do?: Part I—Government and Stakeholder Perspectives” on March 23, 2010;
- “Housing Finance—What Should the New System Be Able to Do?: Part II—Government and Stakeholder Perspectives” on April 14, 2010; and
- “The Future of Housing Finance—A Review of Proposals to Address Market Structure and Transition” on September 29, 2010.

In addition to reviewing wider proposals to reform the housing finance system, on July 29, 2010, the Capital Markets Subcommittee examined the mortgage insurance industry’s experiences during the recent financial crisis and the need to alter the laws currently governing the industry in a hearing entitled “Future of Housing Finance: The Role of Private Mortgage Insurance.”

On March 19, 2009, Chairman Frank also wrote to then-FHFA Director James B. Lockhart III to urge him to rescind the retention bonus programs at Fannie Mae and Freddie Mac, to prohibit any

further payment of bonuses to executives under that program, and to pursue repayment of any already-paid bonuses. Director Lockhart responded to Chairman Frank on March 20, 2009, stating that “it is very important to work with the current management teams and employees to encourage them to stay and to continue to make important improvements to the Enterprises.” The Director stated that FHFA working with the new CEOs of the enterprises, an outside pay consultant and with the consultation of Treasury had developed employee-retention programs.

On June 16, 2009, Chairman Frank and Representative Anthony D. Weiner wrote to Fannie Mae CEO Michael Williams and Freddie Mac Interim CEO John Koskinen regarding condominium standards for loan purchase at the GSEs. The letter solicited the GSEs’ detailed guidelines for occupancy and other requirements relating to the eligibility of single-family home loans purchased by the GSEs.

On August 13, 2010, Capital Markets Subcommittee Chairman Kanjorski, Representative Brad Miller and Representative Jackie Speier wrote a letter to President Obama stating that the FHFA must vigorously pursue all available legal claims for losses sustained from the conservatorship of Fannie Mae and Freddie Mac. They stressed that it is critically important to protect the taxpayer and to let the American people know that the government is acting on their behalf.

On July 31, 2010, Chairman Frank additionally requested in a letter to Douglas Elmendorf, Director of the Congressional Budget Office (CBO), that the CBO calculate budget projections for Fannie Mae and Freddie Mac employing the Federal Credit Reform methodology in addition to the “fair-value” methodology that had been published in the CBO’s January 2010 report. Chairman Frank also asked that the CBO add this approach to its analysis of the impact of Fannie Mae and Freddie Mac activities, in order to have a consistent view of the cost to the taxpayer going forward.

On September 16, 2010, Chairman Frank received a response to his request to the CBO to estimate the budgetary impact of the activities of Fannie Mae and Freddie Mac using the approach of the Federal Credit Reform Act of 1990. The letter also discussed alternative budgetary treatments for the GSEs, the rationale for using fair-value subsidy estimates, and the usefulness of alternative treatments in congressional decision making.

GSE Regulatory Reform. During the 110th Congress, the Housing and Economic Recovery Act of 2008 became law. Among other things, this statute created the FHFA to regulate the safety and soundness, as well as the mission, of Fannie Mae, Freddie Mac and the Federal Home Loan Banks. The law also requires annual testimony by the FHFA Director before Congress. During the 111th Congress, the Capital Markets Subcommittee therefore convened hearings on June 3, 2009, and May 26, 2010, as noted in the section immediately above, to receive this testimony and to review the work of the FHFA. Committee staff also regularly met with FHFA staff and reviewed FHFA reports regarding the work and solvency of the Federal Home Loan Banks, Fannie Mae and Freddie Mac.

Federal Home Loan Bank (FHLB) System. The Committee monitored the capital requirements, financial health and stability of the

FHLB System, as well as the System's ability to fulfill its housing mission and provide liquidity to the cooperative's member banks in a safe and sound manner during the ongoing credit crisis. Committee staff held numerous meetings and discussions with representatives from the FHLBs and industry. The Committee staff additionally monitored the capital levels of the FHLBs as a result of the troubled mortgage assets held on their books. Finally, many of the witnesses in the series of hearings held in the 111th Congress on the future of housing finance addressed the role of the FHLB System in supporting the U.S. housing finance framework.

GSE Appraisal Standards. The Committee reviewed the implementation of the Home Valuation Code of Conduct (HVCC), a legal agreement reached in March 2008 by New York Attorney General Andrew Cuomo with Fannie Mae and Freddie Mac in response to failures to ensure the independence of appraisals and to prevent inflated appraisals on residential properties.

In response to complaints about the HVCC, the Committee also approved an amendment to H.R. 3126, the Consumer Financial Protection Agency Act of 2009, offered by Representative Gary G. Miller, Representative Travis W. Childers, and others to adopt a national appraisal independence standard to apply to all residential mortgages, not just those purchased and guaranteed by Fannie Mae and Freddie Mac. The amendment additionally sunset the HVCC upon the adoption of the national appraisal independence standard, and it required that lenders and their agents compensate appraisers at a rate that is customary and reasonable for their services. As enacted into law, Section 1472 of the Dodd-Frank Act contains provisions substantially similar to the Miller-Childers amendment.

FHLB Community and Economic Development. At the request of Capital Markets Subcommittee Chairman Kanjorski, GAO completed a study released on August 11, 2010, entitled "Federal Housing Finance Agency: Oversight of the Federal Home Loan Banks' Agricultural and Small Business Collateral Policies Could Be Improved." The report found that the FHLB System had fallen short in its efforts to prioritize economic development in communities throughout the country, as part of its mandate requires it to do. In response to the report, Chairman Kanjorski wrote to FHFA Acting Director Edward DeMarco and each of the twelve FHLB presidents to request that they outline the steps they intend to take to improve economic and community development activities.

Resolution Funding Corporation (REFCorp) Payments. Although the Committee took no direct oversight action on REFCorp payments by the FHLBs, Committee staff continued to monitor developments in this area throughout the 111th Congress. The REFCorp obligation is presently expected to be met in 2012.

HOUSING

Mortgage Foreclosures and Loan Modifications. The Committee held a number of hearings on Federal and private sector activities with respect to loan modifications and foreclosure prevention. Topics of the hearings included the Federal HAMP loan modification program, the extent to which lenders were making offers to reduce the principal amount on troubled, underwater mortgages, forbear-

ance and financial assistance to unemployed homeowners, and other related topics.

The Subcommittee on Housing and Community Opportunity held four hearings on the performance of mortgage servicers in modifying loans and assisting homeowners, including modifications through the Treasury's Home Affordable Modification Program (HAMP). On October 21, 2009, Chairwoman Waters and Congresswoman Castor wrote to Secretary Geithner requesting information on the total number of HAMP trial modifications started and the total number of trial period plan offers extended to borrowers, disaggregated by State, Metropolitan Statistical Area (MSA) and Congressional district. In October 2009, the Treasury Department began providing disaggregated HAMP data by State. The Department began providing disaggregated data by MSA in November 2009. To date, no data disaggregated by Congressional district has been provided.

On September 30, 2010, Chairwoman Waters wrote to Federal Housing Administration (FHA) Commissioner Stevens on the extent to which FHA servicers were complying with FHA servicing guidelines, in light of reports of servicer misconduct and documentation fraud.

On October 4, 2010, Chairwoman Waters wrote to the CEOs of Wells Fargo, Citigroup, HSBC, PNC Bank, and US Bank to request that the banks thoroughly review their servicing practices and impose a moratorium on all foreclosures pending the outcome of that review.

Chairwoman Waters wrote to Secretary Geithner on October 4, 2010 asking about the status of the programs and the actions the Treasury has taken to monitor and penalize servicers, if necessary, in light of allegations of widespread servicer misconduct.

On October 4, 2010, Chairwoman Waters wrote to Federal Housing Finance Agency Acting Director DeMarco to request that his agency review the servicing practices of firms servicing loans it owns and to suspend all foreclosures on loans it owns pending such a review.

On October 6, 2010, Chairwoman Waters wrote to California Attorney General Edmund Brown asking him to examine the extent to which that State's unfair and deceptive acts and practices (UDAP) statutes could be used to prevent further improper foreclosures.

The Subcommittee on Housing and Community Opportunity held a hearing on November 18, 2010, to examine HAMP and other issues related to foreclosure documentation and due process requirements. Witnesses included housing and banking regulators, mortgage servicers, consumer advocates, foreclosure attorneys, and other experts.

In addition, the Subcommittee on Housing and Community Opportunity held a hearing on May 6, 2009 on "Legislative Solutions for Preventing Loan Modification and Foreclosure Rescue Fraud." The hearing examined the growing industry of foreclosure consultants who purport to, for a fee, prevent a foreclosure or obtain a loan modification on a homeowner's behalf. Legislation to provide for the regulation of these persons was included in the Dodd-Frank

Wall Street Reform and Consumer Protection Act of 2010 (PL 111–203).

On March 18, 2009, Chairwoman Waters wrote to the Federal Trade Commission, the Federal Communications Commission, and the Department of Housing and Urban Development (HUD) about web sites fraudulently purporting to offer Federal loan modification assistance to unsuspecting homeowners. She requested that the web sites be taken down as soon as possible.

On April 30, 2009, Chairwoman Waters wrote to the Federal Trade Commission, asking the Commission to take immediate steps to prevent foreclosure consultants from featuring the images and words of Members of Congress on their website or in their marketing.

Housing Preservation. The Committee held a series of hearings on affordable housing preservation in 2009 and 2010, which involved receiving testimony from HUD and a broad range of stakeholders. On July 27, 2010, the Committee favorably reported H.R. 4868, the “Housing Preservation and Tenant Protection Act of 2010,” which would ensure long-term preservation of HUD’s assisted housing inventory while protecting poor and low-income residents from being displaced by higher rents once the affordability restrictions for their unit are lifted.

FY 2010 Budget for the Department of Housing and Urban Development, the Rural Housing Service, the Neighborhood Reinvestment Corporation and the National Flood Insurance Program. The Committee will conduct a hearing or a series of hearings to consider Administration FY 2010 budget proposals for these agencies and programs, including receiving testimony from relevant agencies. Such hearings will concentrate on the Department’s efforts to be responsive to current market challenges as well as ensuring decent affordable housing. During these hearings the Committee will examine spend out rates for assisted programs in addition to program oversight and accountability measures.

Public Housing. The Committee held several hearings on the current state of public housing, including the capital needs of the public housing properties, new proposals to preserve existing properties, and proposals to provide public housing agencies and residents greater access to supportive services.

On June 15, 2009, Chairman Frank, with Subcommittee Chairwoman Waters, wrote to the Secretary of Housing and Urban Development, Shaun Donovan, requesting a moratorium on the demolition and disposition of public housing units to allow the Committee to work with the Department and other interested stakeholders to enact legislation that would facilitate the preservation of public housing units. The Committee held several hearings concerning the preservation of public housing. The Committee considered legislation, H.R. 5814, the “Public Housing Reinvestment and Tenant Protection Act of 2010,” to authorize the Choice Neighborhoods program, reform the public housing disposition and demolition statute, increase access to existing funding resources for public housing rehabilitation, and authorize a new program for the training of public housing residents as home healthcare providers. The Committee reported the bill favorably on July 27, 2010. The bill included four titles: the Choice Neighborhoods Initiative Act of 2010,

the Public Housing One-for-One Replacement and Tenant Protection Act of 2010, the Public Housing Preservation and Rehabilitation Act of 2010, and the Together We Care Act of 2010.

The Committee held a hearing on May 25, 2010 on “The Administration’s Proposal to Preserve and Transform Public Housing: The Transforming Rental Assistance Initiative” also known as PETRA. Witnesses at the hearing included HUD officials, public housing agencies, HUD-assisted multifamily housing owners, and tenant representatives and advocates. The Administration’s draft legislation proposes preserving public and HUD-assisted housing properties through conversion to a unified project-based assistance, enhancing housing choices for residents and creating more uniform policies across HUD rental assistance programs. The Committee took no legislative action on PETRA.

On July 29, 2009, the Subcommittee on Housing and Community Opportunity held a hearing on “Academic Proposals on the Future of Public Housing.” At the hearing various academics testified about the current state of the public housing stock, resident characteristics, and issues facing the program as it moves into the 21st century. On April 28, 2010, the Subcommittee held a hearing on “Legislative Proposals to Preserve Public Housing.” The hearing focused on two discussion drafts. The first, the Public Housing One-for-One Replacement and Tenant Protection Act of 2010, was designed to preserve public housing stock through one-for-one replacement of demolished or disposed units. The second, the Public Housing Preservation and Rehabilitation Act of 2010, was designed to provide public housing agencies with various financial tools in order to facilitate preservation of the stock. Both pieces of legislation were eventually included in HR 5814, the Public Housing Reinvestment and Tenant Protection Act of 2010.

On July 20, 2009, the Subcommittee on Housing and Community Opportunity held a field hearing in New York City on “Legislative Proposals to Increase Work and Health Care Opportunities for Public and Subsidized Housing Residents.” The hearing covered two discussion drafts authored by Rep. Velazquez. The first, the Earnings and Living Opportunity Act would reform the Section 3 program which provides employment opportunities for residents of public and assisted housing that live in or near developments that undergoing rehabilitation or reconstruction. The second, the Together We Care Act, would create a pilot program to train public housing residents to become home health care aides to elderly residents in public housing. Witnesses included representatives from HUD and New York State and local government; experts on public housing, employment, and health care; and residents of public and assisted housing. The Together We Care Act was also included in HR 5814.

On June 30, 2010, Chairwoman Waters wrote to Secretary Donovan in support of a qualified application of Moving-to-Work (MTW) status by the Housing Authority of the City of Los Angeles (HACLA), provided the MTW contract between HACLA and HUD included one-for-one replacement, tenant protections, preservation of units, and social services and employment training programs.

HOPE VI. The HOPE VI program provides assistance to public housing agencies to improve the living environment for residents of

severely distressed public housing projects. The Administration's budget request for Fiscal Year 2009 and 2010 included funds for the Choice Neighborhoods Initiative, a grant program to replace the HOPE VI program and provide funds for the revitalization of public and HUD-assisted rental housing. On March 17, 2010, the Committee held a hearing on the Administration's proposal for the Choice Neighborhoods initiative. Witnesses included representatives from HUD, affordable housing advocacy groups and industry. Title I of H.R. 5814, the Public Housing Reinvestment and Tenant Protection Act of 2010, authorizes the Choice Neighborhood program. In addition, the new Choice Neighborhoods program would include a number of the important reforms from previous HOPE VI legislation, including expanding the number of replacement housing units, ensuring that residents have access to revitalized sites, requiring monitoring and tracking of displaced residents, and greater resident involvement in the planning and re-development process. The Committee ordered reported the bill favorably on July 27, 2010.

The Subcommittee on Housing and Community Opportunity reviewed the HOPE VI program in light of the Administration's proposal to replace the program with its Choice Neighborhood Initiative, which was put forward first in the FY2010 budget for the Department of Housing and Urban Development and again in the FY2011 budget. During the July 29, 2009 Subcommittee hearing on academic perspectives on the future of public housing, expert witnesses discussed the HOPE VI program's record on revitalizing public housing and building mixed-income communities. The hearing also examined the impact of HOPE VI on tenants', including tenants' ability to find affordable housing during HOPE VI rehabilitations and return to their original communities once redevelopment is complete. On March 17, 2010, the Subcommittee held a legislative hearing on a discussion draft of the Administration's Choice Neighborhoods Initiative. The Choice Neighborhoods Initiative Act of 2010 was included under Title I of H.R. 5814, which the Committee reported with a favorable recommendation on July 27, 2010. The Initiative would build upon the successes of HOPE VI, and expand the program by allowing certain assisted and privately-owned housing to be rehabilitated using program funds, allow non-profits to act as primary applicants and for-profit developers to act as co-applicants on grant applications, and allow certain non-housing activities to be undertaken with program funds.

Affordable Housing Production. The committee did not hold hearings or take action on the legislation adopted in the prior Congress to establish a National Housing Trust Fund program. However, the full House did approve \$1 billion in funding for the Fund, as part of a broader jobs bill, H.R. 2847.

Housing Tax Credit Programs. The committee did not hold hearings on these programs, as they are not in the committee's jurisdiction. However, as part of the enacted stimulus bill, Congress approved authority for states to exchange up to 40 percent of their 2009 tax credit allocation, plus carryover credits, for cash, for projects otherwise eligible for the low income housing tax credit.

Federal Housing Administration (FHA). The Committee held hearings on the health of the FHA fund and program, as well as

Administration budget proposals to raise annual FHA premiums and to give FHA increased powers to crack down on FHA loan originators that don't follow underwriting guidelines or are not qualified to underwrite FHA loans. Ultimately, the committee favorably reported and the House approved, H.R. 5072, the "FHA Reform Act of 2010," which included the Administration's FHA proposals, plus a number of other provisions designed to improve the operations of FHA and to strengthen provisions focused on the financial health of the FHA fund. Subsequently, the House approved legislation (H.R. 5981), which was enacted into law, that authorized the increase in annual premiums that was included in the Administration's original FHA budget proposal.

The Committee, along with the Subcommittees on Housing and Community Opportunity and Oversight and Investigations, held a combined six hearings on various issues related to the Federal Housing Administration. The first two of those hearings examined FHA's ability to oversee approved lenders and its ability to prevent fraud (the first hearing, "FHA Oversight of Loan Originators" was held on January 9, 2009 and the second hearing, "Strengthening Oversight and Preventing Fraud in FHA and Other HUD Programs" was held on June 18, 2009). The other four hearings on FHA examined the status of FHA's Mutual Mortgage Insurance Fund (MMIF), which in FY2009 fell below the 2 percent mandated under The Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625), as well as regulatory, administrative and statutory proposals to improve the financial health of the MMIF (the first Subcommittee hearing on FHA's financial condition was held on October 8, 2010; a Committee hearing also examined this topic on December 2, 2009; a legislative hearing by the Subcommittee on the FHA Reform Act of 2010 was held on March 11, 2010; a hearing on FHA's implementation of higher loan fees and pending legislative proposals was held on September 22, 2010). In these hearings, the Subcommittee and Committee conducted oversight of FHA's regulatory and administrative actions taken to improve the financial condition of the MMIF, including: hiring a Chief Risk Officer; creating stricter guidelines for the streamline refinance program; announcing new appraisal controls; increasing net worth requirements for mortgagees; increasing the upfront mortgage insurance premium; changing downpayment requirements for borrowers with low credit scores; and reducing allowable seller concessions.

On April 22, 2010, the Committee reported out the FHA Reform Act of 2010 (H.R. 5072) with a favorable recommendation, which provided FHA with additional tools to improve the health of the MMIF. The Act included a provision to allow the Secretary to increase the annual mortgage insurance premium for the single-family mortgage insurance program, which will increase funds to the MMIF by an estimated \$300 million per month. The Act also extended the Secretary's authority to require indemnification from Direct Endorsement lenders; provided the Secretary with the authority to terminate mortgagee approval on a nationwide basis if the mortgagee originates or underwrites mortgages with excessive rates of claim or default; and provided the Secretary with enhanced ability to review mortgagee performance, including hiring outside credit risk analysts, reviewing significant or rapid increases in

early defaults or claims, reporting mortgagee actions taken against other mortgagees, enhancing annual and quarterly reports on the MMIF, providing default and origination information by loan servicer and originating direct endorsement lender, and requiring a GAO report. The Act passed the U.S. House of Representatives on June 10, 2010 by a margin of 406–4. The provision in the Act that would allow the Secretary to increase the annual mortgage insurance premium on the single-family mortgage insurance program became law on August 11, 2010 (P.L. 111–229).

Section 8 Housing Choice Voucher Program. On June 4, 2009, the Subcommittee on Housing and Community Opportunity held a hearing on H.R. 3045, the Section 8 Voucher Reform Act of 2009. This legislation would reform and streamline the Section 8 voucher program by reforming the funding formula, simplifying inspections and deductions, and reforming the Moving-to-Work panel. Witnesses included HUD, public housing agencies, tenant advocates, and housing experts. On July 23, 2009 the Committee marked up the legislation and favorably ordered it reported to the House.

Rural Housing. On April 22, 2010, the Committee held a markup on April 22, 2010 on H.R. 5017, the “Rural Housing Preservation and Stabilization Act of 2010. The bill would preserve Section 502 single family direct and guaranteed loan programs. The Committee favorably reported the bill on April 22, 2010. On April 27, 2010, the House passed the bill under suspension of the rules by a vote of 352 to 62. H.R. 5017 subsequently was referred to the Senate Subcommittee on Banking, Housing, and Urban Affairs for further consideration.

The Committee conducted oversight of the Rural Housing Services’ multifamily mortgage restructuring and preservation program as part of its series of hearings on affordable housing preservation and H.R. 4868, the “Housing Preservation and Tenant Protection Act of 2010.” The Committee held a hearing and enacted legislation designed to make the RHS single-family loan guarantee program self-financing. The Committee subsequently held a series of meetings intended to ensure that the legislation was quickly implemented.

On March 4, 2010, the Subcommittee on Housing and Community Opportunity submitted a letter to the Subcommittee on Appropriations to support funding of \$27 million in FY2010 for the Rural Housing Service Multifamily Housing Revitalization Demonstration Program, which helps to finance Sections 514, 515, and 516 multifamily rental housing programs. On July 29, 2010, the language from H.R. 5017 was incorporated into the Supplemental Appropriations Act of 2010, H.R. 4899. The President signed H.R. 4899 into law (P.L. 111–212) on July 29, 2010.

On March 15, 2010, Chairwoman Waters, Chairman Frank, and other members wrote to the U.S. Department of Agriculture, requesting that the Rural Housing Service work with Congress on a solution to provide for the continued solvency of the Section 502 single family loan guarantee program.

On September 28, 2010, the Chairwoman Waters, Chairman Frank, and other Members wrote to the U.S. Department of Agriculture requesting that the Rural Housing Service take immediate

steps to implement a mortgage servicing program to help Section 502 Guaranteed and Direct loan borrowers avoid foreclosure.

Section 202 Elderly and Section 811 Disabled Housing. Title VII of H.R. 4868 reforms the Section 202 Supportive Housing for the Elderly program to facilitate the construction of new units, and the preservation of existing units. The Committee ordered reported H.R. 4868 favorably on July 27, 2010. On December 18, 2010, the Senate passed by unanimous consent its versions of legislation to reform the Sections 202 and 811 programs—S. 118, the “Section 202 Supportive Housing for the Elderly Act of 2010” and S. 1481, the “Frank Melville Supportive Housing Investment Act of 2010.” On December 21, 2010, both bills passed the House on a voice vote.

Homelessness. The House approved an omnibus housing bill that included the reauthorization of the McKinney-Vento homeless programs, which was subsequently enacted into law (P.L.111–22). The McKinney-Vento programs include provisions designed to improve the effectiveness of federal homeless programs and assistance, including revising the definition of “homeless persons” and “chronic homelessness,” targeting more funds towards homeless prevention, and improving the delivery of homeless assistance in rural areas.

On March 28, 2009, the Subcommittee on Housing and Community Opportunity held a field hearing in Los Angeles, California to discuss the impact of the foreclosure crisis on various populations, including the specific effect of foreclosures on the homeless population. Witnesses testified about the growing number of homeless families and the lack of resources available to the rising homeless population in both Los Angeles County, as well as the rest of the country. On June 16, 2009, the House passed H.R. 403, the “Homes for Heroes Act of 2009” which authorizes 20,000 new housing vouchers for homeless veterans. H.R. 403 was referred to the Senate Subcommittee on Banking, Housing, and Urban Affairs on June 17, 2009. The Subcommittee reviewed a report by the Government Accountability Office and public comments submitted to HUD regarding the proposed definition of homelessness under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008.

On July 28, 2010, Chairwoman Waters sent a letter to the Regulations Division of the Office of General Counsel at HUD in support of a comment letter submitted by the John Burton Foundation for Children Without Homes on June 16, 2010 in response to the HUD public comment phase for defining the term “homeless” under the Homeless Emergency Assistance and Rapid Transition to Housing Act. The letter supported the Burton Foundation’s letter proposing changes to the documentation required to establish homelessness, the number of times a youth must move prior to applying for aid, the required employment barriers a youth must face to qualify for aid, and the lack of coverage for youth leaving foster care.

Native American Housing. The Committee met with staff from the Government Accountability Office on several occasions as the GAO carried out a congressionally-mandated report on the effectiveness of NAHASDA. The GAO subsequently published its report (GAO–10–326) in February 2010, entitled “Native American Housing: Tribes Generally View Block Grant Program as Effective, but

Tracking of Infrastructure Plans and Investments Needs Improvement.”

On April 10, 2010, the Subcommittee on Housing and Community Opportunity held a legislative field hearing in Window Rock, Arizona focusing on H.R. 3553, and the “Indian Veterans Housing Opportunity Act of 2009,” which would ensure HUD housing benefits to qualified Native American veterans with disabilities. The hearing addressed the need for housing services within the Native American veteran community, especially among those with disabilities. On April 20, 2010, H.R. 3553 passed out of the House under a suspension of the Rules by voice vote and was referred to the Senate. On September 27, 2010, the Senate passed H.R. 3553 by unanimous consent without amendment. The President signed H.R. 3553 into law (P.L. 111–269) on October 12, 2010,

Neighborhood Stabilization Program (NSP). The Committee provided oversight to HUD on the implementation of NSP. On May 22, the Chairman wrote to HUD Secretary Shaun Donovan requesting consideration of various implementation and regulatory issues, including the purchase discount requirement, the definition of abandoned properties, appraisal requirements, and rules concerning previously acquired foreclosed properties. In response, HUD reduced the purchase discount, clarified the definition of abandoned properties, agreed to a case-by-case review, if necessary, of rules concerning previously acquired properties and noted the Department’s agreement with the appraisal requirements. The Subcommittee on Housing and Community Opportunity conducted a field hearing in the Twin Cities on January 23, 2010 that examined NSP and how that program is being used to increase the supply of public and assisted housing across the country, and specifically in the Twin Cities. The Subcommittee heard testimony from HUD on the condition of the housing market in the Twin Cities as well as efforts under NSP to stabilize that market. The Subcommittee also heard from local government officials about the challenges that foreclosed, abandoned, and vacant property pose to the city and from non-profit stakeholders about the need for NSP and challenges in its implementation. Witness testimony informed Subcommittee work with HUD on revising relevant regulations to expedite spend out rates and allow grantees to more effectively stabilize communities.

On May 13, 2010, Chairwoman Waters wrote to the Federal Housing Administration, JPMorgan Chase, Citigroup, Wells Fargo and Bank of America regarding the processes they use to dispose of real estate-owned (REO) properties in their inventory and asked that they attend a briefing in Los Angeles with the real estate community.

Community Development Block Grants. The Committee held a hearing on June 19, 2009 on the Economic Disaster Area Act of 2009 to explore a legislative proposal to set aside CDBG funds for economic disaster areas. The act sought to utilize CDBG as a resource to assist communities experiencing high and persistent unemployment, particularly in rural areas. On April 20, 2010, the Chairman and Subcommittee Chairwoman Waters wrote to the Appropriations Subcommittee requesting that \$6 million in budget au-

thority for the CDBG Section 108 Loan Guarantee Program be restored.

The Subcommittee on Housing and Community Opportunity requested and received a report by the Government Accountability Office (GAO) on how CDBG funds are distributed and expended by grantees to subrecipients at the local level (Community Development Block Grants: Entitlement Communities' and States' Methods of Distributing Funds Reflect Program Flexibility, September 15, 2010). This included a review of entitlement grantee distribution and expenditure processes, and methods of distribution used by states. GAO found that distribution processes varied widely between grantees, consistent with the flexibility embedded within the CDBG program.

Federal Housing Response to Natural Disasters. The Subcommittee on Housing and Community Opportunity held 2 days of hearings in 2009 on August 28th and 29th in New Orleans, Louisiana to examine issues facing the recovery of the city's housing market 4 years after Hurricane Katrina. The hearings focused on the status of two programs' critical to the City's housing recovery: the redevelopment of the Big Four public housing developments and the Road Home program.

On October 7, 2009, Chairwoman Waters wrote to HUD Secretary Donovan concerning actions HUD planned to take to address allegations that some developers were implementing illegal work requirements.

On October 7, 2009, Chairwoman Waters wrote to Attorney General Holder asking that he investigate repeated violations of the Fair Housing Act by officials in St. Bernard Parish who were blocking the development of an affordable rental housing development in violation of a court order.

On April 14, 2010, Chairwoman Waters wrote to Attorney General Holder and HUD Secretary Donovan to request that the Department of Justice and HUD remedy the unequal funding distribution formula that disadvantaged minority homeowners through the State of Louisiana's Road Home Program.

On July 22, 2010, Chairwoman Waters wrote to Federal Emergency Management Administrator Fugate to request that his agency improve the safety of travel trailers that were used as temporary housing units after Hurricane Katrina.

National Flood Insurance Program (NFIP). Due to the lack of a long-term authorization, the National Flood Insurance program lapsed three times during the 111th Congress: for two days in March 2010, for 18 days in April 2010, and again from June 1 to July 2, 2010. The Housing Subcommittee drafted legislation, H.R. 5569, to continue the program for a three-month period pending the enactment of a long-term authorization. On July 2, 2010, President Obama signed H.R. 5569, legislation to continue the program from June 1 to September 30, 2010. On September 30, 2010, President Obama signed S. 3814, legislation to continue the program through September 30, 2011 (P.L. 111-250).

On April 21, 2010 the Housing Subcommittee held a hearing on "Legislative Proposals to Reform the National Flood Insurance Program." The hearing focused on two bills designed to reform and expand the NFIP: H.R. 5114, the Flood Insurance Reform Priorities

Act of 2010 and H.R. 1264, the Multiple Peril Insurance Act of 2009. H.R. 5114 would reauthorize the flood insurance program for five years and provide various reforms to the program, including the phasing in of actuarial rates for newly mapped homeowners and the elimination of subsidized rates over time for certain categories of properties. H.R. 1264 would direct the NFIP to offer actuarially priced optional wind insurance policies and would prohibit insurers from including anti-concurrent causation provisions in their homeowners insurance policies. On April 22, 2010, both bills were ordered favorably reported; on July 15, 2010, the House of Representatives passed H.R. 5114 by a recorded vote of 329 to 90.

HUD Mission, Management Reform and Staffing. Both the Committee and Subcommittee provided oversight of HUD's mission, management reform, and staffing with numerous hearings and legislation as well as correspondence and meetings with HUD and other federal agency officials; state and local housing officials; the housing industry; and affordable housing, consumer and civil rights advocates. Specific areas of HUD's mission, management, and staffing that the Committee and Subcommittee focused on include FHA, public housing, Section 8, HUD-assisted housing, the Neighborhood Stabilization Program, the McKinney-Vento Homeless Programs; housing counseling, fair housing, green development, veterans housing, disaster assistance, Native American housing, Community Development Block Grant Program, RESPA, and the SAFE Act.

Project-Based Section 8 Program. The Committee will continue to review the timeliness of Housing Assistance Payments for project-based Section 8 properties and may review the need to make statutory changes to ensure the timeliness of Housing Assistance Payments.

Housing Counseling. The Committee held a briefing on March 22, 2010, to provide an overview of the housing counseling industry and the role of nonprofit housing counselors for Congressional staff. The Dodd-Frank Act contained a provision to establish an Office of Housing Counseling within HUD to boost homeownership and rental housing counseling.

On May 13, 2009, the Subcommittee on Housing and Community Opportunity held a hearing on the role of NeighborWorks and housing counseling intermediaries in preventing foreclosures through housing counseling. The hearing focused specifically on challenges and outcomes under the National Foreclosure Mitigation Counseling (NFMC) Program, a NeighborWorks program established to provide foreclosure counseling to troubled homeowners by qualified foreclosure counseling intermediaries receiving grant funding under the program.

Fair Housing. The Committee met with staff from the Government Accountability Office on several occasions as the GAO carried out a report requested by Members of the Committee on HUD's oversight and enforcement of the statutory mandate to ensure that HUD programs affirmatively further fair housing. The GAO issued a report (GAO-10-905) in October 2010 entitled "Housing and Community Grants: HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans." Members of the Committee who requested the report have written to HUD to rec-

ommend that the Department implement each of the GAO report's recommendations.

On January 20, 2010, the Subcommittee on Housing and Community Opportunity held a legislative hearing on H.R. 476, the "Veterans, Women, Families with Children, and Persons with Disabilities Housing Fairness Act of 2010." The bill would authorize HUD to establish a nationwide housing discrimination testing program with an authorization of \$15 million annually for five years; authorize \$42.5 million annually for five years for the HUD Fair Housing Initiatives Program; and establish a \$5 million competitive grant program to study the root causes and effects of housing discrimination. On May 27, 2010, the Subcommittee held a subcommittee markup of H.R. 476 and passed the bill out of the subcommittee. The full Committee favorably reported the bill by voice vote on July 28, 2010.

Green Development. On September 19, 2010, the Committee held a hearing on H.R. 4690, the "Livable Communities Act of 2010," which would codify the Office of Sustainable Communities at HUD, establish an independent, interagency council on sustainable communities within the Executive Branch, and authorize a comprehensive planning grant program for municipalities and a sustainability challenge grant program to help communities execute their comprehensive regional plans.

The Subcommittee on Housing and Community Opportunity held two hearings in June 2009 on H.R. 2336, the "Green Resources for Energy Efficient Neighborhoods Act of 2009 or GREEN Act of 2009." The bill would create programs within HUD that are designed to make residences energy efficient to the 2009 International Energy Conservation Code (IECC), which contains energy efficiency criteria for residential and commercial buildings, as well as additions to existing buildings. The witnesses testified about the importance of affordable green housing, especially for low-income families living in multi-family housing projects. On April 22, 2010, the Committee favorably reported H.R. 2336 by voice vote.

Housing and Services. The Committee will conduct a hearing or a series of hearings on the delivery of housing-based social services, including child care, education, and employment training for low income families, and mental health and substance addiction services for chronically homeless individuals. The Committee will also examine the extent to which affordable housing developers and their social service provider partners face challenges in financing these services.

Oversight of Federal Housing Programs. The Committee will hold oversight hearings on other Federal housing programs run by HUD and the Rural Housing Service. In addition to examining whether these programs are meeting their housing missions, they will focus on the costs, spend out rates and oversight and accountability measures governing these programs.

Real Estate Settlement Procedures Act (RESPA). The Committee provided oversight of RESPA implementation through meetings with stakeholders and with HUD. The final RESPA rule was published on November 17, 2009 (73 FR 68204) and went into full effect January 1, 2010. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203) contained provi-

sions to transfer enforcement of RESPA to the Bureau of Consumer Financial Protection in order to streamline and strengthen consumer protections during the real estate settlement process.

Escrows. As part of the debate on H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act, the Committee explored problems related to the establishment and servicing escrow accounts. Title V of H.R. 1728 contained reforms drafted by Representatives Paul E. Kanjorski and Judy Biggert requiring the establishment of escrow accounts for homeowners with less-than-perfect credit scores. The title also established new disclosures for homeowners who waive escrow services and required lenders to include escrow estimates in repayment analysis prepared in conjunction with the establishment of a mortgage on a residential property. H.R. 1728 passed the Committee on April 29, 2009, and the House on May 7, 2009. The Kanjorski-Biggert escrow reform provisions contained in H.R. 1728 became law in Subtitle E, Title XIV of the Dodd-Frank Act.

Mortgage Broker Licensing and Oversight. The Committee provided oversight of the promulgation of the S.A.F.E. Mortgage Licensing Act of 2008, which established a mortgage originator licensing system and registry to better protect homebuyers. The Chairman wrote to HUD on May 13, 2010 requesting that HUD clarify application of the Act to activities concerning compensation and gain. The Chairman also wrote to HUD on July 22, 2010 requesting guidance on the S.A.F.E. Act implementation date, information regarding the unique status of manufactured housing retailers, and the consideration of a state imposed de minimis standard. HUD agreed to clarify the application of the S.A.F.E. Act towards activities concerning compensation and gain, provided guidance on the implementation date, declined to agree that states have authority to implement a de minimis standard, and indicated it would consider the unique status of manufactured housing retailers in a final rule. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 contained provisions to transfer enforcement of the S.A.F.E. Act to the Bureau of Consumer Financial Protection to further enhance consumer protections with respect to mortgage loan origination and licensing.

Impact of Bankruptcy Cram Down on the Mortgage Market. The Committee will conduct oversight on the impact of bankruptcy cram down legislation on the mortgage market, in general, and specifically on the programs operated by the FHA and the RHS. The oversight review will include the impact of bankruptcy cram down on continued lender participation, the solvency of the FHA Mutual Mortgage Insurance Fund and the solvency of the RHS Section 502 program. The Committee will also conduct oversight on the impact of cram down legislation on primary mortgage interest rates, overall access to mortgage credit, especially for borrowers with weaker credit histories and the future of the GSE's and the securitization market.

Oversight of Entities Receiving Government Funds. Both the Committee and Subcommittee provided oversight of for-profit and non-profit entities receiving government funds through federal housing programs administered by HUD, FEMA, the Departments of Agriculture and Treasury. This oversight included GAO reports,

hearings and legislation, as well as correspondence and meetings with relevant officials and stakeholders. Specific areas of review include loan modifications and mortgage foreclosure prevention, public housing, FHA, Section 8, HUD-assisted housing, rural housing, the Neighborhood Stabilization Program, the McKinney-Vento Homeless Programs, housing counseling, fair housing, disaster assistance, and the Community Development Block Grant Program.

INSURANCE

Insurance Regulatory Modernization. While the States have long functioned as the primary regulators of the insurance marketplace, during the 111th Congress the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises continued to examine both Federal and State efforts to modernize and improve insurance regulation. On May 14, 2009, for example, the Capital Markets Subcommittee convened a hearing entitled “How Should the Federal Government Oversee Insurance?” The hearing focused on insurance regulatory reform, particularly in light of the larger regulatory reform questions raised and efforts undertaken as a result of the financial crisis.

On June 16, 2009, the Capital Markets Subcommittee subsequently held a hearing entitled “Systemic Risk and Insurance.” The hearing explored how insurance would fit into a restructuring of the financial services regulatory system, including an examination of the complexities of insurance firms and insurance holding companies. The hearing also reviewed particular types of insurance products to determine whether they pose a risk to the insurance or financial services system and are of national significance.

On March 18, 2010, the Capital Markets Subcommittee met at a hearing entitled “Insurance Holding Company Supervision.” The hearing focused on:

- the existing authorities of State and Federal regulators with regard to insurers and affiliated companies under the same holding company;
- the supervision and the coordination among State and Federal regulators of these financial entities; and
- how insurance holding company regulation differs from bank and thrift holding company regulation.

Since the 109th Congress, the Committee has additionally favorably reported and the House has repeatedly passed a version of the Nonadmitted and Reinsurance Reform Act. This legislation to streamline the regulation of surplus lines insurance and reinsurance was included in House-passed H.R. 4173 in the 111th Congress and became law as part of the Dodd-Frank Act on July 21, 2010. Likewise, those sections of the Dodd-Frank Act addressing the enhanced supervision and orderly resolution of systemically significant financial institutions drew heavily on the ongoing insurance regulatory modernization inquiries of the Capital Markets Subcommittee in the 110th and 111th Congresses and represent significant advances in the modernization of insurance supervision in the United States.

Financial Guarantee Insurance. The financial guarantee insurance industry with products like municipal bond insurance, credit default swaps, and mortgage insurance played a central role in the

credit and liquidity crisis of 2008 and 2009. Following on the Committee's focus on the bond insurance segment of the financial guarantee insurance industry in the 110th Congress, during the 111th Congress the Committee undertook closer oversight and review of the mortgage insurance segment of the financial guarantee insurance industry.

On July 29, 2010, the Capital Markets Subcommittee held a hearing to examine the "Future of Housing Finance Reform: The Role of Private Mortgage Insurance." The proceeding focused on the business model, structure, regulation, history and performance of the private mortgage insurance (PMI) industry. The hearing also reviewed the PMI industry's experiences during the recent financial crisis and explored the need to alter the laws currently governing the industry.

The Committee monitored the ongoing efforts of the financial guarantee industry to recapitalize itself, and Committee staff regularly met with regulators, insurers and industry experts to examine these matters. On July 7, 2009, Capital Markets Subcommittee Chairman Kanjorski also sent a letter to the U.S. Department of the Treasury recommending that the Federal government help to recapitalize mortgage insurers by providing funding access to the Troubled Asset Relief Program. Chairman Kanjorski additionally recommended that the Treasury Department consider how the mortgage insurance industry could be directly regulated at the Federal level.

On March 25, 2010, Capital Markets Subcommittee Chairman Kanjorski publicly commented that the ongoing troubles in the bond insurance industry demonstrated the need for better information at the Federal level about developments in the insurance industry. The Committee favorably reported out of the Committee H.R. 2609, legislation introduced by Chairman Kanjorski to create a Federal Insurance Office (FIO) within the Treasury Department. As enacted into law in Title V, Subtitle A of the Dodd-Frank Act, the FIO is authorized to gather information about the insurance industry and to monitor the insurance industry for systemic risk purposes, among other duties and responsibilities.

Insurer Access to the Troubled Asset Relief Program (TARP). In addition to its oversight of the general market impacts of the TARP program and the Emergency Economic Stabilization Act of 2008, the Committee gave particular attention to issues surrounding insurer access to TARP during the 111th Congress. Most notably, in March 2009 the Committee and the Capital Markets Subcommittee held a pair of hearings that focused substantially on the Federal intervention at the American International Group (AIG). Leading up to and following these hearings the Committee maintained constant, ongoing communication with officials at the Federal Reserve Bank of New York, the Treasury Department, the Government Accountability Office and AIG to monitor progressive changes to and plans for the winding-up of the substantial Federal assistance made available to AIG in late 2008 and early 2009. Likewise, the Committee conducted ongoing oversight and regular reviews of the limited additional insurance company participation in the TARP program. The Committee received confirmation of the repayment of

TARP fund by all insurers, other than AIG, and received detailed information on the planned repayment of TARP funds by AIG.

Regulation of Insurer Systemic Risks. On March 5, 2009, the Capital Markets Subcommittee held a hearing entitled “Perspectives on Systemic Risk” that began the Committee’s examination into systemic risk at complex financial institutions, including insurers. This examination and Committee’s ongoing reviews culminated with the inclusion of insurers into the Dodd-Frank Act’s provisions designed to address the supervision and orderly resolution of systemically significant financial institutions.

Terrorism Risk Insurance. Throughout the 111th Congress, Committee staff monitored developments related to the implementation of the Terrorism Risk Insurance Program, reviewed studies about the economic security initiative, and examined budget proposals by the Administration to alter the program.

Agent and Broker Licensing Reform. H.R. 2554, the National Association of Registered Agents and Brokers Reform Act of 2010, was forwarded by the Committee to the House, where the legislation passed by voice vote on March 3, 2010. H.R. 2554 establishes a completely reciprocal licensing process for insurance agents and brokers. No further action occurred on H.R. 2554 in the 111th Congress.

Surplus Lines and Reinsurance. As in the prior two Congresses, the House in the 111th Congress passed H.R. 2571, the Non-admitted and Reinsurance Reform Act, on September 9, 2009. The measure, similar to versions previously approved by other Congresses, updates State-based laws with respect to surplus lines insurance and reinsurance markets. During the initial consideration of the comprehensive financial services regulatory reform in the House in December 2009, Oversight Subcommittee Chairman Moore and Capital Markets Ranking Member Garrett successfully offered an amendment on the floor to incorporate H.R. 2571 into H.R. 4173, the Wall Street Reform and Consumer Protection Act of 2009. The Moore-Garrett amendment remained in the Dodd-Frank Act and became law as Title V, Subtitle B.

Guarantee Funds. The role and appropriate reliance on the system of State insurance guarantee funds remained a consideration of the Committee during the debate on the broader regulatory reform provisions designed to address the supervision and orderly resolution of systemically significant financial institutions. As a result, the Committee specifically addressed the central role and importance of State insurance guarantee funds in the orderly resolution of complex financial institutions that include insurance affiliates or subsidiaries. The Committee’s conclusions in this regard were incorporated into the FDIC dissolution provisions of Title II of the Dodd-Frank Act and became public law on July 21, 2010.

Insurance Investments. Committee staff reviewed proposals like those found in H.R. 1479, the Community Reinvestment Modernization Act, to require greater disclosures about the availability of insurance products and information about the investments of insurers. Committee staff also reviewed State insurer requirements to help fund the development of affordable housing, commercial and industrial real estate projects, small businesses, and other community initiatives.

Insurance Information. Building substantially on the oversight and legislative activities in the areas of insurance information and insurance regulatory reform of the Capital Markets Subcommittee throughout the 110th and 111th Congresses, the Committee held a hearing on October 6, 2009, entitled “Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office.” The third panel at this hearing examined H.R. 2609, the Insurance Information Act of 2009. H.R. 2609 was the 111th Congress iteration of Capital Markets Subcommittee Chairman Kanjorski’s Office of Insurance Information Act of 2008. Both bills create a first ever resource center within the Treasury Department to provide advice and expertise on insurance policy to the Administration and Congress.

On December 2, 2009, H.R. 2609 passed the Committee by a voice vote. The legislation to create the Federal Insurance Office subsequently passed the House as part of H.R. 4173 and became law as part of the Dodd-Frank Act. Since then, Committee staff has monitored efforts by the Treasury Department to implement the Federal Insurance Office Act of 2010 and to appoint the first Director of the Federal Insurance Office.

Credit Scoring and Insurance. On May 12, 2010, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Use of Credit Information Beyond Lending: Issues and Reform Proposals.” The hearing reviewed the methodology, use and impact of personal consumer credit information in the financial services marketplace. The first panel focused on how credit-based insurance scores are used in the rating and underwriting of insurance and efforts to improve the supervision and consumer understanding of the use of credit-based insurance scores. The second panel focused on other uses of credit information.

Natural Catastrophe Insurance. On March 10, 2010, the Capital Markets Subcommittee and the Subcommittee on Housing and Community Opportunity jointly held a hearing entitled “Approaches to Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, The Homeowners’ Defense Act.” The hearing focused on H.R. 2555 which would provide Federal encouragement for States to develop State-sponsored reinsurance programs designed to enhance the efficiency by which catastrophic risks are transferred into the capital markets. Specifically, H.R. 2555 would: (1) establish a non-profit consortium to coordinate catastrophe risk management actions by the States; (2) provide for a Federal guarantee of debt obligations issued by eligible state-based catastrophe insurance programs; (3) establish a Federal program to provide reinsurance to eligible state-based catastrophe insurance programs; (4) authorize a new Federal grant program to help the States prevent and mitigate losses from natural disasters; and (5) direct the GAO to study and report on the use of risk-based pricing by state-based catastrophe insurance programs. H.R. 2555 passed the Committee on April 27, 2010, and was favorably reported to the House on July 13, 2010.

Retirement Products. Throughout the 111th Congress, the Committee monitored ongoing developments regarding the regulation of indexed annuities and litigation surrounding the U.S. Securities

and Exchange Commission's indexed annuities rule, commonly known as Rule 151(A). Seeking to await judicial resolution of the issues relating to Rule 151(A), the Committee undertook no formal action with regard to the regulation of indexed annuities. The Committee's deference to the judicial process in this regard was overtaken by the inclusion in the conference on the Dodd-Frank Act of Section 989J, legislative language intended to preclude oversight of the sale of indexed annuities by the Securities and Exchange Commission.

Reinsurance. During the Committee's consideration of H.R. 2609, the Insurance Information Act of 2009, Oversight Subcommittee Chairman Dennis Moore and Representative John Campbell offered an amendment requiring the new office to conduct a study on the global reinsurance market and the critical role it plays supporting the U.S. insurance markets. The Moore-Campbell amendment was ultimately incorporated into the Dodd-Frank Act and enhanced to include an additional study by the new Federal Insurance Office focused on the ability of State regulators to access reinsurance information for regulated companies in their jurisdictions following the enactment of the Nonadmitted and Reinsurance Reform Act as part of the Dodd-Frank Act.

International Developments. In its ongoing review and legislative actions in the areas of insurance regulatory reform and insurance information, the Capital Markets Subcommittee and the Committee sought out and incorporated, as appropriate, information regarding international developments in insurance regulatory oversight. Most notably, during its hearing entitled "Systemic Risk and Insurance" on June 16, 2009, the Capital Markets Subcommittee received testimony from the European Parliament's rapporteur (sponsor) for legislation to create a European Supervisory Authority for Insurance. Throughout the development of the insurance-related sections of the Dodd-Frank Act, the Committee also sought and received frequent input from foreign governments, foreign insurers and reinsurers operating in the United States, and public advocacy experts specializing in the possible consumer and international trade implications of the insurance regulatory and insurance information provisions.

INTERNATIONAL FINANCE

Annual Report and Testimony by the Secretary of the Treasury on the State of the International Financial System and International Monetary Fund Reform. Pursuant to 22 U.S.C. 262r-4, the Secretary of the Treasury submitted a report to Congress in October 2009 regarding the state of the international financial system. On September 22, 2010, the Committee held a hearing, entitled "The State of the International Financial System, Including International Regulatory Issues Relevant to the Implementation of the Dodd-Frank Act," at which Timothy Geithner, Secretary of the Treasury, was the only witness. This hearing, which was intended to assess the contents of the October report and discuss other timely issues regarding the state of the international financial system, focused primarily on the state of efforts by the Basel Committee on Banking Supervision to reach a new international capital accord,

with emphasis on how the new capital accord being crafted could be expected to affect U.S. banking entities.

In spring 2009, Chairman Frank cautioned Treasury and International Monetary Fund (IMF) officials that unless a substantial amount of IMF resources was made available to help the world's poorest countries that were being increasingly affected by the global economic crisis, there may not be sufficient support in the House to secure passage of the Administration's request to boost IMF resources. The policy goal of insisting that some of the profits from the proposed sale of IMF gold should be used to help alleviate the most vulnerable countries' burdens, was incorporated as a congressional directive in the "Supplemental Appropriations Act, 2009," thus strengthening the hand of the Treasury Secretary to negotiate such an outcome.

On May 13, 2009, Chairman Frank wrote to IMF Managing Director Dominique Strauss-Kahn to express his appreciation for the IMF's commitment under Strauss-Kahn's leadership to showing a greater understanding of the social dimension that must be present when decisions about economic assistance are made.

On May 13, 2009, the Subcommittee on International Monetary Policy and Trade held a hearing entitled, "Implications of the G-20 Leaders Summit for Low-Income Countries and the Global Economy." The hearing focused on the challenges faced by emerging markets and developing countries in the current global economic downturn and the importance of providing resources through the international financial institutions to emerging markets and developing countries to help finance countercyclical spending, bank recapitalization, infrastructure, trade finance, balance of payments support, debt rollover, and social support.

On July 8, 2009, Chairman Frank wrote to IMF Managing Director Dominique Strauss-Kahn emphasizing that he was able to work to help secure passage of the IMF package in the House in large part because he was able to assure his Democratic colleagues that the most vulnerable and poor low-income countries would not be left behind, and Frank reminded Strauss-Kahn how important it was to the United States that he push for an international consensus on this policy among IMF members.

On January 27, 2010, the Subcommittee on International Monetary Policy and Trade held a hearing entitled "The State of Global Microfinance: How Public and Private Funds Can Effectively Promote Financial Inclusion for All." Members examined the microfinance industry as one of the great success stories of foreign aid and multilateral development banks' private sector initiatives, providing millions of poor people with basic financial services. Yet there are still gaps in the availability of microfinance funding, especially in Sub-Saharan Africa, in part due to lack of capacity to run microfinance programs, and weak capital market frameworks that limit the flows and effectiveness of capital. Data indicate that countries can improve levels of financial inclusion by creating effective policy and regulatory oversight.

On November 16, 2010, the Subcommittee on International Monetary Policy and Trade held a hearing entitled "The Global Financial Crisis and Financial Reforms in Nigeria." This hearing examined the financial reforms being implemented in Nigeria and the

impact of the global financial crisis in Sub-Saharan Africa, which suffered from the secondary effects of the global financial crisis as demand and prices for Africa's primary exports collapsed, along with falling remittances. International response to the crisis included a dramatic increase in IMF resources, with some reweighting of SDR allocations to the benefit of developing countries, including in Africa. Windfall profits from planned IMF gold sales garnered an estimated \$6 billion in additional capital available for least developed countries, of which Africa is expected to be a primary beneficiary. The World Bank and African Development Bank dramatically increased lending and grant programs to Africa in response to the crisis. In Nigeria, the governor of the Central Bank led efforts to modernize the country's financial and capital markets, with the Nigerian government providing a \$4 billion bailout to several domestic banks that were near collapse while introducing stringent new capital rules.

On May 20, 2010, the Subcommittee on International Monetary Policy and Trade and the Subcommittee on Domestic Monetary Policy and Technology held a joint hearing entitled "The Role of the International Monetary Fund and Federal Reserve in Stabilizing Europe." Members discussed the Federal Reserve's plan to re-open temporary U.S. dollar liquidity swap facilities with foreign central banks and the significant role of the International Monetary Fund in the effort to help foster financial stability in Europe, including a commitment of approximately \$40 billion of IMF funds, as part of a larger multilateral financing package, to help the Greek government address its economic challenges.

Exchange Rates. The Committee will review and assess the semi-annual report to Congress from the Secretary of the Treasury on International Economic and Exchange Rate Policies pursuant to the Omnibus Trade and Competitiveness Act of 1988. The Committee will monitor developments related to the exchange rate policies of the United States' major trading partners and will pay particular attention to the policies of countries that seek to maintain a fixed exchange rate for their currencies. The Committee will assess the effects of these currency practices on the competitiveness of U.S. firms and on the stability of the international financial system.

Trade in Financial Services. The Committee continued to monitor the negotiation of financial services and investment provisions in the U.S.-Korea Free Trade Agreement, with particular attention to the elimination of barriers to the delivery of financial services in Korea, such as foreign ownership limitations, product and service restrictions, client restrictions, and non-transparent regulations.

Global Capital Flows. The Committee will monitor the effects of the flow of capital globally, and in particular, trends in foreign countries' investments of their large currency reserves in the United States and other countries. The Committee will assess the effects of the investment of these reserves on global financial stability and on multilateral policy initiatives. The Committee will also assess U.S. and multilateral policies on the regulation of capital flows.

Trade in Financial Services. The Committee continued to monitor the negotiation of financial services and investment provisions in

the U.S.-Korea Free Trade Agreement, with particular attention to the elimination of barriers to the delivery of financial services in Korea, such as foreign ownership limitations, product and service restrictions, client restrictions, and non-transparent regulations.

Export-Import Bank of the United States. The Subcommittee on Oversight and Investigations (O&I) and the Subcommittee on International Monetary Policy and Trade (IMPT) held a hearing entitled “Ex-Im Bank Oversight: The Role of Trade Finance in Doubling Exports over Five Years,” held on September 29, 2010. The hearing focused on the work of the Export-Import Bank of the United States (“Ex-Im Bank”). The Subcommittees reviewed its activities to promote export growth, especially since the onset of the global financial crisis and recession, which made credit availability more challenging for businesses. The Subcommittees also examined what role Ex-Im Bank is and should be playing in the Obama Administration’s National Export Initiative to double exports over five years. Another key issue was ensuring small businesses had adequate access to trade finance through Ex-Im.

The O&I and IMPT Subcommittee Chairs and Ranking Members transmitted a letter to GAO the day of the hearing, asking that they review “how Ex-Im’s efforts compare to the export financing efforts of other export credit agencies,” and report back to Congress. This initial hearing lays the groundwork for reauthorizing the Export-Import Bank when their authority expires in 2011.

International Clean Technology Fund. After examining at a hearing last Congress the Administration’s proposal to support a multi-lateral “Clean Technology Fund” to help developing economies develop clean technology to reduce greenhouse gas emissions, the Committee worked with the leadership and the House Appropriations Committee to include in the “Consolidated Appropriations Act, 2010” authorization for U.S. contributions to a “Clean Technology Fund” at the World Bank, which included policy conditions on country and project eligibility, restricted the types of projects, technologies, and economic sectors that could receive funds, and limited the amount of funds that could be allocated to any one country.

Counter-Terrorism Financing Policy. On May 26, 2010, the Subcommittee on Oversight and Investigations held a hearing entitled “Anti-Money Laundering: Blocking Terrorist Financing and Its Impact on Lawful Charities.” The hearing examined how money laundering laws and regulations are enforced with respect to charitable organizations and government efforts to stop the flow of money to terrorist organizations.

On September 28, 2010, the Subcommittee on Oversight and Investigations held a hearing entitled “A Review of Current and Evolving Trends in Terrorism Financing.” The hearing examined how terrorist organizations continue to finance their activities, how these organizations have altered their financing techniques to avoid current methods exercised by the U.S. government to stem the flow of money to terrorists, and potential vulnerabilities in the financial institutions system of the U.S. and the world that could be exploited by terrorist organizations.

Committee staff met regularly with staff of FinCEN to discuss issues related to the Terrorist Financing Working Group and

FinCEN's role as our nation's foreign intelligence unit (FIU) in coordinating with Egmont and the Financial Action Task Force (FATF).

U.S. Oversight Over the International Financial Institutions (IFIs). Throughout the 111th Congress, Committee staff met on a regular basis with Treasury officials and representatives from the multilateral development banks (MDBs) to examine MDB requests for significant general capital increases from donor countries, and staff closely monitored the status of proposed reforms at each development institution and emphasized that these reform agendas would be an integral part of the capital increase request process.

In spring 2009, Committee staff joined a policy expert from the AFL-CIO, a Washington representative of the International Trade Union Confederation, and a trade and labor expert from the Carnegie Endowment for International Peace to negotiate with the World Bank a moratorium on the Bank's use of its "Employing Workers" Indicator, which encourages the reduction of workers' protection, in its annual "Doing Business" report. The Bank also agreed to convene a consultative group to propose possible changes to the Indicator and to work to develop a new workers' protection indicator that would encourage compliance with core labor standards and improved social protection.

In June 2009, Committee staff participated in the Inter-American Development Bank's (IDB's) Washington, D.C., consultations with IDB officials and civil society representatives to provide input into a significant overhaul of the IDB's inspection mechanism. Committee staff followed up with members of the IDB's executive board, and in particular with members of the Board's Organization, Board Matters and Human Resources Committee, to stress that congressional consideration of any increase in the IDB's capital base would be linked, in part, to the degree the new mechanism was independence from Bank management, its overall transparency, the adequacy of the mechanism's budget, the elimination of conflicts of interest, and the degree of requester participation in the process.

On September 10, 2009, the Committee held a hearing titled, "The World Bank's Disclosure Policy Review and the Role of Democratic Participatory Processes in Achieving Successful Development Outcomes." The hearing focused on the World Bank's proposed updated policy on information disclosure and examined how the lack of direct democratic accountability at multilateral institutions like the World Bank makes it necessary that other control mechanisms—such as increased and timely access to Bank documents, greater transparency and parliamentary oversight, and broad public debate about the Bank's development policies—are in place to ensure that broad, global international interests are being promoted. The hearing also examined the factors that drive or hinder change in complex international institutions and the principal instruments and mechanisms that leverage change.

On March 23, 2010, Chairman Frank spoke at the G-20 meeting of Labor Ministers in Washington, D.C., on the importance of governments integrating the expertise of their respective labor ministries when loans or projects affecting labor markets and worker

rights come before the Boards of the multilateral development institutions.

On March 26, 2010, Chairman Frank and Senate Chairmen Kerry and Leahy wrote to World Bank President Zoellick asking the World Bank for more environmental and social commitments from Eskom Holdings Ltd. before lending the South African utility \$3.75 billion to build one of the world's largest coal-fired power plants.

On May 25, 2010, Chairman Frank wrote to World Bank President Zoellick regarding ongoing biases reflected in the World Bank's annual "Doing Business" Report.

On May 26, 2010, Chairman Frank and Representative McGovern sent a letter to the Department of the Treasury and IDB President Moreno recommending Ms. Korinna Horta for one of the five open Panel positions on the IDB's newly established "Independent Consultation and Investigation Mechanism." In recommending Ms. Horta, the members noted her strong background in international economic, social, and environmental development, her extensive investigative fieldwork, her experience working with indigenous peoples and other vulnerable population groups, and her understanding of the missions and policy frameworks of the multilateral development institutions.

From August 27 to September 4, 2009, in an effort to better understand the role of the multilateral development banks and the impact of the global financial crisis on development efforts in Africa, Representative Meeks led a bipartisan Congressional delegation to Tunisia, Rwanda, and Zimbabwe. In each country, the members met with top government officials, parliamentarians, civil society leaders, and representatives of the private sector, including American companies. As the temporary home of the African Development Bank (AfDB), in Tunisia the delegation met with the senior leadership of the AfDB for extended discussions about the institution's work across the continent, and ongoing reforms within the institution. In Rwanda, the delegation conducted site visits of development projects, including a small-holder farm benefiting from agricultural technical assistance, a road and bridge construction site, the Kigali University Teaching Hospital, and a textile factory. World Bank and International Monetary Fund lending to Zimbabwe has been suspended since 2000 due to nonpayment of arrears. Following particularly violent national elections in 2008, Zimbabwe has begun to stabilize under a fragile unity government. Members met with the President, the Prime Minister, the Minister of Finance, and parliamentarians responsible for drafting Zimbabwe's new constitution.

From February 14–21, 2010, Representative Meeks and Representative Watt led a bipartisan congressional delegation to Nigeria, Ethiopia, Zimbabwe, and Botswana. The purpose of the trip was to evaluate the role of international financial institutions on the continent, the role of central banks in establishing stable monetary policy that leads to economic growth, and the financial and regulatory reforms being implemented in Africa's major economies to achieve sustained economic recovery from the global financial crisis.

Replenishment of the International Development Association (IDA) and the African Development Fund (AfDF). In June 2009, the Committee worked with the House and Senate Appropriations Committees to incorporate into the “Supplemental Appropriations Act, 2009” authorizations for U.S. contributions to the 15th replenishment of the International Development Association and the 11th replenishment of the African Development Fund, as well as Committee-passed policy language directing the Secretary of the Treasury to seek reform of the anti-worker indicator of the World Bank’s annual “Doing Business” report and to increase the independence and effectiveness of the World Bank’s Inspection Panel.

On July 21, 2009, Chairman Frank, Chairman Obey, Chairman Lowey, and Chairman Meeks sent a letter to President Obama cautioning the President that continued insistence on his right through signing statements to ignore provisions of laws providing funds to international financial institutions would make it highly unlikely that such funds would be provided in the future.

Replenishment of the Asian Development Fund. On February 18, 2009, Chairman Frank and Senate Chairman Leahy wrote to Treasury Secretary Geithner expressing concern about the inadequacy of the Asian Development Bank’s (AsDF) third draft of its safeguard policy update, including several areas in which the AsDF fell short of international standards.

As the 111th Congress began moving towards adjournment, Committee staff coordinated with the House and Senate Appropriations Committees and the Senate Foreign Relations Committee in an effort to include in the year’s final appropriations measure authorizations for U.S. participation in the Asian Development Bank’s 5th general capital increase, the Asian Development Fund’s 9th replenishment, and authorization and policy language for the Clean Technology Fund.

International Debt Relief. On July 21, 2010, Representative Waters and members of the Committee organized a letter to President Obama urging him to include an expanded debt relief effort as part of his plan to work to achieve the Millennium Development Goals.

Institutionalizing Democratic Accountability at the IFIs. Because international economic institutions like the World Bank are at some distance from direct democratic accountability, the Committee will begin to examine ways to increase democratic participation and accountability within the IFIs. Based on their charters, the international financial institutions are accountable to the finance ministers of member countries, who may not always be impartial representatives of the people. The Committee will be calling on experts to undertake a study of various options to improve parliamentary oversight, including the possibility of forming an international parliamentary committee, which would include both donor and recipient countries, before which officials of the IMF and World Bank could appear to review their institution’s agendas and procedures.

Sudan Accountability and Divestment Act. On February 23, 2009, Chairman Frank, Representative Capuano, and Representative Barbara Lee requested a report from the GAO on the Sudan Accountability and Divestment Act of 2007 (P.L. 110–174) to identify and evaluate actions that have been taken to implement the vol-

untary divestment provisions and compliance with the contract prohibition provisions in the Act.

On November 30, 2010, the Subcommittee on International Monetary Policy and Trade held a hearing entitled “Investments Tied to Genocide: Sudan Divestment and Beyond.” The members discussed the impact of the Sudan Accountability and Divestment Act (SADA), which Congress passed in 2007. The law authorizes States and investment companies to divest from companies with certain business ties to Sudan and prohibits these companies from receiving any U.S. federal contracts. By drafting SADA in a manner that gives States and investment companies the right, but not the obligation to divest from, or prevent investment in select companies with business ties to the Sudan Government in Khartoum, the Act empowers investors to refrain from providing financial support to businesses that they believe are supporting a civil war and genocide, while providing investment managers safe harbor from prosecution for doing so. Witnesses spoke to the documented impact of SADA, and lessons learned thus far from the experience of SADA’s implementation. In particular, the GAO report indicates that American investors have indeed withdrawn funds from targeted companies and investments. Witnesses and members discussed the tradeoff between American engagement in conflict areas such as Sudan, including by American companies and investors who may promote social and civic engagement that help to alleviate the suffering of affected people, versus the withdrawal of American capital which may open the door for other investors and businesses who may not seek to promote any resolution to the conflict, or be supportive of local humanitarian initiatives.

Strengthening Sanctions Against Iran. On March 12, 2009, the Subcommittee on International Monetary Policy and Trade held a legislative hearing on H.R. 1327, the “Iran Sanctions Enabling Act of 2009.” H.R. 1327 would outline standard procedures, and provide federal authority, for states, local governments and educational institutions to divest, if they choose, their public pension funds from foreign firms that have \$20 million or more invested in Iran’s energy sector. The bill would also prohibit legal action against asset managers who divest from or elect not to invest in securities of companies doing that level of business in Iran’s energy sector. The House passed two similar proposals in the 110th Congress, although the Senate did not act on either bill. On April 28, 2009, the Committee considered the bill and ordered it to be reported (as amended) by voice vote. On October 14, 2009, the measure passed the House by a vote of 414–6 under suspension of the rules.

On April 22, 2010, the Speaker appointed Chairman Frank, Chairman Meeks, and Representative Garrett as conferees from the Committee on Financial Services for consideration of certain provisions of H.R. 2194, the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, which fall within the jurisdiction of the House Financial Services Committee. The Senate version of the bill included legislative language very similar to the divestment provisions of the Iran Sanctions Enabling Act, and this language was successfully incorporated into the final conference report of the comprehensive Iran sanctions measure. H.R. 2194 became Public Law 111–195 on July 1, 2010.

THE ECONOMY, DOMESTIC MONETARY POLICY, AND TECHNOLOGY

The Economy and Its Impact on Living Standards. The Committee will examine the extent to which changes in the economy, and in particular changes in labor and capital markets, as well as changes in public policy, have altered the way in which policy-makers should think about the relationship between economic growth, productivity growth, and growth in employment and incomes. The Committee will examine these relationships in an effort to determine policy responses that will increase our ability to improve the standard of living for American families. The Committee will examine the consequences of taking unprecedented monetary and fiscal policy moves simultaneously in an effort to stimulate new economic growth, and attempt both to determine the consequences of such moves and to discover actions that might be taken to avoid any severe negative effects.

Conduct of Monetary Policy by the Board of Governors of the Federal Reserve System. The Committee conducted hearings in February and July, 2009 and 2010, to receive the semi-annual reports of the Chairman of the Board of Governors of the Federal Reserve System on the conduct of monetary policy.

Management of Reform of the Federal Reserve System. The Committee will conduct oversight of the operations of the Federal Reserve System, including the System's management structure, its role in providing financial services, its conduct of monetary policy, and its role as a regulator with particular attention to compliance with anti-money laundering and anti-terrorist financing laws and regulations.

Defense Production Act. Through bipartisan and bicameral cooperation, the Defense Production Act was re-authorized for an additional 5 years by Public Law 111-67.

Committee on Foreign Investment in the United States. The Committee will monitor the implementation of the Foreign Investment and National Security Act of 2007, which reformed the Committee on Foreign Investment in the United States (CFIUS). The Committee will closely monitor CFIUS actions to seek to ensure that foreign investments that pose legitimate threats to national security are either rejected or the threats are effectively mitigated. The Committee will also monitor the extent to which the United States maintains a policy of openness toward foreign investment, so that investments that pose no threat to national security are able to go forward.

Management of the Nation's Money: Activities of the Bureau of the Mint and the Bureau of Engraving and Printing. On July 20, 2010, the Subcommittee on Domestic Monetary Policy and Technology held a hearing entitled "The State of U.S. Coins and Currency." The Directors of the U.S. Mint and U.S. Bureau of Engraving and Printing, representatives of the Board of Governors of the Federal Reserve and U.S. Secret Service, and individuals representing the private sector, testified on issues related to the production and circulation of coins and currency and on numismatic items.

Throughout the 111th Congress Committee staff met regularly with staff of the United States Mint and the Bureau of Engraving and Printing on a variety of issues, and Committee staff met with

the directors of the two bureaus. Committee staff also met regularly with staff of the Board of Governors of the Federal Reserve System on matters related to the distribution and circulation of coins and currency.

The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN): On April 28, 2010, the O&I Subcommittee held a hearing on "Reviewing FinCEN Oversight Reports." The Subcommittee received an update from the Financial Crimes Enforcement Network's (FinCEN) Director and examined oversight reports issued by GAO and the Treasury Department's Inspector General that looked at FinCEN's efforts with respect to Suspicious Activity Reports, Bank Secrecy Act compliance, and anti-money laundering. The Treasury Department established FinCEN in 1990 to provide a government-wide multisource financial intelligence and analysis network. FinCEN's operation was later expanded to include the responsibilities for administering the Bank Secrecy Act.

Committee staff met with the Director of FinCEN and FinCEN staff regularly to discuss issues relating to the enforcement of Bank Secrecy Act (BSA) reporting requirements and examination practices, the promulgation of new regulations, the balance of responsive and analytical work performed by FinCEN and its utility to law enforcement, and the development of a cross-border money transfer monitoring program.

Treasury's Office of Foreign Asset Control (OFAC). The O&I Subcommittee held its second hearing on these issues on May 26, 2010, focused on "Anti-Money Laundering: Blocking Terrorist Financing and Its Impact on Lawful Charities." The Subcommittee reviewed ongoing efforts by the Treasury Department to stop the financing of terrorism. The hearing focused on various controls, disclosure and decision-making processes to ensure innocent individuals and charities receive due process while efforts to block terrorist financing remain robust.

Committee staff met regularly with staff of OFAC throughout the 111th Congress to discuss its increasing workload and ideas to increase its working relationship with financial institutions and charitable organizations.

HOUSE RESOLUTION 40 HEARINGS

On January 14, 2009, the House adopted House Resolution 40, amending the rules of the House to require committees, or their subcommittees, to:

- (1) hold at least one hearing during every 120-day period on the topic of waste, fraud, abuse or mismanagement in authorized programs, focusing on inspector general or GAO reports on egregious instances of waste;
- (2) hold at least one hearing per session where auditors have been unable to audit financial statements; and
- (3) hold at least one hearing on programs on GAO's "high-risk" list for waste, fraud or abuse or in need of broad-based transformation. This list for 2009–2010 included two programs within the jurisdiction of this Committee: modernizing the financial regulatory system and flood insurance.

Finally, the resolution requires the Activity Report to delineate any hearings held pursuant to this rule. During the 111th Congress, the following hearings comply with the resolution:

Date	Hearing title	Committee/Subcommittee
February 4, 2009	"Assessing the Madoff Ponzi Scheme and Regulatory Failures".	Capital Markets
February 24, 2009	"A Review of TARP Oversight, Accountability and Transparency for U.S. Taxpayers".	Oversight and Investigations
March 4, 2009	"TARP Oversight: Is TARP Working for Main Street?"	Financial Institutions
March 5, 2009	"Perspectives on Systemic Risk"	Capital Markets
March 17, 2009	"Perspectives on Regulation of Systemic Risk in the Financial Services Industry".	Full Committee
March 18, 2009	"American International Group's Impact on the Global Economy: Before, During and After Federal Intervention".	Capital Markets
March 20, 2009	"Federal and States Enforcement of Financial Consumer and Investor Protection Laws".	Full Committee
March 24, 2009	"Oversight of the Federal Government's Intervention at American International Group".	Full Committee
March 26, 2009	"Addressing the Need for Comprehensive Regulatory Reform".	Full Committee
May 5, 2009	"The Effect of the Lehman Brothers Bankruptcy on State and Local Governments".	Full Committee
May 5, 2009	"The Role of Inspectors General: Minimizing and Mitigating Waste, Fraud and Abuse".	Oversight and Investigations
May 6, 2009	"Legislative Solutions for Preventing Loan Modification and Foreclosure Rescue Fraud".	Housing
May 7, 2009	"Perspectives on Hedge Fund Registration"	Capital Markets
May 14, 2009	"How Should the Federal Government Oversee Insurance?"	Capital Markets
May 19, 2009	"Approaches to Improving Credit Rating Agency Regulation".	Capital Markets
May 21, 2009	"Legislative Proposals to Improve the Efficiency and Oversight of Municipal Finance".	Full Committee
June 3, 2009	"The Present Condition and Future Status of Fannie Mae and Freddie Mac".	Capital Markets
June 3, 2009	"Remittances: Regulation and Disclosure in a New Economic Environment".	Financial Institutions
June 9, 2009	"The Effective Regulation of the Over-the-Counter Derivatives Market".	Capital Markets
June 11, 2009	"Compensation Structure and Systemic Risk"	Full Committee
June 16, 2009	"Systemic Risk and Insurance"	Capital Markets
June 18, 2009	"Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs".	Oversight and Investigations
June 18, 2009	"The Administration's Plan for the Restructuring of the American Financial Regulatory System".	Full Committee
June 24, 2009	"Regulatory Restructuring: Enhancing Consumer Financial Products Regulation".	Full Committee
June 25, 2009	"Improving Consumer Financial Literacy under the New Regulatory System".	Full Committee
July 9, 2009	"Regulatory Restructuring: Balancing the Independence of the Federal Reserve in Monetary Policy with Systemic Risk Regulation".	Domestic Monetary Policy
July 13, 2009	"Preventing Unfair Trading by Government Officials"	Oversight and Investigations
July 14, 2009	"SEC Oversight: Current State and Agenda"	Capital Markets
July 15, 2009	"Banking Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals".	Full Committee
July 16, 2009	"Regulatory Restructuring: Safeguarding Consumer Protection and the Role of the Federal Reserve".	Domestic Monetary Policy
July 16, 2009	"Community and Consumer Advocates' Perspectives on the Obama Administration's Financial Regulatory Reform Proposals".	Full Committee
July 17, 2009	"Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals".	Full Committee
July 21, 2009	"Systemic Risk: Are Some Institutions Too Big to Fail and If So, What Should We Do About It?"	Full Committee

Date	Hearing title	Committee/Subcommittee
July 22, 2009	"Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals".	Full Committee
July 22, 2009	"TARP Oversight: Warrant Repurchases and Protecting Taxpayers".	Oversight and Investigations
July 24, 2009	"Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals—Part Two".	Full Committee
September 17, 2009	"Utilizing Technology to Improve TARP and Financial Oversight".	Oversight and Investigations
September 23, 2009	"The Administration's Proposals for Financial Regulatory Reform".	Full Committee
September 23, 2009	"Federal Regulator Perspectives on Financial Regulatory Reform Proposals".	Full Committee
September 24, 2009	"Experts' Perspectives on Systemic Risk and Resolution Issues".	Full Committee
September 25, 2009	"H.R. 1207, the Federal Reserve Transparency Act of 2009".	Full Committee
September 30, 2009	"Perspectives on the Consumer Financial Protection Agency".	Full Committee
September 30, 2009	"Reforming Credit Rating Agencies".	Capital Markets
October 1, 2009	"Federal Reserve Perspectives on Financial Regulatory Reform Proposals".	Full Committee
October 6, 2009	"Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office".	Full Committee
October 7, 2009	"Reform of the Over-the-Counter Derivatives Market: Limiting Risk and Ensuring Fairness".	Full Committee
October 29, 2009	"Systemic Regulation, Prudential Matters, Resolution Authority and Securitization".	Full Committee
December 2, 2009	"FY09 FHA Actuarial Report".	Full Committee
January 21, 2010	"The Condition of Financial Institutions: Examining the Failure and Seizure of an American Bank".	Financial Institutions
March 11, 2010	"The FHA Reform Act of 2010".	Housing and Community Opportunity
March 23, 2010	"Housing Finance—What Should the New System Be Able to Do?: Part I—Government and Stakeholder Perspectives".	Full Committee
April 14, 2010	"Housing Finance—What Should the New System Be Able to Do?: Part II—Government and Stakeholder Perspectives".	Full Committee
April 20, 2010	"Public Policy Issues Raised by the Report of the Lehman Bankruptcy Examiner".	Full Committee
April 21, 2010	"Legislative Proposals to Reform the National Flood Insurance Program".	Housing and Community Opportunity
April 28, 2010	"Reviewing FinCEN Oversight Reports".	Oversight and Investigations
May 6, 2010	"The End of Excess (Part One): Reviewing Our Addiction to Debt and Leverage".	Oversight and Investigations
May 11, 2010	"TARP Oversight: An Update on Warrant Repurchases and Benefits for Taxpayers".	Oversight and Investigations
May 26, 2010	"FHFA Oversight: Current State of the House Government Sponsored Enterprises".	Capital Markets
July 13, 2010	"After the Financial Crisis: Ongoing Challenges Facing Delphi Retirees".	Oversight and Investigations
July 20, 2010	"Oversight of the U.S. Securities and Exchange Commission: Evaluating Present Reforms and Future Challenges".	Capital Markets
July 29, 2010	"Future of Housing Finance: The Role of Private Mortgage Insurance".	Capital Markets
July 29, 2010	"Alternatives for Promoting Liquidity in the Commercial Real Estate Markets, Supporting Small Businesses and Increasing Job Growth".	Full Committee
August 23, 2010	"Too Big Has Failed: Learning from Midwest Banks and Credit Unions".	Oversight and Investigations
August 24, 2010	"Empowering Consumers: Can Financial Literacy Education Prevent Another Financial Crisis?".	Oversight and Investigations
September 15, 2010	"The Future of Housing Finance: A Progress Update on the GSEs".	Capital Markets

Date	Hearing title	Committee/Subcommittee
September 16, 2010	"Legislative Proposals to Address Concerns Over the SEC's New Confidentiality Provision".	Full Committee

APPENDIX I—COMMITTEE LEGISLATION

PART A—COMMITTEE REPORTS

Reports Filed by the Committee on Financial Services With the House

Bill No.	H.Rept. No.	Title
H.R. 787	111-12	To Make Improvements in the HOPE for Homeowners Program, and for Other Purposes
H.R. 788	111-13	To Provide a Safe Harbor for Mortgage Servicers Who Engage in Specified Mortgage Loan Modifications, and for Other Purposes
H.R. 786	111-18	To Make Permanent the Temporary Increase in Deposit Insurance Coverage, and for Other Purposes
S. 383	111-41	Special Inspector General for the Troubled Asset Relief Program Act of 2009
H.R. 1664	111-64	Amending the Executive Compensation Provisions of the Emergency Economic Stabilization Act of 2008 to Prohibit Unreasonable and Excessive Compensation and Compensation Not Based on Performance Standards
H.Res. 251	111-84	Directing the Secretary of the Treasury to Transmit to the House of Representatives All Information in His Possession Relating to Specific Communications with American International Group, Inc. (AIG)
H.R. 627	111-88	Credit Cardholders' Bill of Rights Act of 2009
H.R. 1728	111-94	Mortgage Reform and Anti-Predatory Lending Act
H.Res. 591	111-231	Requesting That the President Transmit to the House of Representatives All Information in His Possession Relating to Certain Specific Communications with and Financial Assistance Provided to General Motors Corporation and Chrysler LLC
H.R. 3269	111-236	Corporate and Financial Institution Compensation Fairness Act of 2009
H.R. 3045	111-277	Section 8 Voucher Reform Act of 2009
H.R. 3639	111-314	Expedited Card Reform for Consumers Act of 2009
H.R. 5072	111-476	FHA Reform Act of 2010
H.R. 5114	111-495	Flood Insurance Reform Priorities Act of 2010
H.R. 5297	111-499	To Create the Small Business Lending Fund Program to Direct the Secretary of the Treasury to Make Capital Investments in Eligible Institutions in Order to Increase the Availability of Credit for Small Businesses, and for Other Purposes
H.R. 2555	111-534	Homeowners' Defense Act of 2010
H.R. 1264	111-551	Multiple Peril Insurance Act of 2009
H.R. 2336	111-619	Green Resources for Energy Efficient Housing Act of 2010
H.R. 4790	111-620	Shareholder Protection Act of 2010
H.R. 3421	111-629	Medical Debt Relief Act of 2010
H.R. 2267	111-656	Internet Gambling Regulation, Consumer Protection, and Enforcement Act
H.R. 476	111-678	Veterans, Women, Families with Children, and Persons with Disabilities Housing Fairness Act of 2010
H.R. 3890	111-685	Accountability and Transparency in Rating Agencies Act
H.R. 3818	111-686	Private Fund Investment Advisers Registration Act of 2009
H.R. 3817	111-687	Investor Protection Act of 2009

PART B—PUBLIC LAWS

This table lists measures which contained matters within the jurisdiction of the Committee on Financial Services which were enacted into law during the 111th Congress.

Public Laws

Public Law No.	Bill No.	Title
111-15	S. 383	Special Inspector General for the Troubled Asset Relief Program Act of 2009
111-21	S. 386	Fraud Enforcement and Recovery Act of 2009
111-22	S. 896	Helping Families Save Their Homes Act of 2009; Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009
111-24	H.R. 627	Credit CARD Act of 2009
111-40	S. 614	To award a Congressional Gold Medal to the Women Airforce Service Pilots ("WASP")
111-44	H.R. 2245	New Frontier Congressional Gold Medal Act
111-67	S. 1677	Defense Production Act Reauthorization of 2009
111-86	H.R. 621	Girl Scouts USA Centennial Commemorative Coin Act
111-91	H.R. 1209	Medal of Honor Commemorative Coin Act
111-93	H.R. 3606	Credit CARD Technical Corrections Act of 2009
111-144	H.R. 4691	Temporary Extension Act
111-157	H.R. 4851	Continuing Extension Act
111-158	H.R. 4573	Haiti Debt Relief and Earthquake Recovery Act of 2010
111-195	H.R. 2194	Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010
111-196	H.R. 5569	National Flood Insurance Program Extension Act of 2010
111-203	H.R. 4173	Dodd-Frank Wall Street Reform and Consumer Protection Act
111-209	H.R. 5502	To amend the effective date of the gift card provisions of the Credit card Accountability, Responsibility, and Disclosure Act of 2009
111-221	H.R. 4684	National September 11 Memorial & Museum Commemorative Medal Act of 2010
111-228	H.R. 5872	General and Special Risk Insurance Funds Availability Act of 2010
111-229	H.R. 5981	To insure the flexibility of the Secretary of Housing and Urban Development with respect to the amount of premiums charged for FHA single family housing mortgage insurance and for other purposes
111-232	H.R. 2097	Star-Spangled Banner Commemorative Coin Act
111-240	H.R. 5297	Small Business Jobs and Credit Act of 2010
111-250	S. 3814	National Flood Insurance Program Reextension Act of 2010
111-253	S. 846	To award a congressional gold medal to Dr. Muhammed Yunus, in recognition of his contributions to the fight against global poverty
111-254	S. 1055	To grant the congressional gold medal, collectively, to the 100th Infantry Battalion and the 442nd Regimental Combat Team, United States Army, in recognition of their dedicated service during World War II
111-257	S. 3717	To amend the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940 to provide for certain disclosures under section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), and for other purposes
111-262	H.R. 1177	5-Star Generals Commemorative Coin Act
111-269	H.R. 3553	Indian Veterans Housing Opportunity Act of 2010
111-302	H.R. 6162	Coin Modernization, Oversight and Continuity Act of 2010
111-303	H.R. 303	American Eagle Palladium Coin Act of 2010
111-319	S. 3987	Red Flag Program Clarification Act of 2010
111-	S. 118	Section 202 Supportive Housing for the Elderly Act
111-	S. 1481	Frank Melville Supportive Housing Investment Act
111-	S. 4036	To clarify the National Credit Union Administration authority to make stabilization fund expenditures without borrowing from the Treasury

APPENDIX II—COMMITTEE PUBLICATIONS

PART A—COMMITTEE HEARINGS

Serial No.	Title & Subcommittee	Date(s)
111-1	Promoting Bank Liquidity and Lending Through Deposit Insurance Hope for Homeowners, and other Enhancements (Full).	February 3, 2009
111-2	Assessing the Madoff Ponzi Scheme and Regulatory Failures (Capital Markets).	February 4, 2009

Serial No.	Title & Subcommittee	Date(s)
111-3	An Examination of the Extraordinary Efforts by the Federal Reserve Bank to Provide Liquidity in the Current Financial Crisis (Full).	February 10, 2009
111-4	TARP Accountability: Use of Federal Assistance by the First TARP Recipients (Full).	February 11, 2009
111-5	A Review of TARP Oversight, Accountability, and Transparency for U.S. Taxpayers (Oversight).	February 24, 2009
111-6	Loan Modifications: Are Mortgage Servicers Assisting Borrowers with Unaffordable Mortgages? (Housing).	February 24, 2009
111-7	Monetary Policy and the State of the Economy, Part I (Full)	February 25, 2009
111-8	Monetary Policy and the State of the Economy, Part II (Full)	February 26, 2009
111-9	TARP Oversight: Is TARP Working for Main Street? (Financial Institutions)	March 4, 2009
111-10	Perspectives on Systemic Risk (Capital Markets)	March 5, 2009
111-11	Mortgage Lending Reform: A Comprehensive Review of the American Mortgage System (Financial Institutions).	March 11, 2009
111-12	Mark-to-Market Accounting: Practices and Implications (Capital Markets)	March 12, 2009
111-13	The Iran Sanctions Enabling Act of 2009 (International)	March 12, 2009
111-14	Perspectives on Regulation of Systemic Risk in the Financial Services Industry (Full).	March 17, 2009
111-15	American International Groups Impact on the Global Economy: Before, During, and After Federal Intervention (Capital Markets).	March 18, 2009
111-16	Examining the Making Home Affordable Program (Housing)	March 19, 2009
111-17	H.R. 627, the Credit Cardholders' Bill of Rights Act of 2009; and H.R. 1456, the Consumer Overdraft Protection Fair Practices Act of 2009 (Financial Institutions).	March 19, 2009
111-18	Federal and State Enforcement of Financial Consumer and Investor Protection Laws (Full).	March 20, 2009
111-19	Seeking Solutions: Finding Credit for Small and Mid-Size Businesses in Massachusetts (Full).	March 23, 2009
111-20	Oversight of the Federal Government's Intervention at American International Group (Full).	March 24, 2009
111-21	Exploring the Balance between Increased Credit Availability and Prudent Lending Standards (Full).	April 25, 2009
111-22	Addressing the Need for Comprehensive Regulatory Reform (Full)	March 26, 2009
111-23	The Housing Crisis in Los Angeles and Responses to Preventing Foreclosures and Foreclosure Rescue Fraud (Housing).	March 28, 2009
111-24	H.R. 1214, the Payday Loan Reform Act of 2009 (Financial Institutions)	April 2, 2009
111-25	H.R. 1728, the Mortgage Reform and Anti-Predatory Lending Act of 2009 (Full).	April 23, 2009
111-26	The Effect of the Lehman Brothers Bankruptcy on State and Local Governments (Full).	May 5, 2009
111-27	The Role of Inspectors General: Minimizing and Mitigating Waste, Fraud, and Abuse (Oversight).	May 5, 2009
111-28	Legislative Solutions for Preventing Loan Modification and Foreclosure Rescue Fraud (Housing).	May 6, 2009
111-29	Perspectives on Hedge Fund Registration (Capital Markets)	May 7, 2009
111-30	The Role of NeighborWorks and Housing Counseling Intermediaries in Preventing Foreclosures (Housing).	May 13, 2009
111-31	Implications of the G-20 Leaders Summit for Low Income Countries and the Global Economy (International).	May 13, 2009
111-32	How Should the Federal Government Oversee Insurance? (Capital Markets)	May 14, 2009
111-33	Approaches to Improving Credit Rating Agency Regulation (Capital Markets)	May 19, 2009
111-34	Capital Loss, Corruption and the Role of Western Financial Institutions (Full).	May 19, 2009
111-35	H.R. 2351, the Credit Union Share Insurance Stabilization Act (Financial Institutions).	May 20, 2009
111-36	The Section 8 Voucher Reform Act (Full)	May 21, 2009
111-37	Legislative Proposals to Improve the Efficiency and Oversight of Municipal Finance (Full).	May 21, 2009
111-38	The Present Condition and Future Status of Fannie Mae and Freddie Mac (Capital Markets).	June 3, 2009
111-39	Remittance Regulation and Disclosure in a New Economic Environment (Financial Institutions).	June 3, 2009
111-40	The Section 8 Voucher Reform Act (Housing)	June 4, 2009
111-41	The Effective Regulation of the Over-the-Counter Derivatives Markets (Capital Markets).	June 9, 2009
111-42	Compensation Structure and Systemic Risk (Full)	June 11, 2009

Serial No.	Title & Subcommittee	Date(s)
111-43	H.R. 2336, the GREEN Act of 2009, Part I (Housing)	June 11, 2009
111-44	Systemic Risk and Insurance (Capital Markets)	June 16, 2009
111-45	H.R. 2336, the GREEN Act of 2009, Part II (Housing)	June 16, 2009
111-46	Strengthening Oversight and Preventing Fraud in FHA and other HUD Programs (Oversight).	June 18, 2009
111-47	An Exploration of Barriers to Full Minority Participation in the New Markets Tax Credit Program (Domestic).	June 18, 2009
111-48	The Economic Disaster Area Act of 2009 (Full)	June 19, 2009
111-49	Regulatory Restructuring: Enhancing Consumer Financial Products Regulation (Full).	June 24, 2009
111-50	Improving Consumer Financial Literacy under the New Regulatory System (Financial Institutions).	June 25, 2009
111-51	Legislative Options for Preserving Federally- and State-Assisted Affordable Housing and Preventing Displacement of Low-Income, Elderly and Disabled Tenants (Full).	June 25, 2009
111-52	The Homeowners' Insurance Crisis: Solutions for Homeowners, Communities, and Taxpayers (Oversight).	July 2, 2009
111-53	Regulatory Restructuring: Balancing the Independence of the Federal Reserve in Monetary Policy with Systemic Risk Regulation (Domestic).	July 9, 2009
111-54	H.R. 3068, TARP for Main Street Act of 2009 (Full)	July 9, 2009
111-55	A Review of the Administration's Proposal to Regulate the Over-the-Counter Derivatives Market (Full).	July 10, 2009
111-56	Preventing Unfair Trading by Government Officials (Oversight)	July 13, 2009
111-57	SEC Oversight: Current State and Agenda (Capital Markets)	July 14, 2009
111-58	Banking Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals (Full).	July 15, 2009
111-59	Legislative Options for Preserving Federally- and State-Assisted Affordable Housing and Preventing Displacement of Low-Income, Elderly and Disabled Tenants (Housing).	July 15, 2009
111-60	Regulatory Restructuring: Safeguarding Consumer Protection and the Role of the Federal Reserve (Domestic).	July 16, 2009
111-61	Community and Consumer Advocates' Perspectives on the Obama Administration's Financial Regulatory Reform Proposals (Full).	July 16, 2009
111-62	Industry Perspectives on the Obama Administration's Financial Regulatory Reform Proposals (Full).	July 17, 2009
111-63	Legislative Proposals to Increase Work and Health Care Opportunities for Public and Subsidized Housing Residents (Housing).	July 20, 2009
111-64	Monetary Policy and the State of the Economy (Full)	July 21, 2009
111-65	Systemic Risk: Are Some Institutions Too Big to Fail and If So, What Should We Do About It? (Full).	July 21, 2009
111-66	Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals, Part I (Full).	July 22, 2009
111-67	TARP Oversight: Warrant Repurchases and Protecting Taxpayers (Oversight)	July 22, 2009
111-68	Regulatory Perspectives on the Obama Administration's Financial Regulatory Reform Proposals, Part II (Full).	July 24, 2009
111-69	Academic Perspectives on the Future of Public Housing (Housing)	July 29, 2009
111-70	Implementation of the Road Home Program Four Years After Hurricane Katrina (Housing).	August 20, 2009
111-71	Status of the "Big Four" Four Years After Hurricane Katrina (Housing)	August 21, 2009
111-72	Progress of the Making Home Affordable Program: What Are the Outcomes for Homeowners and What Are the Obstacles to Success? (Housing).	September 9, 2009
111-73	The World Bank's Disclosure Policy Review and the Role of Democratic Participatory Processes in Achieving Successful Development Outcomes (Full).	September 10, 2009
111-74	Proposals to Enhance the Community Reinvestment Act (Full)	September 16, 2009
111-75	Utilizing Technology to Improve TARP and Financial Oversight (Oversight)	September 17, 2009
111-76	The Administration's Proposals for Financial Regulatory Reform (Full)	September 23, 2009
111-77	Federal Regulator Perspectives on Financial Regulatory Reform Proposals (Full).	September 23, 2009
111-78	Experts' Perspectives on Systemic Risk and Resolution Issues (Full)	September 24, 2009
111-79	Recent Innovations in Securitization (Capital Markets)	September 24, 2009
111-80	H.R. 1207, the Federal Reserve Transparency Act of 2009 (Full)	September 25, 2009
111-81	Perspectives on the Consumer Financial Protection Agency (Full)	September 30, 2009
111-82	Reforming Credit Rating Agencies (Capital Markets)	September 30, 2009
111-83	Federal Reserve Perspectives on Financial Regulatory Reform Proposals (Full).	October 1, 2009

Serial No.	Title & Subcommittee	Date(s)
111-84	Capital Markets Regulatory Reform: Strengthening Investor Protection, Enhancing Oversight of Private Pools of Capital, and Creating a National Insurance Office (Full).	October 6, 2009
111-85	Reform of the Over-the-Counter Derivative Market: Limiting Risk and Ensuring Fairness (Full).	October 7, 2009
111-86	H.R. 2382, the Credit Card Interchange Fees Act of 2009; and H.R. 3639, the Expedited CARD Reform for Consumers Act of 2009 (Full).	October 8, 2009
111-87	The Future of the Federal Housing Administration's Capital Reserves: Assumptions, Predictions, and Implications for Homebuyers (Housing).	October 8, 2009
111-88	Systemic Regulation, Prudential Matters, Resolution Authority, and Securitization (Full).	October 29, 2009
111-89	The Overdraft Protection Act of 2009 (Full)	October 30, 2009
111-90	Improving Responsible Lending to Small Businesses (Oversight)	November 30, 2009
111-91	FY09 FHA Actuarial Report (Full)	December 2, 2009
111-92	H.R. 2266, the Reasonable Prudence in Regulation Act; and H.R. 2267, the Internet Gambling Regulation, Consumer Protection, and Enforcement Act (Full).	December 3, 2009
111-93	The Private Sector and Government Response to the Mortgage Foreclosure Crisis (Full).	December 8, 2009
111-94	Additional Reforms to the Securities Investor Protection Act (Capital Markets).	December 9, 2009
111-95	Covered Bonds: Prospects for a U.S. Market Going Forward (Full)	December 15, 2009
111-96	H.R. 476, the Housing Fairness Act of 2009 (Housing)	January 20, 2010
111-97	The Condition of Financial Institutions: Examining the Failure and Seizure of an American Bank (Financial Institutions).	January 21, 2010
111-98	Compensation in the Financial Industry (Full)	January 22, 2010
111-99	The Impact of the Foreclosure Crisis on Public and Affordable Housing in the Twin Cities (Housing).	January 23, 2010
111-100	The State of Global Microfinance: How Public and Private Funds Can Effectively Promote Financial Inclusion for All (International).	January 27, 2010
111-101	Prospects for Employment Growth: Is Additional Stimulus Needed? (Full)	February 23, 2010
111-102	Monetary Policy and the State of the Economy (Full)	February 24, 2010
111-103	Compensation in the Financial Industry Government Perspectives (Full)	February 25, 2010
111-104	Condition of Small Business and Commercial Real Estate Lending in Local Markets (Full).	February 26, 2010
111-105	Haiti Debt Relief (International)	March 4, 2010
111-106	Community Development Financial Institutions (CDFIs): Their Unique Role and Challenges Serving Lower-Income, Underserved, and Minority Communities (Full).	March 9, 2010
111-107	Regulation of Money Service Businesses (Financial Institutions)	March 10, 2010
111-108	Approaches to Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, The Homeowners' Defense Act (Capital Markets and Housing).	March 10, 2010
111-109	Corporate Governance after Citizens United (Capital Markets)	March 11, 2010
111-110	The FHA Reform Act of 2010 (Housing)	March 11, 2010
111-111	Rebuilding Haiti's Competitiveness and Private Sector (International)	March 16, 2010
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111-117	Keeping Score on Credit Scores: An Overview of Credit Scores, Credit Reports, and their Impact on Consumers (Financial Institutions).	March 24, 2010
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111-142	FHFA Oversight: Current State of the Housing Government Sponsored Enterprises (Capital Markets).	May 26, 2010
111-143	After the Financial Crisis: Ongoing Challenges Facing Delphi Retirees (Oversight).	July 13, 2010
111-144	Oversight of the U.S. Securities and Exchange Commission: Evaluating Present Reforms and Future Challenges (Capital Markets).	July 20, 2010
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111-146	H.R. 2267, the Internet Gambling Regulation, Consumer Protection, and Enforcement Act (Full).	July 21, 2010
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111-150	Alternatives for Promoting Liquidity in the Commercial Real Estate Markets, Supporting Small Businesses and Increasing Job Growth (Full).	July 29, 2010
111-151	Too Big Has Failed: Learning from Midwest Banks and Credit Unions (Oversight).	August 23, 2010
111-152	Empowering Consumers: Can Financial Literacy Education Prevent Another Financial Crisis? (Oversight).	August 24, 2010
111-153	The Future of Housing Finance: A Progress Update on the GSEs (Capital Markets).	September 15, 2010
111-154	Legislative Proposals to Address Concerns Over the SEC's New Confidentiality Provision (Full).	September 16, 2010
111-155	The State of the International Financial System, Including International Regulatory Issues Relevant to the Implementation of the Dodd-Frank Act (Full).	September 22, 2010
111-156	Implementation of Higher FHA Loan Fees and Pending Legislative Proposals to Strengthen the FHA MMIF Fund and Improve Lender Oversight (Full).	September 22, 2010
111-157	Perspectives on the Livable Communities Act of 2010 (Full)	September 23, 2010
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111-161	A Review of Current and Evolving Trends in Terrorism Financing (Oversight)	September 28, 2010
111-162	Ex-Im Bank Oversight: The Role of Trade Finance in Doubling Exports over Five Years (Oversight and International).	September 29, 2010
111-163	The Inclusive Home Design Act (Housing)	September 29, 2010
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111-165	The Global Financial Crisis and Financial Reforms in Nigeria (International)	November 16, 2010
111-166	Robo-Signing, Chain of Title, Loss Mitigation and Other Issues in Mortgage Servicing (Housing).	November 18, 2010
111-167	Investments Tied to Genocide: Sudan Divestment and Beyond (International)	November 30, 2010
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PART B—COMMITTEE PRINTS

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111-B	Assessing the Madoff Ponzi Scheme and the Need for Regulatory Reform	January 5, 2009
111-C	FHA Oversight of Loan Originators	January 9, 2009
111-D	Priorities for the Next Administration: Use of TARP Funds under EESA	January 13, 2009