Mr. Clarence Cannon's Precedents of the House of Representatives (VI, 308–311), describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

The Republican majority may say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: ''Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. BYRNE. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. McGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

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## PERMISSION TO POSTPONE PROCEEDINGS ON MOTION TO RECOMMIT ON H.R. 6392, SYSTEMIC RISK DESIGNATION IMPROVEMENT ACT OF 2016

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that the question of adopting a motion to recommit on H.R. 6392 may be subject to postponement as though under clause 8 of rule XX.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## SYSTEMIC RISK DESIGNATION IMPROVEMENT ACT OF 2016

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 934, I call up the bill (H.R. 6392) to amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to specify when bank holding companies may be subject to certain enhanced supervision, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 934, the bill is considered read.

The text of the bill is as follows:

H.R. 6392

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Systemic Risk Designation Improvement Act of 2016''.

**SEC. 2. TABLE OF CONTENTS.**

The table of contents for the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended by striking the item relating to section 113 and inserting the following:

''Sec. 113. Authority to require enhanced supervision and regulation of certain nonbank financial companies and certain bank holding companies.''.

**SEC. 3. REVISIONS TO COUNCIL AUTHORITY.**

(a) PURPOSES AND DUTIES.—Section 112 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5322) is amended in subsection (a)(2)(I) by inserting before the semicolon '', which have been the subject of a final determination under section 113''.

(b) BANK HOLDING COMPANY DESIGNATION.—Section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5323) is amended—

(1) by amending the heading for such section to read as follows: ''**AUTHORITY TO REQUIRE ENHANCED SUPERVISION AND REGULATION OF CERTAIN NONBANK FINANCIAL COMPANIES AND CERTAIN BANK HOLDING COMPANIES**'';

(2) by redesignating subsections (c), (d), (e), (f), (g), (h), and (i) as subsections (d), (e), (f), (g), (h), (i), and (j), respectively;

(3) by inserting after subsection (b) the following:

''(c) BANK HOLDING COMPANIES SUBJECT TO ENHANCED SUPERVISION AND PRUDENTIAL STANDARDS UNDER SECTION 165.—

''(1) DETERMINATION.—The Council, on a nondelegable basis and by a vote of not fewer than ⅔ of the voting members then serving, including an affirmative vote by the Chairperson, may determine that a bank holding company shall be subject to enhanced supervision and prudential standards by the Board of Governors, in accordance with section 165, if the Council determines, based on the considerations in paragraph (2), that material financial distress at the bank holding company, or the nature, scope, size, scale, concentration, interconnectedness, or mix of the activities of the bank holding company, could pose a threat to the financial stability of the United States.

''(2) CONSIDERATIONS.—In making a determination under paragraph (1), the Council shall use the indicator-based measurement approach established by the Basel Committee on Banking Supervision to determine systemic importance, which considers—

''(A) the size of the bank holding company;

''(B) the interconnectedness of the bank holding company;

''(C) the extent of readily available substitutes or financial institution infrastructure for the services of the bank holding company;

''(D) the global cross-jurisdictional activity of the bank holding company; and

''(E) the complexity of the bank holding company.

''(3) GSIBS DESIGNATED BY OPERATION OF LAW.—Notwithstanding any other provision of this subsection, a bank holding company that is designated, as of the date of enactment of this subsection, as a Global Systemically Important Bank by the Financial Stability Board shall be deemed to have been the subject of a final determination under paragraph (1).'';

(4) in subsection (d), as so redesignated—

(A) in paragraph (1)(A), by striking ''subsection (a)(2) or (b)(2)'' and inserting ''subsection (a)(2), (b)(2), or (c)(2)''; and

(B) in paragraph (4), by striking ''Subsections (d) through (h)'' and inserting ''Subsections (e) through (i)'';

(5) in subsections (e), (f), (g), (h), (i), and (j)—

(A) by striking ''subsections (a) and (b)'' each place such term appears and inserting ''subsections (a), (b), and (c)''; and

(B) by striking ''nonbank financial company'' each place such term appears and inserting ''bank holding company for which there has been a determination under subsection (c) or nonbank financial company'';

(6) in subsection (g), as so redesignated, by striking ''subsection (e)'' and inserting ''subsection (f)'';

(7) in subsection (h), as so redesignated, by striking ''subsection (a), (b), or (c)'' and inserting ''subsection (a), (b), (c), or (d)''; and

(8) in subsection (i), as so redesignated, by striking ''subsection (d)(2), (e)(3), or (f)(5)'' and inserting ''subsection (e)(2), (f)(3), or (g)(5)''.

(c) ENHANCED SUPERVISION.—Section 115 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5325) is amended—

(1) in subsection (a)(1), by striking ''large, interconnected bank holding companies'' and inserting ''bank holding companies which have been the subject of a final determination under section 113'';

(2) in subsection (a)(2)—

(A) in subparagraph (A), by striking ''; or'' at the end and inserting a period;

(B) by striking ''the Council may'' and all that follows through ''differentiate'' and inserting ''the Council may differentiate''; and

(C) by striking subparagraph (B); and

(3) in subsection (b)(3), by striking ''subsections (a) and (b) of section 113'' each place

such term appears and inserting ''subsections (a), (b), and (c) of section 113''.

(d) REPORTS.—Section 116(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5326(a)) is amended by striking ''with total consolidated assets of $50,000,000,000 or greater'' and inserting ''which has been the subject of a final determination under section 113''.

(e) MITIGATION.—Section 121 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5331) is amended—

(1) in subsection (a), by striking ''with total consolidated assets of $50,000,000,000 or more'' and inserting ''which has been the subject of a final determination under section 113''; and

(2) in subsection (c), by striking ''subsection (a) or (b) of section 113'' and inserting ''subsection (a), (b), or (c) of section 113''.

(f) OFFICE OF FINANCIAL RESEARCH.—Section 155 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5345) is amended in subsection (d) by striking ''with total consolidated assets of 50,000,000,000 or greater'' and inserting ''which have been the subject of a final determination under section 113''.

**SEC. 4. REVISIONS TO BOARD AUTHORITY.**

(a) ACQUISITIONS.—Section 163 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5363) is amended by striking ''with total consolidated assets equal to or greater than $50,000,000,000'' each place such term appears and inserting ''which has been the subject of a final determination under section 113''.

(b) MANAGEMENT INTERLOCKS.—Section 164 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5364) is amended by striking ''with total consolidated assets equal to or greater than $50,000,000,000'' and inserting ''which has been the subject of a final determination under section 113''.

(c) ENHANCED SUPERVISION AND PRUDENTIAL STANDARDS.—Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365) is amended—

(1) in subsection (a), by striking ''with total consolidated assets equal to or greater than $50,000,000,000'' and inserting ''which have been the subject of a final determination under section 113'';

(2) in subsection (a)(2)—

(A) by striking ''(A) IN GENERAL.—''; and

(B) by striking subparagraph (B);

(3) by striking ''subsections (a) and (b) of section 113'' each place such term appears and inserting ''subsections (a), (b), and (c) of section 113''; and

(4) in subsection (j), by striking ''with total consolidated assets equal to or greater than $50,000,000,000'' and inserting ''which has been the subject of a final determination under section 113''.

(d) CONFORMING AMENDMENT.—The second subsection (s) (relating to ''Assessments, Fees, and Other Charges for Certain Companies'') of section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended—

(1) by redesignating such subsection as subsection (t); and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''having total consolidated assets of $50,000,000,000 or more;'' and inserting ''which have been the subject of a final determination under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and'';

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

**SEC. 5. EFFECTIVE DATE; RULE OF APPLICATION.**

(a) EFFECTIVE DATE.—The Financial Stability Oversight Council may begin proceedings with respect to a bank holding company under section 113(c)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as added by this Act, on the date of the enactment of this Act, but may not make a final determination under such section 113(c)(1) with respect to a bank holding company before the end of the 1-year period beginning on the date of the enactment of this Act.

(b) IMMEDIATE APPLICATION TO LARGE BANK HOLDING COMPANIES.—During the 1-year period described under subsection (a), a bank holding company with total consolidated assets equal to or greater than $50,000,000,000 shall be deemed to have been the subject of a final determination under section 113(c)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**SEC. 6. EXISTING ASSESSMENT TERMINATION SCHEDULE.**

(a) TEMPORARY EXTENSION OF EXISTING ASSESSMENT.—

(1) IN GENERAL.—Each bank holding company with total consolidated assets equal to or greater than $50,000,000,000 and which has not been the subject of a final determination under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5323) shall be subject to assessments by the Secretary of the Treasury to the same extent as a bank holding company that has been subject to such a final determination.

(2) LIMITATION ON AMOUNT OF ASSESSMENTS.—The aggregate amount collected pursuant to paragraph (1) from all bank holding companies assessed under such paragraph shall be $115,000,000.

(3) EXPEDITED ASSESSMENTS.—If necessary, the Secretary of the Treasury shall expedite assessments made pursuant to paragraph (1) to ensure that all $115,000,000 of assessments permitted by paragraph (2) is collected before fiscal year 2018.

(4) PAYMENT PERIOD OPTIONS.—The Secretary of the Treasury shall offer the option of payments spread out before the end of fiscal year 2018, or shorter periods including the option of a one-time payment, at the discretion of each bank holding company paying assessments pursuant to paragraph (1).

(5) ASSESSMENTS TO BE MADE IN ADDITION TO ANY OTHER ASSESSMENTS.—The assessments collected pursuant to paragraph (1) shall be in addition to, and not as a replacement of, any assessments required under any other law.

(b) USE OF ASSESSMENTS.—Of the total amount collected pursuant to subsection (a)—

(1) $60,000,000 shall be transferred to the Financial Stability Oversight Council to pay for any administrative costs resulting from this Act and the amendments made by this Act, of which the Financial Stability Oversight Council shall distribute $20,000,000 to the Board of Governors of the Federal Reserve System, $20,000,000 to the Federal Deposit Insurance Corporation, and $20,000,000 to the general fund of the Treasury; and

(2) $55,000,000 shall be transferred to the Federal Deposit Insurance Corporation to pay for any resolution costs resulting from this Act and the amendments made by this Act.

(c) TREATMENT UPON DETERMINATION.—A bank holding company assessed under this section shall no longer be subject to such assessments in the event it is subject to a final determination under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5323). Any prior payments made by such a banking holding company pursuant to an assessment under this section shall be nonrefundable.

(d) RULE OF CONSTRUCTION.—A bank holding company deemed to have been the subject of a final determination under section 113 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5323) under section 5(b) shall not be subject to assessments under subsection (a) solely by operation of section 5(b).

The SPEAKER pro tempore. The bill shall be debatable for 1 hour, equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

After 1 hour of debate, it shall be in order to consider the amendment printed in part B of House Report 114–839, if offered by the Member designated in the report, which shall be considered read, shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for a division of the question.

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and submit extraneous materials on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HENSARLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6392, the Systemic Risk Designation Improvement Act, which is a very important bill cosponsored by a bipartisan group of Members of the House, the text of which was approved by our committee with a strong bipartisan support of 39–16.

I thank Chairman LUETKEMEYER, chairman of our Subcommittee on Housing and Insurance, one of the key leaders on our Committee on Financial Services, for his leadership and for introducing this legislation. He has led these efforts valiantly to reform a flawed and arbitrary framework used by regulators to designate so-called systemically important financial institutions, also known as SIFIs. Designation, Mr. Speaker, anoints these institutions as too big to fail, meaning that today's SIFI designations are tomorrow's tax-funded bailouts.

It is clear that this issue has found, again, a fair amount of consensus on both sides of the aisle, and this legislation represents a very good-faith effort by the gentleman from Missouri to forge a bipartisan piece of legislation that, at the very least, at the minimum, would get rid of a totally arbitrary and static threshold currently used to designate institutions as systemically important.

Mr. Speaker, I speak for many on this floor when I say I do not believe in the SIFI architecture at all. I think it is harmful. I think it is dangerous, and clearly it should be replaced by high levels of loss-absorbing private capital. But that is not what we are debating today.

Today in the 114th Congress, we continue to try to find a bipartisan consensus to support needed reforms; and, again, that is what this bill is: bipartisan. It recognizes that regulations should consider different components of risk and not simply a Washington one-size-fits-all definition.

The current approach—and this is very important, Mr. Speaker, as the coauthor of the Dodd-Frank Act, himself, admits—is a mistake. It is a mistake because it fails to take into account differences in the various business models or systemic risk institutions pose to our financial system. In fact, it is indisputable that the asset threshold used in Dodd-Frank is not based on a logical formula, on research, or on any evidence at all. Instead, it is simply a random number picked out of thin air.

Concerns with this arbitrary number have been recognized, as I just mentioned, by none other than former Committee on Financial Services Chairman Barney Frank, himself. As I recall, he is the Frank of Dodd-Frank. In testimony before our committee, Mr. Speaker, former Chairman Frank agreed that the threshold he wrote into law was ''arbitrary.'' He expressed support for adjusting it. Then just last week, he stated the asset threshold was a ''mistake.'' I hope all Members on the other side of the aisle take careful note.

Federal Reserve Board member Dan Tarullo has also expressed skepticism, as has the Comptroller of the Currency Thomas Curry. Even the ranking member, the Democrat ranking member of the Senate Banking Committee, Senator SHERROD BROWN, has stated: ''I do agree that some banks above $50 billion should not''—not—''be regulated like Wall Street megabanks.''

So what we are trying to do here today with this bipartisan bill is trying to provide a solution to try to fix a generally recognized mistake in Dodd-Frank, and what those who oppose the bill are trying to do is to preserve that mistake in the law. Perhaps again, Mr. Speaker, some of my colleagues need to be reminded that small banks on Main Street and even our regional banks did not cause the financial crisis, and arbitrarily painting big banks and small and midsized banks with exactly the same broad brush is wrong. It is bad policy, and it is bad for our economy.

So the discussion today, Mr. Speaker, should instead focus on the appropriate measure of systemic importance and the regulatory burden imposed by the so-called enhanced prudential standards once an institution has been designated. By focusing exclusively on asset size, you ignore other factors that may be more relevant in determining whether a financial institution should be subject to, again, so-called enhanced prudential standards. Furthermore, an asset-based approach does not capture the types of risk that enhanced prudential standards are designed to mitigate in the first place.

By determining risk using activity-based standards, no matter how flawed these standards may be, our regulators would be better equipped to differentiate between stable activities and those that may pose a threat to financial stability. It would allow more precision in identifying systemic importance, while also providing flexibility for institutions engaging in more prudent lending activities.

Mr. Speaker, it is just so important that we note the effect these regulations are having today on the U.S. economy. They are harming our economy. Instead of helping to capitalize small businesses, leading to more jobs and opportunity for people who still lack both, financial institutions are, instead, having to expend capital on compliance, compliance that even the coauthor of Dodd-Frank admits is a mistake.

Mr. Speaker, regrettably, I need not remind us that we remain stuck in the slowest and weakest economic recovery since the end of World War II. The economy simply is not working for working Americans. They can't get ahead, and they fear for the future of their families. Their paychecks have remained stagnant. Their savings have declined. The American people deserve better.

I urge adoption of this measure. I thank Chairman LUETKEMEYER for his leadership in forging this bipartisan consensus solution. I urge us to correct this Dodd-Frank mistake.

Mr. Speaker, I reserve the balance of my time.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
*Washington, DC, November 29, 2016.*

Hon. JEB HENSARLING,
*Chairman, Committee on Financial Services.*

DEAR CHAIRMAN HENSARLING: I am writing concerning H.R. 6392, the ''Systemic Risk Designation Improvement Act of 2016.'' This legislation contains provisions that fall within the Ways and Means Committee's Rule X jurisdiction over revenue.

I appreciate your willingness to work with me on the provisions in my Committee's jurisdiction. In order to allow H.R. 6392 to move expeditiously to the House floor, I agree not to seek a sequential referral on this bill. The Committee on Ways and Means takes this action with our mutual understanding that by foregoing formal action on H.R. 6392, we do not waive any jurisdiction over subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as this bill or similar legislation moves forward. Our Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and asks that you support any such request.

I would appreciate your response to this letter confirming this understanding, and would request that you include a copy of this letter and your response in the Congressional Record during the floor consideration of this bill. Thank you in advance for your cooperation.

Sincerely,

KEVIN BRADY,
*Chairman.*

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COMMITTEE ON FINANCIAL SERVICES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, November 29, 2016.*

Hon. KEVIN BRADY,
*Chairman, Ways and Means Committee.*

DEAR CHAIRMAN BRADY: Thank you for your November 29th letter regarding H.R. 6392, the ''Systemic Risk Designation Improvement Act of 2016.''

I am most appreciative of your decision to forego action on H.R. 6392 so that it may move expeditiously to the House floor. I acknowledge that although you are waiving action on the bill, the Ways and Means Committee is in no way waiving its jurisdictional interest in this or similar legislation. In addition, if a conference is necessary on this legislation, I will support any request that your committee be represented therein.

Finally, I shall be pleased to include your letter and this letter on H.R. 6392 in the Congressional Record during floor consideration of the same.

Sincerely,

JEB HENSARLING,
*Chairman.*

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong opposition to H.R. 6392. This is the first step in the Trump agenda to deregulate Wall Street, despite candidate Trump's pledges to hold elite bankers accountable. In fact, as we debate this bill today, Trump Tower's revolving door is spinning with Wall Street insiders.

Yes, in a skyscraper in midtown Manhattan, Trump and his transition team are plotting their agenda to weaken financial reform and bring us back to the precrisis Wild West days when banks could gamble with taxpayer money. Bank stocks are up on news of gifts to come, and newspaper headlines are already documenting Republicans' aggressive plans.

In fact, President-elect Trump just announced that he will nominate Steven Mnuchin, a former Goldman Sachs executive who now sits on the board of the megabank CIT, to be his Treasury Secretary. Mr. Mnuchin's bank is just one of 27 banks that stands to benefit directly from this legislation. Though CIT crashed—that is the bank—and went bankrupt during the crisis because of high-risk commercial lending and subprime loans, somehow Mr. Mnuchin still managed to sign an employment deal, handing him $4.5 million a year in 2016. I suppose passing this legislation is just the Republican Congress' way of giving him a signing bonus for coming into government.

We enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act in response to the stunning greed and regulatory failures in our financial system; and yet, with this bill, the Republicans are displaying a staggering degree of historical amnesia.

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This bill is the epitome of that dangerous agenda, with H.R. 6392 gutting our banking regulators' oversight of $4.5 trillion in banking assets, or approximately 30 percent of the industry currently subject to enhanced rules.

Make no mistake. This bill is not about helping the community banks because 99 percent of our country's community banks and credit unions are already exempt from most rules in Dodd-Frank. So I don't want anybody to come out here saying: we are helping the community banks. This has nothing to do with the community banks. This is about deregulating the big banks over $50 billion.

It is also not about tailoring regulations for regional banks. Wall Street reform already required that, and the Federal Reserve is already taking steps to do so. No, this bill is about a wholesale regulatory exemption for just 27 of the biggest banks in America—banks with $100 billion, $200 billion, and even $400 billion in assets.

Many of the types of banks that would benefit from this bill failed spectacularly during the financial crisis. In fact, large bank holding companies with more than $50 billion in assets received twice as much bailout money per dollar than banks with less than $50 billion in assets.

Contrary to the talking points from the other side of the aisle, these megaregional banks are not just big community banks. No, these regional banks are some of the worst players in predatory, subprime lending leading up to the financial crisis. They have preyed on minority and rural communities and have passed the buck onto taxpayers when their bets failed.

Remember Countrywide, a $200 billion thrift? They were the number three subprime mortgage originator and number one issuer of mortgage bonds in 2006. They are a poster child of the crisis.

Remember Washington Mutual, with $300 billion in assets, whose hometown paper, The Seattle Times, described as ''predatory''?

Remember Wachovia, with their exotic ''pick-a-payment'' mortgage loans? Remember in October of 2008, when they posted a $24 billion quarterly loss and the FDIC had to facilitate a midnight acquisition by Wells Fargo?

Remember New Century, AmeriQuest, or Option One? This bill would enable more blowups like these.

H.R. 6392 would repeal Dodd-Frank's $50 billion threshold above which banks are subject to closer regulatory scrutiny and prevent the Federal Reserve Board from regulating these banks. Instead, it would hand over that responsibility to what is known as FSOC, the Financial Stability Oversight Council.

In order to regulate the banks, the FSOC would have to go through a Byzantine and litigious process of designation, which takes 2 to 4 years to complete. This would give them plenty of time to go back to the old ways that Dodd-Frank is trying to prevent. Even if a potential Treasury Secretary Mnuchin decided to regulate his former employer, by the time he got around to it, the damage would likely already be done.

It is also significant to note that Republicans have repeatedly tried to dismantle the FSOC and its existing designation authority for large nonbanks. They have called the Council ''unconstitutional,'' introduced bills to make it harder for the FSOC to do its job, and helped companies like MetLife fight its designation in court.

What is more, Chairman HENSARLING's sweeping Wall Street deregulation bill, the ''Wrong Choice Act,'' would repeal this exact same designation authority altogether.

Why is the majority even considering this bill today when the chairman's Wall Street reform repeal package would render this bill moot? It is clear that this is just the first act in a long, dangerous play that will continue well into next year. I, therefore, urge my colleagues to join me in opposing this harmful bill.

Mr. Speaker, as I said when I took the floor to debate this bill, this is the first act in Trump's promise that he is going to deregulate, his promise that he is going to get rid of Dodd-Frank, his promise that he is going to get rid of the Consumer Financial Protection Bureau, and his promise that he is going to, in essence, turn all of this back over to Wall Street.

Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield myself 5 seconds just to say, if the ranking member believes this is the first act in getting rid of Dodd-Frank, she ain't seen nothing yet.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SESSIONS), the distinguished chairman of the House Rules Committee, and I thank him for his leadership in helping bring this bill to the floor.

Mr. SESSIONS. Mr. Speaker, I thank my dear colleague from Dallas for not only yielding, but I want to commend him in working with his committee, including the gentleman from Missouri (Mr. LUETKEMEYER), on this awesome legislation.

Mr. Speaker, the point is simple: Washington has once again gotten in the way of legitimate business and is harming the American people, the American economy, and job growth in this country by imposing unnecessary and burdensome compliance costs on medium-sized banks all across America.

Asset thresholds, regardless of how high or low, are disincentives to growth. There will always be an institution that lies somewhere that is slightly above or below some threshold, but the bottom line is that arbitrary numbers tell us very little about the risk that is actually involved. It is the risk to institutions in America that we should be talking about.

So, simply put, the SIFI designation is arbitrary. It simply subjects smaller banks to the same standards as trillion-dollar, globally systematic organizations, which is something that would only make sense here in Washington.

The bottom line is, it is an impediment to free economic growth, and it is an impediment that is burdening not only our banks but consumers also.

I commend Congressman LUETKEMEYER for advancing this important, commonsense regulation. By the way, it has taken several years to get here.

We now understand that the American economy can move in the right direction. The American economy, with good and proper leadership, not only in Washington but by the rules and regulations that are balanced, will help United States families, small businesses, and specifically smaller banks be more competitive to offer the services that are necessary.

I commend the young chairman of the Financial Services Committee, Mr. HENSARLING, for allowing this bill to come here today.

Ms. MAXINE WATERS of California. Mr. Speaker, Democrats, small town America, Rust Belt America, you just heard what he said. Mr. HENSARLING just said: You ain't seen nothing yet. You heard it coming out of his mouth as they stand here and defend deregulation of these big banks.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. AL GREEN) a member of the Financial Services Committee.

Mr. AL GREEN of Texas. Mr. Speaker, I think it appropriate to reflect for just a moment on what the crisis was like in 2008.

In 2008, when this crisis hit and it started to blossom, started to blow up, banks would not lend to each other. The crisis was so serious that banks would not bail each other out.

We had a circumstance such that people were losing their homes. They were losing their homes because of these so-called exotic products that allowed them to buy homes that they could not afford, homes that would allow them to have a teaser rate that would coincide with a prepayment penalty such that they couldn't get out of the rate that was to follow, which was going to be higher than they can afford.

Mr. Speaker, this bill, H.R. 6392, should be appropriately named the ''Systemic Risk Creation Act,'' because that is what it does. It creates the opportunity for systemic risk to exist, and it puts us back where we were before Dodd-Frank such that these various banks and lending institutions and other institutions of great amount of finance would be in a position to fail without our having the opportunity to immediately act upon them, as was the case with AIG. There was no system in place to deal with the AIGs of the world.

Dodd-Frank allows us to do this in a systemic way, a systematic way, an orderly way. It allows us to, if we need to, wind down these huge institutions—

wind them down such that they don't create harm to the broader economy.

I want you to know, Mr. Speaker, for those who think that these are all small banks, let me just give you some indication as to how small they are. I am looking now at the top five of the 27 in question. The top five:

Number five is $217 billion.

Number four, $255 billion.

Number three, $278 billion.

Number two, $350 billion.

Number one, $433 billion.

Only in the Congress of the United States of America would this be considered small change.

We must not allow this deregulation to take place such that we put the economic order at risk again. This bill, Dodd-Frank, when it passed, allowed us to look at the entire economic order and to determine whether or not there were institutions that were a systemic risk to the economic order. Prior to Dodd-Frank, they were all siloed. Prior to Dodd-Frank, we had long-term capital. Long-term capital was the first canary in the coal mine.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield the gentleman an additional 30 seconds.

Mr. AL GREEN of Texas. Long-term capital had its demise in 1998. It was a canary in the coal mine. Bear Stearns followed, as well as IndyMac, Countrywide, and WaMu. They followed in 2008.

We didn't have a system that allowed us to recognize these canaries in the coal mine and take affirmative action. This is what Dodd-Frank does. This is what FSOC does. And it would be a severe mistake to vote for legislation to repeal these bills. We are going to live to regret this vote. Those who vote to repeal will live to regret it.

Mr. HENSARLING. Mr. Speaker, I yield myself 10 seconds to say I appreciate the passion of my colleagues on the other side of the aisle and their concern for taxpayers and systemic risk. So I certainly look forward to their cosponsorship of our legislation to get rid of Dodd-Frank's taxpayer-funded bailout fund.

Mr. Speaker, I yield 3½ minutes to the gentleman from Missouri (Mr. LUETKEMEYER), a real leader on our committee and the author of H.R. 6392, the Systemic Risk Designation Improvement Act.

Mr. LUETKEMEYER. Mr. Speaker, today, the House will consider H.R. 6392, the Systemic Risk Designation Improvement Act of 2016, legislation to address an inefficient regulatory structure by accounting for actual risk, rather than asset size alone, in the designation of systemically important financial institutions, or SIFIs.

Under the current regulatory framework for the designation of SIFIs, any bank holding company with more than $50 billion in assets is subject to enhanced regulatory supervision and special assessments. This approach fails to take into account differences in business models or risk imposed to the financial system. It has real-world implications, too, stunting economic growth and limiting access to credit.

The risk of a traditional bank is not the same as an internationally active, complex firm. H.R. 6392 would remove the completely arbitrary approach and replace it with analysis of actual risk imposed to the financial system.

□ 1330

More specifically, my legislation would require regulators to examine not just size, but also interconnectedness, the extent of readily available substitutes, global cross-jurisdictional activity, and complexity of each bank holding company. These are metrics that are presently being used by the Financial Stability Board and the Office of Financial Research to determine what a G-SIFI is, a Global Systemically Important Financial Institution.

This bill number may be new, but the concept is not. With the exception of the offset language contained in section 6 of this bill, H.R. 6392 is identical to H.R. 1309, which was the legislation I introduced last year that attracted broad bipartisan support and garnered 135 cosponsors.

Even Dodd-Frank's author, the former chairman of the Financial Services Committee, Barney Frank, said this issue needs to be addressed. During a November 20 radio interview, Chairman Frank said: ''We put in there that banks got the extra supervision if they were $50 billion in assets. That was a mistake.''

Chairman Frank further went on to say: ''When it comes to lending and job creation, the regional banks are obviously very, very important. I hope that if we get some regulatory changes, we give some regulatory relaxation to those banks.''

Chairman Frank testified to that effect—and this is a picture of him in front of our committee—and expressed support for our bill back in 2014. This week we have the opportunity to remedy this oversight.

This legislation will not impact the authority of the regulatory agencies to oversee institutions. It will, however, encourage enhanced and more appropriate oversight of institutions that could actually have a greater impact on the overall economy, financial system, and, most importantly, consumers.

Mr. Speaker, this is a bill to take a more pragmatic approach to financial regulation. Mr. Speaker, it is time to actually manage risk and limit threats to our financial system.

I want to thank my colleagues for their work on this legislation, namely, Mr. MURPHY, Mr. STIVERS, Mr. SCOTT, Mr. WILLIAMS, Ms. SEWELL, Mr. HILL, and Ms. SINEMA, and ask my colleagues for their support today. And a special thanks to Chairman HENSARLING for his tireless support for efforts on this bill.

Just one moment, if I could, to address a couple of comments that were made earlier. We are talking about systemically important financial institutions, and the definition of a SIFI is it has got to be something that is going to cause the economy to go down. A $50 billion bank is going to be something that may be important to a local economy, but it is not going to be something important to the entire economy. This is what we are talking about.

Big banks have big problems. Medium-sized banks do not affect the systemic concern that we should have about the economy, and this is where this bill is directed. Somebody who doesn't understand that, I think they are missing the point.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman an additional 30 seconds.

Mr. LUETKEMEYER. So I think even the ranking member made my point a while ago when she said 27 banks, a total of $4.6 trillion. We have got a half dozen banks over $1 trillion, so we are talking about some small banks that are really going to have a small impact with regard to if they went down or not.

That is what the purpose of this legislation, Dodd-Frank, was about: to stop the big guys from bringing the whole economy down. The ranking member, with all due respect, misses the entire point of what Dodd-Frank is supposed to be and what the intent of this bill is.

Ms. MAXINE WATERS of California. Mr. Speaker, while the other side fights for the big banks and we over here are fighting for the consumers, let me just say that Mr. Frank has not supported H.R. 6392, and you need to stop saying that.

I yield 3 minutes to the gentleman from Washington (Mr. HECK), a member of the Financial Services Committee.

Mr. HECK of Washington. Mr. Speaker, I have a little different take on this. I oppose this bill. In fact, I strongly oppose it, but I don't exactly oppose the idea at all. Let me explain that.

The Dodd-Frank legislation was written, as we all know, during a period of financial crisis, and legislators and regulators had to act quickly. Sometimes, when you have to act quickly, you take shortcuts to get the financial system stabilized. But today, the difference is we have the luxury of time to go back and replace those shortcuts with some more deliberative decision-making.

Now, Dodd-Frank said that every bank holding company over $50 billion gets heightened supervision. Well, frankly, back then, for stabilizing a financial crisis, that was a great way to move quickly and to get it done and to bring about the intended result. But again, for making policy over the long term, that doesn't make sense because, in fact, it is an arbitrary-size threshold. So it was a shortcut that made sense at the time, and I join with you in supporting a reevaluation of that particular threshold level. That is the idea of this bill, and I support the bill—or support the idea. But, again, I don't support this bill at all because, instead of taking the luxury of time to make good policy, frankly, it acts like we are still back in that crisis, and we are taking another shortcut.

The bill says FSOC should determine which banks need heightened supervision, and that is a great idea. That is what they are there for. And then it says FSOC has to complete all of its work on all of the banks within 12 months. That is a terrible idea. That is a terrible idea.

The last determination that FSOC took lasted 16 months, and they were working on one company at the time—and it took 16 months. And even then, the judge said: You took 16 months, and you acted too rashly and should have deliberated more. But this bill says only 12 months are allowed. And it is not just one company they would be looking at. It could be up to 40 companies with over $50 billion in assets.

So I would say to my friend from Missouri, I think you have a good idea. I wish you would have brought a bill reflecting that idea out here.

Let's remember that Bear Stearns was $400 billion; it contributed. Washington Mutual, $300 billion; it contributed. All of those banks are going to be in one pot that have 12 months to be looked at. We are, in fact, gutting Dodd-Frank; and, no, I do not agree with my friend from Texas, the chairman, that that is a good idea at all.

The authors kind of recognized this, which is why they said banks get heightened supervision if FSOC says so or if the Financial Stability Board in Basel, Switzerland, says so. I don't know why we would cede sovereignty. I have been working with the gentleman from Missouri on exactly that issue as it relates to insurance companies. Why are we ceding our sovereignty to some regulatory entity in another country?

So I do take a different view of this bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. I yield an additional 30 seconds to the gentleman.

Mr. HECK of Washington. I urge my colleagues to support the idea by rejecting this bill which will not achieve the intended result because it can't work. But the idea can. Go back. Put in a reasonable timeframe. Drop that crazy FSB provision, and let the regulators get to work looking for the risks that devastated the economy a decade ago so we don't have to relive that. If we pass this bill, we very well may.

The SPEAKER pro tempore (Mr. JODY B. HICE of Georgia). Without objection, the gentleman from Missouri (Mr. LUETKEMEYER) will control the remainder of the time of the gentleman from Texas (Mr. HENSARLING).

There was no objection.

Mr. LUETKEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. NEUGEBAUER), the chair of the Financial Institutions and Consumer Credit Subcommittee, who is set to retire shortly, and whose expertise and hard work we are going to miss; but his guidance over these years has certainly given us a lesson on how to get things done. And we certainly hope that he will have a great retirement.

Mr. NEUGEBAUER. I thank the gentleman for those kind words.

Mr. Speaker, I rise today in support of H.R. 6392, offered by my good friend from Missouri (Mr. LUETKEMEYER).

H.R. 6392, known as the Systemic Risk Designation Improvement Act, is bipartisan legislation that ensures that the Federal Government takes a thoughtful and comprehensive approach when evaluating the financial stability concerns posed by U.S. bank holding companies.

Under H.R. 6392, the bank holding companies will no longer be measured by their size alone when evaluated for the application of heightened prudential standards. Instead, the Financial Stability Oversight Council will use a metrics-based approach that takes into consideration the totality of the bank holding company's operations. Using this framework, bank holding companies will be measured on size, complexity, their interconnectedness, cross-jurisdictional activity, and available substitutes.

This approach is similar to the framework used by the international body known as the Financial Stability Board, which designates global systemically important banks. Further, it is the framework already being used by the Federal Reserve when it evaluates financial stability concerns stemming from bank mergers.

Mounting evidence coming from regulators and academics have highlighted the flaws in using a size-only approach to measuring systemic risk. Further, several democratically appointed regulators have noted the flaws with Dodd-Frank's threshold of $50 billion in assets.

Put simply, many bank holding companies are being subjected to enhanced regulatory requirements for no sound policy reasons. That results in restricted lending, decreased services to customers, and inefficiencies in the marketplace.

We must strive to ensure that the government policy is thoughtful and properly calibrated. H.R. 6392 is absolutely necessary to ensure that we meet those principles.

I urge my colleagues to vote ''yes'' for H.R. 6392.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. FOSTER), a member of the Financial Services Committee.

Mr. FOSTER. I thank Ranking Member WATERS for yielding.

Mr. Speaker, I rise in opposition to H.R. 6392, the Systemic Risk Designation Improvement Act of 2016. Although many aspects of this bill have sound arguments behind them, it contains fatal flaws which should preclude our support.

The financial crisis taught us many things about our markets and overturned some fairly fundamental assumptions that were widely held prior to it. One of the things we learned was the extent to which systemic risk could build up in a regulatory paradigm that was focused entirely on entity risk. It was quickly evident that the failure of a large institution posed a greater threat than previously believed.

At the same time the phrase ''too big to fail'' became public shorthand for some of these firms, economists and other experts talked about another important aspect, too interconnected to fail.

Asset size is a quick and useful metric for determining whether a firm is potentially so large that a failure could have a massive impact on systemwide stability, and evaluating the risks that single institutions can pose to the system often require a more nuanced approach.

The exposure of counterparties to a failing firm or exposures of other institutions to the same risks are systemic risk factors that should rightly be considered. Also, as the economy grows, many fixed thresholds, such as $50 billion, will shrink in importance. At the very least, the importance given to any asset size threshold needs to be periodically reconsidered in the scope of an economic indicator like GDP. Wherever the line is drawn, it should reflect the macroeconomic factors that the bank is nested in.

Moreover, there is anecdotal evidence that firms will avoid growth—meaning, cutting back in lending—as they approach any fixed threshold. I see this as a market distortion that reflects risks of increasing concentration rather than prudent risk management. I see this concern with nearly any fixed threshold for being deemed a SIFI.

However, I think that a nuanced, weighted process that gives deference to the expertise of regulatory agencies is appropriate. Drawing lines to determine which firms warrant additional scrutiny will always be a difficult process. To the extent that the bill we consider today looks to other factors that a strong Financial Stability Oversight Council with adequate resources and leadership should consider, I believe that this is a good start.

I do think that there are improvements to be made in the designation threshold, but I think this bill has two core problems that prevent my support.

First, legislation to change the threshold should give sufficient specific direction that it would not move with changes to the political leadership of the FSOC. The concentration of an effective veto power in the hands of a single political appointee basically aggravates that concern tremendously.

The SPEAKER pro tempore. The time of the gentleman has expired.

Ms. MAXINE WATERS of California. I yield the gentleman an additional 30 seconds.

Mr. FOSTER. Second, thorough analysis of the institutions presently categorized as SIFIs but not G-SIBs requires more than a year. The bill today rightly looks to characteristics that are important in assessing systemic risk, but it does not provide predictability or an adequate transition period.

The most recent financial crisis saw the failure of institutions of a variety of sizes, but, for example, the savings and loan crisis was the simultaneous failure of many smaller firms.

I support an approach that looks at many different factors and gives discretion to a strong, well-resourced FSOC to designate forms based on objective characteristics of the firm so we can prevent another crisis. However, I urge my colleagues to vote ''no'' on H.R. 6392 because it does not set up the thoughtful framework we need.

□ 1345

Mr. LUETKEMEYER. Mr. Speaker, may I inquire as to the amount of time remaining on both sides, please?

The SPEAKER pro tempore. The gentleman from Missouri has 15 minutes remaining. The gentlewoman from California has 10¾ minutes remaining.

Mr. LUETKEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. HUIZENGA), chairman of the Monetary Policy and Trade Subcommittee. He is obviously one of the greater, deeper thinkers on our committee from the standpoint of being able to handle that sort of subcommittee. It is certainly an honor to have him with us today.

Mr. HUIZENGA of Michigan. Mr. Speaker, I appreciate my fellow subcommittee chairman who has written a great piece of legislation here.

We all have been talking about Dodd-Frank creating this Financial Stability Oversight Council, or FSOC, which was charged with monitoring systemic risk in the U.S. financial sector and coordinating regulatory responses by its member agencies—a good goal, but an idea gone bad, unfortunately.

FSOC designates these banking companies with over $50 billion in assets, they are automatically considered systemically important financial institutions, and the act subjects those institutions to enhanced regulatory standards.

Here is the issue, Mr. Speaker: this is not about Wall Street banks. This is really affecting and hitting Main Street banks. The SIFI designation really is arbitrary, and it subjects these companies with those assets. Which, don't get me wrong, $50 billion is a lot of money. However, if you look at the totality of our financial institutions, it is actually quite small. It suddenly says that they are globally now systemically important that, if this particular bank or company went out of business, we could take down the whole economy. It is just ludicrous.

The process that FSOC uses to designate these institutions is flawed in its current design and lacks the transparency and accountability that the American taxpayers deserve and, frankly, expect.

In fact, the former Financial Services chairman, Barney Frank, under which Dodd-Frank is named, even agreed that the $50 billion SIFI threshold that he wrote into law and that the Senate wrote into law was ''arbitrary.'' Maybe 75 was too big and 25 was too small, so they settled on 50. There is no basis as to why that number was picked. I couldn't agree more with that former chairman.

This bill, H.R. 6392, the Systemic Risk Designation Improvement Act, is a bipartisan bill that passed out of our committee 39–16 with eight Democrats joining the majority, and it would require instead that FSOC use an indicator-based measurement that has five different operational indicators.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LUETKEMEYER. Mr. Speaker, I yield the gentleman an additional 30 seconds.

Mr. HUIZENGA of Michigan. Those five operational indicators are size, interconnectedness, complexity, cross-jurisdictional activity, and available substitutes. Therefore, what is happening is we are seeing fewer products and services available to bank customers because these banks are having to pour more additional resources that could go towards servicing those customers into a regulation that isn't doing anything to protect our economy.

That ultimately needs to be our goal. Our goal here needs to make sure that we restore transparency by allowing regulators to review all of the circumstances surrounding that and not have a Washington, D.C.-driven one-size-fits-all approach.

Mr. Speaker, I urge my colleagues to support this important bill.

Ms. MAXINE WATERS of California. Mr. Speaker, it was just said that this is affecting Main Street. It is not. All that passion you see on the other side is about the big banks, not about community banks.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. SARBANES), who is a member of the Energy and Commerce Committee and a strong advocate for the protection of Wall Street reform.

Mr. SARBANES. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I rise today to oppose this legislation, but I also want to speak to the millions of Americans of all political stripes who want Washington to change, who want to reclaim their voice in their democracy, and who long, actually, for the interests of Main Street to be put ahead of the interests of Wall Street.

Unfortunately, Washington hasn't heard you, America. The system is still rigged and the swamp is only getting deeper. Special interest lobbyists are sharpening their knives in advance of the new Congress, and President-elect Trump's administration is ready to carve up the Tax Code for their benefit and eliminate oversight of Wall Street.

In fact, bank stocks are surging now with Wall Street giddy at the prospect of tossing out critical rules and regulations designed to prevent another financial collapse and taxpayer bailout.

As one Wall Street analyst put it immediately after the election: ''Everything is in play.''

Or maybe we should just use Mr. HENSARLING's words: ''You ain't seen nothing yet.''

If you need further proof that special interests and the Wall Street elite will be empowered in the new Congress and administration, look no further than President-elect Trump's nomination for the Treasury Department: Steve Mnuchin—a billionaire hedge fund manager, former Goldman Sachs executive and bank CEO. President-elect Trump, a supposed champion of the working class, now seeks to appoint a financier who, like Trump, personally profited on the financial ruin of hard-working Americans.

What does this have to do with the bill we have before us, you may ask?

Well, a lot. Today, before the new President is even seated and Steven Mnuchin is even confirmed, H.R. 6392 will dramatically upend sensible oversight of some of the Nation's largest banks, many of which were directly implicated in the financial collapse of 2008.

Taxpayers lose under this legislation, but guess who stands to benefit from it?

Steve Mnuchin. He serves on the board of the bank CIT, receiving a salary of $4.5 million. CIT is one of only 27 banks in the country that will benefit from this terrible legislation. What is more, under this legislation, Mnuchin, if confirmed, will be in charge of overseeing the replacement designation process for CIT and the other 26 large regional banks rewarded by this legislation.

Mr. Speaker, this legislation and the nomination of Steve Mnuchin is a direct rebuke of President-elect Trump's promise to ''drain the swamp.'' The only thing cleaner about the swamp is that the alligators will be wearing suits and ties.

Millions of Americans of all political stripes are hurting. They want a more representative democracy. They want public policy designed for the public interest, not the special interests. They want a fair shake. Let's show them we are still fighting for them. Let's defeat this Wall Street giveaway.

Mr. LUETKEMEYER. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. DUFFY), who is the chairman of the Oversight and Investigations Subcommittee. He is one of our toughest guys on the committee. He has got one of the toughest committees to be able to go after some of the issues that we are working on.

Mr. DUFFY. Mr. Speaker, I thank Chairman LUETKEMEYER for all his hard work on what I think is an excellent bill. It is fascinating to sit in this Chamber and listen to the debate and the fear-mongering that takes place.

Before I get into that, let's just take a trip down memory lane. We have to look at the financial crisis and what the Democrats chose to do, the idea that you can't let any good crisis go to waste. There is a financial crisis, so we go to our file cabinets, we open them up, and every progressive, liberal idea we take out and put them into Dodd-Frank—a 2,300-page bill, a bill that was written before the Financial Crisis Inquiry Commission even came out with their report on the cause of the crisis.

This is a very, very simple tweak. Right now we have designations for systemically risky banks at a set assets threshold of $50 billion. Let me tell you what, I have banks in Wisconsin. They are small, regional banks—not Wall Street banks—that are getting crushed by these new rules and regulations.

So all we are saying to my friends across the aisle is: You love the regulators. You think that the regulators are awesome.

We are trying to empower the regulators to look at the facts on the ground and to look at the interconnectedness and complexity to determine risk, not just have a one-size-fits-all mentality. It is not one size fits all. We are more complex. Banks are as different as people.

Let's look at the complexity at every bank and make sure they can operate within their communities in a way that fits the risk to the financial system.

This gets back to the American people. Why does this matter? Why is this not just about finance and complex rules?

Because if banks can't lend, or if they lend and you are driving up the cost of their lending, then that has a real impact on the small businesses in my community and the families in my community that can't get a loan, or the loans they do get, the costs are going through the roof because of all the new compliance costs.

The bottom line is why do we want to have increased regulatory burdens on banks that aren't risky?

Let's have the regulators focus like a laser on the banks on Wall Street who do need the increased regulation, but not the ones that don't.

One size doesn't fit all. Let's work together. Let's modify Dodd-Frank. This isn't Holy Scripture. It didn't come down from Heaven on high. It can be fixed. It is not perfect. Again—we are going to say this all day—Barney Frank even thinks the threshold is too low. It can be fixed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LUETKEMEYER. I yield the gentleman an additional 30 seconds.

Mr. DUFFY. Mr. Speaker, I look forward to working with my good friend, the ranking member. Commonsense reform that looks to your good friends, the regulators, to take a sound look at risk profiles, and then decide what kind of regulatory regime is necessary for the risk that is presented by each of these banks.

I thank the chairman for his work. I encourage everyone on both sides of the aisle to support this commonsense bill that supports small businesses and American families to make America great again.

Ms. MAXINE WATERS of California. Mr. Speaker, the gentleman from Wisconsin has the audacity to come to this floor and say that we are crushing these pitiful little banks with $50 billion or more. No. You are crushing the average person who gets up every morning, who goes to work, and who is trying to take care of their families and is getting ripped off by these financial institutions.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Hawaii (Ms. GABBARD), who is a member of the Foreign Affairs Committee.

Ms. GABBARD. Mr. Speaker, I am rising today in strong opposition to H.R. 6392. It is a dangerous bill that puts the economic security of millions of Americans at risk.

Let's not forget that just 8 short years ago, the lives of Americans all across the country were shaken and devastated by the worst economic crisis since the Great Depression. The livelihoods of hardworking families were put at risk and millions of Americans lost their homes and saw their lifesavings wiped out all because of risky banking practices and the overgrown ''too big to fail'' banks. At that time, Republicans and Democrats railed against the travesty that these banks exacted on the American people.

This bill threatens to unravel the very protections that were put in place to prevent a repeat of this economic crisis. It would gut the higher capital requirements on 27 banks that together hold over $4 trillion in assets—nearly one-quarter of all banking system assets in the United States—and water down the independent authority of the Federal Reserve to regulate large bank risk.

Eight years ago, the failure of large regional banks like Countrywide, Washington Mutual, and Wachovia—major subprime mortgage lenders leading up to the crisis—created shock waves throughout our financial system and hurt the American people. This bill would scale back the Federal Reserve's ability to regulate these banks, placing greater risk and burden on the backs of the American people.

I urge my colleagues to stand with the people and vote against this dangerous legislation.

Mr. LUETKEMEYER. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. BARR), who is one of our bright and shining stars on the Financial Services Committee.

Mr. BARR. Mr. Speaker, I rise in strong support of H.R. 6392, the Systemic Risk Designation Improvement Act, and I applaud the gentleman's excellent work on this bill.

The ranking member, my friend, says that this is not about Main Street. Let me talk about what this bill is trying to fix, the problem we are trying to solve here.

Dodd-Frank, the legislation that my friends on the other side of the aisle are defending, has produced this: small-business lending from banks is at the lowest level it has been in 20 years, and more than 75 percent of corporate treasurers in this country say that Federal regulations are stifling access to financial services. As a result, new business formation in this country is at a 35-year low.

This bill is about Main Street because Main Street cannot access financial services because of Dodd-Frank. This bill is about fixing an arbitrary provision in the Dodd-Frank law that harms consumers and does absolutely nothing to stabilize markets.

Dodd-Frank directs the Financial Stability Oversight Council to designate banks as systemically important financial institutions, or SIFIs. These designated institutions are subject to surcharges, additional regulation, and an implicit taxpayer bailout. That's right, their bill is what gives Wall Street a bailout.

□ 1400

What we are saying is: let's focus our attention on Wall Street, but let's get regional banks some regulatory relief so that they can serve their customers on Main Street.

The primary test for systemic importance is an arbitrary threshold of $50 billion. Above that line, an institution is designated systemically important or too big to fail. Above that line, regardless of the institution's risky activities, it is exempt.

This bill that we are supporting does away with this blunt threshold and directs FSOC and its constituent agencies to consider the institution's actual activities to determine if it actually is risky. If it is not, it deserves relief so that it can serve its customers better.

Size is not the only issue. It is interconnectedness. It is risky activities. Many of these regional banks that serve my constituents in central and eastern Kentucky, not Wall Street—central and eastern Kentucky. Farmers, small business owners, and homeowners in Kentucky are being crushed and denied access to capital because of a one-size-fits-all regulation from Washington.

Unlike Dodd-Frank's arbitrary approach, this will better promote financial stability because it actually targets the enhanced regulation to where it belongs and not on Wall Street.

The bottom line is, we are hearing from regional banks around this country, in central Kentucky and other places, that the expense of complying with these enhanced regulations and the SIFI surcharge means less capital for deployment in mortgages, in automobile loans, and in small business loans, it means higher credit card rates, and it means fewer customer rewards. It impacts these institutions' ability to engage in philanthropy and community development activities.

Treating these regional banks as complex Wall Street firms is simply illogical. These are not multinational Wall Street firms. These are traditional banks that serve Americans on Main Street.

Ms. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time

Mr. LUETKEMEYER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), one of our most thoughtful members on the Financial Services Committee.

Mr. ROTHFUS. Mr. Speaker, I rise today in strong support of H.R. 6392.

This bill, the Systemic Risk Designation Improvement Act, offers a commonsense approach to the process of designating systemically important financial institutions. In doing so, it addresses a problem that Republicans and Democrats have complained about for some time.

Dodd-Frank's $50 billion threshold for identifying SIFIs is a crude and arbitrary way to decide which firms pose a risk to the stability of the financial system. It is important to remember that SIFI designation isn't trivial. When a financial institution is labeled as a SIFI, it faces enhanced regulation, supervision, and costs without regard to the nature of the bank or the bank's business.

Accordingly, SIFI designation impacts a firm's lending ability, and, therefore, the firm's customers, and their customer's ability to thrive.

If we really care about protecting financial stability and having a healthy financial system, we have a responsibility to pursue a fairer, more transparent, and more accurate process. The approach set forth under H.R. 6392 represents a more rational process for evaluating financial institutions, as opposed to the Washington tradition of one-size-fits-all.

Under this bill, the Financial Stability Oversight Council will be required to look at not only the size of a financial institution but also its interconnectedness, complexity, cross-jurisdictional activity, and availability of substitutes. Keep in mind that banks designated as SIFIs today may still be designated as SIFIs under this new approach.

This bill's reforms will inject the FSOC's SIFI designation process with greater clarity and fairness, and it will result in more appropriately targeted regulatory efforts.

I commend Chairman LUETKEMEYER for his work on this important issue, and I am proud to be a cosponsor of this bill in its original form.

I urge my colleagues to support this bill.

Ms. MAXINE WATERS of California. Madam Speaker, I yield 1 minute to the gentleman from Texas (Mr. AL GREEN).

Mr. AL GREEN of Texas. Madam Speaker, let's take a look at this size question because $50 billion was selected for a reason, and the reason is this: If you don't have a threshold, we knew at the time, as we know now, that you won't get any banks designated because the banks are going to sue, and they are going to tie you up in court. Well, maybe some will not, but you are going to have a real fight on your hands getting them to be designated, and it can take 2 to 4 years to get it done.

Looking at the banks that are covered, only three of the banks covered are in the $50-billion range. The top 15 are over $100 billion, and the top bank is about a half trillion dollars. Again, only in Washington, D.C., would this kind of money—a half trillion dollars for one bank—be considered small change.

We cannot allow the banks to dominate the process. We put the process in the hands of the banks when the regulators have to take them on one at a time.

Finally, what is wrong with telling a bank, ''You have to tell us how to eliminate you if you become a systemic risk''? That is what Dodd-Frank does. This bill eliminates the ability of FSOC to determine and tell banks that they must give up.

Mr. LUETKEMEYER. Madam Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. TIPTON), one of our hardest working members on the committee.

Mr. TIPTON. Madam Speaker, I thank my colleague from Missouri (Mr. LUETKEMEYER) for offering this important piece of legislation under consideration today.

The bipartisan Systemic Risk Designation Improvement Act replaces an arbitrary asset threshold with an indicator-based approach, which will better assist the Financial Stability Oversight Council in determining the true systemic risk of a financial institution.

It is a mistake for regulators to continue regulating a $50-billion bank in the same way they regulate trillion-dollar global systemically important institutions. In fact, this view is shared among regulators and legislators. Comptroller Curry, Federal Reserve Board member Tarullo, Senator SHERROD BROWN, and even former Chairman Barney Frank have all made public comments agreeing that the $50-billion SIFI threshold is not the best determination for imposing heightened prudential standards.

This bill introduces a better, analysis-driven approach, requiring the council to require metrics already established by the Basel Committee on Banking Supervision when it identifies Global Systemically Important Banks.

The Systemic Risk Designation Improvement Act will stop the current regulatory model of needlessly increasing compliance costs and forcing institutions to decrease financial services. By ensuring that the SIFI designation process takes into account indicator factors, financial institutions that were not the cause of the financial crisis will once again be able to fully serve their communities. Not only will this legislation provide relief for stable financial institutions, but it will also allow regulators to focus their resources, working with institutions that pose an actual systemic risk to the financial system.

It is important to note that this legislation does not strip the FSOC of designation powers. It is concerning that some groups oppose a bill that encourages the council to use accepted measuring standards to justify a SIFI designation.

Systemic importance should be determined by appropriate criteria rather than by an arbitrary line that has no justifiable purpose. To advocate for the status quo, and against this legislation, shows a fundamental misunderstanding of the financial system and systemic risk.

I am happy to lend my support to this bill and encourage my colleagues to support this commonsense measure. I, again, thank the gentleman from Missouri (Mr. LUETKEMEYER) for his leadership on this measure.

Ms. MAXINE WATERS of California. Madam Speaker, I continue to reserve the balance of my time.

Mr. LUETKEMEYER. Madam Speaker, may I inquire as to how much time is remaining on both sides?

The SPEAKER pro tempore (Mrs. BLACK). The gentleman from Missouri has 2½ minutes remaining. The gentlewoman from California has 5 minutes remaining.

Mr. LUETKEMEYER. Madam Speaker, I yield 1 minute to the gentlewoman from Utah (Mrs. LOVE). Again, we have a good crop of young folks on our committee, and she is one of those bright stars for us.

Mrs. LOVE. Madam Speaker, we have before us a solution to regulation that causes real harm to an important financial institution, especially in my State, Zions Bancorporation, which supports the financial needs of many families and businesses throughout Utah and the Western States.

Last year, Zions Bancorporation chairman and CEO, Harris Simmons, spoke about increased compliance costs his institution has to face as a result of the enhanced prudential standards requirements of the Dodd-Frank Act. Specifically, Zions has had to divert resources to add nearly 500 additional full-time staff to areas such as compliance, internal audits, credit administration, and enterprise risk management.

Mr. Simmons also testified at the House Financial Services' Financial Institutions and Consumer Credit Subcommittee that these increased compliance costs are offset by reductions in other areas of the organization. Many of them are consumer-facing functions. In other words, Zions Bank had to move resources away from lending to customers and consumer service because of these extra regulations. Yet, Zions is one of the smallest SIFIs, with a business model centered on very traditional banking activities, primarily commercial lending with a particular focus on lending to smaller businesses.

I support H.R. 6392. It allows banks like Zions Bank to get back to what they do best.

Ms. MAXINE WATERS of California. Madam Speaker, I continue to reserve the balance of my time.

Mr. LUETKEMEYER. Madam Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. HILL), who brings a wealth of financial services background to the committee.

Mr. HILL. Madam Speaker, I thank the chairman and congratulate him on this constructive bill.

This bill today is not about dangerous agendas, greed, signing bonuses, or wholesale exemptions of regulation for 27 big banks—not at all. This bill is about using common sense and taking off the autopilot that is in Dodd-Frank, which designates our SIFIs on size alone. In fact, it includes all the factors that should be considered for institutions that might present a systemic risk.

This is a bipartisan bill that has support on both sides of the aisle. Former Chairman Frank's comments have been read into the RECORD, but how about Governor Dan Tarullo: ''Resolution planning and the quite elaborate requirements of our supervisory stress testing process do not seem to me to be necessary for banks between $50 billion and $100 billion in assets.''

Tom Curry, our comptroller of the currency: ''The better approach is to use an asset figure as a first screen and give discretion to the supervisors based on the risks in the business plan and operations.''

And Senator SHERROD BROWN, certainly a supporter of Dodd-Frank: ''I do agree that some banks above $50 billion should not be regulated like Wall Street megabanks.''

I support this bill.

Ms. MAXINE WATERS of California. Madam Speaker, I yield myself such time as I may consume.

Here we are in the lameduck session of Congress, and we are signaling to special interests all the giveaways that are about to come with Republicans in control of Washington. And we do this just after the President-elect selected a man to head the Treasury Department whose bank has been accused of redlining and violating the Fair Housing Act, whose bank was responsible for about 40 percent of reverse mortgage foreclosures in 2009 to 2014, and whose bank was characterized by a New York judge as engaging in harsh, repugnant, shocking, and repulsive acts against debtors.

Donald Trump ran a campaign on anti-Wall Street rhetoric, but appointing a former hedge fund manager, Goldman Sachs, executive and bank CEO, as Treasury Secretary shows his true colors. Mr. Mnuchin is a Wall Street insider with ties to big banks that have a troubling past of putting profits ahead of consumers and taxpayers. Mnuchin, during his time at OneWest, during his time, foreclosed on homes of 36,000 families.

Mr. Mnuchin now sits on the board of CIT, which bought his former bank. Mnuchin took a reported $10.9-million payout when the merger was completed. CIT's regulatory filings indicate that the bank provides Mr. Mnuchin with annual compensation of $4.5 million for each of 2015, 2016, and 2017, which gives a base salary of $800,000, short-term incentives of $1.4 million, and long-term incentives of $2.3 million. That is 88 times the household income of the average American family.

What is worse, CIT is a megabank, and, instead of paying back taxpayers, it went bankrupt, like many of Mr. Trump's failed businesses.

□ 1415

Mnuchin is a man who got rich off of the foreclosure crisis and taxpayer bailouts again—not unlike Mr. Trump himself—and he will now have oversight over significant swaps of our financial regulatory system.

H.R. 6392, in particular, is President-elect Trump's and the congressional GOP's first effort to deregulate Wall Street since the election.

This bill stands to benefit just 27 banks in the United States, and one of those banks is Mr. Mnuchin's bank, CIT. In fact, CIT just recently completed a merger with OneWest, which made Mr. Mnuchin rich. That merger also pushed CIT over the $50-billion threshold that would make the bank subject to Dodd-Frank rules. Rather than submit to more stringent regulation, CIT is trying to grease the skids to get favorable treatment in Congress so that its megamerger won't come with any strings attached. Specifically, this legislation would eliminate CIT from being subjected to more stringent Dodd-Frank rules related to capital, liquidity, risk management, living wills, stress testing, and other crucial requirements that prevent bailouts.

What is more, the legislation would take authority to regulate banks away from our independent regulators and hand that power over to this man, who I am telling you all about, who has a history of proving to have not only foreclosed on a lot of innocent homeowners, but who is, maybe, I think, under investigation now by HUD.

Again, this legislation would take the authority to regulate banks away from our independent regulators and would hand that power over to him. Mr. Mnuchin would now, per H.R. 6392, be in the driver's seat to determine which banks get regulated and how. That means he could give special favors to his bank while ignoring similarly situated banks, not to mention our financial stability.

My friends on the opposite side of the aisle will tell us: Oh, that is a bailout we had to do in order to keep this country from going into a depression.

You force taxpayers to make that bailout—to pay for it. Now here we are today with a President-elect who pays no taxes. So why would he be worried about whether or not we have a bailout?

I would say this is one of the worst bills that is going to come before us; but just like Mr. HENSARLING said: We ain't seen nothing yet.

Madam Speaker, I yield back the balance of my time.

Mr. LUETKEMEYER. Madam Speaker, I yield myself such time as I may consume.

Just to recap, the Dodd-Frank came into being as a result of the crisis. One of the solutions was to be able to fine systemically important financial institutions before they brought the economy down. Coming up with the SIFI definition was one way to do that. The problem was that the SIFI designation was too large and was being impacted in too many different and wrongful ways. Even Dodd-Frank's original author, Barney Frank, recognized that with his testimony this past week as well as in our committee.

The metrics that we have in the bill are very simple. They are things that are used by the Financial Stability Board and by the Office of Financial Research when they look at global SIFIs. The CIT and OneWest merger that the ranking member keeps talking about are metrics that were used by the regulators to determine whether that was something they should be doing.

We are not reinventing the wheel here. What we are doing is taking the burden off of the midsized regional banks, which is causing fewer products and services to be able to be provided to the customers at an increased cost; so I ask for the passage of the bill.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate on the bill has expired.

AMENDMENT NO. 1 PRINTED IN PART B OF HOUSE REPORT 114–839 OFFERED BY MR. DAVIDSON

Mr. DAVIDSON. Madam Speaker, I have an amendment at the desk that would ensure the integrity of H.R. 6392, the Systemic Risk Designation Improvement Act of 2016.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end the following:

**SEC. 7. RULE OF CONSTRUCTION.**

Nothing in this Act or the amendments made by this Act may be construed as broadly applying international standards except as specifically provided under paragraphs (2) and (3) of section 113(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as added by section 3.

The SPEAKER pro tempore. Pursuant to House Resolution 934, the gentleman from Ohio (Mr. DAVIDSON) and a

Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio.

Mr. DAVIDSON. Madam Speaker, I yield myself 2½ minutes.

Today's bill spells out the criteria the Financial Stability Oversight Council, FSOC, must use in determining institutions of systemic risk.

My amendment will prevent the Federal Reserve and the Treasury from blindly implementing new regulations proposed by an international entity, whether coming from the Basel Commission or from the unelected bureaucrats on the Financial Stability Board. When Congress begins to apply international standards, we need to make certain that executive agencies don't overreach by simply ratifying every decision that is made internationally.

Recently, the Treasury and the Fed have been found to have made determinations that mirror the standards issued by the Financial Stability Board but without sufficient review—simply rubberstamping them. They have gone along with the decisions that have been made by international unelected bureaucrats and, in the process, have harmed our regional and community banks and Americans' access to credit. Similar concerns have been raised by U.S. insurance companies. That is why Mr. LUETKEMEYER is also sponsoring legislation to make sure that these one-size-fits-all regulations are not used to supersede our State-based insurance regulations here in the United States.

H.R. 6392 will provide the necessary relief and transparency that is needed in these systemic risk designations. I am proud to offer this amendment to clarify that our Federal agencies cannot use the loophole of international recommendations to expand their powers and subject our community and local banks to even more burdensome regulations.

Madam Speaker, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Madam Speaker, I rise in opposition to the gentleman's amendment.

The SPEAKER pro tempore. The gentlewoman is recognized for 5 minutes.

Ms. MAXINE WATERS of California. Madam Speaker, this bill outsources our domestic regulation by the Federal Reserve and hands it over to an international group of regulators known as the Financial Stability Board, or the FSB, to determine which banks should be regulated by our regulators. It says this international body should decide which banks are regulated, not the United States Congress.

The U.S. is just one member nation among many represented on the FSB, and the Republicans have often criticized this board of regulators for being ''shadowy'' and not sufficiently deferential to American interests.

Currently, the FSB makes determinations on which global banks are systemically significant—not significant to the U.S., but to the entire global economy. This legislation imports those determinations and sets our domestic regulation on autopilot. If the international regulators say you are important, then this bill would grandfather you into Dodd-Frank. If not, then you get the big giveaway of deregulation.

This amendment rightfully says that the U.S. shouldn't be giving away our sovereignty over our economy to international regulators, but the amendment fails to have the courage of its convictions. Curiously, it says that nothing in this bill shall broadly apply international regulatory standards to the U.S., with an exception for the part of the bill that applies international regulatory standards to the U.S.

In summary, Democrats who oppose the deregulation of big banks should oppose H.R. 6392, and Republicans who oppose outsourcing our regulation to foreign bureaucrats should oppose H.R. 6392. This amendment does nothing to solve this fundamental issue in the bill, and this legislation is still deeply problematic even if the amendment is accepted.

Madam Speaker, I reserve the balance of my time.

Mr. DAVIDSON. Madam Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. LUETKEMEYER).

Mr. LUETKEMEYER. I thank the gentleman from Ohio (Mr. DAVIDSON) for his interest and for his authoring this amendment.

Madam Speaker, the amendment makes clear that H.R. 6392 should not be construed to allow international standards to be imposed on U.S. institutions. The underlying bill, in two separate places, does rely on a similar framework that is utilized by the Basel Commission and that is used by the Federal Reserve and the Treasury in an effort to ensure that the largest U.S. banks maintain their SIFI designations.

Beyond these provisions, however, it would be highly inappropriate for any international body to use H.R. 6392 to impose any standard on a U.S. entity. It is important to make the point, as we advocate today for risk-based supervision, that we avoid any sort of blanket approach that is so commonly seen out of international regulatory bodies.

In the case of foreign banks in their doing business in the United States, for example, the $50-billion threshold and its interpretation by the Federal Reserve results in a huge number of banks being treated as SIFIs despite the fact that many of them have under $10 billion in assets. As we consider these designations, we need to avoid one-size-fits-all models and look at factors like comparable home-country standards before we move forward on enhanced prudential regulation.

I hope we can address some of these issues in the next Congress and that we can work with international regulators, particularly those in the European Union, to avoid the escalation of the ongoing standoff on bank capital rules. We should work collaboratively to inject commonsense into financial regulation that will protect U.S. taxpayers and the financial system without constricting economic growth.

Mr. DAVIDSON. Madam Speaker, I yield back the balance of my time.

Ms. MAXINE WATERS of California. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered on the bill and on the amendment offered by the gentleman from Ohio (Mr. DAVIDSON).

The question is on the amendment by the gentleman from Ohio (Mr. DAVIDSON).

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Ms. MAXINE WATERS of California. Madam Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentlewoman opposed to the bill?

Ms. MAXINE WATERS of California. I am opposed in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

Ms. MAXINE WATERS of California. Madam Speaker, I ask unanimous consent to dispense with the reading.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

Mr. LUETKEMEYER. Madam Speaker, I object to the dispensing of the reading.

The SPEAKER pro tempore. Objection is heard.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Ms. Maxine Waters of California moves to recommit the bill H.R. 6392 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Page 4, line 17, strike the quotation mark and following semicolon and insert the following:

''(4) CERTAIN COMPANIES WITH PENDING LAWSUITS OR ENFORCEMENT ACTIONS DESIGNATED BY OPERATION OF LAW.—Notwithstanding any other provision of this subsection, a bank holding company shall be deemed to have been the subject of a final determination under paragraph (1) if the bank holding company, as of the date of enactment of this subsection—

''(A) has total consolidated assets equal to or greater than $50,000,000,000; and

''(B) has disclosed in a filing with the Commission that a department or agency of the United States Government has a pending lawsuit or enforcement action against the bank holding company related to the origination, securitization, or sale of residential mortgage-backed securities.''.

Mr. LUETKEMEYER. Madam Speaker, I reserve a point of order.

The SPEAKER pro tempore. A point of order is reserved.

Pursuant to the rule, the gentlewoman from California is recognized for 5 minutes.

Ms. MAXINE WATERS of California. Madam Speaker, this is the final amendment to the bill, which will not kill the bill or send it back to committee. If adopted, the bill will immediately proceed to final passage, as amended.

Madam Speaker, make no mistake. This bill is the opening salvo in the Trump plan to dismantle Dodd-Frank. The House Republicans have been trying for 6 years, ever since we passed Wall Street reform; and on the eve of the President-elect's taking office, this is their big chance to deregulate 27 of the Nation's largest banks.

This bill would strip rules around capital, liquidity, stress testing, and living wills—key components to guard against catastrophic bank failures. These are not community banks. No. These are $50-, $100-, $200-, and $400-billion banks that engage in exotic products like ''pick-a-payment,'' which is when you choose how much you want to pay; and ''negative amortization'' loans, which is when, incredibly, the loan principal goes up, not down, leading up to the financial crisis.

□ 1430

This bill would strip Fed Chair Janet Yellen of the Fed's independent authority and hand it over to Trump's Wall Street Treasury Secretary, a man who foreclosed on 36,000 families when he ran this bank, a man who has been accused of redlining and fair lending discrimination by civil rights and advocacy groups, a man who would be handed the authority to deregulate the bank on whose board he now serves, if this bill became law. But those conflicts of interest are par for the course in this incoming administration.

President-elect Donald Trump has more conflicts of interest than any incoming President in the history of this country. Trump's son-in-law and close adviser, Jared Kushner, has hundreds of millions of dollars in loans outstanding from domestic and foreign banks and has obtained development financing through a controversial U.S. program that sells green cards.

Legal scholars believe Trump's lease with the government over the Old Post Office Building where his hotel in Washington, D.C., stands will trigger a breach of contract and a conflict of interest the moment he is sworn in. And Trump may even violate the Constitution on the day he takes office, with former-President Bush's ethics lawyer saying that foreign diplomats staying in his hotels would be an unlawful foreign gift.

Madam Speaker, this amendment highlights yet another conflict of interest we are facing. President-elect Trump is deeply indebted to Deutsche Bank. Over the past two decades, Deutsche Bank has been a lender or a co-lender in at least $2.5 billion in loans to Donald Trump or his companies.

Here is a sampling of Trump's indebtedness to Deutsche: The businesses within Trump's network currently owe Deutsche Bank nearly $360 million in outstanding principal, including $125 million for his Florida golf course, up to $69 million for his Chicago high-rise, and a $170 million line of credit used to fund the development of his new hotel in Washington, DC.

This legislation, H.R. 6392, deregulates huge megabanks representing almost 30 percent of the assets currently subject to stricter rules under Dodd-Frank. In the bill, it is possible that the U.S. operations of global megabanks—megabanks like Deutsche Bank—would also be deregulated. And with Donald Trump's appointments interpreting the law, I suspect they will indeed deregulate these global megabanks.

Why is this important? Well, it is important because Deutsche Bank has a potential $14 billion settlement with the Department of Justice pending related to toxic mortgages they packaged and sold leading up to the financial crisis. They sliced and diced subprime loans and duped not only homeowners, but unsuspecting investors. Just like President-elect Trump, they saw the specter of a foreclosure crisis and financial collapse as a business opportunity, not a human tragedy. After Trump's election, news headlines said that Deutsche Bank stood to get a windfall because the new sheriffs in town would go easy on them.

This amendment says enough is enough. While the Trump Justice Department may give Deutsche Bank a break, the United States Congress will not stand idly by and let Trump's conflicts of interest grease the skids for powerful interests in Washington.

I yield back the balance of my time.

Mr. LUETKEMEYER. Madam Speaker, I withdraw my reservation of a point of order.

The SPEAKER pro tempore. The reservation of a point of order is withdrawn.

Mr. LUETKEMEYER. Madam Speaker, I claim time in opposition.

The SPEAKER pro tempore. The gentleman from Missouri is recognized for 5 minutes.

Mr. LUETKEMEYER. Madam Speaker, just to highlight some comments here with regard to the ranking member's last discussion on this point of order, we believe the motion to recommit has absolutely nothing to do with financial stability.

Title 1 of the bill deals with operational standards of bank holding companies. This bill we are working with deals directly with how regulators deal with banks. A pending lawsuit has nothing to do with the financial stability of this bank. This may belong somewhere else in the Dodd-Frank bill, but it doesn't belong in here.

With regards to the underlying bill as well, Madam Speaker, to reiterate some of the points that have been discussed already, we have a situation where the fix for the crisis of 2008 was Dodd-Frank, as was spoken to eloquently by some of my colleagues. Some of the fixes—no bill we put together around here is ever perfect. There are always problems with it. It always needs to be tweaked down the road.

This particular issue we are talking about today, systemically important designation of institutions, was part of a solution to try and be able to identify banks, by definition, that would bring down the entire economy so this couldn't ever happen again. If we have a big bank go down, it could be of such a size and magnitude and connectedness that it would bring down the entire economy. One of the unintended consequences of this is that these regulations have rolled downhill to small, midsized banks. It was unintended, but they are a consequence.

Barney Frank, the author of the bill, has said on numerous occasions—in fact, in our committee, he testified to the fact that this is an unintended consequence—it should be fixed. That is what this bill does. It fixes that problem.

These unintended consequences of all these rules and regulations, which carry costs with them, are rolling downhill to these midsized regional banks; and even at that, they are rolling below that, below 50. If you are talking $10 billion to $50 billion banks, they will tell you that all of the things that the midsized banks above are dealing with, they are dealing with that as well. So these regulations that are supposed to be for the big banks—a trillion dollars and over or whatever—are rolling all the way downhill to the small banks, the small community banks.

Now, they will argue about the fact that $50 billion is an arbitrary figure. It is something we need to keep. That is a big bank.

I am sorry. Madam Speaker, I was a regulator in my former life, and I was a banker in a former life. I can tell you that is a big bank, but that is not something that is going to bring down the economy unless they are interconnected. The metrics in my bill say that if they are interconnected—they have got all sorts of other risky actions they are engaged in—$50 billion is not going to do it.

Things that you have to look at are size and all these other criteria that we have in here. And these are not criteria pulled out of the air. These are criteria that the Federal Stability Board uses, that the Office of Financial Research uses when they look at G-SIBs, which are global SIBs. So these are analysis tools that are there and have been there for a long time.

Why not give the examiners, the regulators, these tools? I can tell you, as a regulator, they already do this.

A while ago, the point was made it takes the regulator about 12 months, in my bill, to come up with these designations. The regulators already do this.

They have got the information in hand. There is no reason that they can't do this in a 12-month period. I have been there. I have done that. It is easy to do. They have the information.

So what we are doing is taking existing criteria and asking them to look at the risk and the business model of this particular entity to see if it is something that is big enough and connected enough to go down. $50 billion is not someplace where a bank should be that it is going to cause the entire economy to collapse, no way. Common sense will tell you that.

So, to close out here very quickly, I think that we have a situation where these regulations are costing money to the consumers, to the businesses that the banks lend to. One quick factoid is 75 percent of the banks before Dodd-Frank had free checking, now only 37 percent.

Those are just some of the facts, as they roll downhill, that show that these regulations are having a negative effect on our economy and our local communities. The banks we are talking about are not the gigantic interconnected globals, folks. These are large community banks, which is basically what they all are, that serve communities and mom-and-pop shops. We want to keep them in business. We want to keep our communities growing.

I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. MAXINE WATERS of California. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the order of the House of today, further proceedings on this question will be postponed.

## PERMISSION TO POSTPONE PROCEEDINGS ON MOTION TO RECOMMIT ON H. RES. 933, PROVIDING AMOUNTS FOR FURTHER EXPENSES OF THE COMMITTEE ON ENERGY AND COMMERCE IN THE ONE HUNDRED FOURTEENTH CONGRESS

Mr. HARPER. Madam Speaker, I ask unanimous consent that the question of adopting a motion to recommit on H. Res. 933 may be subject to postponement as though under clause 8 of rule XX.

The SPEAKER pro tempore (Mrs. WAGNER). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

## PROVIDING AMOUNTS FOR FURTHER EXPENSES OF THE COMMITTEE ON ENERGY AND COMMERCE IN THE ONE HUNDRED FOURTEENTH CONGRESS

Mr. HARPER. Madam Speaker, by direction of the Committee on House Administration, I call up the resolution (H. Res. 933) providing amounts for further expenses of the Committee on Energy and Commerce in the One Hundred Fourteenth Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 933

*Resolved,*

**SECTION 1. AMOUNTS FOR COMMITTEE EXPENSES.**

For further expenses of the Committee on Energy and Commerce (hereafter in this resolution referred to as the ''Committee'') for the One Hundred Fourteenth Congress, there shall be paid out of the applicable accounts of the House of Representatives not more than $800,000.

**SEC. 2. VOUCHERS.**

Payments under this resolution shall be made on vouchers authorized by the Committee, signed by the Chairman of the Committee, and approved in the manner directed by the Committee on House Administration.

**SEC. 3. REGULATIONS.**

Amounts made available under this resolution shall be expended in accordance with regulations prescribed by the Committee on House Administration.

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. HARPER) is recognized for 1 hour.

Mr. HARPER. Madam Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Pennsylvania (Mr. BRADY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mr. HARPER. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and to include extraneous matter in the RECORD on the consideration of H. Res. 933, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HARPER. Madam Speaker, I rise in support of H. Res. 933, a resolution that authorizes additional funds for the Committee on Energy and Commerce's budget for the remainder of the 114th Congress.

Last year, on October 7, the House passed, by a majority vote, a measure creating a Select Investigative Panel on Infant Lives within the Committee on Energy and Commerce. Our committee has the responsibility to ensure that each committee of the House has sufficient resources to fulfill their assigned oversight duties.

Last year, our committee transferred funds from the committee reserve account to the Energy and Commerce Committee so that the panel could begin its work. An additional transfer was made earlier this year. These funds were allocated based on the full committee's need to fulfill its mission. These initial transfers were insufficient to cover the costs associated with the select panel.

The measure before us on the House floor today will rectify this situation and allow the Committee on Energy and Commerce and the Select Investigative Panel on Infant Lives to continue to operate until the end of this Congress.

☐ 1445

Passing this measure to provide additional funds is an institutional responsibility. If we do not allocate these additional funds, the work of the entire Committee on Energy and Commerce, both for the majority and minority, would grind to a halt. The committee would be unable to complete its vital work. This work covers important areas, such as electronic communications, environmental protection, and health care. We saw this week the important work of the committee in the 21st Century Cures Act.

There are differences of opinion on the creation of the select investigative panel. However, we are not here to relitigate a decision that the House made more than a year ago but to fulfill our institutional responsibilities. It is my hope that we will swiftly pass this measure today.

I reserve the balance of my time.

Mr. BRADY of Pennsylvania. Madam Speaker, I yield myself such time as I may consume.

I rise in opposition to this resolution and in opposition to the existence of the panel generally. It has been nothing more than a partisan witch hunt that will ultimately cost taxpayers over a million dollars and has found no wrongdoing by the people it was created to investigate. Three House committees and 13 States have launched their own similar investigations and came to the same conclusion.

The panel has been a one-sided operation from the start, with the majority failing to consult and inform the minority on official actions and withholding panel records and documents.

The dangers of this panel go far beyond simply wasting taxpayer money. It is a direct assault on women's health care and the right to choose. The panel's actions also put at risk the lives of researchers working to find cures to our most debilitating and deadly diseases. It is my hope that this is the last we hear of it.

Madam Speaker, I yield 26 minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY), and ask unanimous consent that she be permitted to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.