on the Combating Human Trafficking in Commercial Vehicles Act and the No Human Trafficking on Our Roads Act today so we can send these very important pieces of legislation to the President's desk for his swift signature.

Mr. Speaker, again, I want to thank my Republican and Democratic colleagues both in the House and the Senate for their work on these two important bills.

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

Ms. NORTON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Michigan (Mrs. LAWRENCE).

Mrs. LAWRENCE. Mr. Speaker, I want to thank my colleague, Ms. NORTON, for having this amazing interest to our country put before us for a vote.

Mr. Speaker, I rise in support of S. 1532, No Human Trafficking on Our Roads, and S. 1536, the Combating Human Trafficking in Commercial Vehicles Act.

As the vice chair of the congressional bipartisan Caucus for Women's Issues and a member of the Transportation and Infrastructure Committee, I am pleased that we are solving these issues of real concern.

Human trafficking is an inexcusable crime. According to the National Human Trafficking Resource Center, about 8 in 10 reported victims are women. It is a crime that exploits women more than anyone else, and especially young girls.

Mr. Speaker, combating human trafficking is a serious concern of mine. Unfortunately, in my district—I represent the Metro Detroit area—a major international transportation and shipping hub in southeast Michigan, we rank number seven in total human trafficking cases reported in our country.

These bills mark progress toward combating human trafficking. We are improving our systems to better recognize and report this crime. We are closing loopholes in our transportation system that traffickers have taken advantage of for far too long.

I am proud to support these bills, and I urge my colleagues to support them as well.

Mr. Speaker, today I needed a vote and a voice for something that is good for this country, and so I stand here in support.

Ms. NORTON. Mr. Speaker, I yield back the balance of my time.

Mr. GRAVES of Missouri. Mr. Speaker, I urge my colleagues to join me in supporting this important legislation.

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

The SPEAKER pro tempore (Mr. YODER). The question is on the motion offered by the gentleman from Missouri (Mr. GRAVES) that the House suspend the rules and pass the bill, S. 1536.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. GRAVES of Missouri. 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 motion will be postponed.

SYSTEMIC RISK DESIGNATION IMPROVEMENT ACT OF 2017

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 667, I call up the bill (H.R. 3312) 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 in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 667, in lieu of the amendment recommended by the Committee on Financial Services printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–49, modified by the amendment printed in House Report 115–474, is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 3312

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 2017''.

SEC. 2. 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 identified as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''.

(b) 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 identified as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''; and

(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).

(c) 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 identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''.

(d) MITIGATION.—Section 121(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5331) is amended by striking ''with total consolidated assets of $50,000,000,000 or more'' and inserting ''which has been identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''.

(e) 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 identified as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''.

SEC. 3. 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 identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''.

(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 identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165''.

(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 identified as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l)'';

(2) in subsection (a)(2)—

(A) by striking ''(A) IN GENERAL.—'';

(B) in subparagraph (A), by striking ''may'' and inserting ''shall''; and

(C) by striking subparagraph (B);

(3) in subsection (j), by striking ''with total consolidated assets equal to or greater than $50,000,000,000'' and inserting ''which has been identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l)''.

(d) ADVANCED TAILORING.—Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365) is amended by adding at the end the following:

''(l) ADDITIONAL BANK HOLDING COMPANIES SUBJECT TO ENHANCED SUPERVISION AND PRUDENTIAL STANDARDS BY TAILORED REGULATION.—

''(1) DETERMINATION.—The Board of Governors may, within the limits of its existing resources—

''(A) determine that a bank holding company that has not been identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, shall be subject to certain enhanced supervision or prudential standards under this section, tailored to the risks presented, based on the considerations in paragraph (3), where material financial distress at the bank holding company, or the nature, scope, size, scale, concentration, interconnectedness, or mix of the activities of the individual bank holding company, could pose a threat to the financial stability of the United States; or

''(B) by regulation determine that a category of bank holding companies that have not been identified as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, shall be subject to certain enhanced supervision or prudential standards under this section, tailored to the risk presented by the category of bank holding companies, based on the considerations in paragraph (3), where material financial distress at the category of bank holding companies, or the nature, scope, size, scale, concentration, interconnectedness, or mix of the activities of the category of bank holding companies, could pose a threat to the financial stability of the United States.

''(2) COUNCIL APPROVAL OF REGULATIONS WITH RESPECT TO CATEGORIES.—Notwithstanding paragraph (1)(B), a regulation issued by the Board of Governors to make a determination under such paragraph (1)(B) shall not take effect unless the Council, by a vote of not fewer than ⅔ of the voting members then serving, including an affirmative vote by the Chairperson, approves the metrics used by the Board of Governors in establishing such regulation.

''(3) CONSIDERATIONS.—In making any determination under paragraph (1), the Board of Governors shall consider the following factors:

''(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.

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

''(4) CONSISTENT APPLICATION OF CONSIDERATIONS.—In making a determination under paragraph (1), the Board of Governors shall ensure that bank holding companies that are similarly situated with respect to the factors described under paragraph (3), are treated similarly for purposes of any enhanced supervision or prudential standards applied under this section.

''(5) USE OF CURRENTLY REPORTED DATA TO AVOID UNNECESSARY BURDEN.—For purposes of making a determination under paragraph (1), the Board of Governors shall make use of data already being reported to the Board of Governors, including from calculating a bank holding company's systemic indicator score, in order to avoid placing an unnecessary burden on bank holding companies.''.

(e) SYSTEMIC IDENTIFICATION.—Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365), as amended by subsection (d), is further amended by adding at the end the following:

''(m) SYSTEMIC IDENTIFICATION.—With respect to the identification of bank holding companies as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l), the Board of Governors shall—

''(1) publish, including on the Board of Governors's website, a list of all bank holding companies that have been so identified, and keep such list current; and

''(2) solicit feedback from the Council on the identification process and on the application of such process to specific bank holding companies.''.

SEC. 4. RULE OF CONSTRUCTION.

Nothing in this Act or the amendments made by this Act shall be construed to prohibit the Board of Governors of the Federal Reserve System from prescribing enhanced prudential standards for any bank holding company which the Board of Governors determines, based upon the bank holding company's size, interconnectedness, substitutability, global cross-jurisdictional activity, and complexity, could pose a safety and soundness risk to the stability of the United States banking or financial system but has not been designated as a global systemically important bank holding company.

SEC. 5. EXISTING ASSESSMENT TERMINATION SCHEDULE.

(a) TEMPORARY EXTENSION OF EXISTING ASSESSMENT.—

(1) IN GENERAL.—Each bank holding company that, on the day that is 24 months following the date of the enactment of this Act, has total consolidated assets equal to or greater than $50,000,000,000, has not been identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, and has not been subjected to a determination under subsection (l) of section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, shall be subject to assessments by the Secretary of the Treasury to the same extent as a bank holding company that has been so identified or subjected.

(2) CONSIDERATIONS.—In making assessments pursuant to paragraph (1), the Secretary of the Treasury shall take into account differences among the bank holding companies subject to such assessment, based on the considerations for establishing the prudential standards under section 115 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5325).

(3) LIMITATION ON AMOUNT OF ASSESSMENTS.—The aggregate amount collected pursuant to paragraph (1) from all bank holding companies assessed under such paragraph shall be $58,000,000.

(4) PAYMENT PERIOD OPTIONS.—The Secretary of the Treasury shall offer the option of payments spread out before the end of the 48-month period following the date of the enactment of this Act, 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) TREATMENT UPON DETERMINATION.—A bank holding company assessed under this section shall no longer be subject to such assessments in the event it is identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Any prior payments made by such a banking holding company pursuant to an assessment under this section shall be nonrefundable.

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall take effect after the end of the 18-month period following the date of the enactment of this Act.

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

The gentleman from Texas (Mr. HENSARLING) and the gentleman from Texas (Mr. AL GREEN) each will control 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. HENSARLING).

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 material 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 as much time as I may consume.

Mr. Speaker, today I rise in strong support of H.R. 3312, the Systemic Risk Designation Improvement Act of 2017.

This very important piece of legislation was introduced by my friend, Mr. LUETKEMEYER, who serves as chairman of the Financial Institutions and Consumer Credit Subcommittee of the Financial Services Committee, and is cosponsored by a bipartisan group of Members of the House. In fact, Mr. Speaker, the bill was approved in October by the Financial Services Committee with a very strong bipartisan vote of 47–12, so strong, Mr. Speaker, that even a majority of Democrats on the committee voted to support the bill.

This bill reforms what Republicans and now many Democrats acknowledge is a flawed and arbitrary framework under the Dodd-Frank Act to designate so-called systemically important financial institutions, also known as SIFIs. In fact, one of those Democrats who acknowledges that it is a flawed and arbitrary framework is none other than former chairman of the House Financial Services Committee, Barney Frank, the very Frank of Dodd-Frank, the coauthor of the Dodd-Frank Act. He, himself, has said that this provision in the Dodd-Frank Act that many of us are trying to reform today is ''arbitrary'' and ''a mistake.'' Those are his words, Mr. Speaker, not mine.

That arbitrary and mistaken provision is Dodd-Frank's one-size-fits-all standard that subjects banks with $50 billion or more in assets to the same costly and cumbersome SIFI regulatory standards as trillion-dollar global systemically important institutions.

We should take note that this flawed standard has now been criticized by Federal Reserve Chair Janet Yellen, former Federal Reserve Board Governor Dan Tarullo, former Comptroller of the Currency Thomas Curry, and many other Obama appointees. In other words, Mr. Speaker, it is that bad.

Mr. LUETKEMEYER's bipartisan bill—again, very strong bipartisan bill—replaces this inflexible, flawed, $50 billion threshold that has been criticized by so many with a series of well-established, critical standards that more accurately measure systemic importance.

□ 1515

Specifically, his legislation requires the Federal Reserve to review a financial institution's size, interconnectedness, global cross-jurisdictional activity, and complexity, before determining whether the institution should be subject to heightened SIFI regulatory standards.

In other words, this bipartisan bill tailors regulations based on a bank's actual level of risk, instead of Dodd-Frank's one-size-fits-all system that ensnares smaller regional and midsize banks that, essentially, have simple community bank lending models. These banks are not globally complex Wall Street banks and shouldn't be treated the same.

It simply doesn't make sense to subject small regional and midsize banks with only $50 billion in assets to the same expensive and cumbersome SIFI regulatory regime as a bank like JPMorgan Chase, which has $2.5 trillion in assets. Based on size alone, the $50 billion bank is just 2 percent, 2 percent of JPMorgan Chase's size.

What does make sense, Mr. Speaker, is to base the regulation of these financial institutions on their actual risk profile rather than their asset size alone, which is exactly what Mr. LUETKEMEYER's strongly bipartisan bill will do.

Now, while I personally do not support the SIFI architecture at all and do not believe any financial institution in America should be designated too big to fail, it is important that we always continue to work to find bipartisan reforms where we can find them and improve current law, and the legislation before us today represents a good faith effort to do exactly that.

Let's keep in mind, Mr. Speaker, this is simply not a debate over an arcane definition in law. It is about the real world effect these regulations have on the U.S. economy and the working men and women whom we represent.

Let me share with my colleagues what the Small Business and Entrepreneurship Council has to say about the importance of the bill that we are debating today: ''Access to working and growth capital remains a challenge for many entrepreneurs and small businesses. H.R. 3312 would improve the lending environment and unleash capital by alleviating inappropriate requirements imposed on regional and midsize banks under Dodd-Frank. Midsize and regional banks, which many startups and small businesses have counted on for lending, have been negatively affected by this Dodd-Frank arbitrary trigger.''

Mr. Speaker, the American people deserve better. They deserve a healthy economy with growing paychecks, better jobs, and a brighter future. It is time to restore economic growth fueled by capital flowing from America's banks to American communities across our Nation.

So I urge my colleagues to correct this widely acknowledged mistake in Dodd-Frank, even acknowledged by former Congressman Barney Frank himself, and put into place real, discernible, critical standards, and help our struggling small businesses on Main Street. Let's pass H.R. 3312.

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

Mr. AL GREEN of Texas. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia (Mr. DAVID SCOTT).

Mr. DAVID SCOTT of Georgia. Mr. Speaker, as the Democratic lead on this bill, it is very important for me to point out that I worked very closely with Chairman Barney Frank and the Obama administration, both of which admitted at the time that it was a mistake, a blunt instrument, to be able to just put an arbitrary figure of $50 billion and say they are a threat to our financial stability.

No. Our banking system deserves better than that. The American people deserve better than that. It is not the amount of money that you have got in your assets that caused the problem; it was what they were doing that caused the exposure.

So we want to substitute the $50 billion to make sure that we have a five-point test that the Feds will give that will be able to determine if they are a threat to our security and then tailor a program of advanced supervision that would prevent them from causing us this problem.

It is a great bill. It is time we corrected it, and I ask all of my colleagues, both Democrats and Republicans, to do the right thing for the American people, and let's have a resounding ''yes'' vote for this SIFI bill.

Mr. HENSARLING. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), who is the Republican sponsor of the legislation and the chairman of our Financial Services Subcommittee on Financial Institutions and Consumer Credit.

Mr. LUETKEMEYER. Mr. Speaker, I want to start by thanking Chairman HENSARLING for his support of this legislation and his dedication to a more reasonable regulatory regime.

I would also like to thank my good friend, Representative DAVID SCOTT from Georgia, for being a cosponsor on the Democrat side and for all the hard work and support he has given us throughout this labor of love here on trying to get this thing done. He has been a champion for us, and we thank him sincerely.

Today, the House will consider H.R. 3312, the Systemic Risk Designation Improvement Act of 2017, a bipartisan piece of legislation to address an inefficient regulatory structure by accounting for actual risk, rather than the size alone in the designation of systemically important financial institutions, or SIFIs.

Under the current regulatory framework for SIFI designations, 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 risks posed 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. In fact, the Fed has produced data showing the risk of every single midsize and regional bank which pales in comparison to risks posed by many and almost all global systemically important banks.

H.R. 3312 will remove the completely arbitrary approach taken today and replace it with analysis of actual risk posed to the financial system. The bill would require regulators to examine not just size, but also interconnectedness, the extent of readily available substitutes, global cross-jurisdictional activity, and the complexity of each bank holding company.

Today's method isn't a reasonable basis for supervision, a fact that has been recognized by Fed Chair Yellen, Treasury Secretary Mnuchin, and former Treasury Secretary Lew, and many Members of this body. Even Barney Frank, as Chairman HENSARLING just noted, the former Democratic chairman of the Financial Services Committee and author of the Dodd-Frank Act, has said the $50 billion threshold is completely arbitrary and has had negative implications on our economy.

It is important to note that this bill will not impact the authority of the Federal Reserve to oversee institutions. The focused standards set forth in the bill don't guarantee that any institution will be permanently freed from the rigors that are associated with SIFI designation. If the Fed so feels that a bank needs to have continuous oversight, they will do so.

I want to take a moment to discuss the score issued by the Congressional Budget Office. CBO opined that this bill would result in direct spending. I disagree with the CBO interpretation of what this legislation will do, and I believe that my bill will actually create a safer financial system.

At the same time, it is important to me and my colleagues that the bill comes to the taxpayers at no cost. The offset included in the Rules Committee Print will more than cover any potential hit to the Deposit Insurance Fund and makes this legislation budget-neutral.

The bottom line is this: an inefficient regulatory structure that does not reflect the reality of the U.S. banking system can have real economic consequences. We should no longer let the SIFI process lead to marketplace disruption or penalize companies for size alone.

I have worked on this legislation surrounding the SIFI designation process for the last 4 years, but I have not done it alone. H.R. 3312 was drafted in good faith with—and with considerable input from—many of my friends on the other side of the aisle as well.

Because we worked together, this legislation received broad bipartisan support when it was reported by the Financial Services Committee with a vote of 47–12. That means nearly 80 percent of the committee members voted in favor of this legislation.

I want to thank my colleagues for their help in this effort, namely, Mr. SCOTT, Ms. SINEMA, Mr. HILL, Mr. WILLIAMS, Mr. STIVERS, Mrs. BEATTY, Mr.

BUDD, Mr. MEEKS, and Mr. GOTTHEIMER. This is an important issue, and I hope our colleagues will join us in supporting this bipartisan, commonsense measure.

Mr. Speaker, at the end of the day, this is a bill about being able to allow these banks that are caught in a ''California Hotel'' situation here to be able to get out of this with a good analysis of their risk profile, their business model, because, at the end of the day, this is what this is all about. Their business model is not a risk to this country or the economic system that we have. It is not like the international connected banks, and, therefore, they shouldn't be treated as such.

As a result, this is important for not only the midsize banks, but for the banks below them because the regulators have been also allowing these sorts of requirements and rules to roll downhill on community banks as well. So it is time we put a stop to this.

It is important that we take a pragmatic approach to this designation process, to manage actual risk, and limit the real threats to our financial system.

Mr. AL GREEN of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentlewoman from Missouri (Mrs. WAGNER), the chairwoman of the Financial Services Subcommittee on Oversight and Investigations.

Mrs. WAGNER. Mr. Speaker, I thank Chairman HENSARLING for his support and for yielding me this time.

I am proud to rise today in support of my colleague, Chairman BLAINE LUETKEMEYER, and urge immediate passage of his bill, the Systemic Risk Designation Improvement Act of 2017.

H.R. 3312 uses a commonsense approach which would allow regulators the opportunity to weigh multiple factors before deeming a financial institution systemically important.

More importantly, the bill would allow the Financial Stability Oversight Council, FSOC, to more precisely identify systemic risk by differentiating between stable activities and those that would truly threaten the financial stability of the United States.

Under the Dodd-Frank Act, the Federal Reserve was given never-before-seen regulatory power to supervise those that were deemed systemically important. Unfortunately, the Fed has chosen to ignore tailoring their regulatory standards and continues to base them on asset size alone.

If an institution, indeed, is a minimal risk, then it is vital to make sure those standards reflect that lower risk.

Finally, it is important to note that an arbitrary threshold does matter to those caught in the SIFI web. These financial institutions often face significant compliance costs under a SIFI designation, redirecting resources that otherwise would provide consumers with affordable financial products.

Chairman LUETKEMEYER's bill creates a framework that promotes responsible regulations and enforces market discipline, all while protecting taxpayers from unnecessary bailouts.

Mr. Speaker, again, I want to applaud my friend, the gentleman from Missouri, Chairman LUETKEMEYER, for his leadership on this issue. H.R. 3312 is about smarter regulation. I urge all my colleagues to support Chairman LUETKEMEYER's bill.

Mr. AL GREEN of Texas. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. BARR), the chairman of the Financial Services Subcommittee on Monetary Policy and Trade.

Mr. BARR. Mr. Speaker, I rise today in support of a bipartisan bill, the Systemic Risk Designation Improvement Act of 2017, introduced by my good friend and colleague, Congressman BLAINE LUETKEMEYER from Missouri.

I also want to thank Chairman HENSARLING for his leadership and, for my friends on the other side of the aisle, particularly Mr. DAVID SCOTT from Georgia, for his leadership in support of this legislation.

Among the least transparent and most mysterious black holes of the United States Government is the process under the Dodd-Frank financial control law, by which U.S. financial firms are designated too big to fail.

Formally called systemically important financial institutions, or SIFIs, these firms are considered by all-knowing Washington bureaucrats as businesses so critical to the Nation's economy that they need to be burdened with additional regulations, supervised more strictly to further the cause of bureaucrats, and designated as a SIFI to send a clear signal to investors that it is a firm which is most likely to be bailed out by taxpayers during the next crisis.

For bank SIFIs, there is a one-size-fits-all designation model that says that any bank with more than $50 billion in assets is automatically a SIFI. Bureaucrats do little to nothing to account for the unique nature of each institution that may indicate it is more risk adverse or better positioned to handle a turbulent economy.

Bank SIFIs suffer from the same plight, in that they are not told by the U.S. Government what they need to do to rid themselves of the shackles of this SIFI designation. Instead, these firms are left in the dark to guess what they can do to de-risk by Federal regulators. And even if firms try to make reforms, they have no idea if the changes they are making will help them shed themselves of this arbitrary designation.

□ 1530

In the end, the entire SIFI process does little to make our economy stronger and more resilient. Instead, designated U.S. firms and their workers are harmed and disadvantaged relative to their international competition, undermining credit availability, causing weaker jobs and economic growth in America.

For these reasons, I support the Systemic Risk Designation Improvement Act, which will give much-needed transparency to the SIFI designation process and eliminate the arbitrary automatic SIFI designation of banks with $50 billion or more in assets.

Under this legislation, banks will be judged by their merits, such as interconnectedness, size, cross-jurisdictional activity, complexity, and substitutability, and the justifications for a designation will be clearly communicated to them. The end result will be greater credit availability for small businesses, more capital formation, more help for consumers, greater consumer choice, greater economic growth, and greater competition.

Mr. Speaker, again, I want to thank Mr. LUETKEMEYER and Mr. HENSARLING for their leadership on this critical issue, and I urge my colleagues to vote for this legislation.

Mr. AL GREEN of Texas. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentlemen from Texas (Mr. AL GREEN) has 29 minutes remaining. The gentleman from Texas (Mr. HENSARLING) has 14½ minutes remaining.

Mr. AL GREEN of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, in order to better balance the time on each side, may I inquire if my colleague anticipates having speakers on the bill.

Mr. AL GREEN of Texas. Mr. Speaker, I do anticipate additional speakers, and I will be making comments myself.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. HULTGREN), the vice chairman of the Financial Services Subcommittee on Capital Markets, Securities, and Investments.

Mr. HULTGREN. Mr. Speaker, I want to thank Chairman HENSARLING for his continued work on this, and I also want to thank my colleague and friend from Missouri, BLAINE LUETKEMEYER, for his important work on this issue.

Mr. Speaker, I am proud to be a cosponsor on this legislation because it is an important bill for regional banks in Illinois, but also around the country.

The Financial Services Committee has spent a significant amount of time debating which banks should qualify as so-called community banks and regional banks when determining how to legislate regulatory relief.

I have to agree that, as a bank starts getting larger, it starts looking less and less like a community bank. But both Republicans and Democrats have agreed that asset size should not be the sole characteristic for determining a bank's riskiness to the financial system.

There are a number of banks that have successfully made use of the traditional community bank business model of deposit taking and lending that have grown in size. Some have grown substantially, and now they are able to serve more than one community.

Congress should not punish these financial institutions with an asset threshold that even Congressman Barney Frank described as arbitrary. Our policies should encourage low-risk relationship lending so communities can benefit from institutions of different sizes. At a minimum, we should provide the banking regulators some flexibility to determine which institutions with assets over $50 billion pose higher risk to the financial system.

In addition to the outstanding community banks in my district, my constituents also look to regional banks like BMO and Discover when they are trying to find best rates on mortgages, car loans, credit cards, or their student loans.

Discover Financial Services, which has its headquarters just outside my district in Riverwoods, Illinois, has a simple business model that includes credit cards, student loans, home equity lending, and a number of deposit products that you would expect from a Main Street financial institution. This is the only business Discover is in. Nothing they do is comparable to what you might see in one of the big money center banks.

So why did Congress mandate that this bank be automatically designated as systemically important? The current law is arbitrary and subjects banks to the same standards as trillion-dollar global systemically important institutions.

Automatically designating these institutions as systemically important unnecessarily increases the cost of lending and makes it more difficult for my constituents to achieve their financial goals.

Mr. Speaker, I encourage my colleagues to support the Systemic Risk Designation Improvement Act of 2017.

Mr. AL GREEN of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, because I believe in truth in labeling, truth in titling, truth in the style of legislation, Mr. Speaker, I believe that this bill should be appropriately styled the Big Bank Bonus Bill.

As a matter of fact, Mr. Speaker, I ask unanimous consent that this bill be styled the Big Bank Bonus Bill.

The SPEAKER pro tempore. The Chair cannot entertain the gentleman's request.

Mr. AL GREEN of Texas. Mr. Speaker, I am sorry?

The SPEAKER pro tempore. The Chair cannot entertain that request as the majority manager has not yielded for that purpose.

Mr. AL GREEN of Texas. A UC request.

Mr. Speaker, my friends on the other side have said much about Barney Frank.

Chairman Frank was a dear friend of mine. I knew him well. I still do know him well. Mr. Speaker, Chairman Frank has not endorsed this bill. The language that they have used would lead an unsuspecting person to conclude that Chairman Frank supports this piece of legislation. He does not.

I have in my hand a letter from Chairman Frank. I will read a portion of it. He indicates:

H.R. 3312 significantly increases the need for subjective judgment by the regulators and very much weakens the ability of financial institutions to rely on clear rules to guide their decisionmaking.

Mr. Speaker, without question, Chairman Frank does not support this legislation.

My friends have made much to-do about the term ''arbitrary and capricious,'' a threshold that is arbitrary. What is more arbitrary than reducing the corporate tax rate from 35 percent to 21 percent, which you just did? What is more arbitrary than reducing the individual tax rate from 39.6 percent to 37 percent, which you just did?

You are the masters of arbitrary and capricious numbers. That bill that you just passed is flush with arbitrary and capricious numbers.

Mr. Speaker, I would suggest that they examine their thoughts about arbitrary and capricious before we continue, because I have more to say about arbitrary and capricious numbers.

Mr. Speaker, I yield 4 minutes to the gentleman from Maryland (Mr. SARBANES), my colleague.

Mr. SARBANES. Mr. Speaker, I want to thank my colleague for yielding time to me.

Mr. Speaker, I rise today in strong opposition to H.R. 3312. I appreciate my colleague's redesignation, renaming of the bill. I think it is much more appropriate.

Mr. Speaker, this is a completely unwarranted piece of legislation. If you look at it, it is just another gift to the wealthy and the well connected on Wall Street.

We keep saying that over here because it is true. It is crazy. In 2008, the economy was brought to its knees. Reckless behavior out there by a lot of these huge institutions. The Nation's largest financial institutions crashed the economy. Everybody knows it.

So what did we do? We took steps, smart steps. We put in place the Wall Street Reform and Consumer Protect Act of 2010. I think most Americans were comforted by that. They felt, okay. There are guardrails in place now so this kind of thing can't happen again.

But the fact of the matter is that, as soon as the ink was dry on that law, lobbyists moved in, the special interests moved in, and they started to unwind the core provisions, and the guardrails are starting to come down.

This is crazy. This is a case of amnesia at best or cynical capitulation to Wall Street at worst.

Proponents of the legislation say this is about helping the mom-and-pop banks on Main Street—Main Street. Were institutions like Countrywide and Washington Mutual and Wachovia and IndyMac—these are the names that haunt a lot of Americans. A lot of American households suffered because of the behavior of those institutions. Were they Main Street banks?

The fact is, under the bill before us, some of the Nation's largest banks whose failure led to the carnage of 2008 would be exempt from heightened oversight. Exactly the kind of institutions that the public wants us to keep an eye on would no longer have that oversight in place. Of those still standing, 30 of the Nation's 38 largest financial institutions would escape sensible oversight imposed by Dodd-Frank.

Even more than that, this legislation is based on the false premise that the reforms of Dodd-Frank were one size fits all. That is the phrase we always hear to justify letting go of the reins: Oh, it is one size fits all. People can't fit into this. We have got to do something.

But, no, the agency was given the maneuvering room, the flexibility, to actually customize things and have been in a position to do that.

There was a premium put on regulatory flexibility, explicitly instructing the Federal Reserve to tailor its prudential regulatory regime based on size and risk profile of financial institutions.

Ironically, the changes to asset thresholds will increase the likelihood of consolidation as large financial institutions and banks can now grow, that is, buy out small players beyond the $50 billion threshold. The banks are going to start growing bigger again. The financial institutions are going to get heavier again. It makes it easier for them to crash through whatever guardrails we can build.

The public doesn't want this, and that means true community banks very well might be absorbed by superregional banks, which would decrease consumer credit access and worsen pricing.

Mr. Speaker, Americans are tired of watching this Congress forget the lessons of the 2008 financial crash. They are tired of a Congress that routinely favors Wall Street over the interests of Main Street, and they are tired of the same worn-out talking points that are used to justify deregulation of Wall Street.

Mr. Speaker, I urge my colleagues to oppose this bill.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from Minnesota (Mr. EMMER), a hardworking member of the Financial Services Committee.

Mr. EMMER. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, 10 years ago, some of America's largest financial institutions failed, resulting in near collapse of our entire financial system. The experience destroyed businesses, ruined lives across the country, and left fear and uncertainty in its wake.

Congress set out to prevent a future crisis by requiring enhanced supervision and regulation of some of the biggest financial institutions in the country by passing the Dodd-Frank Act. In Dodd-Frank, Congress defined the largest financial institutions as ''systematically important financial institutions,'' more commonly referred to as SIFIs, those with more than $50 billion in assets.

The goal of preventing our Nation's largest financial institutions from failing and bringing down our entire financial system is laudable. The problem, however, is Dodd-Frank's definition of what constitutes a SIFI: the $50 billion asset threshold. In fact, the creator of the threshold and former chair of the Financial Services Committee, Barney Frank, admits the threshold is arbitrary, and he supports changing the threshold.

H.R. 3312, the Systemic Risk Designation Improvement Act, removes the arbitrary asset threshold and, instead, will classify the largest financial institutions by their activities. Differentiating between stable activities and those that could potentially threaten the financial stability of the United States is a more accurate way to identify and monitor risk.

Mr. Speaker, I ask all my colleagues to support this important and appropriate policy change to ensure the continued stability of our financial system by passing H.R. 3312.

Mr. AL GREEN of Texas. Mr. Speaker, I yield myself such time as I may consume.

I would like to engage my friend from Minnesota, if I may, before he leaves. Would the gentleman please not leave?

Would Mr. HENSARLING ask the gentleman not to leave? I want to engage him.

I would like to engage Mr. EMMER, if he will come back, please. I would like to engage with the gentleman for just a moment if I may.

The gentleman declines.

Is there anyone on the other side that I can talk to?

I ask Mr. HENSARLING, is 39.6 arbitrary, reducing the taxes on individuals from 39.6 to 37? What is 37? Why is it not arbitrary?

Mr. HENSARLING. Mr. Speaker, is the gentleman prepared to yield me time?

Mr. AL GREEN of Texas. Pardon?

Mr. HENSARLING. Is the gentleman prepared to yield me time?

Mr. AL GREEN of Texas. I yield time. Yes, of course.

Mr. HENSARLING. How much time does the gentleman yield me?

Mr. AL GREEN of Texas. I yield.

Mr. HENSARLING. I inquire of the gentleman how much time is he yielding? I don't wish to be cut off.

Mr. AL GREEN of Texas. I yield you such time as I may deem necessary, if you will take time.

Well, you may use your own time.

Mr. HENSARLING. I am going to respectfully decline the opportunity.

Mr. AL GREEN of Texas. Mr. Speaker, the arbitrary numbers that they have they don't care to defend.

Let's talk about the one-size-fits-all accusation, if you will.

Mr. Speaker, I have a source, and it is the Department of the Treasury, which indicates that we have a tiered system, and we actually have five different tiers. These tiers will allow banks to be classified as small, midsize, regional, international active, and G-SIBs.

□ 1545

There is a tiering system, but within the tiering system, we have given the regulators the authority to tailor rules to fit banks within the system.

Mr. Speaker, my colleague mentioned institution failure. I was here. I know what happened in 2008. I understand why we have Dodd-Frank. We don't have Dodd-Frank because Mr. Dodd and Mr. Frank woke up one morning and decided that they would like to regulate banks to the extent that they were regulated.

We have Dodd-Frank because we had a crisis. We had Dodd-Frank developed because of exotic products, the 327s and the 228s, which had teaser rates that would allow persons to get into loans that had fixed rates for 3 years or 2 years, and then they would have 27 years of variable rates or 28 years of variable rates.

This was the exotic product that a good many people had and could not get out of because, quite frankly, they also had a prepayment penalty that would coincide with these teaser rates.

It was a time of great crisis for banking.

We also had the so-called credit default swaps, which were just another way of laying off bets. Banks found clever ways to lay off their bets that they thought were risky.

We had no-doc loans, negative amortization. You could pay as much as you wanted and would add to the principal what you didn't pay, which means that you would end up paying a lot more for your loan than you initially started out owing.

We had interest-only loans: just pay the interest, let the loan continue to increase in value.

There was no firewall between commercial banking and investment banking. They finally got Glass-Steagall. Took them decades to do it, but they did.

Then we had the dastardly yield spread premium, which would allow the person who was servicing you, the loan originator, to qualify you for a loan at 5 percent, come out and shake your hand and say: Good news, you now have a loan for 10 percent.

That was all lawful, but Dodd-Frank ended all of this.

We have Dodd-Frank because we had a deregulation era, very much comparable to what we are about to go through now. Banks were regulated to the extent that they couldn't do all of these things, but we deregulated, just as we are about to do it now, and we will get back to the future, where banks will not have the liquidity necessary, where the credit risk that they take will be unreasonable.

This is a bill that belongs on the trash heap of history. I adamantly oppose the bill. I believe that it is time for us to take the stand that the American people want us to take, not the stand that the big banks would have us take.

This is a big bank bonus. The big banks love this bill. Thirty banks are going to be relieved of their obligation to let us know how to put them out of their misery in the event that they are about to bring the banking system down. Thirty banks. These are big banks, $500 billion max. Big banks.

These banks will continue to give us their stress test so that we can know what their liquidity is and understand their credit worthiness by virtue of the loans that they make.

This bill is what the big banks want, but not the American people.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. MAXINE WATERS), the ranking member.

Ms. MAXINE WATERS of California. Mr. Speaker, first I would like to thank Congressman GREEN for his leadership. He is a member of the Financial Services Committee, who is dedicated to the proposition that we can and should work very hard to implement Dodd-Frank.

He has done a wonderful job in representing all of the people of this country when it comes to this issue of whether or not we are going to allow the biggest banks in this country to revert back to the practices that they have been involved in historically, where it caused us to be into a situation that caused the recession in 2008 or whether or not we are going to honor the work of Dodd-Frank and the reforms that were instituted and be about the business of fairness and justice.

I want to thank Mr. GREEN for his work, for his leadership, and for managing this most important legislation today.

Mr. Speaker, I rise in strong opposition to H.R. 3312, the Systemic Risk Designation Improvement Act.

At a time when big banks are doing very well and the industry made record profits—more than $171 billion last year—and business lending has increased 75 percent since Dodd-Frank was signed into law, now is not the time to eliminate critical safeguards and reduce oversight of many of our largest banks.

H.R. 3312 will roll back the enhanced prudential standards that currently apply to the 30 of the largest banks with more than $50 billion in assets. These are some of the most important rules in Dodd-Frank, like enhanced capital and stress testing that are critical to maintaining a safe and sound banking system that supports the broader economy.

Proponents of this bill argue that Dodd-Frank imposed a one-size-fits-all approach to any bank over $50 billion. But the law makes clear that the Fed should tier and tailor its rules to differentiate between even these large banks ''on an individual basis or by category, taking into consideration their capital structure, riskiness, complexity, financial activities (including the financial activities of their subsidiaries), size, and any other risk-related factors that the Board of Governors deems appropriate.''

There is no one-size-fits-all mandate and the Fed has indeed tailored these rules. For example, the prudential rules for a trillion-dollar bank are much tougher compared to those that apply to a $250 billion bank and considerably more so compared to a $50 billion bank.

Yet, after 18 months, this bill would exempt 30 of our largest banks from enhanced oversight, and it replaces the $50 billion threshold with a cumbersome, discretionary process led by the Federal Reserve along with the FSOC. We have a similar process for designating non-bank financial bank companies, like AIG, which have posed a systemic risk. So it is strange that Republicans are now pushing a similar approach after they repeatedly blasted the same FSOC designation process for being arbitrary, opaque, unfair, and unworkable.

Those designations were heavily litigated, if not blocked in court, as these new designations by the Federal Reserve and the FSOC would likely be. Currently, there is only one non-bank designated by the FSOC through this process, so we should expect there would be hardly any designations through H.R. 3312.

Who are these 30 massive banks that stand to benefit?

These banks collectively hold more than $5 trillion in assets or one-fourth of all banking assets in the United States. Of the 30 banks, 12 of them are foreign banks, including Deutsche Bank, HSBC, Credit Suisse, and UBS. These banks have violated a wide range of U.S. laws, including anti-money laundering and unlawful trading practices, so I have no clue why Congress should even consider doing those banks any favors.

For all the talk about helping out small community banks that serve our customers well in our rural and underserved neighborhoods, there is not a single provision that helps out these thousands of community banks and their customers. While some characterize this bill as helping ''medium-sized'' banks, the medium-sized bank has only about $200 million in assets or roughly 250 times less than the massive banks that benefit by this bill.

More troubling, instead of helping community banks, the bill would make it easier for the largest banks to acquire smaller ones, accelerating a 30-year consolidation trend.

Reasonable people can disagree on how best to dial up or down some of these enhanced standards and tier them more effectively—and I know my colleagues have good intentions—but this proposal goes way, way too far in reversing strong oversight of the Nation's largest banks. Even a Senate bill that resembles Chairman HENSARLING's ''Wrong Choice Act'' is far less aggressive, raising the $50 billion threshold to $250 billion, although even that proposal would be damaging.

Let me close by emphasizing that H.R. 3312 represents one of the largest rollbacks of sensible rules for many of our largest banks, including a dozen foreign banks, at a time when the industry is making record profits, and such a bill would hurt and make it harder for community banks to compete.

For these reasons, I strongly urge Members to oppose this bill, H.R. 3312.

Mr. AL GREEN of Texas. Mr. Speaker, what is the amount of time remaining?

The SPEAKER pro tempore. The gentleman from Texas (Mr. AL GREEN) has 10½ minutes remaining. The gentleman from Texas (Mr. HENSARLING) has 11 minutes remaining.

Mr. HENSARLING. Mr. Speaker, I am now pleased to yield 2 minutes to the gentleman from Arkansas (Mr. HILL), a member of the Financial Services Committee and our Republican whip.

Mr. HILL. Mr. Speaker, I thank the chairman for the time.

I rise in strong support of H.R. 3312, a bipartisan bill. A majority of the majority party and a majority of the minority party on our committee reported this bill to the House floor. It is sponsored by my friend, Chairman BLAINE LUETKEMEYER, who has spent years studying Dodd-Frank, seven long years of studying the impact of Dodd-Frank, and how to improve it.

This bill removes a requirement that uses $50 billion as an asset test to designate whether a banking company in this country is systemically important and, if they are, subject them to higher regulatory standards.

But instead of ending too-big-to-fail, Dodd-Frank's misguided designation regime just entrenches it, Mr. Speaker.

Authorizing the government to designate large financial institutions as systemically important creates a new class of firms that markets will interpret and assume are too big to fail.

The SIFI designation, as noted by many Members on this side of the aisle, is, in fact, arbitrary, and I respect my friend that other numbers in statute may be arbitrary as well. But this one doesn't have any economic basis on why the participants in designing Dodd-Frank picked $50 billion.

But over the past 7 years, we have had witness after witness tell us that we should look a different direction and not have an arbitrary number of $50 billion.

Several Federal Reserve officials have expressed that similar view. Mr. Frank, as noted, has expressed that view. So here comes Mr. LUETKEMEYER with an excellent idea, an idea of an activities-based designation that the Fed has designed itself, Mr. Speaker.

The Federal Reserve has designed the metric we are using to say that an institution is systemically important. It is activities-based so that we can distinguish between levels of risk that might be systemically important to our country.

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

Mr. HENSARLING. Mr. Speaker, I yield an additional 30 seconds to the gentleman from Arkansas.

Mr. HILL. Mr. Speaker, I thank the chairman for the time.

So activity-based standards have already been found effective by the Federal Reserve. They work and they were used in evaluating acquisitions on regional banking companies. So Mr. LUETKEMEYER is on to a good idea. Mr. Speaker, instead of using $50 billion that was plucked out of thin air in the dead of night in the conference committee in 2010, let's reflect on 7 years and operate in a better way.

So I urge support of this bill, Mr. Speaker. I thank Mr. LUETKEMEYER for bringing it. I urge our Senators on the other end of this building to look at this as a model for how we should reform Dodd-Frank in their own bill.

Mr. AL GREEN of Texas. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this bill does not impact 99 percent, approximately, of the banks. Most banks in this country have assets—about 89 to 90 percent of them—of $1 billion or under.

□ 1600

This bill is for the big banks. The big banks are doing quite well. Last year, the banks made record profits of $171 billion. Community banks grew at 8.3 percent, and big banks grew at a 4.8 percent rate. They are lending to businesses at a record level.

So the contention cannot be that they are doing this because banks are losing money. It has very little to do with how much money they are losing. It has a lot to do with the fact that big banks would like to be deregulated so that they can get back to the business as usual that caused the crisis of 2008.

Mr. Speaker, there are 30 big banks this bill will impact worth more than $5 trillion in assets. This bill is not needed because, if this bill is implemented, it will cause the banks to no longer be placed under the $50 billion threshold, except by way of regulation from the prudential regulator, which won't happen easily.

MetLife is a pretty good example of what can happen. Currently, MetLife is in court. They are tied up in court, probably indefinitely, because the big banks have big bucks, and they are going to fight being designated as SIFIs.

MetLife is fighting it. It is an insurance company, of course, but it is fighting it. If they are going to fight the designation, you have to have some way to put them under the stress test, under the living wills test. This has to be done.

The SPEAKER pro tempore (Mr. POE of Texas). The time of the gentleman has expired.

Mr. AL GREEN of Texas. Mr. Speaker, I yield myself an additional 30 seconds.

If you don't have a trigger, it is not likely to be done, because the banks are going to fight you all the way through the courts and tie you up for years.

Mr. HENSARLING. Mr. Speaker, I yield 2½ minutes to the gentleman from Maine (Mr. POLIQUIN), a very hardworking member of our committee.

Mr. POLIQUIN. Mr. Speaker, all businesses in America, large and small, should be fairly and predictably regulated, including those companies in the financial services industry.

Now, Mr. Speaker, when the real estate market collapsed in 2008, Washington did what it does often. It overreacted by imposing smothering layers of new regulations on small community banks, credit unions, and retirement advisers, when it should, Mr. Speaker, have focused its attention on eight or nine large, major money center banks that have tentacles that run throughout our economy.

Mr. Speaker, the goal of Dodd-Frank was to increase regulations on financial institutions that could bring down the economy if they got in trouble.

Now, the problem, Mr. Speaker, is that this regulatory net was cast so wide, it caught our small community banks and credit unions in having to deal with costly, unnecessary, and redundant regulations.

I travel the State of Maine, Mr. Speaker, and meet with our small financial institutions. They tell me: BRUCE, we are spending so much time and money hiring compliance officers to deal with these regulations instead of loan officers to make sure we get money out to our families and our small businesses can borrow and grow.

God forbid, Mr. Speaker, that the Bangor Savings Bank or the Maine Family Federal Credit Union in Lewiston gets into trouble. If they do, they will not bring down this economy.

Why in the world should they be imposing or have to deal with this additional layer of regulations as they are designated as a SIFI?

Mr. LUETKEMEYER's bill is a terrific bill. It is common sense. It is bipartisan. It will require the Federal Reserve to finally factor in the role and the function of these financial institutions in the economy, instead of arbitrarily based on assets.

This means, Mr. Speaker, that our community banks and our pension advisers, our retirement advisers and credit unions will be able to focus on growing the economy and extending credit so our families can get a home mortgage, maybe buy another automobile, or maybe one of the lobstermen can get a new diesel put in their boat for the season.

The is a good bill, Mr. Speaker. I am grateful that Mr. LUETKEMEYER introduced H.R. 3312. I encourage everybody on both sides of the aisle to help American businesses and families by supporting this bill.

Mr. AL GREEN of Texas. Mr. Speaker, may I inquire as to the amount of time I have remaining.

The SPEAKER pro tempore. The gentleman from Texas (Mr. AL GREEN) has 8 minutes remaining.

Mr. AL GREEN of Texas. Mr. Speaker, I yield 4 minutes to the gentlewoman from California (Ms. MAXINE WATERS).

Ms. MAXINE WATERS of California. Mr. Speaker, I think it is important to talk about what is happening in this country with this administration at this time. It is so related to what we are trying to explain about what this bill attempts to do.

First of all, let me just share with you that committee Democrats have made repeated attempts to follow the Trump money trail and investigate the suspicious financial dealings of the President, his immediate family and his associates, including their possible involvement in illicit Russian financial schemes.

Since March, Democrats have written six letters—two to committee Chairman HENSARLING, one to Deutsche Bank, one to Deutsche Bank CEO John Cryan, two to Treasury Secretary Steve Mnuchin, and another to Deutsche Bank's external counsel, requesting their cooperation in exposing the scope of Russian influence on the Trump administration.

I have also written two letters on my own—one to Attorney General Jeff Sessions, another to Deputy Attorney General Rod Rosenstein, regarding the Department of Justice's investigation into Deutsche Bank's Russian mirror trading scheme.

On March 10, 2017, committee Democrats called on Chairman HENSARLING to use the full range of the committee's investigative powers to examine Deutsche Bank's Russian money laundering operation and assess the integrity of the U.S. Department of Justice's ongoing investigation into the scheme, given the Trump administration's conflicts of interest in the matter and the revelations of Attorney General Sessions' communications with the Russian Ambassador. Chairman HENSARLING failed to respond. We have heard nothing from our chairman.

On May 23, 2017, committee Democrats sent a letter to Deutsche Bank's chief executive officer, John Cryan, requesting information on two internal reviews the bank reportedly conducted, the first on its mirror trading scandal and the second on whether the accounts of President Donald Trump and his family members held at the bank had any ties to Russia.

Deutsche Bank's external counsel responded, stating that Deutsche Bank was unable to cooperate with the request, citing privacy concerns.

On May 23, 2017, committee Democrats all sent a letter to Treasury Secretary Steven Mnuchin requesting that FinCEN provide any records to the committee that detail President Trump's financial ties to Russia as well as those of his family, his family members, and associates. Secretary Mnuchin failed to respond.

It goes on and on and on. Letters were sent on June 21. We sent a follow-up letter to Deutsche Bank. On and on and on.

What is important about all of this is Deutsche Bank is known and has been fined for many things, including money laundering. So, knowing that, what we are doing here is lifting oversight on Deutsche Bank, one of the fallen banks that would be covered by this bill.

I think this is outrageous. I think people should know what this bill is all about and how it is going to put us at greater risk. We are dealing with limiting the oversight of banks like Deutsche Bank.

Mr. AL GREEN of Texas. Mr. Speaker, how much time does the other gentleman from Texas have remaining?

The SPEAKER pro tempore. The gentleman from Texas (Mr. AL GREEN) has 4½ minutes remaining. The gentleman from Texas (Mr. HENSARLING) has 6 minutes remaining.

Mr. HENSARLING. Mr. Speaker, I might point out to the ranking member that she should read her mail, since I responded to her letter.

Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. DAVIDSON), a hardworking member of the Financial Services Committee.

Mr. DAVIDSON. Mr. Speaker, I am so pleased to join Mr. LUETKEMEYER in supporting his bill. I am so encouraged that this is a bipartisan bill.

Listening to the Members opposed, I am concerned that the bill is being highly mischaracterized. It occurred to me that when the Member opposed mentioned that 97 percent of banks would not be affected by this, that it automatically excludes 97 percent of banks from being affected by this.

Mr. LUETKEMEYER doesn't pick a number and say big is bad. He says: Let's judge the bank by its behavior, not by the size of its balance sheet.

This is a rational, measured approach, and that is why it has drawn bipartisan support. It is focused on solving the problem, not driving regulatory burdens.

Let me explain that the SIFI designation is an arbitrary number, and it subjects banks with $50 billion or more in assets to the same standards as trillion-dollar globally important financial banks.

So a bank with $51 billion would be regulated the same way as JPMorgan Chase, for example.

Even former Chair Barney Frank, as has been mentioned, seized the problem. Janet Yellen seized the problem.

People look at it and say: What can be a solution?

The Federal Reserve has seen a possible solution as judging the character of the business activity. Mr. LUETKEMEYER's bill firmly addresses that.

A simple asset threshold captures numerous banks that are widely perceived to be no threat to financial stability. It also distorts growth decisions.

Mr. AL GREEN of Texas. Mr. Speaker, I yield 1 minute to the gentlewoman from Wisconsin (Ms. MOORE).

Ms. MOORE. Mr. Speaker, Mr. LUETKEMEYER might have had a good idea, but what we have really seen is an arbitrary FSOC and a Republican-controlled Federal Reserve Board that operates without quorums. This may be a good idea, but until we have a financial regulatory framework where we can trust the people in charge, I think that we should not support this bill.

Mr. HENSARLING. Mr. Speaker, I yield 1½ minutes to the gentleman from Indiana (Mr. HOLLINGSWORTH), a member of the Financial Services Committee.

Mr. HOLLINGSWORTH. Mr. Speaker, I rise today in strong support of H.R. 3312.

This bill is really important to Hoosiers back home. Hoosiers back home aren't checking the financial statements of banks around the country. What they are checking are their own financial statements.

According to the FDIC, the total balance of commercial and industrial loans smaller than $1 million has increased by only 0.18 percent since 2018, when the U.S. GDP has grown by 26 percent.

The total balance of nonfarm residential loans has declined by almost 25 percent during the same time period. This is adversely impacting Hoosiers back home and their ability to get capital and loans to be able to start businesses.

Frequently, I get the opportunity to stand up here and talk about one-size-fits-all regulation. But in this particular instance, we are truly talking about one-size-restricting-all regulation.

Chairman LUETKEMEYER uses a very strong approach. Instead of, as the architects of section 165 in Dodd-Frank, using size as a proxy for risk, he simply said: Let's use their underlying risk as an indicator of their actual risk. He does this by using a system already put in place by the Federal Reserve in actually tracking the variables that indicate risk of an institution.

I strongly support the measure. I continue to strongly support the removal of arbitrary lines in regulation.

Mr. AL GREEN of Texas. Mr. Speaker, I yield 30 seconds to the gentlewoman from California (Ms. MAXINE WATERS).

Ms. MAXINE WATERS of California. Mr. Speaker, I rise to correct my chairman—I do not like to do this—however, I did check my mail, and I have discovered that when he responded to the August 11 letter, he let me know that he would not use his subpoena power to help us out. He did not respond at all to the March 10 letter.

Mr. HENSARLING. Mr. Speaker, I happen to have the letter in my hand. I would be happy to share it with the ranking member if she has misfiled it.

Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey (Mr. GOTTHEIMER), a Democratic colleague.

□ 1615

Mr. GOTTHEIMER. Mr. Speaker, I rise to support this bipartisan legislation and to thank my friend, Mr. LUETKEMEYER, for working across the aisle with me on this commonsense measure.

This bill is a smart, thoughtful effort to perfect and improve our financial safeguards, cut burdensome regulation, and spur economic growth. Developed with Democrats and Republicans on the committee, it addresses our systematic risk in the financial sector.

With these changes, we can free up resources at smaller banks to get loans into the hands of New Jersey small businesses, families, and consumers, ultimately growing our American economy. It does so by making practical changes to protect New Jersey.

Mr. Speaker, I urge support for this bipartisan legislation to help constituents in New Jersey's Fifth District.

Mr. AL GREEN of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think that we have to reemphasize that Chairman Frank is not supporting this bill. I thought that the initial comment would be sufficient, but, again, I will read what Chairman Frank has delivered to us. He indicates that H.R. 3312 significantly increases the need for subjective judgments by the regulators and very much weakens the ability of financial institutions to rely on clear rules to guide their decisionmaking. Chairman Frank does not support this bill.

Mr. Speaker, this bill is not before the House because banks are losing money. Banks are making record profits: $171 billion last year. The big banks, a 4.8 percent growth rate; and community banks, an 8.3 percent growth rate.

This bill is before the House because the big banks want to again get back to business as usual, which will allow them to do many of the things that brought this economy to its knees.

Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Texas (Mr. AL GREEN) has 1½ minutes remaining.

Mr. AL GREEN of Texas. Mr. Speaker, we have 30 banks with assets in excess of $5 trillion. These banks have been designated as SIFIs for a reason. They ought to have to let the regulators know how they can be wound down in the event there is a crisis in the economy. They ought to undergo stress tests.

If a consumer wants a loan, the consumer has to demonstrate creditworthiness. If banks of this size are going to remain in business, they ought to let us know what their liquidity is and be required to have a certain amount of liquidity that will cause them to stay in business, even when we are faced with a crisis. They ought to be tested for their creditworthiness. That is what we currently have.

If the $50 billion threshold is released, then they will be placed under the designation of SIFI only by regulators; and MetLife is proof positive that it is difficult, if not impossible, to do.

AIG went under simply because it was already known to be a systemically important institution.

Mr. Speaker, we must defeat this bill. I call on my colleagues to vote against it. It is a big-bank-bonus bill.

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

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

First, I want to thank my colleague, the gentleman from Texas, for coming to the floor. I know how busy he is with his impeachment activities, so we are glad he has had an opportunity to come and share his views on this particular bill.

He spent a lot of time telling us who wasn't for the bill, but he didn't tell us who was for it. And I would, once again, inform my friend, my colleague from Texas, that not only is every single Republican member of the House Financial Services Committee for this bill, but a majority of the Democrats on the committee are for this bill. Perhaps that is why he could find so few Democrats to speak out against it.

So what we have heard, Mr. Speaker, is my colleague and the ranking member vociferously defend the whole idea that there should be institutions that are too big to fail. As they defend the Dodd-Frank Act, Mr. Speaker, I would like to point out that, yet again, the big banks have gotten bigger. Under their regulatory scheme, the big banks have gotten bigger and the communities banks have become fewer.

And now what they are telling us is: Oh, no, we have got to protect this regime.

Well, I don't believe in it. But what I do believe in, Mr. Speaker, and what Mr. LUETKEMEYER believes in, is that we need to try to find some bipartisan solutions, some common ground, to try to make some common sense out of some of these regulations.

What is fascinating to me is so many of the Obama-era regulators have said this $50 billion threshold makes no sense. Usually, my Democratic colleagues will quote Mr. Tarullo, they will quote Janet Yellen, or they will quote Mr. Curry. Well, all of them have said that the $50 billion threshold is essentially arbitrary and does not work.

So, at the end of the day, what it is doing, Mr. Speaker, is putting in an additional regulatory burden on banks that pose no systemic risk to our economy, making it more difficult to extend credit to hardworking Americans who need it. But for people who just voted against tax relief for hardworking Americans, I guess that is what I would expect.

Now they want to make sure that they don't have tax relief, they don't have mortgages, and they don't have credit cards. That is what they are defending, Mr. Speaker, and it is wrong.

On a bipartisan basis, today, I believe we are going to vote for H.R. 3312 and make some sense out of this SIFI rule, and we will have a better America tomorrow.

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

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 667, the previous question is ordered on the bill, as amended.

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.

The SPEAKER pro tempore. For what purpose does the gentleman from Texas (Mr. AL GREEN) seek recognition?

Mr. AL GREEN of Texas. Mr. Speaker, I rise to remind my colleague that he will have another chance to vote on impeachment and to ask for a recorded vote.

The SPEAKER pro tempore. The gentleman is not recognized for debate.

The question now is on the passage of the bill.

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

Mr. HENSARLING. 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, this 15-minute vote on passage of H.R. 3312 will be followed by 5-minute votes on:

The motion to suspend the rules and pass the bill, S. 1536, by the yeas and nays; and

Agreeing to the Speaker's approval of the Journal, if ordered.

The vote was taken by electronic device, and there were—yeas 288, nays 130, not voting 13, as follows:

[Roll No. 694]

YEAS—288

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Beatty
Bera
Bergman
Beyer
Biggs
Bilirakis
Bishop (GA)
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Blunt Rochester
Bost
Brady (TX)
Brat
Brooks (IN)
Brown (MD)
Brownley (CA)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Cárdenas
Carter (GA)
Carter (TX)
Chabot
Cheney
Clay
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Connolly
Cook
Cooper
Correa
Costa
Costello (PA)
Courtney
Cramer
Crawford
Crist
Cuellar
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Delaney
Demings
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Dunn
Emmer
Estes (KS)
Esty (CT)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foster
Foxx
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Gonzalez (TX)
Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Green, Gene
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Heck
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Higgins (NY)
Hill
Himes
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, E. B.
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (IL)
Kelly (MS)
Kelly (PA)
Kihuen
Kilmer
Kind
King (IA)
King (NY)
Kinzinger
Knight
Krishnamoorthi
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Larsen (WA)
Latta
Lawson (FL)
Lewis (MN)
Lipinski
LoBiondo
Loebsack
Long
Love
Lucas
Luetkemeyer
MacArthur
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McEachin
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Meeks
Mitchell
Moolenaar
Mooney (WV)
Mullin
Murphy (FL)
Newhouse
Noem
Norman
Nunes
O'Halleran
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Peters
Peterson
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Rice (NY)
Rice (SC)
Richmond
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Rosen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Ruiz
Russell
Rutherford
Sanford
Schneider
Schrader
Schweikert
Scott, Austin
Scott, David
Sensenbrenner
Sessions
Sewell (AL)
Sherman
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Soto
Stefanik
Stewart
Stivers
Suozzi
Taylor
Tenney
Thompson (PA)
Thornberry
Tiberi
Tipton
Torres
Trott
Turner
Upton
Valadao
Veasey
Vela
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (FL)
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NAYS—130

Adams
Aguilar
Barragán
Bass
Blumenauer
Bonamici
Boyle, Brendan F.
Brady (PA)
Bustos
Butterfield
Capuano
Carbajal
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Cleaver
Clyburn
Cohen
Crowley
Davis (CA)
Davis, Danny
DeFazio
DeGette
DeLauro
DelBene
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Duncan (TN)
Ellison
Engel
Eshoo
Espaillat
Evans
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Green, Al
Grijalva
Gutiérrez
Hanabusa
Hastings
Hoyer
Huffman
Jackson Lee
Jayapal
Johnson (GA)
Jones
Kaptur
Keating
Khanna
Kildee
Kuster (NH)
Langevin
Larson (CT)
Lawrence
Lee
Levin
Lewis (GA)
Lieu, Ted
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Maloney, Carolyn B.
Matsui
McCollum
McGovern
McNerney
Meng
Moore
Moulton
Nadler
Neal
Nolan
Norcross
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Pingree
Polis
Price (NC)
Quigley
Raskin
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Scott (VA)
Serrano
Shea-Porter
Sires
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Tsongas
Vargas
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOT VOTING—13

Bridenstine
Brooks (AL)
Cummings
Jeffries
Kennedy
Loudermilk
Lynch
Messer
Napolitano
Pocan
Renacci
Scalise
Smith (TX)

□ 1649

Ms. JACKSON LEE changed her vote from "yea" to "nay."

Mr. CÁRDENAS, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. RICHMOND changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated against:

Mr. LYNCH. Mr. Speaker, I inadvernty missed the vote for final passage of H.R. 3312, the Systemic Risk Designation Improvement Act of 2017. Had I been present, I would have voted "Nay" on rollcall 694.

COMBATING HUMAN TRAFFICKING IN COMMERCIAL VEHICLES ACT

The SPEAKER pro tempore. The unfinished business is the vote on the motion to suspend the rules and pass the bill (S. 1536) to designate a human trafficking prevention coordinator and to expand the scope of activities authorized under the Federal Motor Carrier Safety Administration's outreach and education program to include human trafficking prevention activities, and for other purposes, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. GRAVES) that the House suspend the rules and pass the bill.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 418, nays 1, not voting 12, as follows: