Madam Speaker, I could go on, but what we are trying to do here is assure that what just happened in the Second Circuit, where credit opportunities are cut in half, doesn't happen nationwide. The hardworking men and women of America deserve better, and so we must support H.R. 3299.

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

The SPEAKER pro tempore (Ms. CHENEY). All time for debate has expired.

Pursuant to House Resolution 736, the previous question is ordered on the bill.

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. The question 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. 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, further proceedings on this question will be postponed.

□ 1515

TRID IMPROVEMENT ACT OF 2017

Mr. HENSARLING. Madam Speaker, pursuant to House Resolution 736, I call up the bill (H.R. 3978) to amend the Real Estate Settlement Procedures Act of 1974 to modify requirements related to mortgage disclosures, 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 736, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115–59, modified by the amendment printed in part B of House Report 115–559 is adopted, and the bill, as amended, is considered read.

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

H.R. 3978

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

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

SEC. 2. SECURITIES AND EXCHANGE COMMISSION RESERVE FUND.

Notwithstanding section 4(i)(2)(B)(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(i)(2)(B)(i)), the amount deposited in the Securities and Exchange Commission Reserve Fund for fiscal year 2018 may not exceed $48,000,000.

TITLE I—TRID IMPROVEMENT

SEC. 101. AMENDMENTS TO MORTGAGE DISCLOSURE REQUIREMENTS.

Section 4(a) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2603(a)) is amended—

(1) by striking ''itemize all charges'' and inserting ''itemize all actual charges'';

(2) by striking ''and all charges imposed upon the seller in connection with the settlement and'' and inserting ''and the seller in connection with the settlement. Such forms''; and

(3) by inserting after ''or both.'' the following new sentence: ''Charges for any title insurance premium disclosed on such forms shall be equal to the amount charged for each individual title insurance policy, subject to any discounts as required by State regulation or the title company rate filings.''.

TITLE II—PROTECTION OF SOURCE CODE

SEC. 201. PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.

(a) PERSONS UNDER SECURITIES ACT OF 1933.—Section 8 of the Securities Act of 1933 (15 U.S.C. 77h) is amended by adding at the end the following:

''(g) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.—The Commission is not authorized to compel under this title a person to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena.''.

(b) PERSONS UNDER THE SECURITIES EXCHANGE ACT OF 1934.—Section 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended by adding at the end the following:

''(e) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.—The Commission is not authorized to compel under this title a person to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena.''.

(c) INVESTMENT COMPANIES.—Section 31 of the Investment Company Act of 1940 (15 U.S.C. 80a–30) is amended by adding at the end the following:

''(e) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.—The Commission is not authorized to compel under this title an investment company to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena.''.

(d) INVESTMENT ADVISERS.—Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4) is amended—

(1) by adding at the end the following:

''(f) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.—The Commission is not authorized to compel under this title an investment adviser to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena.''; and

(2) in the second subsection (d), by striking ''(d)'' and inserting ''(e)''.

TITLE III—FOSTERING INNOVATION

SEC. 301. TEMPORARY EXEMPTION FOR LOW-REVENUE ISSUERS.

Section 404 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7262) is amended by adding at the end the following:

''(d) TEMPORARY EXEMPTION FOR LOW-REVENUE ISSUERS.—

''(1) LOW-REVENUE EXEMPTION.—Subsection (b) shall not apply with respect to an audit report prepared for an issuer that—

''(A) ceased to be an emerging growth company on the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement under the Securities Act of 1933;

''(B) had average annual gross revenues of less than $50,000,000 as of its most recently completed fiscal year; and

''(C) is not a large accelerated filer.

''(2) EXPIRATION OF TEMPORARY EXEMPTION.—An issuer ceases to be eligible for the exemption described under paragraph (1) at the earliest of—

''(A) the last day of the fiscal year of the issuer following the tenth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement under the Securities Act of 1933;

''(B) the last day of the fiscal year of the issuer during which the average annual gross revenues of the issuer exceed $50,000,000; or

''(C) the date on which the issuer becomes a large accelerated filer.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) AVERAGE ANNUAL GROSS REVENUES.—The term 'average annual gross revenues' means the total gross revenues of an issuer over its most recently completed three fiscal years divided by three.

''(B) EMERGING GROWTH COMPANY.—The term 'emerging growth company' has the meaning given such term under section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

''(C) LARGE ACCELERATED FILER.—The term 'large accelerated filer' has the meaning given that term under section 240.12b–2 of title 17, Code of Federal Regulations, or any successor thereto.''.

TITLE IV—NATIONAL SECURITIES EXCHANGE REGULATORY PARITY

SEC. 401. NATIONALLY TRADED SECURITIES EXEMPTION.

Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is amended—

(1) by striking subparagraph (A);

(2) in subparagraph (B)—

(A) by inserting ''a security designated as qualified for trading in the national market system pursuant to section 11A(a)(2) of the Securities Exchange Act of 1934 that is'' before ''listed''; and

(B) by striking ''that has listing standards that the Commission determines by rule (on its own initiative or on the basis of a petition) are substantially similar to the listing standards applicable to securities described in subparagraph (A)'';

(3) in subparagraph (C), by striking ''or (B)''; and

(4) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

TITLE V—ELIMINATING BARRIERS TO JOBS FOR LOAN ORIGINATORS

SEC. 501. ELIMINATING BARRIERS TO JOBS FOR LOAN ORIGINATORS.

(a) IN GENERAL.—The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.) is amended by adding at the end the following:

''SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINATORS.

''(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS FOR LOAN ORIGINATORS MOVING FROM A

DEPOSITORY INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—

''(1) IN GENERAL.—Upon employment by a State-licensed mortgage company, an individual who is a registered loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the individual—

''(A) has not had an application for a loan originator license denied, or had such a license revoked or suspended in any governmental jurisdiction;

''(B) has not been subject to or served with a cease and desist order in any governmental jurisdiction or as described in section 1514(c);

''(C) has not been convicted of a felony that would preclude licensure under the law of the application State;

''(D) has submitted an application to be a State-licensed loan originator in the application State; and

''(E) was registered in the Nationwide Mortgage Licensing System and Registry as a loan originator during the 12-month period preceding the date of submission of the information required under section 1505(a).

''(2) PERIOD.—The period described in paragraph (1) shall begin on the date that the individual submits the information required under section 1505(a) and shall end on the earliest of—

''(A) the date that the individual withdraws the application to be a State-licensed loan originator in the application State;

''(B) the date that the application State denies, or issues a notice of intent to deny, the application;

''(C) the date that the application State grants a State license; or

''(D) the date that is 120 days after the date on which the individual submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

''(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS FOR STATE-LICENSED LOAN ORIGINATORS MOVING INTERSTATE.—

''(1) IN GENERAL.—A State-licensed loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the State-licensed loan originator—

''(A) meets the requirements of subparagraphs (A), (B), (C), and (D) of subsection (a)(1);

''(B) is employed by a State-licensed mortgage company in the application State; and

''(C) was licensed in a State that is not the application State during the 30-day period preceding the date of submission of the information required under section 1505(a) in connection with the application submitted to the application State.

''(2) PERIOD.—The period described in paragraph (1) shall begin on the date that the State-licensed loan originator submits the information required under section 1505(a) in connection with the application submitted to the application State and end on the earliest of—

''(A) the date that the State-licensed loan originator withdraws the application to be a State-licensed loan originator in the application State;

''(B) the date that the application State denies, or issues a notice of intent to deny, the application;

''(C) the date that the application State grants a State license; or

''(D) the date that is 120 days after the date on which the State-licensed loan originator submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

''(c) APPLICABILITY.—

''(1) Any person employing an individual who is deemed to have temporary authority to act as a loan originator in an application State pursuant to this section shall be subject to the requirements of this title and to applicable State law to the same extent as if such individual was a State-licensed loan originator licensed by the application State.

''(2) Any individual who is deemed to have temporary authority to act as a loan originator in an application State pursuant to this section and who engages in residential mortgage loan origination activities shall be subject to the requirements of this title and to applicable State law to the same extent as if such individual was a State-licensed loan originator licensed by the application State.

''(d) DEFINITIONS.—In this section, the following definitions shall apply:

''(1) STATE-LICENSED MORTGAGE COMPANY.—The term 'State-licensed mortgage company' means an entity licensed or registered under the law of any State to engage in residential mortgage loan origination and processing activities.

''(2) APPLICATION STATE.—The term 'application State' means a State in which a registered loan originator or a State-licensed loan originator seeks to be licensed.''.

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents in section 1(b) of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 4501 note) is amended by inserting after the item relating to section 1517 the following:

''Sec. 1518. Employment transition of loan originators.''.

SEC. 502. AMENDMENT TO CIVIL LIABILITY OF THE BUREAU AND OTHER OFFICIALS.

Section 1513 of the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5112) is amended by striking ''are loan originators or are applying for licensing or registration as loan originators.'' and inserting ''have applied, are applying, or are currently licensed or registered through the Nationwide Mortgage Licensing System and Registry. The previous sentence shall only apply to persons in an industry with respect to which persons were licensed or registered through the Nationwide Mortgage Licensing System and Registry on the date of the enactment of this sentence.''.

SEC. 503. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on the date that is 18 months after 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.

After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in part C of House Report 115–559, 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. Madam 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. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in strong support of H.R. 3978, which is a package of five strongly bipartisan bills, yet again, from the Financial Services Committee of the House. As standalone bills, all were favorably reported, again, with strong bipartisan support of at least three-quarters of the committee.

The title provision of this package is the TRID Improvement Act by Congressman FRENCH HILL. This bill amends CFPB's complex TILA/RESPA integrated disclosure, known as the TRID rule, in order to simplify the closing documents consumers get when they close a mortgage.

It does this by allowing for the calculation of the discounted rate that title insurance companies provide to consumers when they purchase a lender's and owner's title insurance policy simultaneously. This makes it more accurate, Madam Speaker.

Title II is the Protection of Source Code Act introduced by Representatives SEAN DUFFY and DAVID SCOTT, a Republican and a Democrat. This provision ensures that the Securities and Exchange Commission cannot require financial services firms to disclose algorithmic trading source code without first obtaining a subpoena. Source code is among a firm's most sensitive information, and this bipartisan provision balances privacy and due process concerns while preserving the SEC's ability to obtain such information when necessary.

The third title is the Fostering Innovation Act which was introduced by Representatives SINEMA and HOLLINGSWORTH to provide relief to small and emerging businesses by extending the popular onramp exemption of the JOBS Act for emerging growth companies in a more tailored manner. In short, it provides emerging growth companies more time to reach a size when they reasonably can be expected to financially sustain the legal, accounting, and compliance costs associated with the full Sarbanes-Oxley section 404(b) compliance.

Fourth, Madam Speaker, is the National Securities Exchange Regulatory Parity Act which was introduced by Mr. ROYCE and which will ensure further clarity and competition among national security exchanges by modernizing the blue sky exemption in the Securities Act. Modernizing this provision will ensure all national security exchanges operate on a level regulatory playing field and help protect retail investors from arbitrary acts by State regulators that may bar investors in one State from buying stock freely available to investors in every other State.

The final title of this bill is a provision introduced by Congressman STIVERS to allow mortgage loan originators who work as loan officers in banks and credit unions to transition to a new job at a nonmortgage company without losing the ability to originate loans. Without this bill, the transition process can take weeks or months depending on the State.

Each of these measures, Madam Speaker, will cut through layers of red tape and help level the playing field making regulations smarter, fairer, clearer, and more efficient, thus ensuring that there are more competitively priced credit opportunities, more credit opportunities for consumers, and that investors have greater investment opportunities in competitive markets. They will provide commonsense regulatory relief. They are practical, they are bipartisan, and they are needed.

Madam Speaker, I encourage all of my colleagues to support the measure, and I reserve the balance of my time.

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

Madam Speaker, I rise in strong opposition to H.R. 3978, the TRID Improvement Act of 2017.

H.R. 3978 has been dramatically expanded without input from Democrats to include several highly problematic and damaging bills. If enacted, this amended package of bills would ease the ability of high frequency traders to manipulate the stock markets undetected, encourage a regulatory race to the bottom in our Nation's stock exchanges, and harm investors and small businesses by weakening efforts to prevent accounting fraud at smaller public companies.

Taken together, this deregulatory package could significantly undermine market stability and gut investor and consumer protections at a time when our financial markets are already rattled.

Madam Speaker, from January 26 until last Thursday, the stock markets plunged just over 10 percent, becoming what the financial services industry calls ''stock market correction,'' and for the past two trading days, markets have rebounded the most since 2016.

Although market corrections are not new, what distinguishes today's volatility is that it is driven by complex computer strategies designed to buy and sell stocks and options millions of times a day. As many of us have witnessed, the Dow Jones Industrial Average may be up 500 points and then down 600 in less than a few minutes. For the average American who was hoping to one day retire with dignity by investing her hard-earned savings in the stock market, it can be distressing to see such wild swings always wondering whether the markets are truly fair or whether she is going to be fleeced. Unfortunately, the passage of H.R. 3978 would likely make those swings more extreme and increase the likelihood of problems going forward.

I am going to walk through each of the problematic provisions in this bill. Beginning with title IV, this provision is identical to H.R. 4546, the National Securities Exchange Regulatory Parity Act, which would weaken the standards for listing public companies for trading at U.S. stock exchanges. Today, exchanges listing standards set minimum requirements for a company's shares to be sold to the public without having to comply with State law. Exchanges can only revise these standards if the Securities and Exchange Commission first finds that new standards are substantially similar to the listing standards of the New York Stock Exchange.

This bill would remove any separate analysis for changing the standards and, thus, automatically preempt State oversight. As a result, the bill would encourage a race to the bottom of listing standards as exchanges compete with each other to attract companies with less restrictions, even if the standards are beneficial to the investors.

I believe that we should be strengthening the current analysis to promote fair and rigorous listing standards and only preempt State law when companies meet high standards. This is why I worked with the cosponsors last Congress to strike a bipartisan compromise which passed the House unanimously to require the SEC to develop a core qualitative listing standard. Unfortunately, my Republican colleagues have reversed their position in favor of empowering the industry over the investing public.

Turning to title III which is identical to H.R. 1645, the so-called Fostering Innovation Act, this provision would eliminate the independent audit of a company's financial reporting controls for up to 10 years for newly public companies provided that they have $50 million or less in gross revenues and less than $700 million in outstanding shares. Passed in the wake of the Enron and WorldCom accounting scandals, the requirement that public companies conduct an independent audit of financial controls is one of the many accounting provisions required by the bipartisan Sarbanes-Oxley Act that directly benefits investors and public companies by improving the accuracy of their financial reporting.

In fact, companies that are not subject to such review by an independent auditor are more likely to issue corrections to their financial reports leading to investor losses and higher losses for the company.

Investors like these audits because they improve the veracity of the reports they rely on to make investment decisions. Today, truly small public companies—those with less than $75 million worth of shares—are already exempt from the audit requirement. But this bill would extend the exemption to large companies that are nearly ten times that size. The law already provides newly public companies with an exemption for 5 years. Extending it to a decade would harm investor confidence and all such companies, hurting the very companies the bill's supporters purport to help.

Title II of this bill is the same language as H.R. 3948, the Protection of Source Code Act. This bill bans the SEC from inspecting source code used by regulated entities to engage in algorithmic or computer-driven trading and other activities that impact the securities markets and investors without first obtaining a subpoena. This provision would severely hamper the ability of the SEC to effectively examine persons like high-frequency traders and to investigate market disruptions.

The recent stock market volatility, which has seen all of the major stock indices decline by more than 10 percent in less than 2 weeks, has been exacerbated by high-frequency traders using complex computer algorithms to determine when to buy and sell millions of trades per second by making it harder for the capital markets COP to detect and stop bad actors and rein in fraudulent trading schemes. This provision will inevitably harm everyday Americans and retirees who rely on fair capital markets to invest their hard-earned savings.

To make matters worse, Republicans added a provision to pay for the cost of the bill by taking $2 million from the Securities and Exchange Commission's reserve fund. As a result, our financial watchdog will have less resources to support its capacity to oversee the markets through investments in IT and to respond to unforeseen market events like the flash crash.

In short, this bill asks taxpayers to pay for the costs of diminished capital market oversight by taking away SEC's funding to respond to emergency market situations that threaten market stability. This provision doubles down on the irresponsible policymaking we often see by the opposite side of the aisle.

The bill before us today would also make two less significant changes which I believe the Republicans included to garner additional support for the legislation. Nevertheless, even with these provisions, the package should be soundly rejected.

Title I, which includes the version of H.R. 3978, TRID Improvement Act of 2017, that the committee previously considered, would amend a mortgage disclosure known as TRID or the know-before-you-owe disclosure that informs home buyers of the terms and conditions of their mortgage. Responding to the concerns of some in the real estate industry, this provision would amend the disclosure to account for the discounts paid to borrowers in States where simultaneous lender and buyer title insurance is issued. However, the revised form does nothing for bars in States that do not provide such special rates to home buyers, and the provision eliminates the Consumer Bureau's ability to fix this aspect of the form even if a problem arises in the future.

The final provision, title V, is identical to H.R. 2948, the SAFE Mortgage Licensing Act. This title would ease the ability of individuals employed as mortgage originators to change employers by creating a temporary 120-day licensing regime so that they can continue to work at their new employer.

This bill would effectively treat mortgage originators who work for State registered firms the same as federally registered firms and was unanimously supported by committee Democrats. Unfortunately, because this legislation has been packaged with other deeply problematic and destructive bills, sensible relief to these individuals that has broad bipartisan support is being held hostage by Republicans' efforts to roll back as many safeguards as they can this year.

Madam Speaker, H.R. 3978, as amended, threatens many of the important reforms Democrats made to restore investor confidence to our capital markets after the worst financial crisis in generations. As the stock markets continue to wobble ominously in ways that threaten the savings of hard-working Americans, Congress should be strengthening oversight of the financial system, not weakening it.

Not surprisingly, H.R. 3978 is strongly opposed by the North American Association of Securities Administrators who serve on the frontline combating securities fraud on the State level and by nonpartisan organization who speak on behalf of our Nation's consumers, investors, and unions, including Consumer Federation of America, Center for American Progress, Americans for Financial Reform, AFL–CIO, and Public Citizen, and so do I.

Madam Speaker, I urge everyone to reject this harmful package of bills and to vote ''no'' on H.R. 3978.

Madam Speaker, I reserve the balance of my time.

□ 1530

Mr. HENSARLING. Madam Speaker, I yield 5 minutes to the gentleman from Arkansas (Mr. HILL), the majority whip of the committee and the sponsor of the legislation.

Mr. HILL. Madam Speaker, I rise in support of my bill, H.R. 3978, the TRID Improvement Act.

I want to focus my comments on the actual improvements to the Truth in Lending and RESPA form, TILA-RESPA, which is now referred to as TRID.

Back in 2010, when Dodd-Frank was being considered, one of the goals that then-White House staffer ELIZABETH WARREN, now Senator ELIZABETH WARREN, had was: Well, we are going to make this a win for both banks and consumers. One of the things we are going to do is we are going to make forms simpler and consumer disclosure better. America's exhibit A today is the TILA-RESPA form.

TILA was about truth in lending, and let's make sure the interest rate you are going to pay on your mortgage is calculated right, it is accurate. And RESPA, the Real Estate Settlement Act, said that whatever you were paying in extras, such as title insurance, was disclosed accurately.

Well, we now flash forward a number of years.

Back in 2013, the CFPB finalized this new, combined rule, the TRID rule: know before you owe. It should have been called: know before you confuse.

This rule, finalized in 2013, was still subject to delay due to errors that the CFPB made, and it finally got put in place back in 2015.

There was $1.5 billion in software compliance costs for banks to try to merge this form that is supposed to be so simple and so easy for consumers. The CFPB offered no concrete guidance about it. So this House came together and over 300 Members of this House voted to direct the CFPB to improve this rule; that it was not a success story.

So, in fact, in April 2016, the CFPB decided to open the rulemaking for TILA-RESPA and try to find some clarifying and amending procedures that would make it more clear.

Well, as you can hear, it is a massive, complex rule that is expensive. The American Bankers Association said if there was one thing to fix in consumer compliance, it would be TILA-RESPA; the TRID. It wouldn't be the qualified mortgage definition. It wouldn't be all the capital rules embedded in Dodd-Frank. It would be this rule.

When I have been at home in my district, I have heard about it countless times from mortgage bankers and community bankers.

So we are still not there, which is why we are here today, Madam Speaker. And that is, this bill does one simple thing, which says: if you buy a title insurance policy, in the majority of States, the CFPB rule is not accurate.

You can see here that the rule for Arkansas on a $200,000 sales price house says that the consumer should pay $382.50 after this complex formula when, in reality, they are really paying either $525 or the actual charge of $35. So it is not an improvement.

In these States, the CFPB is not allowing for the calculation of a discounted rate, known as a simultaneous issue, which is a rate title insurance companies provide to consumers when they purchase both the lender's and owner's title policy simultaneously.

Madam Speaker, this bill offers clarity and actually takes a complex rule and makes this part of it simpler so our consumers actually will see on the closing statement what the cost of the title insurance is. It will be transparent.

There are many other challenges with this rule, and we have talked about them in our committee. Today, we are only debating and discussing one small one.

But I urge my colleagues on both sides of the aisle—when this bill came out of our committee—bipartisan—this is a bill that Members of Congress have heard from across this country and all 50 States from community bankers, mortgage bankers of all sizes who are trying to provide an accurate, fast closing for our most important thing we do as a family, and that is to decide to buy a home.

I thank the chairman of the full committee for yielding. I urge my colleagues to support this full package of bipartisan bills through regular order, through our committee, and that are presented here to improve our economy, improve the balance in our regulatory system, and help make credit more accessible for consumers at better prices.

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

Mr. HENSARLING. Madam Speaker, I yield 4 minutes to the gentleman from Wisconsin (Mr. DUFFY), the chairman of the Subcommittee on Housing and Insurance and the sponsor of title 2 of the Protection of Source Code in this bill.

Mr. DUFFY. Madam Speaker, I thank the chairman for all of his work and support on this legislation, as well as the gentleman from Arkansas (Mr. HILL), for which my provision is made part of a larger package.

I also thank the gentlemen from Georgia and Illinois, my good friends across the aisle, DAVID SCOTT and BILL FOSTER, both of whom are cosponsors of the Protection of Source Code Act. It is a bipartisan bill.

The recent cyber incidents at Equifax, SEC, and even at the NSA, has shown that all organizations are vulnerable to security risks. These incidents are a timely reminder of the risks that we face in this digital age.

Given this reality, it is important for government agencies such as the SEC to rethink what they collect, how they collect it, how it is stored, and what they do with this information in the long run.

The Protection of Source Code Act is a bipartisan bill intended to reduce some of the cybersecurity risks to our financial markets posed by the SEC when it gathers highly sensitive trading or source code information as part of their oversight duties.

The Protection of Source Code Act establishes a process for the SEC with respect to requesting source code and other intellectual property that forms the basis of source code.

It does not preclude the SEC from requesting data that it determines it needs for market oversight. It merely puts a process in place for how the SEC seeks access to certain intellectual property.

Having a process in place for how the SEC requests source code and similar intellectual property will better protect registrants and their clients and investors from inadvertent disclosure or cyber theft of their most valuable and important intellectual property.

Such disclosure or theft could destroy the American businesses that own the intellectual property. Worse, it could undermine investor confidence and create significant volatility in our financial markets.

In general, the SEC should not be requesting source code or intellectual property that forms the basis of source code. They shouldn't be collecting that on a regular basis. Such information is generally unnecessary for the SEC to perform its market oversight function and, as we have learned from recent cyber hacks, could create a very inviting treasure trove of sensitive data for computer hackers.

This bill ensures that the SEC will gather source code when it is truly needed, under a subpoena process that provides appropriate due process for the information.

Under this bill, the SEC, in conducting an exam, may continue to ask a registrant for general information about a registrant's trading system or trading strategies.

So let's break this down a little bit. We have source code that is highly sensitive. It is intellectual property. If you are the SEC, you can actually go onsite and look at the source code. I am fine with that.

But if you are going to collect the source code and take it back to the SEC and store it and you have a whole bunch of intellectual property from American businesses stored at the SEC, this is one-stop shopping for hackers. You have just got to do it once. Get in the SEC and you get it all.

My friend across the aisle, the ranking member, wants to talk about volatility. Wait and see if there is an SEC hack where they get all this information, all this source code. That is a risk we don't want to have.

We want due process. If you want to come in and take the source code, get a subpoena.

Do we believe in due process in America?

For the most sensitive data, the most sensitive information, get a subpoena and you can take it. But those are basic measurers, basic protections that we offer in America that we should employ at the SEC when they want this intellectual property that is of great value to these firms.

My bill, contrary to the ranking member's point, Madam Speaker, doesn't offer exemptions to exams. Exams will still happen. Also, it is still illegal to manipulate markets. Those things haven't changed.

This is just about due process.

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

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

Mr. DUFFY. It is important that we have truthful and honest information on the floor. This does not prohibit exams. This doesn't make legal manipulation of the markets. It is still illegal. All we are saying is we have sensitive source code, and if you want to take it to the SEC, you get a subpoena.

Frankly, we think there are problems with that. The SEC has been hacked. The NSA has been hacked. Everybody has been hacked. If you compile all this information, the risk that poses to our markets and volatility to our markets, I think, is unacceptable. That is why it is bipartisan.

I would encourage all Members of this House to take a step forward for due process.

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

Madam Speaker, given the extreme volatility in the stock markets over the past few weeks, I am particularly troubled by title II of this bill, which would make it easier for high-frequency traders to evade regulatory oversight of their potentially disruptive automated trading algorithms.

This provision is widely opposed by nonpartisan consumer and investor advocacy groups who recognize the impact automated trading has on our markets.

Let me read for you excerpts from a few letters from these groups that highlight the dangers of title 2.

Americans for Financial Reform—a coalition of more than 200 consumer, civil rights, investor, retiree community, labor, faith-based, and business groups—wrote: ''Title II would prevent regulators from inspecting not only their raw source code used in automated trading, but also any related intellectual property that 'forms the basis for the design of' source code. Examination of such intellectual property would only be possible in an enforcement context pursuant to a subpoena. This implies that the SEC would have to wait until the damage was done through a 'flash crash' or similar market disruption before taking any action, which would have to be retrospective.

''In light of the significance of automated trading to modern markets, and the potential risk of high-frequency trading, it makes no sense to tie the hands of regulators in examining detailed trading strategies and methods of high frequency traders.''

The Center for American Progress cautioned that: ''But in an era of fast-moving, 'flash-crash'-prone markets, the SEC may have a wide range of regulatory reasons for why it may need to examine source codes, including approvals of new trading products or the supervision of trading venues. The SEC should only exercise that authority carefully and under the strictest protections for confidential information, but blocking it by law dangerously limits the SEC's ability to address the significant technology-based challenges to financial markets.''

The Consumer Federation of America, an association of nearly 300 consumer advocacy groups, similarly opposed title 2 because it ''would weaken SEC oversight of algorithmic trading and hamstring the agency from responding quickly to flash crashes or other market breakdowns.''

Further, the CFA wrote that: ''At a time when algorithmic trading is taking on increased importance in our capital markets, this bill would make it more difficult for the SEC to properly oversee such trading.

□ 1545

''The bill would require the SEC to first issue a subpoena before it could compel a person to produce or furnish to the SEC algorithmic trading source code or 'similar intellectual property.' This would undermine the SEC's examination authority by creating a gaping hole in its ability to gain access to firm records relevant to the examination. It would also have a devastating effect on the agency's ability to respond quickly in the event of another 'flash crash' or such events in the future. In order to oversee the markets effectively, the SEC needs to be able to accurately and efficiently reconstruct order entry and trading activity, including for algorithmic traders.''

Public Citizen, a consumer rights advocacy group with over 400,000 members and supporters, wrote: ''Market volatility caused not by real events such as outbreak of a war, but by computers, including computer glitches, threatens to erase savings to some innocent investors and erodes general investor confidence. The recent swings in the markets attest to the need for robust and urgent supervisory inspection. The May 6, 2010 'Flash Crash,' where markets collapsed by more than $1 trillion in less than an hour, revealed that such a robust and urgent supervision has been lacking. The SEC required nearly a half year to investigate this incident before identifying a flawed algorithmic at one major trader. SEC oversight should be streamlined, not hampered. Trading instructions and records of human traders are already subject to inspection, so it should be no different for those instructions and records generated by a machine. Hiding source code from regulatory scrutiny will leave those responsible for mistakes as well as those attempting to manipulate markets unaccountable.''

These letters demonstrate the wide opposition to title II by groups that truly understand that robust oversight of algorithmic trading is necessary for the help of our makers.

Madam Speaker, I include in the RECORD letters from these groups.

FEBRUARY 13, 2018.

Please vote NO on H.R. 3299 and H.R. 3978.

Hon. MEMBER,
House of Representatives,
Washington, DC.

DEAR HON. MEMBER: On behalf of more than 400,000 members and supporters of Public Citizen, we ask you to vote NO on H.R. 3299 and H.R. 3978, which are expected to be considered by the full House on Wednesday, February 14, 2018. Provisions in these bills would expose borrowers to abusive loans, investors to dubious securities, and Americans generally to a riskier financial system.

H.R. 3299, the Protecting Consumers' Access to Credit Act of 2017, would allow predatory lenders to escape state limits on high interest rates. The bill would nullify the Second Circuit Court ruling in Madden v. Midland Funding. That decision provided that a financial institution that buys loans originated by a national bank could not benefit from the National Bank Act's preemption of state interest rate caps. While the Madden decision did not limit interest rates that banks charge on credit, it does limit nonbanks from evading state interest rate caps. This bill would pave the way for payday lenders, financial technology (fintech) companies and others to exploit that loophole and use a ''rent-a-bank'' arrangement in order to charge high interest rates. Twenty state Attorneys General have written to oppose this measure, noting that it undermines their efforts to protect borrowers from abusive loan rates. We urge you to oppose this bill.

H.R. 3978, the TRID Improvement Act of 2017, is actually a package of bills that were considered separately in the House Financial Services Committee. One of these is the Financial Stability Oversight Council Improvement Act (formerly H.R. 4061). This measure would add numerous procedural requirements for the Financial Stability Oversight Council (FSOC) when it considers the designation or continued designation of a nonbank firm as a systemically important financial institution (SIFI). Current rules already make SIFI designation a high hurdle. The case of MetLife, for example, shows that firms enjoy more than ample methods to contest designation. After FSOC designated MetLife as systemically important, it contested it in court and the case is pending. Increasing the government's burden for designation would restrict its ability to apply enhanced supervision to major institutions. However, the largest bailout of the 2008 financial crash went to AIG, a nonbank engaged in reckless derivatives activity beyond the purview of banking supervisors. We oppose this measure.

Another bill contained in H.R. 3978 is the Fostering Innovation Act (previously H.R. 1645). This bill amends Section 404(b) of the Sarbanes-Oxley (SOX) law by increasing from five to 10 years the time that CEOs of firms with less than $50 million in revenue must attest to the accuracy of their financial reporting. Congress approved SOX in response to the accounting scandals at the turn of the millennium. The rules are designed to promote accounting accuracy to the shareholders who have entrusted their savings to these firms. A Government Accountability Office (GAO) report found that companies with inferior financial reporting controls have a significantly higher likelihood of issuing a restatement of their financial accounts. Firms that are unwilling to oblige SOX should not be trusted with the capital of savers. Extending the CEO attestation requirement from five to 10 years exacerbates the problem. From an investor perspective, accounting safeguards are more important for smaller companies, since larger companies generally attract a larger and more sophisticated base of stock and bond holders who can perform effective oversight. We oppose this measure.

A third bill that is part of the H.R. 3978 package is the National Securities Exchange Regulatory Parity Act (formerly H.R. 4546). This bill would eliminate state supervision of securities if they are listed on an exchange, even if the exchange has reduced standards compared with those of major exchanges such as the New York Stock Exchange. Under current law, state supervision is pre-empted only if the security is listed on exchanges with rules overseen by the Securities and Exchange Commission (SEC). Rules may differ between exchanges, but they must be approved by the SEC to ensure that they prevent fraud, serve the public interest and protect investors. Moreover, exchanges must adopt and enforce rules that are ''substantially similar'' to the major exchanges, known formally as ''Named Markets,'' under current law. The existing system deters a race to the bottom, where an exchange may attempt to attract companies with weaker rules. Conversely, this bill would actually promote that race to the bottom by removing the requirement that the exchange adopt rules that are substantially similar to those of the Named Markets. We oppose this measure.

A fourth measure in H.R. 3978 is the Protection of Source Code Act, (formerly H.R. 3948). This measure would impede the ability of the SEC to conduct effective compliance examinations of market volatility involving computer-driven algorithms. The bill imposes a strict subpoena requirement before staff could inspect otherwise routine business records that involve source code. Market volatility caused not by real events such as the outbreak of a war, but by computers, including computer glitches, threatens to erase savings to some innocent investors and erodes general investor confidence. The recent swings in the markets attest to the need for robust and urgent supervisory inspection. The May 6, 2010 ''Flash Crash,'' where markets collapsed by more than $1 trillion in less than an hour, revealed that such robust and urgent supervision has been lacking. The SEC required nearly a half year to investigate this incident before identifying a flawed algorithm at one major trader. SEC oversight should be streamlined, not hampered. Trading instructions and records of human traders are already subject to inspection, so it should be no different for those instructions and records generated by a machine. Hiding source code from regulatory scrutiny will leave those responsible for mistakes as well as those attempting to manipulate markets unaccountable. We oppose this measure.

Because of our opposition to these elements in H.R. 3978 and to H.R. 3299 we urge you to vote NO on these bills. As we are marking the 10th anniversary of the Wall Street Crash, it's clear that American consumers and investors deserve stronger financial reforms, not weakened protections that will make our economy more susceptible to another collapse.

Thank you for your consideration. For questions, please contact Bartlett Naylor.

Sincerely,

PUBLIC CITIZEN.

AMERICANS FOR
FINANCIAL REFORM,
Washington, DC, February 13, 2018.

DEAR REPRESENTATIVE: On behalf of Americans for Financial Reform, we are writing to urge you to vote in opposition to H.R. 3978, which is being considered on the House floor today. This legislation is a grab bag of bad legislative ideas that should never have advanced through the House Financial Services Committee. Especially notable given the recent wild swings in stock prices, Title II of this bill would sharply limit the ability of the Securities and Exchange Commission (SEC) to investigate high-frequency automated trading strategies that can disrupt markets. But that is hardly the only harmful bill in this package. There are several other provisions that would weaken consumer and investor protections.

Title I, ''TRID Improvement,'' would amend the TILA/RESPA Integrated Disclosure Rule (also known as TRID) to change how title insurance fees are disclosed, in a manner that would increase confusion and potentially misinform consumers as to the final cost of these important fees. The title insurance market already lacks transparency and fairness; fees are grossly inflated in relation to the value of the insurance. The Consumer Financial Protection Bureau (CFPB) carefully studied this issue in its rulemaking to determine the clearest and most accurate way to disclose fees in light of varying state laws on title insurance and differences in practices by different companies. The changes in the statutory language here would limit the CFPB's authority to create a consistent method of disclosure across different companies and different states, and to reflect ways in which title insurance costs can change at closing. Further refinement in title insurance disclosures can be addressed through rulemaking by the CFPB itself in consultation with stakeholders.

Title II, ''Protection of Source Code,'' would severely restrict the ability of the SEC to examine the detailed trading strategies of high-frequency traders or automated traders, even in cases where such traders posed a risk to markets or the financial system. Title II would prevent regulators from inspecting not only the raw source code used in automated trading, but also any related intellectual property that ''forms the basis for the design of'' source code. Examination of such intellectual property would only be possible in an enforcement context pursuant to a subpoena. This implies that the SEC would have to wait until the damage was done through a ''flash crash'' or similar market disruption before taking any action, which would have to be retrospective.

In light of the significance of automated trading to modern markets, and the potential risks of high frequency trading, it makes no sense to tie the hands of regulators in examining detailed trading strategies and methods of high frequency traders. At any brokerage, trading instructions to a human trader, including the conditions under which such a trade would be carried out (e.g., a limit order) are part of the books and records routinely open to inspection by FINRA or the SEC. Trading instructions must not be exempt from inspection simply because they are automated. They should be part of the books and records of the organization, just as other order-related documents are. Intellectual property related to source code clearly involves trading strategies, which have always been a subject for regulatory inspection and oversight.

The continued high volatility on Wall Street is giving evidence of the potential systemic dangers of high-frequency automated trading. Now is not the time to tie the SEC's hands in doing oversight of such trading.

Title III, ''Fostering Innovation,'' would double the time for which certain new public companies are exempt from key financial reporting controls, most notably attestation by an auditor that their earnings and accounting are accurate. It grants this exemption to a class of companies, newly public companies with low revenue growth, which have a particular strong incentive to manipulate their financial statements and deceive investors. This piece of the legislation would both harm investors and undermine the integrity of our capital markets.

Title IV, ''National Securities Exchange Regulatory Parity,'' would dangerously expand Federal pre-emption from state securities laws designed to protect investors from securities fraud. Under current law, a national securities exchange needs to meet listing standards similar to those of a major national exchange—e.g., the New York Stock Exchange, NASDAQ—for its securities to be deemed ''covered securities.'' Under this

classification, securities enjoy the advantages of exemptions from state-level regulations.

Title IV in H.R. 3978 would amend the Securities Act of 1933 to remove the requirement that companies meet listing standards rigorous enough to be considered similar to those of major exchanges, effectively allowing riskier, less liquid securities to qualify as ''covered securities'' and avoid state securities laws designed to protect investors and financial markets. Under this section of H.R. 3978, a security would be exempt from state-level fraud protections as long as it is traded on a national exchange that is a member of the National Market System. This would mean that securities could be pre-empted from the oversight of state securities regulators without meeting the strong standards that the SEC has laid out for individual securities to qualify for preemption under Section 18 of the Securities Act.

Both the North American Securities Administrators Association (NASAA), the main body of state securities regulators, and the chief securities regulator for the Commonwealth of Massachusetts have made the dangers of this legislation clear in strongly worded opposition letters. In these letters, they advocated for fair and rigorous listing standards as essential to protect retail investors and savers, to maintain high standards for corporate governance, and to avoid conflicts of interests that harm investors. Title IV of H.R. 3978 unacceptably weakens these listing standards.

The sections of H.R. 3978 discussed above are, individually, bad bills for consumers and investors rights and protections. Packaging them together only worsens the harm. We urge you to reject H.R. 3978.

Thank you for your attention to this matter. For more information please contact AFR's Policy Director, Marcus Stanley.

Sincerely,

AMERICANS FOR FINANCIAL REFORM.

MORTGAGE BANKERS ASSOCIATION,
Washington, DC, February 13, 2018.

Hon. PAUL RYAN, SPEAKER OF THE HOUSE,
House of Representatives, Washington, DC.

Hon. JEB HENSARLING,
Chairman, House Financial Services Committee, House of Representatives, Washington, DC.

Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

Hon. MAXINE WATERS,
Ranking Member, House Financial Services Committee, House of Representatives, Washington, DC.

DEAR SPEAKER RYAN, LEADER PELOSI, CHAIRMAN HENSARLING AND RANKING MEMBER WATERS: On behalf of the Mortgage Bankers Association (MBA), I am writing to express our support for H.R. 3978, the TRID Improvement Act, which the House of Representatives will vote on this week. I would highlight MBA's strong support for the inclusion of two individual bills—H R. 2948 and the previously free-standing H.R. 3978—within this updated vehicle.

MBA enthusiastically supports the inclusion of Title V, Section 501, entitled ''Eliminating barriers to jobs for loan originators,'' within the newly re-packaged bill. The Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act of 2008 created two parallel but asymmetrical regimes for mortgage loan originators (MLOs) that have resulted in uneven consumer protections and an unlevel playing field for mortgage originators. The SAFE Act requires MLOs employed by non-bank lenders to be licensed, which includes pre-licensing and annual continuing education requirements, passage of a comprehensive test, and criminal and financial background reviews conducted by state regulators. These MLOs are also registered in the Nationwide Mortgage Licensing System and Registry (NMLS). By contrast, MLOs employed by federally-insured depositories or their affiliates must only be registered in the NMLS, and do not have to pass a test or meet specific education requirements.

The result is a two-tiered system that inhibits job mobility for loan officers and makes it difficult for non-bank lenders to compete for talented employees. Rather than leaving a job on a Friday and starting a new job on a Monday, an MLO who moves from a bank to a non-bank lender must sit idle for weeks, and sometimes months, unable to engage in loan origination activities while they complete the SAFE Act's licensing and testing requirements — despite the fact they have already been registered in the NMLS and originating loans. This bill promotes a fair and competitive labor market by eliminating barriers to the ability of non-bank lenders (especially small lenders) to compete for talented staff, and allowing MLOs to more easily move to the employer that offers them the best chance to succeed.

Section 501 of the bill is a bipartisan, narrow solution that would provide ''transitional authority'' to originate mortgages for individuals who change corporate affiliation from a federally-insured institution to a non-bank lender, or move across state lines, while they work to meet the SAFE Act's licensing and testing requirements. Transitional authority would be available only to MLOs that have a clean history as an originator (e.g., no license denials, revocations or suspensions, cease and desist orders, or felonies that preclude licensing).

MBA is especially grateful for the leadership of the bill's author, Representative Steve Stivers (R–OH), as well as its bipartisan original cosponsors: Representatives Joyce Beatty (D–OH), Bruce Poliquin (R–ME), and Kyrsten Sinema (D–AZ). Last Congress, the bill was unanimously reported from the House Financial Services Committee, and shortly thereafter passed the full House of Representatives under suspension of the rules. Again, late last year, the bill was reported from committee by a unanimous vote of 60–0.

MBA also supports Title I, Section 101, entitled ''TRID Improvement'', of the newly repackaged bill, as originally introduced as a free-standing vehicle by Representatives French Hill (R–AR) and Ruben Kihuen (D–NV). This section would amend the Real Estate Settlement Procedures Act (RESPA) to require the Consumer Financial Protection Bureau (CFPB) to allow the accurate disclosure of title insurance premiums and any potential available discounts to homebuyers. Under current regulations, the CFPB does not permit title insurance companies to disclose available discounts for lender's title insurance on the government-mandated disclosure forms. This creates inconsistencies in mortgage documents and causes confusion for consumers. This section would minimize that confusion by allowing title insurance companies to disclose available discounts and accurate title insurance premiums to consumers across the country.

MBA urges all members of the House to support the newly reframed H.R. 3978. Thank you for your consideration of our views on this bill, which will help promote a more competitive real estate finance market and thereby enhance overall economic development and growth.

Sincerely,

BILL KILLMER,
Senior Vice President, Legislative and Political Affairs.

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

Mr. HENSARLING. Madam Speaker, I yield myself 30 seconds to say the widespread opposition to the bill alluded to by the ranking member doesn't include roughly half the Democrats on the committee, including the gentleman from Illinois (Mr. FOSTER), who was quoted in our markup as saying: ''As someone who can code in at least seven languages, I understand that source code is qualitatively different from other documents that a firm might have and that our regulators should have legitimate access to. They are truly the crown jewels of an electronic trading firm, and there are obvious dangers that have been exposed in transferring things really not just to the government, to any entity. The first line of defense in cybersecurity is to keep the data as closely held as reasonable and still be able to do your job.''

Madam Speaker, I reserve the balance of my time.

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

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

Mr. HULTGREN. Madam Speaker, I thank Chairman HENSARLING, and I am so grateful for his work on this package of bills that are so important.

I rise today to speak in support of H.R. 3978, the TRID Improvement Act, and all the additional measures that have been included in the Rules Committee print. I am a cosponsor of four of the five bills. The TRID Improvement Act sponsored by Representatives HILL and KIHUEN make important improvements to the TILA-RESPA integrated disclosure forms so home purchasers have the accurate representation of title insurance costs.

I am also a strong supporter of the National Securities Exchange Regulatory Parity Act, which I cosponsored with Chairman ROYCE. This is a commonsense technical fix to a 20-year-old statute that didn't foresee an increase in the number of exchanges in today's competitive market structure.

Currently, exchanges not named in the law must have substantially similar listing standards as those that are specifically named. This means the Chicago Stock Exchange, the CBOE, and others that have registered with the SEC since 1996 cannot be first movers in adopting innovative listing standards.

The Chicago Stock Exchange has told me: ''This change would remove this current impediment to companies listing their securities on CHX and would help in the exchange's efforts to develop a robust primary listing market here in Illinois.''

I am also very supportive of Chairman DUFFY's legislation, the Protection of Source Code Act, and I am an original cosponsor of that, because I

recognize that the entire value of some companies are embodied in their source code. We need to have strong checks in place before our government can demand such information.

Chris Giancarlo, now chairman of the CFTC, described the value of a subpoena when criticizing the idea of a source code repository at the agency he serves. I quote him when he said: ''The subpoena process provides property owners with due process of law before the government can seize their property. It protects owners of property, not the government that already has abundant power.''

Finally, I want to mention my support for the Fostering Innovation Act, sponsored by KYRSTEN SINEMA and TREY HOLLINGSWORTH; and the SAFE Mortgage Licensing Act, sponsored by STEVE STIVERS and JOYCE BEATTY. I am a cosponsor of those measures as well.

I urge all of my colleagues to vote in support of this very bipartisan package of bills.

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

Mr. HENSARLING. Madam Speaker, I yield 2 minutes to the gentleman from Texas (Mr. WILLIAMS), the vice chairman of our Subcommittee on Monetary Policy and Trade.

Mr. WILLIAMS. Madam Speaker, I rise in support of H.R. 3978, the TRID Improvement Act introduced by my colleague from Arkansas (Mr. HILL) and my colleague from Nevada (Mr. KIHUEN).

This important and overwhelmingly bipartisan legislation, which passed out of the House Financial Services Committee by a vote of 53–5, is a straightforward, commonsense solution that will help hardworking Americans buy a new home or refinance their existing home.

Under the CFPB's misnamed ''Know before you owe'' TRID rule, those in the home buying or refinancing process may not actually know everything about the price they are going to pay before closing.

Because of the TRID rule and the restrictions placed on the listing of discounted title loan insurance rates on loan estimates, consumers may see one title loan insurance price on their loan estimate and another on their closing form.

The TRID rule creates unnecessary confusion, and this bill is a step in the right direction to reducing the burdensome and overreaching authority of the CFPB.

I am proud to join this bipartisan effort, but I do wish that the CFPB had been more willing to work with the chorus of voices from both sides of the aisle calling for this change.

The home buying experience is complicated enough as it is, and the rationale displayed by the CFPB discourages homeownership and levies unjust penalties for those Americans striving for the dream of homeownership.

I am proud to join my colleagues in support of this measure, the TRID Improvement Act.

In God we trust.

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

Mr. HENSARLING. Madam Speaker, I yield 2 minutes to the gentleman from Maine (Mr. POLIQUIN), a hardworking member of the Financial Services Committee.

Mr. POLIQUIN. Madam Speaker, I thank the chairman for moving this very important package of bills through the Financial Services Committee and now to the floor.

Madam Speaker, I want to congratulate a terrific Congressman from the State of Arkansas (Mr. HILL) for the great work he has done in reconstituting the TRID Improvement Act. This bill, Madam Speaker, is designed to help our homeowners or would-be homeowners go through the process comfortably and efficiently, and also help our financial professionals who help them, in turn, to secure residential mortgages.

This bill, as has been noted earlier, Madam Speaker, passed with very strong bipartisan support, and I encourage everybody on the floor, Republicans and Democrats, to weigh in with a ''yes'' vote on H.R. 3978.

Now, Madam Speaker, Mr. HILL's bill has two very important pieces that help our families and also help our economy grow.

First, in title I, section 101, this bill allows title insurance companies to accurately disclose the premiums they charge for their service and also the discounts that are available to our home buyers across the country. Right now, the CFPB does not allow such disclosures, which is unfair and confusing for our home buyers.

Madam Speaker, secondly, in title V, section 501, this bill includes the Eliminating Barriers to Jobs for Loan Originators Act, of which I am proudly a cosponsor. This bill, Madam Speaker, allows mortgage loan officers at a bank to move to do the same work at a nonbank financial institution without sometimes waiting weeks or months for redundant and unnecessary relicensing.

Now, that is just not fair, Madam Speaker, to the folks who are trying to help our families secure mortgages so they can move into a new place to work.

I encourage everybody on both sides of the aisle to support this excellent bill. It is bipartisan. Again, I congratulate the gentleman from Arkansas (Mr. HILL), and I salute our chairman for moving this so quickly through the process.

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

Mr. HENSARLING. Madam Speaker, I yield 2 minutes to the gentleman from New York (Mr. ZELDIN), another member of the Financial Services Committee.

Mr. ZELDIN. Madam Speaker, I rise in strong support of the TRID Improvement Act, bipartisan legislation introduced by the gentleman from Arkansas (Mr. HILL).

I am a proud cosponsor of this legislation, which combines three bipartisan proposals that will improve the home buying process, protect intellectual property, and help emerging businesses thrive and create jobs. By reforming confusing regulations that make it difficult for prospective buyers or businesses to get title insurance, this legislation will help get more families into homes and help local businesses grow.

By protecting the intellectual property of investors, we are improving the access to capital that is essential for growth and job creation in communities on Long Island, where my district is located, and all across our country.

And last but not least, by reforming the outdated definition of what constitutes an emerging growth company, this legislation takes important steps towards fostering innovation and ensuring that new businesses are not discouraged from expansion and job creation.

The sum of these important bipartisan solutions are more innovation, more hiring, and a more vibrant economy. I urge all of my colleagues to vote for this important piece of legislation. I thank my colleague, Congressman HILL, for his leadership with it, and Chairman HENSARLING and his great staff for all their efforts to get this bill to the floor.

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

Mr. HENSARLING. Madam Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LOUDERMILK), another proud member of the Financial Services Committee.

Mr. LOUDERMILK. Madam Speaker, I thank Chairman HENSARLING for his leadership and for allowing me to come here and speak in support of the TRID Improvement Act and the other bills that are in this package.

Madam Speaker, we have seen countless examples of overregulation and regulatory mission creep by many agencies, and especially of the CFPB. But one of the things the CFPB should be doing is making sure that consumers have the right information when closing on a home.

Unfortunately, the CFPB's 2015 mortgage disclosure caused many home buyers to not have an accurate disclosure of their title insurance premiums. The commonsense bill proposed by my colleague, Mr. HILL, will make sure that home buyers know exactly the cost of their title insurance, not two different prices from a loan estimate and a closing document.

I also strongly support several other pieces of legislation that have been included in this package. Mr. ROSS' bill, the FSOC Improvement Act, will make regulation of large financial institutions much smarter and more effective.

Instead of only focusing on punishing companies for violations of rules, regulators should also focus on what should be the real purpose of financial regulations, which is reducing risk.

Mr. ROSS' bill will also allow nonbank financial companies the opportunity to reduce any risky activities before they are designated as systemically important. This will help financial regulators to achieve their intended purpose rather than simply being a gotcha game on regulated companies.

All of these bills we are considering today received overwhelming bipartisan support in the Financial Services Committee, and I urge all of my colleagues to support this legislative package.

Ms. MAXINE WATERS of California. Madam Speaker, may I inquire as to whether or not the chairman has more speakers?

Mr. HENSARLING. Madam Speaker, I would tell the ranking member that I have potentially two speakers, if they make it. They are on their way from a hearing, but they are not here now.

□ 1600

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

Madam Speaker, it has become par for the course for the majority to recklessly advance harmful deregulatory packages like H.R. 3978. My friends on the other side of the aisle are moving forward with regulatory roadblocks at a furious pace, pushing dangerous bills through the House nearly every week.

It appears that they may have already completely forgotten a way that lacks financial regulation and allowed the crisis in 2008 to occur. That crisis badly damaged the whole economy and harmed all of our constituents. The impact was enormous: $13 trillion in household wealth was lost; 11 million people lost their homes to foreclosure; and the unemployment rate reached 10 percent.

Democrats responded by enacting Wall Street reform to ensure that consumers, investors, and our economy are protected from reckless actors and bad practices, but now Republicans cannot wait to take us back to the bad old days. It makes no sense.

As we have discussed, the package of bills now before us guts important financial protections at a time when markets are already experiencing turmoil. It would allow high-frequency traders to manipulate the stock markets undetected, encourage a regulatory race to the bottom at our Nation's stock exchanges, and harm investors by weakening efforts to detect accounting fraud at smaller public companies. This package of bills threatens important progress we have made to reduce risk in the financial system and return investor confidence.

In recent weeks, we have seen volatile markets that threaten the savings of hardworking American families. These circumstances should serve as a clear reminder that Congress should be strengthening oversight of the financial system, not weakening it by undermining or removing important protections.

H.R. 3978 is strongly opposed by our State's security cops, who are at the front line of combating fraud, and it is opposed by groups representing consumers, investors, and unions.

Madam Speaker, for all of these reasons, I urge Members to oppose H.R. 3978, and I yield back the balance of my time.

Mr. HENSARLING. Madam Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore. The gentleman from Texas has 7 minutes remaining.

Mr. HENSARLING. Madam Speaker, there may be other Members coming, so, at the moment, I yield myself 4 minutes.

Madam Speaker, again, all over America today, fortunately, because of the Tax Cuts and Jobs Act, people are waking up to new opportunities. They are finally seeing their wages begin to grow. We have seen the greatest wage growth in almost a decade, Madam Speaker, again, thanks to President Trump and thanks to a Republican Congress, a bill that was opposed by every single Democrat.

But as they wake up to these new opportunities, Madam Speaker, they also need new credit. As their incomes rise—this is good—they still need credit in order to buy a home, in order to purchase that car, and sometimes just to put groceries on the table. Unfortunately, over the last 8 years of the Obama administration where we saw probably one of the greatest increases in the cost, expense, and burden of costly Washington red tape, we have seen fewer credit opportunities.

So now, fortunately, today there are good men and women on both sides of the aisle who are trying to work together to bring some rationale and reason to the regulatory burden. Many Members on the other side of the aisle do realize that Dodd-Frank did not come down as tablets from Mt. Sinai, that it isn't chiseled into stone, and that maybe there are some improvements that could be made.

So today, we are taking a number of very bipartisan bills to the House floor. The Protecting Consumers' Access to Credit Act, which we debated earlier, Madam Speaker, passed by 42–17.

The TRID Improvement Act by Mr. HILL from Arkansas passed through our committee 53–5—90 percent. Almost all of the Democrats but the ranking member supported the bill. The Protection of Source Code Act, 46–14; the Fostering Innovation Act passed by a vote of 48–12, a Democratic bill; the National Securities Exchange Regulatory Parity Act, 46–14.

We have a lot of bipartisan bills, but with one exception, title V of the TRID Improvement Act, none of them were supported, unfortunately, by the ranking member.

So there is, again, a lot of bipartisan work we are trying to get done here. Unfortunately, very little of it is supported by the ranking member.

And why is this important? It is important, Madam Speaker, because every day we are still hearing from our constituents who need access to competitive affordable credit. And because of this Washington red tape and regulatory burden, they are not getting it.

It wasn't that long ago we heard from Ann of Wisconsin, who said:

> My husband and I had very high credit scores. We have plenty of equity in our home. But because my husband has a seasonal job and finds other employment in the winter, many banks we contacted rejected our loan request. They based our annual income only on the job he has currently and said that was part of the new regulations.

Part of the new regulations—there is somebody who won't buy a home; they can't get a home.

I heard from a mortgage banker in North Carolina who said:

> Last year, we declined a young man and his family fixed rate financing to purchase a primary home. The applicant recently relocated to work for a family business. Prior to Dodd-Frank, it would have been easy to qualify, but no more.

Another potential American home buyer denied credit because of this regulatory burden. Madam Speaker, that is what many of us, on both sides of the aisle, are trying to remedy today.

Madam Speaker, I am pleased to yield 2 minutes to the gentlewoman from Arizona (Ms. SINEMA), a sponsor of title III of the Fostering Innovation Act.

Ms. SINEMA. Madam Speaker, I rise in support of H.R. 3978, a package of commonsense solutions, each passed with support of both parties by the House Financial Services Committee. Madam Speaker, I also thank Congressman HILL of Arkansas for his leadership in moving the package forward.

One of these solutions is H.R. 1645, the Fostering Innovation Act, legislation we introduced to help Arizona biopharmaceutical companies make lifesaving breakthroughs.

Business expenses always involve tradeoffs. When Arizona small businesses spend money on costly regulations that provide little public benefit, they have less money to invest in research, development, and job creation for Arizona families.

That is why I introduced this bill. This narrow fix ensures that innovative emerging growth companies, or EGCs, have the time and capital to develop and perfect scientific breakthroughs. Right now, they are exempted only for 5 years from these costly external audit requirements. That is often not enough time for these emerging companies to prepare innovations for commercialization. Our bill temporarily extends this exemption for an additional 5 years for a small subset of these EGCs with an annual revenue of less than $50 million and less than $700 million in public float.

The Fostering Innovation Act empowers innovative Arizona companies, like HTG Molecular Diagnostics, to use valuable resources to remain competitive, stable, and, ultimately, successful.

HTG is a Tucson-based developer of targeted molecular profiling technology. This innovation ensures genetic testing can be turned around accurately and quickly, in as little as 24 hours. For patients, doctors, and families grappling with unexplainable symptoms or illnesses, genetic testing can provide critical insights and inform the best course of treatment.

These are lifesaving breakthroughs. It is what companies like HTG should use their limited resources to fund, not unnecessary and costly paperwork.

I urge my colleagues to support American ingenuity, job creation, and growth by passing this act.

Mr. Speaker, I thank, in particular, Chairman HENSARLING and Congressman HOLLINGSWORTH of Indiana for working with me on a consensus solution that cuts red tape and supports innovative and potentially lifesaving medical research.

Mr. HENSARLING. Mr. Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore (Mr. YODER). The gentleman from Texas has 1 minute remaining.

Mr. HENSARLING. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, once again, I want to hear the voices of hardworking Americans, not just Washington, D.C., letterhead groups.

We heard from a community banker, who said:

A local union member wanted to refinance his primary residence. He was currently laid off due to the winter season. His tax return showed he was generally laid off for about 6 weeks each year during the extreme cold but was always called back when weather improved. Since he was laid off, we could not meet the requirement to validate his current income that would continue for 3 years. We had to deny the loan.

Yet again, Mr. Speaker, more Washington red tape taking away home opportunities from hardworking Americans. It is wrong. We must do something about it. It is why, on a bipartisan basis, so many of us have gotten together to pass H.R. 3978.

Yes, we want to make sure that people can buy homes, they can buy cars, they can put groceries on the table, and right now, when the economy is finally starting to improve, thanks to President Trump and the Tax Cuts and Jobs Act, we want them to have opportunities.

Mr. Speaker, I encourage all Members to support H.R. 3978, and I yield back the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I include in the RECORD the following letters of opposition.

CENTER FOR AMERICAN PROGRESS,
Washington, DC, February 13, 2018.

Hon. PAUL RYAN,
Speaker, House of Representatives,
Washington, DC.
Hon. NANCY PELOSI,
Democratic Leader, House of Representatives,
Washington, DC.

DEAR SPEAKER RYAN AND LEADER PELOSI: The Center for American Progress (''CAP'') is writing today to express opposition to H.R. 4061, the Financial Stability Oversight Council Improvement Act of 2017, which is included as Title VI of the revised H.R. 3978 package. It is our understanding that the revised H.R. 3978 package will be considered on the floor of the House of Representatives this week, so we welcome the chance to share our concerns regarding this legislation with you and your Members.

In short, this bill erodes a vital new financial regulatory tool implemented following the devastating 2007–2008 financial crisis. If enacted, the U.S. financial regulatory structure will be less equipped to handle risks that build up outside of the traditional banking sector—making the financial sector as a whole more vulnerable to another shock and economic downturn. Americans paid for the last crisis with their jobs, homes, and savings, while banks and other financial institutions were bailed out. This bill inexplicably makes a repeat of that economic calamity more likely.

The 2007–2008 financial crisis demonstrated that excessive risk could build up outside of the traditional banking sector. Nonbank financial institutions like Lehman Brothers, Bear Stearns, and AIG did not face the type of oversight and regulatory standards warranted by their systemic importance. The failure or near-failure of these institutions threatened the stability of the U.S. financial sector. AIG and Bear Stearns were bailed out accordingly, while the failure of Lehman Brothers brought the global financial system to the brink of collapse. The crisis also revealed that no one financial regulator had a system-wide mandate, meaning individual regulators were only focused on their respective segments of the financial sector. This left financial regulators in the dark regarding risks that built up across different parts of the sector or that emerged in underregulated parts of the sector.

In the wake of the financial crisis, President Obama worked with Congress to pass the Dodd-Frank Wall Street Reform and Consumer Protection Act—the most significant financial regulatory reforms enacted since the Great Depression. One important pillar of Dodd-Frank was the creation of the Financial Stability Oversight Council (''FSOC''), a new systemic risk regulatory body. The FSOC was created to bring the disparate financial regulators together to identify and mitigate threats to financial stability. The most important tool given to the FSOC to fulfill this mission is the authority to subject a nonbank financial company to enhanced oversight and regulation by the Federal Reserve Board if material distress at the company, or the company's activities, could threaten financial stability. The FSOC has used this designation authority sparingly and only after a thorough, multi-stage review process in which the FSOC communicates extensively with the company and the company's primary regulators.

H.R. 4061 would add multiple additional hurdles to the FSOC's already-rigorous designation process. The proposed changes would add an estimated two years to the designation process, meaning it would take roughly four years for the FSOC to designate a nonbank financial company that could threaten U.S. financial stability. The four-year estimate does not even factor in the time it will take for the legal proceedings to play out when a company challenges the designation in court. The legal challenge by MetLife took years, and likely would have taken longer if the Trump administration didn't agree to stop pursuing the case. If anything, this bill increases the procedural issues a designated company could raise in court. H.R. 4061 practically invites a legal filibuster of the designation. It renders the designation authority nearly useless. Hollowing out this crucial post-crisis authority makes it far more likely that an underregulated systemically important nonbank will cause or aggravate the next financial crisis.

Contrary to critics of the FSOC, it is not a rigid body and has in the past responded to legitimate process and transparency suggestions. In 2015, after soliciting public comment, the FSOC adopted 17 changes to its designation process and transparency policies The current designation process in place is rigorous and appropriately thorough. H.R. 4061 would add no less than nine new bureaucratic steps. These proposed changes are excessive, and the intent is clear: To prevent the FSOC from using this vital tool.

This legislation is even more concerning given the actions Treasury Secretary Steven Mnuchin, Chairman of the FSOC, has taken since the start of the Trump administration. The FSOC, under Mnuchin's leadership, has: (i) rescinded the designation of AIG, the company that received a $182 billion bailout during the crisis; (ii) slashed the FSOC's budget and staff; (iii) dropped the legal proceedings regarding MetLife's designation; (iv) signaled that Prudential's designation may be rescinded this year; and (v) recommended some deeply concerning additional changes to the FSOC's designation process in a report published in late 2017. Further restricting the FSOC's authority at a time when it is being dismantled from within would be a grave mistake.

For these reasons, CAP recommends that Members vote ''NO'' when the revised H.R. 3978 package of bills, which includes H.R. 4061, is considered on the floor.

If you have any questions about this letter or would like to discuss these issues further, please contact Gregg Gelzinis.

Sincerely,

GREGG GELZINIS,
Research Assistant, Economic Policy, Center for American Progress.

February 13, 2018.

DEAR REPRESENTATIVE, The undersigned organizations urge you to vote against H.R. 3978, the TRID Improvement Act. The bill, which amends Section 2603 of RESPA, would create confusion and undermine consistency in mortgage disclosures. In particular, the bill would make it harder for consumers to understand how much they are paying for title insurance, a required fee that already lacks a transparent, functioning market.

In 2007, a GAO report concluded that borrowers ''have little or no influence over the price of title insurance but have little choice but to purchase it.'' Instead, the lender typically chooses the insurer. As a result, the fees are grossly inflated in relation to the value of the insurance. Recent studies have found that barely 5% to 11% of premiums are paid out in claims. Almost the entirety of a title insurance premium goes to commissions, not insurance coverage. In contrast, for health insurance, minimally 80% of premiums are returned to consumers in claim payouts and the loss ratios for auto insurance fluctuate between 50% and 70%. Borrowers already pay inflated title insurance costs. Increased confusion in title insurance price disclosures would only serve to exacerbate the problems in the market with transparency and fairness.

The method required by the Consumer Financial Protection Bureau for disclosing title insurance premiums reduces consumer confusion and enhances consistency between the estimated and final loan cost disclosures. The bill would change the final loan disclosure, decreasing consistency with the initial disclosure. As a result, it would increase consumer confusion, especially where the consumer opts not to purchase both lender and owner policies (only the lender policy is required) after getting the early disclosure containing both.

The bill's requirement to disclose the ''actual'' cost of the insurance will lead to confusion in almost half of the states because the calculation of premiums is not standardized under state law and title companies within those states do not provide comparable rates. In contrast, the CFPB regulations take into account that comparison shopping in such states is not possible and provides a standardized approach. Further refinement of the title insurance disclosures can be addressed by the CFPB itself in cooperation with stakeholders to ensure any outstanding issues are addressed with the input of all affected parties.

We urge you not to undermine the CFPB's careful rules for restoring transparency and market competition to the title insurance market. Please vote no on H.R. 3978.

Sincerely,

AMERICANS FOR FINANCIAL REFORM.
CENTER FOR RESPONSIBLE LENDING.
NATIONAL ASSOCIATION OF CONSUMER ADVOCATES.
NATIONAL CONSUMER LAW CENTER (ON BEHALF OF ITS LOW-INCOME CLIENTS).

CONSUMER FEDERATION OF AMERICA,
February 12, 2018.

DEAR REPRESENTATIVE: We understand the House is scheduled to vote this week on H.R. 3978, the ''TRID Improvement Act.'' While we did not take a position on this bill when it came before the House Financial Services Committee, we urge you to oppose it now that it includes the following extraneous, anti-investor bills: H.R. 3948, the ''Protection of Source Code Act;'' H.R. 1645, the ''Fostering Innovation Act;'' and H.R. 4546, the ''National Securities Exchange Regulatory Parity Act.'' Each of these bills would harm investors and undermine the integrity of our capital markets.

H.R. 1645, the ''Fostering Innovation Act,'' would make financial accounting fraud more likely.

This legislation would extend the period of time in which certain public companies would be exempt from a requirement that provides important protections against financial reporting errors, including errors that are the result of fraud. That is the requirement under Section 404(b) of the Sarbanes-Oxley Act that requires auditors, as part of their audits of public company financial statements, to assess and attest to the adequacy of the company's internal controls to ensure accurate financial reporting. This bill would extend this exemption for up to five years to a class of companies, including those that have gone public but may be struggling to produce significant revenues, that could have a particular incentive to manipulate their financial statements in order to attract more capital. Companies should not be permitted to raise capital in the public markets if they do not have adequate controls in place to prevent financial reporting errors and fraud. And auditors cannot reasonably attest to the accuracy of a company's financial statements without carefully assessing those controls. Requiring auditors to attest to the adequacy of those controls as part of the financial statement audit contributes to the market transparency and integrity that is essential to a healthy capital formation process. Moreover, the number and severity of financial restatements has declined since the requirement was adopted, which demonstrates that these requirements have benefited the market significantly. Because this legislation would make financial accounting fraud more likely, we oppose it. Furthermore, because this legislation is being attached to the TRID bill, we urge you to oppose the entire package.

H.R. 3948, the ''Protection of Source Code Act,'' would weaken SEC oversight of algorithmic trading and hamstring the agency from responding quickly to flash crashes or other market breakdowns.

At a time when algorithmic trading is taking on increased importance in our capital markets, this bill would make it more difficult for the SEC to properly oversee such trading. The bill would require the SEC to first issue a subpoena before it could compel a person to produce or furnish to the SEC algorithmic trading source code or ''similar intellectual property.'' This would undermine the SEC's examination authority by creating a gaping hole in its ability to gain access to firm records relevant to the examination. It would also have a devastating effect on the agency's ability to respond quickly in the event of another ''flash crash'' or other such events in the future. In order to oversee the markets effectively, the SEC needs to be able to accurately and efficiently reconstruct order entry and trading activity, including for algorithmic traders. Because this legislation would weaken SEC oversight of algorithmic trading and hamstring the agency from responding quickly to flash crashes or other market breakdowns, we oppose it. Furthermore, because this legislation is being attached to the TRID bill, we urge you to oppose the entire package.

H.R. 4546, the ''National Securities Exchange Regulatory Parity Act,'' would drastically weaken standards for securities to be listed and traded on exchanges.

H.R. 4546 would change the terms on which securities are deemed ''covered securities,'' and thus exempt from state oversight. It would do so by removing any requirement that these securities have to meet conditions comparable to the current listing standards on leading national exchanges. Instead, any security listed on an exchange that is a member of the National Market System (NMS) would be exempt from state regulation and oversight. Because the bill would not establish any core quantitative or qualitative requirements for covered securities to replace those eliminated by the bill, it would likely accelerate an already troubling race to the bottom in listing standards among NMS members. Moreover, the bill does not sufficiently protect against the possibility that a venture exchange could eventually be established specifically to meet the bill's requirements for state preemption. If this were to occur, smaller, more local offerings typically overseen by states could be ''designated as qualified for trading'' on such an exchange without any assurance that they can meet basic quantitative and qualitative standards designed to ensure investors are appropriately protected. In short, this bill would eliminate protections afforded by state oversight, fail to replace the current meaningful protections afforded by high listing standards with a comparable alternative, and leave investors without any reasonable hope that the SEC will be able to provide effective oversight at the federal level. Because this legislation would drastically weaken standards for securities to be listed and traded on exchanges, we oppose it. Furthermore, because this legislation is being attached to the TRID bill, we urge you to oppose the entire package.

The TRID bill should not be used as a vehicle to pass extraneous, anti-investor bills. Because the bills attached to the TRID bill would harm investors and undermine the integrity of our capital markets, we urge you to vote no on the entire package when H.R. 3978 comes to the floor this week.

Respectfully submitted,

BARBARA ROPER,
Director of Investor Protection.
MICAH HAUPTMAN,
Financial Services Counsel.

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

AMENDMENT NO. 1 OFFERED BY MR. FOSTER

Mr. FOSTER. Mr. Speaker, I have an amendment at the desk.

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

The text of the amendment is as follows:

Page 3, line 4, strike ''source code, including''.

Page 3, line 6, insert ''algorithmic trading'' before ''source code''.

Page 3, line 15, strike ''source code, including''.

Page 3, line 17, insert ''algorithmic trading'' before ''source code''.

Page 3, line 25, strike ''source code, including''.

Page 4, line 2, insert ''algorithmic trading'' before ''source code''.

Page 4, line 11, strike ''source code, including''.

Page 4, line 13, insert ''algorithmic trading'' before ''source code''.

The SPEAKER pro tempore. Pursuant to House Resolution 736, the gentleman from Illinois (Mr. FOSTER) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. FOSTER. Mr. Speaker, my amendment clarifies that this bill is only intended to apply to the source code underpinning algorithmic trading rather than any computer code that exists anywhere in the enterprise.

The algorithmic source code at a trading firm are its crown jewels. It is basically the core of its existence in its intellectual property.

It is not merely historical or descriptive like books or records that regulators routinely have access to. Likewise, it is not a broad expression of strategies that a firm might use some time in the future. Rather, it is a specific and prescriptive algorithm that generates a specific outcome based on a specific set of inputs.

The firms that rely on algorithmic trading have Ph.D. scientists, mathematicians, and economists researching correlations that lead to these relationships between the inputs and outputs. These may be simple but may also be incredibly complex, involving multiple inputs that do not appear related at first glance.

This complexity, coupled with the fact that they are written largely in computer code, limits the usefulness of

inspecting source code as an examination tool. It is, rather, the behavior of the firm in the market that represents potential violations of security laws. Manipulative behavior, like frequently displaying or canceling orders, should get the regulators' attention and prompt them to ask the firm to explain it.

Source code would be and will be a valuable part of any investigation or enforcement action into observed manipulation of the market, but this is not the basis and should not be the basis for casual inspection. It would probably be central to proving the element of intent in an enforcement action because it demonstrates that the algorithm was designed to engage in, for example, manipulative or abusive behavior.

To this end, it is imperative that the firms achieve archived versions in effect at any given time and log modifications to those algorithms, including who made them, at any time that the code is altered. These should always be available by subpoena.

Additionally, I believe that most firms would allow the regulator on site to examine the source code on an air gap computer. To treat the source code as ordinary books and records would not limit the regulator to onsite examination, but would allow for staff to request it and that it be made available offsite, which has real dangers.

Because of the value the firm carries with its proprietary algorithms, it makes sense that the firm would be reluctant to allow any undue access to its crown jewels. It is really, I believe and I think the majority of my colleagues believe, something that should be accessible only by a subpoena.

My amendment simply clarifies that it is only the algorithmic trading code and related information that should be covered. I urge my colleagues to support my amendment and, upon its adoption, to support the bill on final passage.

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

□ 1615

Ms. MAXINE WATERS of California. Mr. Speaker, I rise in opposition to the amendment.

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

Ms. MAXINE WATERS of California. Mr. Speaker, the current language of title II of H.R. 3978 would require SEC examination staff to obtain a subpoena before it could inspect any source code whatsoever, including, for example, computer code reflecting a firm's adherence to the SEC's cybersecurity regulations.

The amendment offered by Mr. FOSTER would narrow the requirement in title II to only apply to proprietary source code related to algorithmic trading. While I applaud Mr. FOSTER and the amendment's cosponsor, Mr. SCOTT, for narrowing the overbroad language of title II, the amendment cannot fix this untimely and ill-advised legislation. Even as amended, title II would undermine effective oversight of the high-frequency traders that simultaneously create and stand to benefit from the kind of extreme market volatility that we have seen in the past few weeks.

Let's not forget that, on May 6, 2010, in an event referred to as the ''flash crash,'' major U.S. stock indices inexplicably plummeted nearly $1 trillion in less than an hour before mostly rebounding. Alarmingly, market regulators took nearly 5 months to determine that the flash crash was caused by a combination of a flawed execution algorithm of one institutional investor and aggressive algorithmic trading by HFTs.

While it is too early to tell exactly what created the recent volatility in the U.S. stock market, market analysts have suggested that algorithmic trading has played a central role. In fact, just last Tuesday, the day after the Dow Jones Industrial Average saw its biggest one-day point drop in history, Treasury Secretary Steve Mnuchin testified before the House Financial Services Committee that algorithmic trading ''definitely had an impact on market moves.''

Given the importance of algorithmic trading in our stock market, it makes no sense to obstruct the SEC's access to the information that enables such activity merely because it exists in an electronic format. Americans who have trillions of their dollars in 401(k) and other retirement and savings plans deserve the SEC's best efforts in investigating and mitigating computer-driven market disruptions. For this reason and for all of these reasons, and given my broader concerns that the bill would significantly harm investor confidence in our markets even if the amendment is adopted, I am urging a ''no'' vote on H.R. 3978.

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

Mr. FOSTER. Mr. Speaker, I would just like to simply reiterate that it should be the actions in the market that are the first indications that the regulators should have a look at, and when they see suspicious activity in the market, that is the time to get the subpoena and go after the source code.

With that, I just urge the adoption of the amendment and the passage of the underlying bill.

Mr. 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, as amended, and on the amendment offered by the gentleman from Illinois (Mr. FOSTER).

The question is on the amendment offered by the gentleman from Illinois (Mr. FOSTER).

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

Mr. CAPUANO. Mr. Speaker, I have a motion to recommit at the desk.

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

Mr. CAPUANO. I am, in its current form.

Mr. HENSARLING. Mr. Speaker, I reserve a point of order on the gentleman's motion.

The SPEAKER pro tempore. A point of order on the motion is reserved.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Capuano moves to recommit the bill H.R. 3978 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Page 5, line 13, strike ''and''.

Page 5, line 14, strike the period and insert ''; and''.

Page 5, after line 14, insert the following:

''(D) has claw back policies to require any executive officer incentive-based compensation to be clawed-back in the event that the issuer is required to prepare an accounting restatement due to the material noncompliance of the issuer with any financial reporting requirement under the securities laws (as defined in section 3(a) of the Securities Exchange Act of 1934), regardless of whether such compensation was paid to an officer who was a party to the actions that resulted in such restatement.''.

Mr. CAPUANO (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read.

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

Mr. HENSARLING. I object.

The SPEAKER pro tempore. Objection is heard.

The Clerk will continue to read.

The Clerk continued to read.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts is recognized for 5 minutes in support of his motion.

Mr. CAPUANO. Mr. Speaker, my amendment simply requires a company to have a policy in place to claw back executives' incentive-based pay if it is materially noncompliant with financial reporting requirements. Now, those words matter because the words ''materially noncompliant'' mean something in the accounting world. It has to be a big change, not just some minor, little accounting error.

This amendment really should be noncontroversial. It is outrageous, not to mention shortsighted, that almost a decade after the crisis that wrecked the economy we still don't have commonsense safeguards in place to ensure that CEOs do not turn a blind eye to problems that lead to a public restatement of their company's financials.

This is not something hypothetical. It happens on a pretty regular basis. It is not relegated to just the past. Everybody here is pretty familiar with Wells Fargo Bank. It has generated scandal after scandal by ripping off its own

consumers. Last year, the bank settled an 11-year lawsuit with the Department of Justice because it overcharged veterans who applied for home loan refinancing. At the same time, we learned of hundreds of thousands of car loan customers charged for car insurance that they never agreed to purchase.

In 2016, we learned of millions of fake deposits and credit card statements opened up by Wells Fargo and then charging their customers. Last September, the bank failed to refund insurance payments made by customers who paid off their car loans early. And most recently, we found out that they delayed mortgage closing dates in order to jack up their own fees.

These abuses come on top of $10 billion in fines by that bank that has been paid in recent years for everything from mortgage fraud, illegal marketing, kickback schemes, insider trading, racial discrimination, and student loan scams. Yet the bank believes that this kind of consistent misconduct is not materially financially important enough to require a restatement.

Wells Fargo has only ever clawed back a few tiny dollars from its executives. All this recommit does is simply says that if you commit an act that requires a material change in your public statements, you shouldn't profit by it. That is all. Not basic pay; just the incentive pay tied to those actions.

The underlying bill goes in the opposite direction. It makes it more likely that there will be material inaccuracies in certain public companies' financial statements. If this is what Congress is going to do, we should, at the very least, not incentivize that bad behavior. Title III of this bill allows new public companies to get out of independent audit requirements for 10 years—ten years.

Now, we all think, well, that is fine for a small company. Small company? Up to $700 million of company shares? That is a small company? Those are significant companies that put lots of people at risk, shareholders and investors.

In 2002, the Sarbanes-Oxley Act—I want to repeat, the Sarbanes-Oxley Act because Mike Oxley was the Republican chair of the Financial Services Committee at the time—requires companies to issue stock to publicly report their internal control structures and procedures for financial reporting. Those reports have to be attested to and covered in an audit report.

There is a reason why an independent audit of large corporations is a good thing: it makes it harder for them to hide bad actions. This recommit, again, it is simple. It doesn't change the underlying bill. It simply says: If a corporation makes a material change to its publicly stated financial records and an executive's incentive pay has been tied to the profits made off of that now-changed policy, the company has to have a policy in place whereby to claw back those ill-gotten profits. I don't think that is controversial. I don't think that is partisan. I don't think that is antibusiness. I don't think that is overregulation. It is simply fair.

We don't let bank robbers keep their money. We don't let other people who commit wrongdoings keep the profits that they have. Why should we let corporations who go out of their way—some, not all, only a handful go out of their way—to make sure that they hide their bad actions, report them badly? And when they get caught and have to report them appropriately, they still get to keep the ill-gotten gains.

That is all this recommit does. It is simple. It is straightforward. And I would hope that my friends on not just the other side but on both sides of this aisle see this as a thoughtful, insightful, and commonsense approach to amend this bill.

Mr. Speaker, with that, I yield back the remainder of my time.

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

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

Mr. HENSARLING. Mr. Speaker, I claim time in opposition.

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

Mr. HENSARLING. Mr. Speaker, I listened very carefully to my colleague on the Financial Services Committee. I lost track of how many times he mentioned Wells Fargo. That has nothing to do with an early growth company. That has nothing to do with this title of the bill.

So the Fostering Innovation Act by the gentlewoman from Arizona is all about allowing emerging-growth companies the opportunity to actually grow. What a novel concept.

What we know is, Mr. Speaker, in 8 years of Obamanomics, they were only able to produce about 1.8 percent economic growth, for all intents and purposes. Nobody's savings account came back. Wages were stagnant. And now that we have sensible regulation, now that we have passed the Tax Cuts and Jobs Act, now we have 3 percent economic growth, which is economic growth for America's working families. Unemployment is at a 17-year low. It remains at a 17-year low.

Again, wages grew at 2.9 percent last year, the fastest in almost a decade. Two million Americans have gone back to work, Mr. Speaker, and this is not by accident.

So what the gentleman is doing with his motion to recommit is sending us back. He is rolling the clock back to an era where working Americans didn't get ahead, where entrepreneurship was at a generational low, where small businesses were finding it hard to access lines of credit. So the bill that he so much maligns from the gentlewoman from Arizona, who happens to reside on his side of the aisle—at markup, the ranking member of the relevant subcommittee, the gentlewoman from New York (Mrs. MALONEY), supported the provision and said: This is a sensible compromise that provides a narrowly targeted relief to only the companies that truly need it.

Researching a new drug and getting FDA approval is a very, very long process, which is exactly what we heard in our committee. For example, we have heard from John Blake, senior vice president of finance at Atyr Pharma, who testified before the Subcommittee on Capital Markets, Securities, and Investments. He said: It remains the case that the biotech development time line is a decades-long affair. It is extremely likely that Atyr will still be in the lab, in the clinic, when our EGC clock expires, our early growth company.

In other words, they may have revenues, but they don't have profits. They don't have profits. This is something that is especially common in the biotech area. They need this capital for innovation.

So once again, we have heard this rhetoric on the other side of the aisle before. This is all about Dodd-Frank revisited. They aim at Wall Street, but they are hitting Main Street, Mr. Speaker. The MTR, the motion to recommit, hits Main Street in the gut. It will mean fewer early growth companies. It will mean fewer jobs. It will mean lower wage growth. And it will mean, again, a decimated and declining American Dream.

□ 1630

Mr. Speaker, we should reject the motion to recommit, and we should support the underlying bill.

Mr. Speaker, 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 noes appeared to have it.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on:

Passage of the bill, if ordered; and

Passage of H.R. 3299.

The vote was taken by electronic device, and there were—yeas 189, nays 228, not voting 13, as follows:

[Roll No. 76]

YEAS—189

Adams	Blunt Rochester	Cárdenas
Aguilar	Bonamici	Carson (IN)
Barragán	Brady (PA)	Cartwright
Beatty	Brown (MD)	Castor (FL)
Bera	Brownley (CA)	Castro (TX)
Beyer	Bustos	Chu, Judy
Bishop (GA)	Butterfield	Cicilline
Blum	Capuano	Clark (MA)
Blumenauer	Carbajal	Clarke (NY)

Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Courtney
Crist
Crowley
Cuellar
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Sires
Slaughter
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Welch
Wilson (FL)
Yarmuth

NAYS—228

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Bost
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Perry
Pittenger
Poe (TX)
Poliquin
Ratcliffe
Reed
Reichert
Renacci
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Taylor
Thompson (PA)
Thornberry
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—13

Bass
Boyle, Brendan F.
Costa
Cummings
Duncan (SC)
Gutiérrez
LoBiondo
Pearce
Posey
Rogers (KY)
Stivers
Tenney
Watson Coleman

□ 1656

Messrs. BOST, MESSER, DAVIDSON, BISHOP of Michigan, SMITH of Texas, MCHENRY, STEWART, BARR, HUNTER, LAMALFA, and ROKITA changed their vote from ''yea'' to ''nay.''

Messrs. COOPER, DOGGETT, and GRIJALVA changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 271, nays 145, not voting 14, as follows:

[Roll No. 77]

YEAS—271

Abraham
Aderholt
Aguilar
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bera
Bergman
Beyer
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Bustos
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Cooper
Correa
Costello (PA)
Cramer
Crawford
Cuellar
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Delaney
DelBene
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (TN)
Dunn
Emmer
Estes (KS)
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)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Heck
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Himes
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Katko
Kelly (MS)
Kelly (PA)
Kihuen
Kilmer
Kind
King (IA)
King (NY)
Kinzinger
Knight
Kuster (NH)
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Larsen (WA)
Latta
Lewis (MN)
Lipinski
Loebsack
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Meeks
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Murphy (FL)
Napolitano
Newhouse
Noem
Norman
Nunes
O'Halleran
O'Rourke
Olson
Palazzo
Palmer
Paulsen
Perry
Peters
Peterson
Pittenger
Poe (TX)
Poliquin
Polis
Ratcliffe
Reed
Reichert
Renacci
Rice (NY)
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Ruppersberger
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)
Smith (TX)
Smucker
Soto
Stefanik
Stewart
Suozzi
Taylor
Tenney
Thompson (PA)
Thornberry
Tipton
Trott
Turner
Upton
Valadao
Vargas
Veasey
Vela
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NAYS—145

Adams
Barragán
Beatty
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Brady (PA)
Brown (MD)
Brownley (CA)
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Cleaver
Clyburn
Cohen
Connolly
Courtney
Crist
Crowley
Davis (CA)
Davis, Danny
DeFazio
DeGette
DeLauro
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Green, Al
Green, Gene
Grijalva
Hanabusa
Hastings
Higgins (NY)
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur

Keating
Kelly (IL)
Kennedy
Khanna
Kildee
Krishnamoorthi
Langevin
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Lújan, Ben Ray
Lynch
Maloney, Carolyn B.
Matsui
McCollum
McEachin
McGovern
McNerney
Meng
Moore
Moulton
Nadler
Neal
Nolan
Norcross
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmuter
Pingree
Pocan
Price (NC)
Quigley
Raskin
Richmond
Rosen
Roybal-Allard
Ruiz
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
Torres
Tsongas
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Welch
Wilson (FL)
Yarmuth

NOT VOTING—14

Bass
Boyle, Brendan F.
Costa
Cummings
Duncan (SC)
Grothman
Gutiérrez
LoBiondo
Pearce
Posey
Rogers (KY)
Scalise
Stivers
Watson Coleman

□ 1704

Mr. POLIS changed his 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.

PROTECTING CONSUMERS' ACCESS TO CREDIT ACT OF 2017

The SPEAKER pro tempore. The unfinished business is the vote on passage of the bill (H.R. 3299) to amend the Revised Statutes, the Home Owners' Loan Act, the Federal Credit Union Act, and the Federal Deposit Insurance Act to require the rate of interest on certain loans remain unchanged after transfer of the loan, 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 passage of the bill.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 245, nays 171, not voting 14, as follows:

[Roll No. 78]

YEAS—245

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

NAYS—171

Adams
Aguilar
Barragán
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Courtney
Crist
Crowley
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Ellison
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Green, Al
Grijalva
Hanabusa
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meng
Moulton
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Rice (NY)
Richmond
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schrader
Scott (VA)
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Slaughter
Smith (WA)
Soto
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Welch
Wilson (FL)
Yarmuth

NOT VOTING—14

Bass
Boyle, Brendan F.
Costa
Cummings
Duncan (SC)
Gutiérrez
Johnson (GA)
LoBiondo
Pearce
Posey
Rogers (KY)
Scalise
Stivers
Watson Coleman

□ 1712

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SCALISE. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted ''yea'' on rollcall No. 77 and ''yea'' on rollcall No. 78.

PERSONAL EXPLANATION

Mr. GUTIÉRREZ. Mr. Speaker, I was unavoidably absent in the House Chamber for rollcall votes 72 through 78 on Wednesday, February 14, 2018. Had I been present, I would have voted ''yea'' on rollcall votes 74, 75, and 76, and ''nay'' on rollcall votes 72, 73, 77, and 78.

HOUR OF MEETING ON TOMORROW

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9 a.m. tomorrow.

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

There was no objection.

PERMISSION FOR MEMBER TO BE ADDED AS A COSPONSOR OF H.R. 676

Ms. FRANKEL of Florida. Mr. Speaker, I ask unanimous consent that my name be added as cosponsor to the bill, H.R. 676.

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

There was no objection.

□ 1715

RECOGNIZING SHERIFF JIM OLSON

(Mr. PAULSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAULSEN. Mr. Speaker, I rise today to recognize the service of