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

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

MOTION TO RECOMMIT

Ms. CLARK of Massachusetts. Madam Speaker, I have a motion to recommit at the desk.

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

Ms. CLARK of Massachusetts. Madam Speaker, I am opposed.

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

The Clerk read as follows:

Ms. CLARK of Massachusetts moves to recommit the bill H.R. 4607 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Page 3, line 21, strike ''otherwise determined'' and insert ''such action is at the request of and for the personal gain of the President, his or her immediate family members, or senior Executive Branch officials who are required to file annual financial disclosure forms, or is otherwise determined inappropriate''.

Mr. LEUTKEMEYER. Madam Speaker, I reserve a point of order on the motion to recommit.

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

Pursuant to the rule, the gentlewoman from Massachusetts is recognized for 5 minutes in support of her motion.

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

My amendment is a commonsense measure that protects the American people from corruption and conflicts of interest.

My amendment simply states that before taking any action to eliminate or change a regulation, regulators must disclose any communications from the White House or the President's family advocating for the action and whether the President, his family, or any senior administration officials would benefit financially from such action.

The American people need to have confidence that their government is working in the best interest of the people and not to enrich a President and his family and wealthy friends.

Every day, the news is filled with stories that raise this very question. Does the Trump family benefit when the EPA loosens environmental safeguards on construction projects?

Does Jared Kushner's deeply indebted family business receive favorable treatment when he advocates for certain policies?

Do the President's sons get special permits from foreign governments when the President changes policies towards those countries?

Who in the administration gets richer when our coasts are opened up to oil drilling, when tariffs are levied on steel, or when predatory lenders are allowed to prey on college students?

President Trump has rejected the norm that all modern-day Presidents have followed. His refusal to release his tax returns or to remove himself from his family business necessitates codifying the norms and practices of previous Presidents into law in this disclosure.

Congress must do its job and provide a necessary check on a President who has shown contempt for his basic duty to put Americans first. All of these policies affect American families. They affect the taxes we pay, the air we breathe, and whether our kids can afford to go to college.

We deserve to know if these decisions are being made to enrich a President and if they are being made at the taxpayers' expense. This simple act of disclosure will allow the American people to judge for themselves who this administration is really looking out for.

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

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

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

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

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

Mr. LUETKEMEYER. Madam Speaker, I appreciate the opportunity to discuss this matter today.

It is kind of interesting that we have before us an amendment that basically is something that deals with a financial services bill, something that deals with a financial services issue, yet we had the EPA and a whole bunch of other agencies brought into the discussion here, which has nothing to do with what we are trying to talk about here today.

The amendment talks about the President or his immediate family members. How is it possible that, unless those family members have the authority to make the request, they even should be considered?

This is sort of pulling things out of the air here that make no sense to me. This is a very simple bill that we have where all we are looking at trying to do is take the EGRPRA law that says that, every 10 years, all the rules and regulations are reviewed.

All we are doing is putting two agencies back into this group of agencies that are under review, one that was not even in existence at the time of the bill's passage back in the nineties, the CFPB; and the other one that needs to be included is the National Credit Union. All we are doing is taking that 10-year review down to 7.

Why is this controversial? We are taking an agency that was not even included in this originally and putting it under the purview of this bill so that there can be a review of the rules and regulations.

Is there lack of transparency on the other side?

Do we no longer want to be concerned about what is going on?

Do we no longer want to know that the rules and regulations are appropriately adjudicated here by these agencies?

I think that is the wrong way to go. I think that we need to have more transparency. Reducing from 10 years down to 7 gives us an opportunity to have a more constant review of these things to make sure that the bureaucratic folks in the executive branch of the government don't run away with what should be, in my view, the authority of the Congress.

□ 1330

Madam Speaker, I think that the motion to recommit is way out of line here, and I don't think we need to waste any more time on it.

Madam Speaker, I ask folks to decline the amendment, and 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.

Ms. CLARK of Massachusetts. 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

PORTFOLIO LENDING AND MORTGAGE ACCESS ACT

Mr. BARR. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2226) to amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating depository institution's portfolio, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2226

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Portfolio Lending and Mortgage Access Act''.

SEC. 2. MINIMUM STANDARDS FOR RESIDENTIAL MORTGAGE LOANS.

Section 129C(b) of the Truth in Lending Act (15 U.S.C. 1639c(b)) is amended by adding at the end the following:

''(4) SAFE HARBOR.—

''(A) IN GENERAL.—A residential mortgage loan shall be deemed a qualified mortgage loan for purposes of this subsection if the loan—

''(i) is originated by, and continuously retained in the portfolio of, a covered institution;

''(ii) is in compliance with the limitations with respect to prepayment penalties described in subsections (c)(1) and (c)(3);

''(iii) is in compliance with the requirements related to points and fees under paragraph (2)(A)(vii);

''(iv) does not have negative amortization terms or interest-only terms; and

''(v) is a loan for which the covered institution considers, documents, and verifies the debt, income, and financial resources of the consumer in accordance with subparagraph (C).

''(B) EXCEPTION FOR CERTAIN TRANSFERS.—Subparagraph (A) shall not apply to a residential mortgage loan if the legal title to such residential mortgage loan is sold, assigned, or otherwise transferred to another person unless the legal title to such residential mortgage loan is sold, assigned, or otherwise transferred—

''(i) to another person by reason of the bankruptcy or failure of the covered institution that originated such loan;

''(ii) to an insured depository institution or insured credit union that has less than $10,000,000,000 in total consolidated assets on the date of such sale, assignment, or transfer, if the loan is retained in portfolio by such insured depository institution or insured credit union;

''(iii) pursuant to a merger of the covered institution that originated such loan with another person or the acquisition of a the covered institution that originated such loan by another person or of another person by a covered institution, if the loan is retained in portfolio by the person to whom the loan is sold, assigned, or otherwise transferred; or

''(iv) to a wholly owned subsidiary of the covered institution that originated such loan if the loan is considered to be an asset of such covered institution for regulatory accounting purposes.

''(C) CONSIDERATION AND DOCUMENTATION REQUIREMENTS.—The consideration and documentation requirements described in subparagraph (A)(v) shall—

''(i) not be construed to require compliance with, or documentation in accordance with, appendix Q to part 1026 of title 12, Code of Federal Regulations, or any successor regulation; and

''(ii) be construed to permit multiple methods of documentation.

''(D) DEFINITIONS.—In this paragraph—

''(i) the term 'covered institution' means an insured depository institution or an insured credit union that, together with its affiliates, has less than $10,000,000,000 in total consolidated assets on the date on the origination of a residential mortgage loan;

''(ii) the term 'insured credit union' has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);

''(iii) the term 'insured depository institution' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

''(iv) the term 'interest-only term' means a term of a residential mortgage loan that allows one or more of the periodic payments made under the loan to be applied solely to accrued interest and not to the principal of the loan; and

''(v) the term 'negative amortization term' means a term of a residential mortgage loan under which the payment of periodic payments will result in an increase in the principal of the loan.''

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. BARR) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. BARR. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

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

There was no objection.

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

Madam Speaker, H.R. 2226, the Portfolio Lending and Mortgage Access Act, represents a very simple solution to a significant policy challenge facing our economy: how to expand access to mortgage credit without replicating the accumulation of excess risk in the mortgage-backed securities market like we witnessed in the run-up to the 2008 financial crisis.

My legislation achieves both goals by extending the qualified mortgage legal safe harbor to small creditors, banks, and credit unions with total consolidated assets of $10 billion or less, that originate and hold residential mortgage loans in portfolio, rather than selling or securitizing them, allowing those lenders to satisfy Dodd-Frank's ability-to-repay rule.

Such a policy would actually incentivize private sector risk retention—a goal of the Dodd-Frank Act itself—and mark a return to relationship lending in which a bank or credit union can tailor products to a consumer's needs and credit risk, without running afoul of one-size-fits-all government requirements. Under CFPB regulations, only government-defined qualified mortgages enjoy a presumption that a lender has satisfied the Dodd-Frank law's ability-to-repay requirements.

Small banks and credit unions have been disproportionately impacted by these rules, given their reliance upon residential mortgage lending and greater involvement in small dollar or balloon loans that run afoul of current QM regulations. It is no surprise that Harvard researchers have found that, since Dodd-Frank's passage, community banks have lost market share at a rate double that experienced between 2006 and 2010, a period including the entirety of the financial crisis. It is also not a surprise that many small community financial institutions have testified in front of the House Financial Services Committee and to many of my colleagues that they have simply left the mortgage business altogether because of the difficulties associated with the QM rule as currently constructed.

Indeed, a third of the National Association of Realtors survey respondents reported being unable to close mortgages due to a requirement of the qualified mortgage rule. Residential mortgages were the product or service most often identified by surveyed banks as a candidate for discontinuation as a result of Dodd-Frank. A recent study by the John F. Kennedy School of Government at Harvard University documents the falling share of bank participation in mortgage originations.

Everyone agrees, especially after the 2008 financial crisis, that a borrower should be required to show a demonstrable ability to repay. The only question is: Who is in the best position to make that determination—a community banker with a professional and, perhaps, even a personal relationship with the borrower who has full view of that borrower's character, creditworthiness, financial situation, and who is willing to assume 100 percent of the downside risk of default; or is it an unaccountable, unelected bureaucrat in Washington, D.C., who literally knows absolutely nothing about that borrower?

By bearing 100 percent of the risk, financial institutions have every incentive to make sure that a borrower can afford to repay a loan. Banks and credit unions would have more than just skin in the game. Under this legislation, their interests would align perfectly with that of a borrower.

As one witness in front of our committee testified: ''A financial institution that retains a loan's credit and interest-rate risk has a keen interest in engaging in thorough, sound underwriting to determine the borrower's ability to repay. Allowing a financial institution to make a customer-specific lending decision on a loan it intends to hold in its portfolio can be a more effective way of protecting consumers than regulatory attempts to micromanage mortgage terms with inflexible standards.''

No less than Barney Frank, former chairman of the committee, endorsed this concept in a hearing before this committee, saying he ''would like the main safeguard against bad loans to be risk retention, because that leaves the decision in the hands of whoever is making the loan,'' the CFPB also, itself, acknowledged this key point in its own rulemaking, where it recognized that portfolio lenders ''have strong incentives to carefully consider whether a consumer will be able to repay a portfolio loan at least in part because the small creditor retains the risk of default.''

This legislation also presents a viable alternative to the ''originate to distribute'' mortgage lending model that contributed to the subprime mortgage meltdown and bubble in residential real estate and taxpayer bailouts. The

result is expanded access to mortgage credit without additional risk to the financial system or to the taxpayer.

In fact, this is particularly important for young families and first-time home buyers, who tend to have difficulty meeting the ability-to-repay requirements due to circumstances, such as significant student loan debt, but who are otherwise creditworthy.

I have been working on this legislation for 5 years now, and I am happy to announce that, this year, we had a bipartisan breakthrough. That is because, at the committee markup, I offered an amendment that limited the scope of this bill to financial institutions with less than $10 billion in assets. And my distinguished colleague, Representative CAPUANO, offered a technical amendment that enhanced the legislation by clarifying a few key provisions. I am pleased to report that, because of those two amendments, the Portfolio Lending and Mortgage Access Act passed with unanimous support in the committee and is now on the floor today for consideration.

I want to thank Chairman HENSARLING, Ranking Member WATERS, Representative CAPUANO, the Kentucky Bankers Association, the Kentucky Credit Union League, the American Bankers Association, the Independent Community Bankers of America, the Credit Union National Association, the National Association of Federal Credit Unions, the National Association of Home Builders, and the United States Chamber of Commerce for their hard work on this important legislation.

If passed by the House, it is my hope that the Portfolio Lending and Mortgage Access Act moves quickly through the Senate. Eleven of our Democratic colleagues in the upper Chamber support this exact language, which is in Chairman CRAPO's community financial institution relief bill. Together, Republicans and Democrats can deliver on the regulatory relief that many of us in this body have promised to our constituents that will enable more of them to buy the home of their dreams.

Madam Speaker, I invite all of my colleagues to vote for this important pro-homeownership legislation that perfectly aligns lender and borrower interests to the benefit of America.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I thank my colleague for his persistence in offering this legislation. As he said, in committee, we had a successful markup where we were able to unanimously support this legislation. It is important legislation.

We don't agree on everything. One doesn't have to go very far. Back in committee, right now, where we have a rather contentious markup on a budget using estimates, as I said in that meeting: When we do agree, we should come together. Representative BARR and I have talked about this issue for quite some time, and I am really pleased to see it move forward.

Madam Speaker, I urge my colleagues to support H.R. 2226, the Portfolio Lending and Mortgage Access Act, which would allow certain mortgages that are originated and retained in portfolio by a bank with less than $10 billion in total assets to be considered as qualified mortgages.

In the lead-up to the financial crisis, there were a number of mortgage lenders that did not do their due diligence in underwriting mortgages. We saw a number of exotic products being offered to individuals and families premised on a continually rising housing market.

These included ''no doc'' loans where the lender did not document or verify a borrower's income. There were real consequences for those sorts of loans. Many of these borrowers never really had any hope of paying back those loans. As those mortgages went into default, the foreclosures helped lead to a financial crisis that devastated the U.S. economy, and millions of families were stripped from their single source of wealth: the equity in their home.

In the wake of that crisis, Congress passed the Dodd-Frank Act and required lenders to assess a consumer's ability to repay their mortgage loans.

We also provided statutory penalties for mortgage lenders that did not follow these new underwriting standards.

Congress also directed the Consumer Financial Protection Bureau to enact regulations to create a safe harbor for creditors, where it would be presumed that the creditor evaluated the borrower's ability to repay.

In 2013, under the direction of former Director Cordray, the Consumer Financial Protection Bureau released its ability-to-repay and qualified mortgage rule. This rule defined how lenders could take advantage of that safe harbor.

Qualified mortgages, commonly referred to as QM loans, are a special category of loans that have strong underwriting standards and certain nonpredatory loan features that help make them more likely that borrowers will be able to afford their mortgages.

So if a lender originates a QM loan, it means that the lender met certain requirements, and it is assumed that the lender followed the ability-to-repay rule as drafted by the Consumer Financial Protection Bureau. This also allows the lender to be shielded from certain types of liability associated with originating bad loans.

I and my colleagues were pleased that the Consumer Financial Protection Bureau tailored the rule to ensure that lenders who serve rural and underserved communities have flexibility in serving their customers.

While that was a very good first step, Congress has pushed to expand this tailoring to include even more community banks and credit unions, consistent with safe and sound operations. H.R. 2226, as amended in the committee, provides this targeted and, I think, reasonable relief.

As Representative BARR and I have indicated, there are additional refinements to the bill that I would have still liked to have seen adopted, such as additional guardrails on the types of products offered. I am glad, however, and as Mr. BARR indicated, the leadership of the committee, the majority, agreed to crucial language offered by Mr. CAPUANO to improve the bill.

As amended, lenders are required to continually hold these loans in portfolio, and not only consider and document, but verify a borrower's income information.

Congress should not be in the business of allowing lenders to underwrite and offer mortgage loans that borrowers have no ability to repay.

I am supportive of this bill for that reason, but also because I believe it will help in areas of the country that have weaker housing markets. This has really been the reason that I have been interested in the issue of portfolio lending.

As many know, I represent Flint, Michigan, which not unlike a number of communities across the country have very weak and very low cost markets. You can purchase a single family home in Flint for $25,000—not $250,000—$25,000.

Under the QM rules, financial institutions sometimes, justifiably, struggle to make these small mortgages, resulting in even more stagnant markets—it is a vicious cycle—and weakening these markets permanently. If we can't get people financed into mortgages, these communities and the market will never recover.

□ 1345

This bill will encourage community banks and credit unions to make those smaller mortgages, to help weaker markets.

It is for that reason and many others, but particularly for that reason, that I encourage my colleagues to support this legislation. It is a big step in the right direction for weak markets. I hope my colleagues will join me in supporting it.

Madam Speaker, I reserve the balance of my time.

Mr. BARR. Madam Speaker, I yield myself as much time as I may consume.

Madam Speaker, I want to thank my friend, the gentleman from Michigan (Mr. KILDEE), for his constructive comments, his support. And the gentleman is absolutely correct. He engaged with me and my colleagues who were cosponsoring this legislation in a very constructive manner. He made valuable contributions, along with Mr. CAPUANO and the ranking member. Several other members on the other side of the aisle, Mr. PERLMUTTER, for example, offered his thoughtful comments as well. I appreciate the support, the bipartisan support, working through a compromise to get this legislation to where

it is today, so I thank the gentleman for that.

Madam Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. EMMER), who is also a sponsor of this legislation and a distinguished member of the Committee on Financial Services.

Mr. EMMER. Madam Speaker, when the House passed the Financial CHOICE Act to repeal Dodd-Frank last year, we did so because we believe in Main Street, we believe in the consumer, the American consumer.

Dodd-Frank promised to protect consumers from the big banks on Wall Street. In reality, Dodd-Frank has punished small banks and credit unions and, ultimately, the American consumer.

The loss of community financial institutions tells the story. In my State of Minnesota, we had 513 community banks in 2000. Today, we have about 309, and continue to experience a drought in de novo charters.

Credit unions have, unfortunately, faced similar challenges. This means there are fewer places for Americans to turn when they are seeking a loan for their first home or perhaps to get a small business off the ground.

One specific provision in Dodd-Frank requires lenders to deny loans to individuals who do not meet government-prescribed standards. This, according to Washington, makes loans safer, since, of course, government knows best. But in reality, these mortgages have not been made safer. They have been made unavailable. As a result, the likelihood of getting approved for a loan and becoming a homeowner has plummeted.

Representative BARR's legislation, the Portfolio Lending and Mortgage Access Act, takes steps to empower lenders in Minnesota and across the country and to better serve the needs of their customers by extending important protections to institutions and ensuring access to credit for American borrowers.

At the end of the day, the most effective way to ensure an individual has the ability to repay does not always need to be government-prescribed.

I appreciate my colleague from Kentucky's hard work to protect and reinvigorate our community financial institutions, and I urge my colleagues to support H.R. 2226, the Portfolio Lending and Mortgage Access Act, as it comes before the House for a vote.

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

Mr. BARR. Madam Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. HULTGREN), who is also, I believe, a sponsor of the legislation.

Mr. HULTGREN. Madam Speaker, I thank Chairman BARR for yielding.

Madam Speaker, I rise today to speak in support of H.R. 2226, the Portfolio Lending and Mortgage Access Act, and I am proud to be an original cosponsor of this legislation.

This is something that Chairman BARR has worked on for at least two Congresses now, and I feel that we are finally in a place where we can get some commonsense changes to the CFPB's qualified mortgage rules that provide relief to community banks and credit unions.

I was very pleased to see this legislation get a unanimous vote in the Committee on Financial Services earlier this year. I am also very happy to see that the Senate Committee on Banking, Housing, and Urban Affairs is taking note of this issue and has advanced similar legislation.

The Dodd-Frank Act required the Consumer Financial Protection Bureau to come up with a series of new rules regarding mortgage lending. One of these rules was the so-called qualified mortgage rule, which provides a safe harbor to loans if they meet certain criteria prescribed by the Bureau. This effectively means that the market treats any loans that are not qualified mortgages as being much riskier.

The Bureau's rule is especially challenging for community banks and credit unions. These lenders do not tend to be as automated as larger financial institutions. They also tend to put more time into underwriting mortgages to reflect the unique circumstances of the customers in their communities.

However, the CFPB's qualified mortgage rule took away much of this flexibility from these lenders by doing things like instituting a 43 percent debt-to-income ratio. This might be a good indicator of repayment risk for a lot of mortgages, but a one-size-fits-all is almost never a good approach.

The CFPB's rule also did not acknowledge the fact that small lenders do not tend to sell these loans into the secondary market. They keep 100 percent of the risk on their portfolio. This means these lenders have a very strong incentive to issue loans that they believe will be repaid.

If loans held on portfolio can be treated as qualified mortgages, then these banks and credit unions will have a stronger incentive to manage any risk associated with these mortgages.

The Portfolio Lending and Mortgage Access Act would treat loans held on portfolio by community banks and credit unions as qualified mortgages if they meet some other criteria, such as not having a negative amortization or interest-only features.

This change to the CFPB's qualified mortgage rule will go a long way towards simplifying how our community financial institutions can help families achieve the dream of home ownership.

I have been hearing about this legislation from community banks and credit unions in Illinois, and I am confident it will help my constituents.

Madam Speaker, I want to encourage all of my colleagues to support this important legislation.

Mr. KILDEE. Madam Speaker, I yield myself the balance of my time to close.

Madam Speaker, just to reiterate, we don't agree on everything. Even some of the debate in this conversation, I think we could find areas of disagreement. But when it comes to the specifics of this legislation, I think it strikes a good balance. The balance, for me, being the notion that we can deem these mortgages held by smaller institutions, as long as they are held in portfolio, as meeting the QM requirements.

In exchange for that, what we get is, in weak markets, we get a chance for folks who essentially have been locked out of home ownership to be able to get a small mortgage literally on a $25,000, $30,000, or $40,000 home and begin to build equity that will return value to that family and to that community for a long, long time.

For that reason, I support this legislation and I urge my colleagues to join me in voting ''yes'' on it.

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

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

In closing, let me just reiterate that this legislation solves two problems. It solves the problem of responsible expansion of access to mortgage credit, access to that American Dream of home ownership; and, at the same time, preventing the mistakes that led to the 2008 financial crisis, the originate to distribute model where originators of mortgages had no skin in the game and they allowed those mortgages to be poorly underwritten or not underwritten at all, with no documentation, and then securitized and sold into the secondary market, really without any eye towards the consumer and the borrower's ability to repay.

Everybody in this institution, as evidenced by the bipartisan work here, we all recognize that a borrower should demonstrate an ability to repay that loan, but the crux of this legislation, at the core of this legislation is a recognition that a local community banker, a local credit union, a lender with a personal relationship with a borrower is in the best position to determine whether or not that borrower, that prospective homeowner, can repay that loan.

When there is risk retention, when that lender is charged with the responsibility of maintaining that loan in portfolio, the lender is much more incentivized to properly underwrite that loan and make sure that that customer, that borrower, that future homeowner, has a demonstrable ability to repay. I think it is a much better substitute to a one-size-fits-all credit box from, frankly, bureaucrats in Washington, D.C., who have no eye towards the creditworthiness of that particular borrower.

We have worked with our friends on the other side of the aisle to make this a bipartisan piece of legislation limiting the size of the institutions that can access this regulatory relief. But, clearly, when community financial institutions, bankers from around the country, every part of the country, are saying that they see the QM rule as not ''qualified mortgages,'' but as ''quitting mortgages;'' and when we see an

unnecessary constraint of mortgage credit; and when the National Association of Realtors are reporting that they are unable to close mortgages due to this onerous qualified mortgage rule, clearly the pendulum has swung too far.

So, yes, we needed some reforms in the aftermath of the financial crisis. This QM rule went too far. This is a recalibration of that. And this is important regulatory relief for our community financial institutions that will inure to the benefit of the American home-buying public, and it will do so in a responsible way, providing a viable alternative to the originate to distribute practices that really led to the financial crisis.

Madam Speaker, let me just make one final observation, and that is to give credit to the administration. The Department of the Treasury, in their findings and recommendations in their report on banks and credit unions, they recognized that this was a problem in the mortgage lending space and they made a recommendation also to increase the portfolio lending safe harbor to institutions with $10 billion in assets or lower; and that, as they argued, will accommodate loans made and retained by small depository institutions, provide that needed regulatory relief to our community financial institutions, and also expand access to mortgage credit in a responsible way.

Madam Speaker, I thank my colleagues for their support. At this time I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. BARR) that the House suspend the rules and pass the bill, H.R. 2226, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COMMUNITY BANK REPORTING RELIEF ACT

Mr. BARR. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4725) to amend the Federal Deposit Insurance Act to require short form call reports for certain depository institutions.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4725

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Community Bank Reporting Relief Act''.

SEC. 2. SHORT FORM CALL REPORTS.

Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by adding at the end the following:

''(12) SHORT FORM REPORTING.—

''(A) IN GENERAL.—The appropriate Federal banking agencies shall issue regulations that allow for a reduced reporting requirement for a covered depository institution when the institution makes the first and third report of condition for a year, as required under paragraph (3).

''(B) DEFINITION.—In this paragraph, the term 'covered depository institution' means an insured depository institution that—

''(i) has less than $5,000,000,000 in total consolidated assets; and

''(ii) satisfies such other criteria as the appropriate Federal banking agencies determine appropriate.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. BARR) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

Mr. BARR. Madam Speaker, I yield myself such time as I may consume, and I rise today in support of H.R. 4725, the Community Bank Reporting Relief Act.

Community banks were hit hard by the Great Recession and the ensuing regulations. Numerous bankers have told me they are spending more and more money and resources and time on compliance costs and less money and resources on actually providing services to customers. This is particularly alarming because these small banks are so critical to their communities. From sponsoring the local T-ball team, to lending money to a farmer for the next year's crop, to helping the single mom purchase a used car so she can get to work, these banks are involved at every level of our communities all across America, but because of overregulation, these banks are rapidly closing and consolidating.

Unfortunately, the headline for banks in the Commonwealth of Kentucky is no different. Since the enactment of the Dodd-Frank financial control law, we have seen a 20 percent drop in the number of banks in our State and there has been a dearth of charters for new banks. In fact, since 2010, there have been only a few de novo charters for banks nationwide.

Now, some people say that consolidation and mergers have been a long-term trend for the last 30 years and, therefore, not related to the recent uptick in regulations unrelated to Dodd-Frank, but they are clearly not seeing the bigger picture, because even after mergers, many branches in rural and other underserved communities are closing, leaving many Kentuckians to drive a town or two over just to get to the nearest bank.

It is not just about a long-term trend of consolidation. There have been literally no new charters, whereas before the Dodd-Frank law was enacted, there were many, many new charters every year; and since the Dodd-Frank law was enacted, no new charters. So the consolidation trend has gotten a lot worse since this avalanche of red tape coming out of Washington, D.C., and that is having a very negative impact on rural and underserved American communities.

While new technologies are helping bring banking services to anyone with an internet connection, many people still prefer the personal one-on-one banking style that they grew up with and the personal interaction often that helps the banks themselves understand the exact needs of their customers.

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The Dodd-Frank law was almost 2,300 pages and required dozens of agencies to create new regulations or revise existing ones. As a result, these agencies issued hundreds of regulations and, according to the Mercatus Center, the law placed about 28,000 new restrictions on the banking industry, effectively doubling the number of regulatory restrictions in title 12 of the Code of Federal Regulation to more than 52,000.

Although not part of the Dodd-Frank rush of regulations, a growing number of banks have cited the Federal Financial Institutions Examination Council's, or FFIEC, Consolidated Reports of Condition and Income—or call reports, as they are commonly called—as too burdensome.

Each quarter, all national banks, State member banks, insured State nonmember banks, and savings associations are required to file these call reports. The reports contain approximately 50 pages of financial data on each bank, including their assets, liabilities, capital accounts, expenses, and income. However, these reports are very burdensome for community banks with limited resources and offer little value to the regulators relative to the last quarter's report.

Thankfully, H.R. 4725, the Community Bank Reporting Relief Act, is fighting back against the bureaucratic nightmare of complying with these 52,000 restrictions by allowing banks with less than $5 billion in consolidated assets to file their call reports every 6 months as opposed to every 3 months.

The impact of this regulatory change will be a huge development for banks across the country. Now they will spend less time on call reports and more time on actually helping customers. This means more capital will be flowing into our local economies, spurring job growth and economic development, while making a real difference in the lives of Americans trying to access affordable capital to buy a new home or car or start a business.

I want to thank my good friend from Illinois, Congressman RANDY HULTGREN, for his leadership and for introducing this important legislation. Due to his leadership, this great community bank bill is being considered as a suspension on the floor today. That means that there is a great chance that this bill will build on its unanimous support earned during the House Financial Services Committee markup and will be a bipartisan provision in the Senate Banking chairman's Economic Growth, Regulatory Relief, and Consumer Protection Act, which is expected to pass out of the Senate very soon.