

making those homes more affordable; we are empowering those people with knowledge; and we are helping build the dream of homeownership.

This financial counseling is so important for first-time buyers. It helps them understand the costs associated with homeownership, like taxes, insurance, and maintenance costs. It also helps them factor in household budgeting and recognize high-risk financial products to make sure they can make informed decisions.

For people across this country, including in my district, having a place to raise their family is the American Dream, and I encourage my colleagues to support this bill to help make homeownership a reality for more people.

Mr. Speaker, again, I want to acknowledge my colleague, Congresswoman JOYCE BEATTY, for her incredible leadership on H.R. 2162, the Housing Financial Literacy Act. I encourage all of my colleagues to support the bill.

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

Mr. Speaker, again, I would like to commend and applaud my friend, the gentlewoman from Ohio (Mrs. BEATTY), for her leadership on this. What an outstanding list of endorsements of this legislation. It goes to show how much work she has put into this and that Congressman STIVERS and others have put into this bipartisan legislation.

Mr. Speaker, I thank the chairwoman of the full committee, Congresswoman WATERS, for bringing this forward.

In conclusion, as we look at this legislation, it is really a win-win-win:

It is a win because first-time home buyers are now going to be able to have a more affordable downpayment.

It is a win, in addition, because those first-time homeowners, as the gentlewoman from Ohio and the gentleman from Ohio pointed out, will be more prepared for the responsibility of homeownership, which is what is typically the most significant investment anyone makes in their entire lifetime.

And, finally—and I think this is a point that we do need to underscore as well—when you are talking about federally insured, federally backed, taxpayer-insured, taxpayer-supported mortgages, it is good for the American taxpayer that we make sure that homeowners are prepared for that very important responsibility.

Mr. Speaker, I urge all of my colleagues—for homeowners, for taxpayers—to support this legislation, and I yield back the balance of my time.

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

Mr. Speaker, I thank the gentlewoman and gentleman from Ohio for pushing this bill forward. This bill incentivizes financial literacy that will help avoid delinquencies and may have an impact well beyond the housing area.

Mr. Speaker, I urge all of my colleagues to join me in supporting this important piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 2162, 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.

EMPHASIZING IMPORTANCE OF GRASSROOTS INVESTOR PROTECTION AND INVESTOR EDUCATION MISSIONS OF STATE AND FEDERAL SECURITIES REGULATORS

Ms. WATERS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 456) emphasizing the importance of grassroots investor protection and the investor education missions of State and Federal securities regulators, calling on the Securities and Exchange Commission to collaborate with State securities regulators in the protection of investors, and for other purposes.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 456

Whereas State securities regulators are the original pioneers of regulating the United States capital markets and have protected investors during times of boom and bust, from ticker tape to the block-chain;

Whereas State securities regulators founded the North American Securities Administrators Association (NASAA) as a voluntary association in 1919, 8 years after the first securities laws were enacted in Kansas in 1911;

Whereas NASAA's membership in 2019 includes securities administrators in the 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada, and Mexico;

Whereas the fundamental mission of the State securities regulators is protecting investors who transact in securities and receive investment advice, and their jurisdiction extends to a wide variety of issuers and intermediaries who offer and sell securities to the public;

Whereas State securities regulators are leaders in civil and administrative enforcement actions, as well as criminal prosecutions of securities violators;

Whereas State securities regulators have led efforts resulting in landmark settlements to stop unfair practices in the securities industry, the return of billions of dollars to harmed investors, and thousands of bad actors sitting in jail as the result of their work in investigating and uncovering fraud;

Whereas State securities regulators independently and within the framework of NASAA have also devised innovative ways for small companies to raise investment capital;

Whereas State securities regulators independently and within the framework of NASAA conduct investor education programs throughout the United States, providing important information to main street Americans on investing for a secure future and avoiding scams; and

Whereas State securities regulators are known for their accessibility and accountability to the investing public and have been

willing to push the envelope when it comes to protecting investors: Now, therefore, be it Resolved, That the House of Representatives—

(1) emphasizes the longstanding role of State securities regulators in maintaining investor protection and vibrant capital markets in the United States;

(2) supports the efforts of State securities regulators to educate investors throughout the United States;

(3) supports the efforts of State securities regulators to promote responsible and efficient capital formation for the benefit of small businesses and investors throughout the United States;

(4) urges State securities regulators to continue working independently and within the voluntary framework of NASAA to protect and educate investors and promote capital formation; and

(5) urges the Securities and Exchange Commission to maintain and expand voluntary collaboration with State securities regulators in the interest of the investing public.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATERS) and the gentleman from Kentucky (Mr. BARR) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

□ 1730

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

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

There was no objection.

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

Mr. Speaker, I want to thank Representative PRESSLEY and Representative HUIZENGA for bringing H. Res. 456 to the floor, a bipartisan resolution that highlights the importance of our State securities regulators to protecting investors. This year commemorates the 100th anniversary of the North American Securities Administrators Association, the oldest international investor protection organization with a membership consisting of 67 State, provincial, and territorial securities regulators in the 50 States, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, Canada, and Mexico.

The primary mission of both State securities regulators and NASAA is to protect and advocate for the protection of investors, especially the most vulnerable investors, like our Nation's seniors, who may lack the expertise, experience, and resources to protect their own interests.

These grassroots regulators are often the first line of defense against investment fraud and often respond to emerging frauds and investment scams before they are detected at the Federal level.

In 2017 alone, State securities regulators conducted nearly 4,790 investigations, leading to more than 2,100 enforcement actions, including 255 criminal prosecutions. These actions have

resulted in approximately \$486 million in restitution for harmed investors, nearly \$79 million in fines and/or penalties, and 1,985 years in incarceration or probation being ordered.

In addition, in 2017, NASAA's U.S. member jurisdictions reported bringing formal enforcement actions involving more than 1,100 senior victims, illustrating their unwavering commitment to protecting senior investors.

NASAA also engages and collaborates with Congress to promote Federal laws to improve protections for senior investors. For example, in 2018, we worked with NASAA to pass the Senior Safe Act, which was inspired by a training program developed by NASAA in partnership with the Maine Council for Elder Abuse Prevention. The Senior Safe Act addresses barriers that financial professionals face in reporting suspected senior financial exploitation or abuse to authorities.

NASAA also collaborated with us on the Senior Security Act, which passed the House with broad, bipartisan support in April. That bill would, among other things, require the SEC to work across divisions and with the State securities regulators to ensure that seniors are not subject to financial exploitation.

I strongly support our State securities regulators, and I urge my colleagues to join me in supporting this resolution.

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

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

Mr. Speaker, I, too, rise in support of H. Res. 456.

Mr. Speaker, I thank my colleagues, Congresswoman PRESSLEY and Congressman HUIZENGA, for their work on this bipartisan resolution.

More often than not, discussions in the Financial Services Committee are about the Securities and Exchange Commission, as it is the primary Federal regulatory agency for the U.S. securities markets.

However, State securities regulators also play an important and complementary role in grassroots investor protection, investor education, and facilitating capital formation.

H. Res. 456 highlights the important investor protection missions of State and Federal securities regulators. The resolution also encourages the continued collaboration between the SEC and State securities regulators.

American capital markets provide an avenue for mom-and-pop investors and retail investors to achieve the American Dream and grow their nest egg for retirement, for their child's college tuition, or to buy a home. Protecting investors, ensuring the integrity of our capital markets, and promoting capital formation are goals that we all can stand behind.

This resolution recognizes the important role State securities regulators play on each of these fronts.

Mr. Speaker, I urge my colleagues to support H. Res. 456, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield as much time as she may consume to the gentlewoman from Massachusetts (Ms. PRESSLEY), the sponsor of H. Res. 456.

Ms. PRESSLEY. Mr. Speaker, I thank Chairwoman WATERS for her vigilance and her steadfast leadership in continuing to bring people together across the aisle on issues of consequence to the American people and always putting consumer protection at the center of that. I also thank my colleague, Representative HUIZENGA, for his partnership.

Mr. Speaker, I rise today in support of my resolution, which highlights the important role that State securities regulators play in strengthening the financial services industry.

The 2008 economic crisis devastated American families everywhere. But, as we watched the unemployment skyrocket, home values plummet, and credit disappear, it became clear that the impact of the crisis hit harder for some. Black families that had only just begun to build wealth through homeownership watched everything they had worked for disappear.

And although the recovery has been similarly unequal, it is critical to recognize those on the front lines protecting the investments of working families and small businesses alike.

The North American Securities Administrators Association, NASAA, comprised of securities administrators from all 50 States, are champions for stronger investor protections and diligent oversight.

My home State of Massachusetts was the first to require the registration of some securities, helping to lay the groundwork for other State models that would serve as the foundation for future Federal securities law.

As the world's oldest international investor protection organization, NASAA has remained vigilant in its policing of securities trading, securing over \$486 million in restitution to victims of investment fraud in 2017 alone.

NASAA's work with AARP helps protect seniors from the troubling upward trends in elder financial abuse. Additionally, they continue to work with medical professionals on ways to identify seniors at risk of financial abuse.

NASAA's efforts to spread retirement best practices can help empower families with the knowledge to invest wisely for generations to come.

My resolution recognizes 100 years of excellence in investor protection and encourages continued cooperation between local, State, and Federal regulators to ensure 100 more.

Mr. Speaker, I encourage my colleagues to support my resolution.

Mr. BARR. Mr. Speaker, once again, I appreciate the work of Ms. PRESSLEY, and I yield back the balance of my time.

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

Mr. Speaker, this important resolution demonstrates that our Federal form of government serves us well.

Both Federal and State authorities have important roles to play, and this is certainly true in the securities arena.

I congratulate my colleagues from Massachusetts and Michigan for bringing this bipartisan bill before the House.

Mr. Speaker, I urge my colleagues to join me in supporting this important piece of legislation, and I yield back the balance of my time.

Mr. HUIZENGA. Mr. Speaker, I rise today in support of H. Res. 456 that recognizes the importance of grassroots investor protection and the investor education missions of State and Federal securities regulators. Additionally, this important resolution calls on the Securities and Exchange Commission to collaborate and work with State securities regulators to protect investors.

Over a century ago, a group of state securities regulators had the idea to form a network of colleagues to work together for the protection of investors throughout North America. Shortly thereafter, the North American Securities Administrators Association ("NASAA") was formed in 1919. This year, 2019, marks their 100th anniversary.

The primary mission of both state securities regulators and NASAA is to protect and advocate for the protection of investors, especially the most vulnerable who lack the expertise, experience, and resources to protect their own interests.

NASAA members accomplish their mission through the vigorous enforcement of their respective civil and criminal securities laws. While the securities markets are global, securities are sold locally. NASAA members are often the first line of defense against investment fraud in their jurisdictions. Moreover, because states are "grass roots" regulators, they often respond to emerging frauds and investment scams before they are detected at the federal level.

NASAA also plays an important role in investor education, which is one of the best measures in preventing investment fraud. NASAA members have developed a wide array of specialized community outreach programs to educate investors in their jurisdictions.

Most state securities regulators have established investor education departments or divisions within their agencies. The result is an effective network of dedicated professionals delivering unbiased, relevant, and free investor education programs in local communities throughout North America. These professionals can be found educating investors in the classroom, at the workplace, and at senior centers. NASAA members work hard to reach out to people who otherwise would not be able to readily access such information.

For the past 15 years, NASAA has compiled and released an annual list of top 10 investment scams, schemes, and scandals to alert investors to increasingly complex and confusing investment fraud.

Another important part of NASAA's mission is to help with capital formation. To that end, state securities regulators often work with and assist local businesses that seek capital investment. Small businesses are the lifeblood of our economy. NASAA members help facilitate a healthy small business economy that increases growth, investment, and job creation.

In my home state of Michigan, NASAA members have worked tirelessly to become a leading voice for improving investment education, protected investors by utilizing securities enforcement, and helped build stronger communities by assisting in capital formation projects.

Today, NASAA is the oldest international investor protection organization with a membership consisting of 67 state, provincial, and territorial securities regulators in the 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, Canada, and Mexico.

I want to congratulate NASAA on their first 100 years and look forward to their work continuing for many years ahead. I urge passage of this resolution acknowledging the superb work of this outstanding organization.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and agree to the resolution, H. Res. 456.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

IMPROVING INVESTMENT RESEARCH FOR SMALL AND EMERGING ISSUERS ACT

Ms. WATERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2919) to require the Securities and Exchange Commission to carry out a study to evaluate the issues affecting the provision of and reliance upon investment research into small issuers.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2919

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 “Improving Investment Research for Small and Emerging Issuers Act”.

SEC. 2. RESEARCH STUDY.

(a) **STUDY REQUIRED.**—The Securities and Exchange Commission shall conduct a study to evaluate the issues affecting the provision of and reliance upon investment research into small issuers, including emerging growth companies and companies considering initial public offerings.

(b) **CONTENTS OF STUDY.**—The study required under subsection (a) shall consider—

(1) factors related to the demand for such research by institutional and retail investors;

(2) the availability of such research, including—

(A) the number and types of firms who provide such research;

(B) the volume of such research over time; and

(C) competition in the research market;

(3) conflicts of interest relating to the production and distribution of investment research;

(4) the costs of such research;

(5) the impacts of different payment mechanisms for investment research into small issuers, including whether such research is paid for by—

(A) hard-dollar payments from research clients;

(B) payments directed from the client’s commission income (i.e., “soft dollars”); or

(C) payments from the issuer that is the subject of such research;

(6) any unique challenges faced by minority-owned, women-owned, and veteran-owned small issuers in obtaining research coverage; and

(7) the impact on the availability of research coverage for small issuers due to—

(A) investment adviser concentration and consolidation, including any potential impacts of fund-size on demand for investment research of small issuers;

(B) broker and dealer concentration and consolidation, including any relationships between the size of the firm and allocation of resources for investment research into small issuers;

(C) Securities and Exchange Commission rules;

(D) registered national securities association rules;

(E) State and Federal liability concerns;

(F) the settlement agreements referenced in Securities and Exchange Commission Litigation Release No. 18438 (i.e., the “Global Research Analyst Settlement”); and

(G) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as implemented by the European Union (“EU”) member states (“MiFID II”).

(c) **REPORT REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, the Securities and Exchange Commission shall submit to Congress a report that includes—

(1) the results of the study required by subsection (a); and

(2) recommendations to increase the demand for, volume of, and quality of investment research into small issuers, including emerging growth companies and companies considering initial public offerings.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATERS) and the gentleman from Kentucky (Mr. BARR) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

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

There was no objection.

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

Mr. Speaker, I thank the ranking member of our Investor Protection, Entrepreneurship, and Capital Markets Subcommittee, Representative HUIZENGA, and Representative

MCADAMS, for working across the aisle on this bipartisan bill to improve investment research coverage for small issuers.

Investment research helps to raise investor awareness, understanding, and interest about a company, which in turn can promote informed investment and overall trading in a company’s securities.

However, reports indicate significant declines in analyst research on small

public companies. In fact, it appears that most exchange-listed companies with less than \$100 million in market capitalization have no research coverage at all.

To address this concerning trend, H.R. 2919 would direct the SEC to conduct a study on the issues that are affecting the availability of research coverage for small issuers, including emerging growth companies, companies considering an initial public offering, and minority-, women-, and veteran-owned businesses. It also directs the SEC to report back recommendations to improve the quality and availability of investment research for small issuers.

I urge my colleagues to support this bipartisan bill to enable us to identify some of the barriers small businesses face when attempting to get their story out to investors in our public capital markets.

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

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

Mr. Speaker, I rise in support of H.R. 2919, the Improving Investment Research for Small and Emerging Issuers Act. I thank my colleagues, Congressman HUIZENGA and Congressman MCADAMS, for their efforts on this bipartisan legislation that will help small companies and our capital markets.

The U.S. capital markets have, and continue to be, a vibrant ecosystem, fueling America’s economic growth and generating millions of private sector jobs. These markets provide financing and needed resources to the smallest startups and the largest international companies.

However, a company’s size often impacts how easily it can access capital. For example, larger companies have generally found capital markets easier to access than smaller ones.

While the number of IPOs in the U.S. has rebounded from its post-crisis glut—thanks in large part to the success of the bipartisan JOBS Act of 2012—smaller companies still face significant regulatory and market impediments that disincentivize them from accessing capital via the public markets.

There are differing perspectives as to why fewer companies, particularly small companies, have gone public over the past few decades. The data suggest that in fulfilling its capital formation mandate, the Securities and Exchange Commission needs to tailor its approach to account for the varying nature and size of companies.

□ 1745

An important piece to this approach is recognizing insufficient research coverage of microcap, small-cap, and emerging companies can undermine the liquidity necessary to attract investor interest and facilitate capital necessary for growth.

This bipartisan legislation would direct the SEC to study, evaluate, and