

keep it going. I hope that all my colleagues will join me in supporting this legislation, and I ask for their support.

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

Madam Speaker, I would like to commend my colleague from Texas—though new to this legislative body, she has shown experience in how she has legislated here—and the willingness of the Democrat majority staff on the committee to work with my staff to ensure that we have a bill that is functional and right and can get wide support, as it should. So I thank the gentlewoman for this, which it may be her first legislative undertaking through the committee, and I want to commend her for the work that she has done.

I address the Chair in saying that, but I think it is important that this body understands that there is good legislating that happens on our committee, and bipartisan legislating.

Madam Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. HUIZENGA), the ranking member of the Investor Protection, Entrepreneurship, and Capital Markets Subcommittee, and my friend and colleague.

Mr. HUIZENGA. Madam Speaker, I thank the ranking member for yielding.

I do need to point out, while this bill had passed by a voice vote, it does not mean that it did not have opposition, and I rise today to express my concern with this bill which would establish this whistleblower incentive program at the PCAOB.

Now, my opposition to this should not be interpreted as opposition to a whistleblower—in fact, it is the opposite of that—or a whistleblower program, but there are a number of reasons why I believe, and I think are clear, that this is a redundant program that is already covered in other ways.

First, the bill is at odds with established principles of confidentiality that exist within the auditing profession. State laws and professional standards require accounting professionals to maintain the confidentiality of client information received in the course of performing an audit. This bill purports to exclude from whistleblower status any person who gains the information while performing audit work.

However, the exclusion is muddled by an unclear and potentially broad exception. As a result, it is very possible that personnel performing audits may try to garner bounties by blowing the whistle on their audit clients, contrary to their professional obligations.

By providing monetary incentives for audit personnel to go to the PCAOB, the bill inevitably will have harmful effects on the auditor-audit client relationship, the audit process, and the public's confidence in the financial reporting process.

This bill also raises other significant questions. For example, why is a pro-

gram at the PCAOB even necessary in light of the Security and Exchange Commission's already well-established whistleblower program? This is a completely redundant function that is being attempted here.

Additionally, what are the costs associated with setting up a new whistleblower program, and will these costs force the PCAOB to divert resources from other projects in order to get this duplicative program off the ground?

So, in light of these concerns, I believe that this is a redundant and ill-conceived bill that likely has one purpose: to provide another avenue for plaintiffs' bar to enrich itself. That is a massive concern that I and so many others involved in this have.

It is incumbent upon those who support this bill to explain why they believe that auditors, who play such a critical gatekeeping function in our capital markets, should be potentially offered the prospect of monetary bounties at the expense of disrupting the effective functioning of the audit process as it is today, especially in light of the SEC's well-established whistleblower program that would cover all of these particular circumstances.

Madam Speaker, I do appreciate the ranking member yielding time to me.

Mr. MCHENRY. Madam Speaker, I thank my colleague for his comments. Certainly, there is a diversity of thought among our colleagues on this bill.

Madam Speaker, I reserve the balance of my time.

Ms. WATERS. Madam Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. GARCIA), who is the author of this legislation, and she will sufficiently describe why this bill is not redundant.

Ms. GARCIA of Texas. Madam Speaker, I will be brief, just two points:

Number one, it is not redundant. If it were so, the National Whistleblower Center and The Institute of Internal Auditors wouldn't see a need for it, and neither would the report that we have now placed in the RECORD. It is needed, and certainly we need to support it.

Secondly, in terms of costs, the cost for implementing this bill will be offset by the increase in fees that the board will collect from the accounting boards for which they have oversight. So there will be no additional costs. It will be offset.

Madam Speaker, it is needed, and I urge adoption of this bill.

Mr. MCHENRY. Madam Speaker, I am prepared to close.

Ms. WATERS. Madam Speaker, I have no additional speakers. I reserve the right to close.

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

Whistleblowers provide an important function. We want to make sure that there are legal constraints on this, obviously. The Securities and Exchange Commission have shown themselves good actors in terms of implementing

the whistleblower law that we currently have on the books, and I anticipate, with the capacity for implementation, that there could be that kind of coordination between PCAOB and the SEC in order to implement this bill.

Madam Speaker, I urge my colleagues to support this bill, and I yield back the balance of my time.

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

First, Madam Speaker, I congratulate the gentlewoman from Texas (Ms. GARCIA). I am so very proud of the work that she is doing on the Financial Services Committee. We are here today on this particular legislation, but this particular legislator, who serves on the Financial Services Committee, has undertaken to produce legislation that is so meaningful, not only for her district and for her State, but for this country. I am very pleased about this bill today, and I join her in saying it is certainly not redundant.

Madam Speaker, I think the gentleman on the opposite side of the aisle from Michigan almost forgot why he came here, because he used the word "redundant" at least six or seven times, and he repeated it and repeated it because I think it was difficult for him to find other words to try and explain why he was on the floor today opposing this bill.

The SEC has demonstrated the value of whistleblowers. And, yes, the whistleblowers are compensated, but they save our government money. They save the SEC money. They save harm from being done to those investors that we should be protecting.

Madam Speaker, again, I can't say enough about Congresswoman GARCIA and this bill and the work that she is doing, 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. 3625, 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.

#### APPRAISAL FEE TRANSPARENCY ACT OF 2019

Ms. WATERS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3619) to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to provide the Appraisal Subcommittee with the authority to modify annual registry fees for appraisal management companies, to maintain a registry of trainees and charge a lower trainee registry fee, and to allow grants to States to assist appraiser and potential appraiser compliance with the Real Property Appraiser

Qualification Criteria, and for other purposes, as amended.

The Clerk read the title of the bill.  
The text of the bill is as follows:

H.R. 3619

*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 "Appraisal Fee Transparency Act of 2019".

**SEC. 2. ANNUAL REGISTRY FEES FOR APPRAISAL MANAGEMENT COMPANIES.**

Subparagraph (B) of section 1109(a)(4) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(a)(4)(B)) is amended—

(1) in clause (ii), by striking the period at the end and inserting a semicolon; and

(2) by inserting after and below clause (ii) the following:

"except that if the Appraisal Subcommittee determines that the fees established under clause (i) or (ii) result in adverse consequences or are otherwise not appropriately tailored to meet the goals of this paragraph, the Appraisal Subcommittee may establish a new formula for fees, which new formula may not take effect until the Appraisal Subcommittee submits a report to the Congress justifying its decision to establish such a new formula, setting forth the new formula, and explaining how the new formula will affect such fees."

**SEC. 3. TRAINEE APPRAISERS.**

(a) MAINTENANCE ON NATIONAL REGISTRY.—Paragraph (3) of section 1103(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3332(a)(3)) is amended by striking "and licensed" and inserting "licensed, and trainee".

(b) ANNUAL REGISTRY FEES.—Subparagraph (A) of section 1109(a)(4) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(a)(4)(A)) is amended—

(1) by inserting "including trainee appraisers," after "transactions,";

(2) by inserting "except that the Appraisal Subcommittee may, in its discretion, charge a fee for trainee appraisers not exceeding \$20" after "\$40,"; and

(3) by inserting before the semicolon the following: "except that nothing in this subparagraph may be construed to require a State to establish or operate a program for trainee appraisers".

(c) DEFINITION.—Section 1121 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3350) is amended by adding at the end the following new paragraph:

"(12) TRAINEE APPRAISER.—The term 'trainee appraiser' means an individual who meets the minimum criteria established by the Appraiser Qualification Board for a trainee appraiser license and is credentialed by a State appraiser certifying and licensing agency."

**SEC. 4. GRANTS TO NONPROFITS AND INSTITUTIONS OF HIGHER EDUCATION FOR COMPLIANCE EFFORTS.**

Paragraph (5) of section 1109(b) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3338(b)(5)) is amended by inserting "nonprofit organizations, and institutions of higher education" after "licensing agencies."

**SEC. 5. REQUIREMENT TO DISCLOSE APPRAISAL FEES.**

Section 4(c) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2603(c)) is amended by striking "may" and inserting "shall".

**SEC. 6. INCLUSION OF DESIGNEE OF SECRETARY OF VETERANS AFFAIRS ON APPRAISAL SUBCOMMITTEE.**

The first sentence of section 1011 of the Federal Financial Institutions Examination

Council Act of 1978 (12 U.S.C. 3310) is amended by inserting "the Department of Veterans Affairs," after "Protection,".

**SEC. 7. DETERMINATION OF BUDGETARY EFFECTS.**

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled "Budgetary Effects of PAYGO Legislation" for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

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

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATERS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within 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. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 3619, the Appraisal Fee Transparency Act, and I want to thank the gentleman from Missouri (Mr. CLAY) for bringing this bill to the House.

This bill would provide the Appraisal Subcommittee with greater flexibility to adjust the structure and amount of the fees they charge to appraisal management companies to alleviate concerns that the current statutory requirements governing these fees are too rigid and would have put pressure on appraisal management companies to pass on the burden of unnecessarily high fees to appraisers and reduce the number of appraisers that they work with.

At a time when some areas of the country are experiencing an appraiser shortage, we cannot afford to make it harder for appraisers to obtain work.

This bill would also create a national registry of appraiser trainees, much like there is already a national registry of licensed appraisers. This is one small step that will help facilitate the entry of new appraisers into the industry.

Finally, this bill would provide consumers with a separate disclosure of fees paid to the appraiser and fees paid to the appraisal management company in order to enhance their understanding of the costs associated with their mortgage.

These are reforms that are broadly supported by the appraisal industry and will make meaningful changes to this industry which makes up a critical part of the home buying process.

Madam Speaker, I thank the gentleman from Missouri (Mr. CLAY) for

offering this bill, and I urge my colleagues to support it.

Madam Speaker, I reserve the balance of my time.

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

Madam Speaker, I rise in support of H.R. 3619, the Appraisal Fee Transparency Act of 2019.

In June, the Financial Services Committee held a hearing on a variety of issues relating to the appraisal process. The issue of appraisal industry reform might not be an exciting headline, but honest, educated, and, importantly, independent appraisals help ensure the safety and soundness of mortgage lending.

We know how the last financial crisis happened, and it started with mortgages, so it is really important that appraisals are accurate and true.

As neutral parties, appraisers help determine the fair market value of assets for both lenders and purchasers.

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Yet, much of the current appraisal framework remains an antiquated, confusing maze of overlapping and conflicting State and Federal rules. These inefficiencies harm appraisal quality, lower competition, and inhibit market innovation. Building a 21st century housing finance system requires us to do better.

The bill we are considering today is a good first step in that reform process. It makes the necessary improvements to the fee structure and to the appraiser registry. These reforms will help increase transparency and clarity for consumers in an already complex regulatory scheme.

The bill also allows the Federal Appraisal Subcommittee to set up a less arbitrary fee schedule for appraisal management companies. These management companies are intermediaries lenders sometimes use to provide certain appraisal-related services. This new schedule will help increase competition and employment within the industry. Its proceeds will be used to improve appraiser complaint investigations and enforcement activities.

The bill would also, for the first time, allow trainees to be listed on the subcommittee's national registry for appraisers. This will help meet appraisal needs, as well as help those trainees receive the valuable on-the-job experience they need to gain further accreditation. That is just the nature of the apprenticeship process that the appraisal industry has in order to get licensure in most States.

The bill also provides for greater transparency under the Real Estate Settlement Procedures Act, or what we commonly call RESPA. If you have ever had a mortgage, you understand what RESPA is. You may not understand RESPA, but you know what it is, is probably the more accurate way to say it. This is an important transparency measure for the disclosure of

the fees to the management companies when one is used in a transaction.

Finally, the bill adds a representative from the Veterans Administration to the current seven member Federal Appraisal Subcommittee, along with HUD, the Fed, the OCC, FHFA, FDIC, NCUA, and the CFPB. If you are listening at home, don't worry about the details of it. It is basically every Federal regulator in Washington has a seat at the board. We are now putting the VA on there because the VA Administration does mortgages as well for veterans. So let's get them all at the table and let's have them all communicate. That covers the national mortgage market that we currently have. This is good legislating. That is basically what I am saying.

I think it is a welcome thing to add veterans to the mix on the subcommittee. They currently make up roughly 10 percent of mortgages annually, so it is really important they have a seat at the board and a seat at the table, especially, around this important issue.

Their input will help the subcommittee promote greater uniformity in its supervisory role. Taken together, these reforms will help sort out some of the antiquated, confusing, and overlapping appraisal rules.

This bill was reported out of the Financial Services Committee unanimously. I commend its sponsor and cosponsor. Chairman CLAY of the Housing, Community Development and Insurance Subcommittee has done great work. He will work with Republicans where he can, but he tries to beat us on most days. But on this one, he worked with Ranking Member DUFFY in order to have this bipartisan bill before us today.

Representative CLAY is a tough Democrat, who represents his State well, and is a tough negotiator. What we have before us is a really good bill because of the quality of legislating—not easy legislating, but tough legislating—that Representative CLAY is about on the Financial Services Committee and here in Congress.

Madam Speaker, I urge adoption of this meaningful reform, and I reserve the balance of my time.

Ms. WATERS. Madam Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. CLAY), the chair of the Subcommittee on Housing, Community Development and Insurance.

Mr. CLAY. Madam Speaker, I rise in support of H.R. 3619, the Appraisal Fee Transparency Act of 2019. I thank Chairwoman WATERS for yielding the time, as well as the support that she has given.

Let me also thank Ranking Member MCHENRY for his support of this legislation, as well as the ranking member of the subcommittee, Mr. DUFFY, who I hope will be replaced with someone just as competent as Mr. DUFFY has been.

This bill would provide the Appraisal Subcommittee with greater flexibility

to determine the structure and amount of the fee charged to appraisal management companies, provide the Appraisal Subcommittee with greater flexibility to utilize fee proceeds to partner with different entities to ensure compliance with Federal appraisal standards, add a representative of the Department of Veterans Affairs to the Appraisal Subcommittee, create a national registry of appraisers in training, and provide consumers with greater transparency in the disclosure of fees paid by appraisals.

Madam Speaker, as you are well aware, a significant part of the housing market is comprised of veterans, as was mentioned, but currently the Appraisal Subcommittee does not have representation from the Department of Veterans Affairs. This bill would add a designee from the VA, which further acknowledges the unique critical role of our veterans.

Though this bill does not address this directly, one of the takeaways from the hearing that we held back in June was the lack of diversity in the appraisal industry, which currently does not have many women or minorities. That is one of the reasons this bill adds a national registry of appraiser trainees, which would help bring new people into this unique and very important industry.

Lastly, the bill makes it Federal law to disclose to consumers the fee that they pay for their appraisals. This consumer-friendly addition to the bill promotes transparency and ensures that the opaque world of appraisals is becoming more understandable to the average home buyer.

I will add that one of the most compelling parts of the appraisal hearing was the testimony of scholar Andre Perry of the Brookings Institution where he discussed in-depth the research of his colleagues which demonstrated that the appraisal industry has contributed to the growing racial wealth gap.

Madam Speaker, I look forward to the support of the House of this important legislation.

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

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

Madam Speaker, I, again, thank the gentleman from Missouri (Mr. CLAY) for bringing this bill to the floor. This bill will remove another impediment to obtaining homes for everyday Americans by making more appraisers available to home buyers.

Madam Speaker, I urge 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. 3619, 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.

#### SHUTDOWN GUIDANCE FOR FINANCIAL INSTITUTIONS ACT

Ms. WATERS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2290) to require the Federal financial regulators to issue guidance encouraging financial institutions to work with consumers and businesses affected by a Federal Government shutdown, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2290

*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 "Shutdown Guidance for Financial Institutions Act".

#### SEC. 2. SHUTDOWN GUIDANCE FOR FINANCIAL INSTITUTIONS.

(a) GUIDANCE.—Not later than the end of the 180-day period beginning on the date of enactment of this Act, the Federal financial regulators shall, jointly, in consultation with State banking regulators and other appropriate Federal and State agencies, issue shutdown guidance to the financial institutions they regulate encouraging the financial institutions to—

(1) work with consumers and businesses affected by a shutdown;

(2) recognize that consumers and businesses affected by a shutdown may lose access to credit and face temporary hardship in making payments on debts such as mortgages, student loans, car loans, business loans, or credit cards;

(3) consider prudent efforts to modify terms on existing loans or extend new credit to help consumers and businesses affected by a shutdown, consistent with safe-and-sound lending practices; and

(4) take steps to prevent adverse information being reported in a manner that harms consumers affected by a shutdown, including by preventing modified credit arrangements intended to help consumers fulfill their financial obligations from being reported to, and coded by, consumer reporting agencies on a consumer's credit report in a manner that hurts the creditworthiness of the consumer.

(b) NOTICE OF GUIDANCE DURING A SHUTDOWN.—Not later than the end of the 24-hour period beginning at the start of a shutdown, the Federal financial regulators shall, jointly, issue a press release to alert financial institutions, consumers, and businesses to the existence, and content, of the guidance issued pursuant to subsection (a).

(c) POST-SHUTDOWN REPORT TO CONGRESS AND UPDATED GUIDANCE.—

(1) IN GENERAL.—Not later than the end of the 90-day period beginning on the date a shutdown ends, the Federal financial regulators shall, jointly, issue a report to Congress containing an analysis of the effectiveness of the guidance issued pursuant to subsection (a).

(2) UPDATED GUIDANCE.—Not later than the end of the 180-day period beginning on the date a report is issued under paragraph (1), the Federal financial regulators shall update the guidance required under subsection (a) if any shortcomings are identified in such report.