

this 4-business-day gap, which starts at the time the event occurred and ends with the filing of form 8-K in which information about the event is then disclosed to the public.

Simply put, that is what this measure does. The bill before us today prohibits executive insiders from profitably trading in their company's stock while in possession of material, non-public information stemming from a yet-to-be-disclosed event.

At the same time, the bill also provides appropriately tailored exemptions for companies not intended to be covered by the bill, such as registered funds or business development corporations.

In addition, the bill provides flexibility to companies by allowing for announcements via press releases while not requiring the immediate filing of form 8-K.

Again, I thank our chair of the Oversight and Reform Committee, a former loyal and longstanding member of the House Committee on Financial Services, and her staff for her diligent efforts in working across the aisle to draft and design this bipartisan bill that strikes the right balance of strengthening our securities laws while tailoring the bill to minimize unintended and unnecessary application.

Madam Speaker, I urge all of my colleagues to join me in supporting this well-balanced piece of legislation, and I reserve the balance of my time.

Mr. SAN NICOLAS. Madam Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY), chairwoman of the Oversight and Reform Committee and the sponsor of this legislation.

Mrs. CAROLYN B. MALONEY of New York. Madam Speaker, I rise in strong support of this bill, the 8-K Trading Gap Act. I thank Mr. SAN NICOLAS for yielding and for his leadership on the committee, and, of course, Chairwoman WATERS.

This bill would fix a loophole in our current law that allows corporate executives to trade on information before it is disclosed to the public and to their own shareholders.

Right now, when there is a significant corporate event in a public company, the company has to disclose that event to the public by filing a form 8-K within 4 days of the event occurring. Of course, during this 4-day gap, executives at the company know about the significant event, but other investors do not.

There has been research from academics at Columbia Law School and Harvard Law School that shows that executives do actually trade in this 4-day gap and profit significantly from it. In fact, one of the authors of this study was Robert Jackson, who is now an SEC Commissioner.

Commissioner Jackson brought this issue to my attention when he was still an academic, and I would like to thank him for his hard work on this issue.

My bill would address this problem by simply prohibiting executives from

trading during this 4-day gap that they know about and the public doesn't, which is clearly illegal.

When SEC Chairman Clayton testified before the Financial Services Committee, I asked him about this bill. He said that he thought it was "good corporate hygiene that, once a determination has been made that there is a material event to disclose, that the company's insider trading policy . . . would have a control in there where the senior executives would not be allowed to trade."

This is basically an endorsement of this bill. That is exactly what my bill would do, and I think it is just plain common sense.

I very much want to thank Ranking Members MCHENRY, HUIZENGA, and HILL for their work with me on this bill, and I would also like to thank Chairwoman WATERS for her support.

I urge my colleagues to support it. It is a commonsense, good-government bill. It will help investors and help the entire system.

Mr. HILL of Arkansas. Madam Speaker, I am prepared to close. I urge my colleagues to support Mrs. MALONEY's good work. I thank my friend from Guam for his leadership, and I yield back the balance of my time.

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

Madam Speaker, investor confidence and market integrity are built on the premise that our markets are fair and transparent. H.R. 4335 will help ensure that this is the case by preventing corporate insiders from unfairly taking advantage of significant corporate events before they are disclosed to the public.

For that reason, the bill is supported by investor groups, like the Council of Institutional Investors, as well as our State securities regulators, which are represented by the North American Securities Administrators Association.

Madam Speaker, I urge all of my colleagues to join me in their support of H.R. 4335. I thank our colleagues on the other side of the aisle for their support.

With publicly traded companies, Madam Speaker, nobody should have an advantage over the public. I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Guam (Mr. SAN NICOLAS) that the House suspend the rules and pass the bill, H.R. 4335, as amended.

The question was taken.

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

Mr. SAN NICOLAS. 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 motion will be postponed.

## PRUDENTIAL REGULATOR OVERSIGHT ACT

Ms. WATERS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4841) to require the prudential banking regulators to provide annual testimony to Congress on their supervision and regulation activities, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4841

*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 "Prudential Regulator Oversight Act".

### SEC. 2. ANNUAL TESTIMONY.

(a) IN GENERAL.—The Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.) is amended by adding at the end of title VI the following:

#### "SEC. 629. ANNUAL TESTIMONY OF PRUDENTIAL REGULATORS.

"(a) SEMI-ANNUAL REPORT.—

"(1) IN GENERAL.—The prudential regulators shall each issue a semi-annual report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the efforts, activities, objectives, and plans of the regulator with respect to the conduct of supervision and regulation of depository institution holding companies, depository institutions, and credit unions.

"(2) SPECIFIC CONTENTS.—Each report required under paragraph (1) shall include a description of—

"(A) the safety and soundness of depository institution holding companies, depository institutions, and credit unions, including capital, liquidity, leverage, stress testing, and living wills, as applicable;

"(B) the examination and supervision of depository institution holding companies, depository institutions, and credit unions, particularly G-SIBs, including—

"(i) a detailed description of public enforcement actions taken during the reporting period;

"(ii) aggregate data regarding supervisory concerns examiners have issued in writing to the boards of regulated institutions during the reporting period;

"(iii) supervisory observations by the regulator on particular areas and topics of concern identified through the examination and supervisory process; and

"(iv) a description of the regulator's exercise of all available tools beyond imposing public fines to ensure compliance with all applicable laws and regulations, as well as actions to ensure accountability for culpable executives;

"(C) emerging risks that may affect depository institutions and potential threats to the financial stability of the United States, and any actions the regulator took in coordination with the Office of Financial Research, to identify and mitigate those threats;

"(D) any recent actions taken by the regulator as a voting member of the Financial Stability Oversight Council and any updates related to authorities the regulator has under title I or title VIII of this Act with respect to enhanced prudential standards and supervision of large bank holding companies and firms designated by the Financial Stability Oversight Council;

"(E) the implementation of the regulator's diversity and inclusion efforts, including its implementation of section 342 of this Act and the regulator's compliance with section 308

of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 with respect to minority depository institutions;

“(F) the implementation of the Community Reinvestment Act of 1977, including information on examinations, guidance, and regulations;

“(G) any mandatory provision of law that has not been implemented yet by the regulator, including the date on which the mandatory provision will be implemented;

“(H) an overview of the mergers and acquisitions process, including data and descriptions of any mergers and acquisitions approved during the reporting period;

“(I) examinations for Bank Secrecy Act and anti-money laundering compliance, as well as coordination with the Financial Crimes Enforcement Network and appropriate communication with depository institutions and credit unions;

“(J) the utilization of financial technology as it relates to depository institution holding companies, depository institutions, and credit unions regulated by the regulator, including the use of various technologies by depository institutions and credit unions as well as partnerships with third-party companies;

“(K) cybersecurity of depository institution holding companies, depository institutions, and credit unions, including steps taken to enhance cyber readiness and strengthen the protection of consumer data; and

“(L) compliance with chapter 5 of title 5, United States Code (commonly referred to as the ‘Administrative Procedure Act’) and chapter 8 of title 5, United States Code (commonly referred to as the ‘Congressional Review Act’), as well as all guidance documents and rulemakings issued by the prudential regulator in the previous 6-month period.

“(3) CONFIDENTIALITY REQUIREMENT.—Each report required under paragraph (1) shall include only information that does not constitute confidential supervisory information about a specific institution, but may include aggregate information on an industry-wide basis or on a segment of an industry.

“(b) TESTIMONY.—

“(1) IN GENERAL.—The prudential regulators shall each appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives at an annual hearing to testify with respect to the reports required under subsection (a).

“(2) VICE CHAIRMAN FOR SUPERVISION.—The Vice Chairman for Supervision of the Board of Governors shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives at a semiannual hearing to testify with respect to the reports required under subsection (a). Any such appearance shall satisfy the requirements of section 10(12) of the Federal Reserve Act.

“(c) DEFINITIONS.—In this section:

“(1) BANK SECRECY ACT.—The term ‘Bank Secrecy Act’ means—

“(A) section 21 of the Federal Deposit Insurance Act;

“(B) chapter 2 of title I of Public Law 91-508; and

“(C) subchapter II of chapter 53 of title 31, United States Code;

“(2) G-SIB.—The term ‘G-SIB’ means a global systemically important bank holding company, as such term is defined under section 217.402 of title 12, Code of Federal Regulations.

“(3) PRUDENTIAL REGULATORS.—The term ‘prudential regulators’ means the Vice Chairman for Supervision of the Board of Governors, the Comptroller of the Currency,

the Chairperson of the Corporation, and the Chairman of the National Credit Union Administration Board.”.

(b) CLERICAL AMENDMENT.—The table of contents under section 1(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended by inserting after the item relating to section 628 the following:

“Sec. 629. Annual testimony of prudential regulators.”.

### SEC. 3. 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 Arkansas (Mr. HILL) 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 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 strong support of H.R. 4841, the Prudential Regulator Oversight Act, which is sponsored by Representative DEAN Phillips of Minnesota, one of our new members of the Financial Services Committee. Through Representative PHILLIPS’ good work, this is a bipartisan bill.

H.R. 4841 would require the prudential regulators, specifically, the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration to report semiannually to and testify annually before Congress on their supervisory and regulatory activities.

The Federal Reserve Vice Chairman for Supervision would continue to testify semiannually before Congress, though the new annual testimony mandate would satisfy one of the semiannual requirements.

While the OCC, FDIC, NCUA currently do not have a mandatory testimony requirement like the Federal Reserve, receiving periodic testimony from all four agencies would allow for a comprehensive examination of the state of prudential regulation, supervision, and enforcement with respect to megabanks and other depository institutions.

These reports and testimony will enhance the committee’s efforts to over-

see the regulators’ work on a range of issues, including their efforts to hold megabanks accountable and promote diversity and inclusion.

I will highlight that Representative PHILLIPS made a few improvements to the bill to ensure that no confidential supervisory information is disclosed. The changes would still ensure Congress gets important aggregate data and general trends on supervisory concerns, like Matters Requiring Attention and Matters Requiring Immediate Attention, that apply to the industry or segments of the industry.

It is also worth noting that before Democrats took the House majority in 2019 and provided vigorous oversight of these prudential regulators, it had been more than 3 years since either the FDIC or the NCUA testified before the Financial Services Committee.

Congress must not neglect its oversight duties, so H.R. 4841 will help ensure that we have robust and regular oversight of our prudential regulators.

Madam Speaker, I urge Members to support this legislation, and I reserve the balance of my time.

Mr. HILL of Arkansas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, first of all, happy new year to our chairwoman of the full committee. I am glad to see the gentlewoman on the floor today on this good set of bills that she has worked hard to produce, a bipartisan solution to so many important topics.

I rise in support of H.R. 4841 today, and I thank the gentleman from Minnesota (Mr. PHILLIPS) and the gentleman from Georgia (Mr. LOUDERMILK) for offering this legislation.

If there is one key point that the Republicans and Democrats can agree on in the post-2008 crisis, it is that increased dialogue and transparency on safety and soundness of institutions, and monitoring emerging risks and potential threats to financial stability, can better promote understanding of the most concerning issues facing our American financial system, the broader economy, and how to make sure that America can keep its leadership in the world in competitive financial services. Certainly, an active Financial Stability Oversight Council is an example of that, and this measure, H.R. 4841, is a key tool as well.

It will require Federal financial regulators to appear at least annually before the House Financial Services Committee and the Senate Banking Committee to provide testimony on their oversight of financial institutions, including regulatory, supervisory, and enforcement activities.

Under this bill, the regulators will also be required to produce semiannual reports to Congress on these efforts.

Although the Federal Reserve Chairman, the Federal Reserve Vice Chairman for Supervision, and the Director of the Consumer Financial Protection Bureau are required to testify before Congress semiannually, similar requirements do not exist for the Comptroller of the Currency, the Chair of

the FDIC, or the Chair of the National Credit Union Administration.

Last year, the principals from the prudential regulatory agencies, the OCC, the FDIC, and National Credit Union Administration, willingly and happily testified alongside the Federal Reserve Vice Chair for Supervision during his statutorily required appearance.

Committee Republicans recognize that it is good practice to have open and regular conversations with our prudential regulators on topics concerning the integrity of the U.S. and global financial systems. This practice is important, regardless of which party is in power.

Merger and acquisition trends, BSA/AML exams, fintech, Bank Secrecy Act, anti-money-laundering exams and trends, the use of financial technology, cyber threats and planning for cyber protection and compliance issues, generally, all of these are important topics.

I thank the gentleman from Minnesota for working in a bipartisan way to address some modest concerns the Republicans had with the initial draft. We were able to make simple changes that clarify the parameters for the release of information by Federal banking regulators.

This result is a bill focused on good government and increased transparency. I thank the gentleman from Minnesota and his colleague, Mr. LOUDERMILK from Georgia. I urge my colleagues to support H.R. 4841, and I reserve the balance of my time.

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

Mr. HILL of Arkansas. Madam Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. GONZALEZ), my good friend who supports this legislation.

Mr. GONZALEZ of Ohio. Madam Speaker, I rise in support of H.R. 4841, the Prudential Regulator Oversight Act. I was pleased to cosponsor this bill introduced by my good friend and colleague, Mr. DEAN PHILLIPS.

The Federal Reserve, NCUA, FDIC, and OCC play a vital role in developing a regulatory framework that promotes economic growth and sound regulator policies in all of our communities.

It is important that these regulator bodies hear from Members on both sides of the aisle on how different policy decisions will impact our constituents. It is also important that Members of Congress ask questions and provide oversight on the regulators' activities.

H.R. 4841 will require the prudential regulators to come before the Financial Services Committee and Senate Banking Committee on an annual basis. They will also support various reports to the committees of jurisdiction twice a year.

□ 1715

This includes reports on issues like soundness of depository institutions, compliance with anti-money laun-

dering, and the utilization of fintech at financial institutions. This will help lawmakers better understand trends in the financial industry and identify potential policy proposals in response to issues facing our country.

Again, I want to thank Congressman PHILLIPS for his hard work on this bill and thank Chairwoman WATERS and Ranking Member McHENRY for bringing it to the floor today. I encourage my colleagues to support this legislation.

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

Ms. WATERS. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. PHILLIPS), a valuable member of the Financial Services Committee and the sponsor of this legislation.

Mr. PHILLIPS. Madam Speaker, I thank the gentlewoman from California for yielding and for her leadership of the House Financial Services Committee and my friend and colleague from Ohio (Mr. GONZALEZ) for his kind words about this bill.

Madam Speaker, I rise today in support of my bill, H.R. 4841, the bipartisan Prudential Regulator Oversight Act.

In the United States, we have thousands of institutions where millions of people go every day to do their daily banking, take out a loan for a new car, or start saving for their children's future. It does not matter if you live in Bloomington, Minnesota, or Brooklyn, New York, the process is the same.

Virtually all of these institutions are federally insured and, thus, subject to at least one primary Federal regulator. Yet few of these regulators are actually required to provide testimony on their supervisory responsibilities in Congress.

When the Dodd-Frank Act was passed in 2010 in response to the financial crisis, it became a requirement and an expectation that Congress would hear from the leaders of the Federal Reserve at regular intervals regarding its efforts, activities, and plans with respect to their supervisory conduct.

Today, there is no such requirement for regulators at the FDIC, the National Credit Union Administration, or the Office of the Comptroller of the Currency. These agencies are responsible for monitoring the safety and soundness of our financial system as well as compliance with Federal banking laws approved by this body. They play a large role in protecting taxpayers by promoting bank solvency and intercepting and preventing bank failures. These are the very institutions charged with helping prevent market crashes before they begin.

H.R. 4841 would require senior officials of the prudential banking regulators to report to and testify before the House and Senate on their regulatory responsibilities. These reports would cover issues like the stability of our financial system, anti-money laun-

dering examinations, diversity and inclusion programs, cybersecurity, and efforts to protect consumer data.

The reports and testimony required by this bill will increase Congress' oversight ability, allowing this institution to more responsibly exercise our legislative powers by knowing with clarity how programs are administered and whether officials are obeying and complying with the law.

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

Ms. WATERS. Madam Speaker, I yield an additional 1 minute to the gentleman from Minnesota (Mr. PHILLIPS).

Mr. PHILLIPS. Congress has an important role to play in ensuring that Americans know their government is doing everything it can to protect their savings and their retirement, and this bill will help us get there.

I want to thank my colleagues who have cosponsored this bill and given their support, including my friend from Georgia (Mr. LOUDERMILK), who has been a great partner in helping this legislation get to the floor.

There is a saying that sunlight is the very best disinfectant. Every American knows that banking is complicated, and no institution is too big for oversight. I urge my colleagues to vote for H.R. 4841, increase transparency, and solidify Congress' role in achieving financial stability throughout the country.

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

I want to urge my colleagues to support H.R. 4841. It is an excellent piece of bipartisan work that certainly speaks to the heart of Article I power, which is oversight over the executive. I congratulate Mr. PHILLIPS and Mr. LOUDERMILK for their work.

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

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

In closing, it is important that Congress conduct regular oversight of independent regulatory agencies like the OCC, the FDIC, and NCUA to ensure they are fulfilling the mission Congress gave them.

Mr. PHILLIPS' bipartisan bill, the Prudential Regulator Oversight Act, will ensure Congress gets periodic updates on a range of issues, including prudential regulator efforts to hold megabanks accountable and promote diversity and inclusion.

Madam Speaker, I urge Members to support H.R. 4841, and I yield back the balance of my time.

Mr. LOUDERMILK. Madam Speaker, I rise in support of H.R. 4841, the Prudential Regulator Oversight Act. First, I would like to thank Mr. PHILLIPS for his leadership on this bipartisan bill and for being willing to address Republicans' concerns with some of the language that was in the original text. Mr. PHILLIPS has worked diligently to address committee Republicans' views before, during, and after the markup, and as a result, this is a strongly bipartisan bill.

This bill is about transparency and oversight of the federal banking regulators. It would require the Comptroller of the Currency, Federal Deposit Insurance Corporation Chair, and National Credit Union Administration Chair to testify before the House Financial Services Committee and the Senate Banking Committee annually. The bill would harmonize that requirement with the existing requirement for the Federal Reserve Vice Chair for Supervision to testify twice a year. The bill would also require these agencies to submit reports about their activities to Congress twice a year. I appreciate that Mr. PHILLIPS agreed to add several clarifications in the bill to ensure that confidential supervisory information is not included in these reports.

Requiring these regulators to testify every year will help ensure that Congress is having a regular dialogue with these agencies. This will foster greater transparency into the agencies' activities and assist Congress in doing its job of conducting robust oversight of federal regulators. Some may question why this bill is needed, because all of these regulators testified before the Financial Services Committee in May of last year. However, it had been three and a half years since anyone from the FDIC or NCUA had testified at the committee before that hearing.

As the Ranking Member of the Artificial Intelligence Task Force, I also appreciate that the bill requires the banking regulators to report to Congress about financial institutions' use of fintech, cybersecurity, and BSA/AML compliance. These are important issues that Congress must continue to monitor.

Requiring annual testimony is a matter of good government and Congress doing its job of overseeing the regulatory agencies that it has created.

I ask all of my colleagues to support this bill. 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. 4841, 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.

#### EXPANDING OPPORTUNITY FOR MINORITY DEPOSITORY INSTITUTIONS ACT

Ms. WATERS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5315) to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to establish a Financial Agent Mentor-Protege Program within the Department of the Treasury, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5315

*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 "Expanding Opportunity for Minority Depository Institutions Act" or the "Expanding Opportunity for MDIs Act".

#### SEC. 2. ESTABLISHMENT OF FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.

(a) IN GENERAL.—Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1463 note) is amended by adding at the end the following new subsection:

“(d) FINANCIAL AGENT MENTOR-PROTÉGÉ PROGRAM.—

“(1) IN GENERAL.—The Secretary of the Treasury shall establish a program to be known as the ‘Financial Agent Mentor-Protege Program’ (in this subsection referred to as the ‘Program’) under which a financial agent designated by the Secretary or a large financial institution may serve as a mentor, under guidance or regulations prescribed by the Secretary, to a small financial institution to allow such small financial institution—

“(A) to be prepared to perform as a financial agent; or

“(B) to improve capacity to provide services to the customers of the small financial institution.

“(2) OUTREACH.—The Secretary shall hold outreach events to promote the participation of financial agents, large financial institutions, and small financial institutions in the Program at least once a year.

“(3) EXCLUSION.—The Secretary shall issue guidance or regulations to establish a process under which a financial agent, large financial institution, or small financial institution may be excluded from participation in the Program.

“(4) REPORT.—The Office of Minority and Women Inclusion of the Department of the Treasury shall include in the report submitted to Congress under section 342(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act information pertaining to the Program, including—

“(A) the number of financial agents, large financial institutions, and small financial institutions participating in such Program; and

“(B) the number of outreach events described in paragraph (2) held during the year covered by such report.

“(5) DEFINITIONS.—In this subsection:

“(A) FINANCIAL AGENT.—The term ‘financial agent’ means any national banking association designated by the Secretary of the Treasury to be employed as a financial agent of the Government.

“(B) LARGE FINANCIAL INSTITUTION.—The term ‘large financial institution’ means any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets greater than or equal to \$50,000,000,000.

“(C) SMALL FINANCIAL INSTITUTION.—The term ‘small financial institution’ means—

“(i) any entity regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration that has total consolidated assets lesser than or equal to \$2,000,000,000; or

“(ii) a minority depository institution.”.

(b) EFFECTIVE DATE.—This Act and the amendments made by this Act shall take effect 90 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATERS) and the gentleman from Arkansas (Mr. HILL) 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.

I rise in support of H.R. 5315, the Expanding Opportunity for Minority Depository Institutions Act, which is sponsored by Representative JOYCE BEATTY of Ohio, who chairs our Diversity and Inclusion Subcommittee. The bill is cosponsored by Representatives GREGORY MEEKS, AL GREEN, EMANUEL CLEAVER, DAVID SCOTT, and DENNY HECK.

This bill would codify the Department of the Treasury's Mentor-Protege Program, which is designed to encourage large banks to partner with smaller banks and minority depository institutions in enhancing their capabilities.

These partnerships can be critical for MDIs, in particular, to have access to the capital and investments they need to better serve their communities. The Subcommittee on Consumer Protection and Financial Institutions, led by Chairman MEEKS, held two hearings on the importance of minority depository institutions in October and November of 2019.

We learned that MDIs face several challenges, including the ability to raise capital despite overall strong financial performance and challenges experienced as a result of serving communities that are often the first and the hardest hit in economic down cycles. This decline is contributing to growing banking deserts in minority communities.

We discussed the decline of MDIs and how alarming the numbers are. Since the financial crisis, we have seen the numbers of MDI banks decline from 215 to 148; and today, we only have 18 Black-owned banks in this country. It is clear regulators have failed to fulfill their statutory obligations to preserve and promote MDIs and that Congress must act.

In addition to Representative BEATTY's bill, Representative MEEKS has drafted a complementary bill, that is, H.R. 5322, the Ensuring Diversity in Community Banking Act, that will take additional steps to help MDIs. We hope this bill will move to the House floor very soon.

We must do what we can to ensure all current MDIs and, hopefully, future MDIs have access to the investments and partnerships they need to thrive while serving the communities that need them the most. Encouraging more partnerships, as H.R. 5315 would provide for, is one important step we can take to ensure MDIs have the support and, eventually, the capital they need