

SCOTT) that the House suspend the rules and pass the bill, H.R. 755.

The question was taken.

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

Mr. DAVIS of Kentucky. Mr. 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 and the Chair's prior announcement, further proceedings on this question will be postponed.

#### DEPOSITORY INSTITUTION COMMUNITY DEVELOPMENT INVESTMENTS ENHANCEMENT ACT

Mr. FRANK of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1066) to increase community development investments by depository institutions, and for other purposes.

The Clerk read as follows:

H.R. 1066

*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 "Depository Institution Community Development Investments Enhancement Act".

#### SEC. 2. TECHNICAL CORRECTIONS.

(a) NATIONAL BANKS.—The first sentence of the paragraph designated as the "Eleventh" of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) (as amended by section 305(a) of the Financial Services Regulatory Relief Act of 2006) is amended by striking "promotes the public welfare by benefiting primarily" and inserting "is designed primarily to promote the public welfare, including the welfare of".

(b) STATE MEMBER BANKS.—The first sentence of the 23rd undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) (as amended by section 305(b) of the Financial Services Regulatory Relief Act of 2006) is amended by striking "promotes the public welfare by benefiting primarily" and inserting "is designed primarily to promote the public welfare, including the welfare of".

#### SEC. 3. INVESTMENTS BY FEDERAL SAVINGS ASSOCIATIONS AUTHORIZED TO PROMOTE THE PUBLIC WELFARE.

(a) IN GENERAL.—Section 5(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1464(c)) is amended by adding at the end the following new subparagraph:

"(D) DIRECT INVESTMENTS TO PROMOTE THE PUBLIC WELFARE.—

"(i) IN GENERAL.—A Federal savings association may make investments, directly or indirectly, each of which is designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families through the provision of housing, services, and jobs.

"(ii) DIRECT INVESTMENTS OR ACQUISITION OF INTEREST IN OTHER COMPANIES.—Investments under clause (i) may be made directly or by purchasing interests in an entity primarily engaged in making such investments.

"(iii) PROHIBITION ON UNLIMITED LIABILITY.—No investment may be made under this subparagraph which would subject a Federal savings association to unlimited liability to any person.

"(iv) SINGLE INVESTMENT LIMITATION TO BE ESTABLISHED BY DIRECTOR.—Subject to

clauses (v) and (vi), the Director shall establish, by order or regulation, limits on—

"(I) the amount any savings association may invest in any 1 project; and

"(II) the aggregate amount of investment of any savings association under this subparagraph.

"(v) FLEXIBLE AGGREGATE INVESTMENT LIMITATION.—The aggregate amount of investments of any savings association under this subparagraph may not exceed an amount equal to the sum of 5 percent of the savings association's capital stock actually paid in and unimpaired and 5 percent of the savings association's unimpaired surplus, unless—

"(I) the Director determines that the savings association is adequately capitalized; and

"(II) the Director determines, by order, that the aggregate amount of investments in a higher amount than the limit under this clause will pose no significant risk to the affected deposit insurance fund.

"(vi) MAXIMUM AGGREGATE INVESTMENT LIMITATION.—Notwithstanding clause (v), the aggregate amount of investments of any savings association under this subparagraph may not exceed an amount equal to the sum of 15 percent of the savings association's capital stock actually paid in and unimpaired and 15 percent of the savings association's unimpaired surplus.

"(vii) INVESTMENTS NOT SUBJECT TO OTHER LIMITATION ON QUALITY OF INVESTMENTS.—No obligation a Federal savings association acquires or retains under this subparagraph shall be taken into account for purposes of the limitation contained in section 28(d) of the Federal Deposit Insurance Act on the acquisition and retention of any corporate debt security not of investment grade.

"(viii) APPLICABILITY OF STANDARDS TO EACH INVESTMENT.—The standards and limitations of this subparagraph shall apply to each investment under this subparagraph made by a savings association directly and by its subsidiaries."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 5(c)(3)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(3)(A)) is amended to read as follows:

"(A) [Repealed]".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts (Mr. FRANK) and the gentlewoman from Illinois (Mrs. BIGGERT) each will control 20 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1066.

It does occur to me on reflection that we should have asked the gentleman from Florida and the gentleman from Washington, Mr. HASTINGS and Mr. HASTINGS, to join in supporting this bill given its number. But in their absence, I will note that this is a bill that passed the House last year unanimously as part of a larger regulatory relief bill that came out of the Committee on Financial Services. It went to the Senate, and the Senate passed much of what we sent them but not all of it.

□ 1445

The Senate deleted some provisions. We, in the interest of getting some legislation through, accepted the Senate's proposal, and so much of what we sent

originally did become law. Some pieces did not.

This is a piece that provides more flexibility for banks that are engaging in what is called, and it is a particular legal term here, public welfare investments. Banks are allowed to spend, invest up to 15 percent of their capital in what are called public welfare investments. This would allow that very good policy some more flexibility.

I would note, that, for instance, the Association of Affordable Housing Lenders, people who build subsidized housing, are in favor of this change. What it does is it broadens the definition. It doesn't change the 15 percent, but it gives more flexibility.

We have this situation where we do want these investments to be for the benefit of low and moderate income people. But it is one thing to say that they should generally be for the benefit of low and moderate income people, and another to strictly confine them to areas that have this direct benefit. What you do is you lose the flexibility we would like.

Mr. Speaker, I will include in the record at this point letters from John Reich, the Director of the Office of Thrift Supervision, and John Dugan, the Comptroller of the Currency.

OFFICE OF THRIFT SUPERVISION,  
DEPARTMENT OF THE TREASURY,  
Washington, DC, February 23, 2007.

Hon. BARNEY FRANK,  
Chairman, Committee on Financial Services,  
House of Representatives, Washington, D.C.  
Hon. SPENCER BACHUS,  
Ranking Member, Committee on Financial Services,  
House of Representatives, Washington,  
D.C.

DEAR CHAIRMAN FRANK AND RANKING MEMBER BACHUS: I am writing to provide my support for H.R. 1066, the "Depository Institution Community Development Investment Enhancements Act," legislation that you recently introduced and that I understand will soon be considered by the House. H.R. 1066 will enhance the ability of savings associations to support important public welfare initiatives. I encourage Congress to take swift action on this bill.

Similar to Section 202 of H.R. 3505, the "Financial Services Regulatory Relief Act of 2005," which passed on a bipartisan basis in the full House of Representatives and H.R. 6062, the "Community Development Investment Enhancements Act of 2006," which also passed on a voice vote by the full House, H.R. 1066 will enable savings associations to support important community development programs.

Specifically, H.R. 1066 will increase the ability of federal savings associations to make investments primarily designed to promote the public welfare of low- and moderate-income communities and families through the provision of housing, services, and jobs. Your bill accomplishes this by raising the limits on the ability of federal thrifts to invest in entities primarily engaged in making these public welfare investments.

Thank you for your leadership in sponsoring this important legislation and your continued interest in this issue. I applaud your efforts to remove barriers to the growth and stability of low- and moderate-income communities and urge immediate consideration of H.R. 1066. If you have any questions, please do not hesitate to contact me or

Kevin Petrasic, Managing Director of External Affairs, at 2012-906-6452.

Respectfully yours,

JOHN M. REICH,  
*Director.*

COMPTROLLER OF THE CURRENCY ADMINISTRATOR OF NATIONAL BANKS,  
*Washington, DC, February 26, 2007.*

Hon. BARNEY FRANK,  
*Chairman, Committee on Financial Services, House of Representatives, Washington, D.C.*

DEAR CHAIRMAN FRANK: Thank you for having introduced H.R. 1066, the Depository Institution Community Development Investments Enhancement Act, which would restore the preexisting, longstanding authority of national and state member banks to make investments “designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families.”

Returning to this standard will restore several major categories of public welfare investments in areas determined by federal, state and local governments to be in need of such investments. These categories of investments, which were eliminated with passage of The Financial Services Regulatory Relief Act of 2006, include investments that:

Revitalize or stabilize designated disaster areas, including areas devastated by hurricanes.

Revitalize or stabilize underserved or distressed middle-income rural communities.

Utilize New Markets Tax Credits to promote development in middle-income census tracts with greater than 20 percent poverty rates.

Finance mixed-income affordable housing in government targeted areas for revitalization.

Since 1992, the preexisting standard has been implemented by the OCC in a transparent manner to generate national bank community development investments in every state of the nation amounting to over \$16 billion. Every approved public welfare investment made by a national bank is posted by the OCC on our public website. Further, all public welfare investments made by national banks have been, and will continue to be under the provisions of H.R. 1066, subject to key controls designed to protect against risks to the safety and soundness of the bank and to the deposit insurance fund.

Restoring the previously qualifying categories of investments, in combination with the recent increase in allowable investments to 15 percent of capital and surplus, can potentially generate as much as \$30 billion in national bank investment to help revitalize local communities across the nation—without the use of any taxpayer funds. I urge prompt passage of H.R. 1066 to help achieve this significant impact.

Sincerely,

JOHN C. DUGAN,  
*Comptroller of the Currency.*

Mr. Speaker, in Mr. Dugan’s letter, for example, he says giving this flexibility would allow “finance mixed-income affordable housing in government targeted areas for revitalization.” It maintains the purpose of helping low and moderate income people, but it provides the flexibility in doing it, which we would all support.

I know of no opposition to the bill. People might have raised the question, well, the groups that are the primary advocates, the low and moderate income people, do they think it might hit them? No, the answer is they do not. And several groups that try to promote

this kind of mixed economic benefit development think this would be useful.

As I said, it is a bill the House passed last year. It is supported by banks. We have banks that want to be socially responsible, within the context of making a profit and meeting their safety and soundness requirements. We should not unduly burden them when they try to do that.

So I hope that the House will once again pass this, and that this time, looking at them alone with a little more leisure, the Senate will go along.

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

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

Mr. Speaker, I rise today in support of H.R. 1066, the Depository Institution Community Development Investments Enhancement Act, and I want to commend Chairman FRANK for introducing this legislation.

The regulatory relief legislation that was signed into law last October increased the authority of banks to invest in projects that benefit low and moderate income communities. The legislation increases the allowable percentage of public welfare investments from 10 to 15 percent of a thrift’s capital and surplus. Banks currently have this authority.

H.R. 1066 would expand this authority in allowing thrifts to invest in distressed areas, as well as the low and moderate income communities. This enhanced authority is important because the need for investment in government-designated disaster areas may not necessarily be confined to low to moderate income areas.

H.R. 1066 also would make it easier for banks to invest in projects in devastated and abandoned communities on the gulf coast or to revitalize rural areas that are underserved or distressed. This legislation allows greater opportunities for banks and thrifts to provide housing, community services and jobs to communities throughout our Nation. It also helps these institutions meet their obligations under the Community Reinvestment Act. Since the law was enacted in 1992, existing authority has already generated more than \$16 billion of investments.

Twice last year legislation similar to H.R. 1066 passed the House overwhelmingly. H.R. 6062, the Community Development Investment Enhancement Act of 2006 passed the House by voice vote in September. The same language also was included in the House passed version of regulatory relief legislation, H.R. 3505, which cleared this body last March by a vote of 415-2, as Chairman FRANK noted.

Mr. Speaker, I urge my colleagues to support H.R. 1066.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by

the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the bill, H.R. 1066.

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

A motion to reconsider was laid on the table.

#### BROWNFIELDS REDEVELOPMENT ENHANCEMENT ACT

Mr. FRANK of Massachusetts. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 644) to facilitate the provision of assistance by the Department of Housing and Urban Development for the cleanup and economic redevelopment of brownfields.

The Clerk read as follows:

H.R. 644

*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 “Brownfields Redevelopment Enhancement Act”.

#### SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) returning the Nation’s brownfield sites to productive economic use could generate more than 550,000 additional jobs and up to \$2,400,000,000 in new tax revenues for cities and towns;

(2) redevelopment of brownfield sites and reuse of infrastructure at such sites will protect natural resources and open spaces;

(3) lack of funding for redevelopment is a primary obstacle impeding the reuse of brownfield sites;

(4) the Department of Housing and Urban Development is the agency of the Federal Government that is principally responsible for supporting community development and encouraging productive land use in urban areas of the United States;

(5) grants under the Brownfields Economic Development Initiative of the Department of Housing and Urban Development provide local governments with a flexible source of funding to pursue brownfields redevelopment through land acquisition, site preparation, economic development, and other activities;

(6) to be eligible for such grant funds, a community must be willing to pledge community development block grant funds as partial collateral for a loan guarantee under section 108 of the Housing and Community Development Act of 1974, and this requirement is a barrier to many local communities that are unable or unwilling to pledge such block grant funds as collateral; and

(7) by de-linking grants for brownfields development from section 108 community development loan guarantees and the related pledge of community development block grant funds, more communities will have access to funding for redevelopment of brownfield sites.

(b) PURPOSE.—The purpose of this Act is to provide cities and towns with more flexibility for brownfields development, increased accessibility to brownfields redevelopment funds, and greater capacity to coordinate and collaborate with other government agencies—

(1) by providing additional incentives to invest in the development and redevelopment of brownfield sites; and

(2) by de-linking grants for brownfields development from community development loan guarantees and the related pledge of community development block grant funds.