

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: February 26, 2024

Re: February 29, 2024, Full Committee Markup

On Thursday, February 29, 2024, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Committee on Financial Services will meet to markup the following measures in an order to be determined by the Chairman.

1. H.R. 6864, the *HUD Accountability Act of 2023 (Lawler)*
2. H.R. 7280, the *HUD Transparency Act of 2024 (De La Cruz)*
3. H.R. 5535, the *Insurance Data Protection Act (Fitzgerald)*
4. H.R. 802, the *Respect State Housing Laws Act (Loudermilk)*
5. H.R. 7156, the *Combating Money Laundering in Cyber Crime Act of 2024 (Fitzgerald)*
6. H.R. 7437, the *Fostering the Use of Technology to Uphold Regulatory Effectiveness (FUTURE) in Supervision Act (Houchin)*
7. H.J.Res.109, *Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121" (Flood)*
8. H.R. 7440, the *Financial Services Innovation Act of 2024 (McHenry)*
9. H.R. 7428, the *Earned Wage Access Consumer Protection Act (Steil)*
10. H.R. __ the *Wildfire Insurance Coverage Study Act of 2023 (Waters)*
11. H.R. 4206, the *Bank Safety Act of 2023 (Sherman)*
12. H.R. 4116, the *Systemic Risk Authority Transparency Act (Green)*

1. H.R. 6864, the *HUD Accountability Act of 2023 (Lawler)*

H.R. 6864, the *HUD Accountability Act of 2023*, was introduced on December 19, 2023, by Rep. Mike Lawler (R-NY) and currently has two cosponsors, including Financial Services Committee members Reps. De La Cruz (R-TX) and Rose (R-TN). This bill was attached to the January 11, 2024, hearing titled “Oversight of the Department of Housing and Urban Development and the Federal Housing Administration.”

H.R. 6864 requires the HUD Secretary to testify on an annual basis before the House Financial Services and the Senate Banking, Housing, and Urban Affairs Committees.

2. H.R. 7280, the *HUD Transparency Act of 2024* (De La Cruz)

H.R. 7280, the *HUD Transparency Act of 2024*, was introduced on February 7, 2024, by Rep. Monica De La Cruz (R-TX) and currently has 19 bipartisan cosponsors, including Financial Services Committee members Reps. Barr (R-KY), Donalds (R-FL), Flood (R-NE), Houchin (R-IN), Huizenga (R-MI), Lawler (R-NY), Loudermilk (R-GA), Meuser (R-PA), Norman (R-SC), Ogles (R-TN), Posey (R-FL), Rose (R-TN), Wagner (R-MO), and Roger Williams (R-TX). A draft of this bill was attached to the June 21, 2023, hearing titled “HUD Oversight: Testimony of the HUD Inspector General.”

H.R. 7280 requires annual testimony from the HUD Inspector General by October 1 of each year before the House Financial Services and Senate Banking, Housing, and Urban Affairs Committees.

3. H.R. 5535, the *Insurance Data Protection Act* (Fitzgerald)

H.R. 5535, the *Insurance Data Protection Act* was introduced on September 26, 2023, by Rep. Scott Fitzgerald (R-WI) and currently has 21 cosponsors, including Financial Services Committee members Reps. Barr (R-KY), De La Cruz (R-TX), Donalds (R-FL), Flood (R-NE), Garbarino (R-NY), Lawler (R-NY), Luetkemeyer (R-MO), Norman (R-SC), Nunn (R-IO), Steil (R-WI), Timmons (R-SC), and Roger Williams (R-TX). This bill was attached to the November 2, 2023, hearing titled “The Factors Influencing the High Cost of Insurance for Consumers.”

H.R. 5535 would eliminate the Treasury Department’s Federal Insurance Office (FIO) and Office of Financial Research (OFR) ability to compel the production of data from an insurer or any affiliate of an insurer via subpoena. The bill also requires FIO and other financial regulators to protect the confidentiality of any non-publicly available data collected from insurance companies. H.R. 5535 also requires financial regulators to coordinate with state insurance regulators in advance when seeking to obtain such information.

4. H.R. 802, the *Respect State Housing Laws Act* (Loudermilk)

H.R. 802, the *Respect State Housing Laws Act*, was introduced on February 2, 2023, by Rep. Barry Loudermilk (R-GA) and currently has 23 bipartisan cosponsors, including Financial Services Committee members Reps. Barr (R-KY), De La Cruz (R-TX), Flood (R-NE), Norman (R-SC), Ogles (R-TN), Timmons (R-SC), Wagner (R-MO), and Vicente Gonzalez (D-TX). This bill was attached to the December 6, 2023, hearing titled “Housing Affordability: Governmental Barriers and Market-Based Solutions.”

H.R. 802 removes a drafting error in Section 4024 of the CARES Act (P.L. 116-136) relating to the expired temporary 30-day eviction notice requirement in federally assisted or federally backed housing.

5. H.R. 7156, the *Combating Money Laundering in Cyber Crime Act of 2024* (Fitzgerald)

H.R. 7156, the *Combating Money Laundering in Cyber Crime Act of 2024*, was introduced on January 31, 2024, by Rep. Scott Fitzgerald (R-WI). H.R. 7156 has four cosponsors, including Financial Services Committee members Rep. Meeks (D-NY), Rep. Nunn (R-IA), and Rep. Flood (R-NE). A draft of the bill was attached to the December 12, 2023, hearing titled “Restricting Rogue-State Revenue: Strengthening Energy Sanctions on Russia, Iran, and Venezuela.”

H.R. 7156 strengthens the authorities of the United States Secret Service by closing a gap in their ability to investigate various crimes related to digital asset transactions and to counter transnational cyber-criminal activity, including unlicensed money transmitting businesses, structured transactions, and fraud against financial institutions, and for other purposes. The bill also extends the Secretary of Treasury’s reporting requirement on the Financial Criminal Enforcement Network (FinCEN) relating to benefits realized by law enforcement agencies from partnering with financial institutions, among other purposes for an additional five years. Finally, it extends the requirement that the Executive Director at the International Monetary Fund use the voice and vote of the United States to support the increased use of the administrative budget of the Fund to prevent money laundering and the financing of terrorism for an additional four years.

6. H.R. 7437, the *Fostering the Use of Technology to Uphold Regulatory Effectiveness (FUTURE) in Supervision Act* (Houchin)

H.R. 7437, the *Fostering the Use of Technology to Uphold Regulatory Effectiveness (FUTURE) in Supervision Act*, was introduced on February 23, 2024, by Rep. Erin Houchin (R-IN). The bill has two cosponsors, including Financial Services Committee members Reps Hill (R-AR) and Foster (D-IL). A draft of this bill was attached to the October 25, 2023, hearing titled “Modernizing Financial Services Through Innovation and Competition.”

The FUTURES Act requires prudential regulators to individually assess their internal supervisory technologies, as well as their ability to upgrade these technologies, as necessary. The bill requires agencies to then coordinate and submit a single report to Congress that includes a general overview of their hardware and software, a description of their procurement practices, a general overview of their technology workforce, a description of the processes they use to obtain information, a description of how they share information with other agencies, an evaluation of the level of ease or difficulty they experience when sharing data and collecting data, and a description of any existing plans to implement future upgrades to their supervisory technology.

7. H.J.Res.109, *Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121"* (Flood)

H.J.Res.109, a resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to

"Staff Accounting Bulletin No. 121" was introduced by Representative Mike Flood (R-NE) on February 1, 2024. H.J. Res. 109 is cosponsored by Rep. Nickel (D-NC). Senator Cynthia Lummis (R-WY) introduced a companion Resolution in the Senate.

8. H.R. 7440, the *Financial Services Innovation Act of 2024* (McHenry)

H.R. 7440, the *Financial Services Innovation Act of 2024*, was introduced by Chairman Patrick McHenry on February 23, 2024. The *Financial Services Innovation Act* requires federal regulators to create Financial Services Innovation Offices (FSIOs) within their agencies to foster innovation in financial services. Once established, companies may apply for an “enforceable compliance agreement” with the respective FSIOs that, if accepted, will allow them to provide an innovative product or service under an alternative compliance plan.

H.R. 7440 will establish a FSIO Liaison Committee that is tasked with facilitating the cooperation of each FSIO to ensure that agencies share information and data on petitions and consult with State regulatory entities to provide information and advice to the public with respect to financial innovations and agency regulation. Additionally, FSOC must submit a report to Congress on the aggregate impact of enforceable compliance agreements entered into under the bill. This includes existing regulations or practices that are burdensome to innovation and adversely affect competition in the financial services industry, agreements that restrict improvements for consumers of financial products or services, and a compilation of agency regulations that overlap as it relates to financial products or services and recommendations for reducing, consolidating, or eliminating such overlap, among other reporting requirements.

9. H.R. 7428, the *Earned Wage Access Consumer Protection Act* (Steil)

H.R. 7428, the *Earned Wage Access Consumer Protection Act*, was introduced on February 20, 2024, by Rep. Bryan Steil (R-WI). A draft of this bill was attached to the October 25, 2023, hearing titled “Modernizing Financial Services Through Innovation and Competition.”

The Earned Wage Access (EWA) Consumer Protection Act clarifies that earned wages provided to consumers through EWA products are not considered credit, and any fees, tips, or donations paid by a consumer to an EWA provider are not considered finance charges. EWA providers would be required to implement policies and procedures around consumer disputes and disclose to consumers their rights under the EWA’s service agreement. Providers would also be required to disclose the voluntary nature of any tip or gratuity and permit the consumer to cancel participation in the service upon reasonable notice without the provider imposing a fee.

10. H.R. __, the *Wildfire Insurance Coverage Study Act of 2023* (Waters)

H.R. __, the *Wildfire Insurance Coverage Study Act* was introduced on XX, 2024, by Ranking Member Maxine Waters (D-CA). A draft of the bill was attached to the November 2, 2023, hearing titled “Factors Influencing the High Cost of Insurance for Consumers.”

The bill would require GAO to conduct a study relating to the availability of insurance coverage for damages related to wildfires.

11. H.R. 4206, the *Bank Safety Act of 2023* (Sherman)

H.R.4206, the *Bank Safety Act of 2023*, was introduced on June 20, 2023, by Rep. Brad Sherman (D-CA). The bill is derived from the March, May and June 2023 hearings responding to the bank failures last March.

As amended, H.R. 4206 would require bank holding companies (and banks without a holding company) with total consolidated assets over \$100 billion to include certain net gain and losses (“accumulated other comprehensive income” or AOCI) in their regulatory capital calculations. The bill would authorize the Federal banking agencies to further define AOCI through the rulemaking process and would require the Federal banking agencies to phase-in the inclusion of AOCI, such that it is fully phased-in by July 1, 2028.

12. H.R. 4116, the *Systemic Risk Authority Transparency Act* (Green)

H.R. 4116, the *Systemic Risk Authority Transparency Act*, was introduced on June 14, 2023, by Rep. Al Green (D-TX). The bill has two cosponsors including Financial Services Committee members Reps. Brad Sherman (D-CA) and Joyce Beatty (D-OH). The bill is derived from the March, May and June 2023 hearings responding to the bank failures last March.

As amended, H.R. 4116 would increase transparency from the Federal banking agencies and the Secretary of the Treasury when they invoke the systemic risk exception to the Federal Deposit Insurance Act’s (FDI Act) least-cost resolution mandate for resolving failed banks. The bill would require the Comptroller General of the United States (GAO) to issue a report to Congress on the use of the systemic risk exception. The GAO report would include an analysis of the basis and purpose of the use of the exception, the effect of the exception, executive compensation and any mismanagement at the failed bank, the supervision of the bank, other actions taken by any regulators, and any other contributing factors. The GAO report would be required within 60 days of the exception, and a follow-up report would be required within 180 days of the exception.

In addition, the legislation would require similar reporting by the failed bank’s primary Federal banking agency within 90 days of the use of the exception and again within 270 days of the exception. The appropriate Federal banking agency report would be required to include—with redactions to protect personally identifiable information—reports of examination or inspection and similar communications that conveyed supervisory findings to the bank during the three years preceding the failure.