

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: May 13, 2024

Re: May 16, 2024, Full Committee Markup

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On Thursday, May 16, 2024, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Financial Services Committee will meet to mark up the following measures in an order to be determined by the Chairman.

1. H.R. 758, the *Promoting Access to Capital in Underbanked Communities Act* (Barr)
2. H.R. 3161, the *CDFI Fund Transparency Act* (Rose)
3. H.R. 8337, the *Bank Resilience and Regulatory Improvement Act* (Barr)
4. H.R. 8338, the *Clarity in Lending Act* (Kim)
5. H.R. 8339, the *SEC Reform and Restructuring Act* (Wagner)
6. H.R. 4551, the *Protecting Investors' Personally Identifiable Information Act* (Loudermilk)
7. H.J.Res. 100, *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 "Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure."* (Garbarino)
8. H.R. 8302, the *HUD Evaluation and Optimization Act of 2023* (Davidson)
9. H.R. 3507, the *Yes in My Backyard (YIMBY) Act* (Kilmer)
10. H.R. 7480, the *Disabled Veterans Housing Support Act* (De La Cruz)
11. H.R. 8340, the *Housing Unhoused Disabled Veterans Act* (Sherman)

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**1. H.R. 758, the *Promoting Access to Capital in Underbanked Communities Act* (Barr)**

H.R. 758, the *Promoting Access to Capital in Underbanked Communities Act of 2023*, was introduced on February 2, 2023, by Rep. Andy Barr (R-KY). There are 17 cosponsors. Financial Services Committee Member cosponsors include Reps. Sessions (R-TX), Loudermilk (R-GA), Donalds (R-FL), Luetkemeyer (R-MO), Kim (R-CA), Timmons (R-SC), Rose (R-TN), Williams (R-TX), Posey (R-FL), De La Cruz (R-TX), and Houchin (R-IN). A draft of this bill was attached to the February 8, 2023, hearing titled "Revamping and Revitalizing Banking in the 21st Century."

H.R. 758 would provide for a 3-year phase-in period for de novo financial institutions to meet federal capital requirements; lower the Community Bank Leverage Ratio (CBLR) for rural community banks to 8.0 percent from 9.0 percent during the first three years of operations; and require the federal banking agencies to promulgate rules setting the CBLR lower for the first two years of operations to allow for a phase-in period. In addition, the bill removes some restrictions

to allow federal savings associations to deal in agricultural loans and requires the federal banking agencies to conduct a joint study on trends in de novo financial institutions.

## **2. H.R. 3161, the *CDFI Fund Transparency Act* (Rose)**

H.R. 3161, the *CDFI Fund Transparency Act*, was introduced on May 9, 2023, by Rep. John Rose (R-TN) and currently has 22 bipartisan cosponsors. In addition to original cosponsor Rep. Pettersen (D-CO), other Financial Services Committee Member cosponsors include: Reps. Steil (R-WI), Ogles (R-TN), Timmons (R-SC), Barr (R-KY), Fitzgerald (R-WI), Houchin (R-IN), Donalds (R-FL), Kim (R-CA), De La Cruz (R-TX), Williams (R-TX), Mooney (R-WV), Meuser (R-PA), Nickel (D-NC), Nunn (R-IA). This bill was attached to the March 7, 2024, hearing titled “Politicized Financial Regulation and its Impact on Consumer Credit and Community Development.”

H.R. 3161 would amend the Riegle Community Development and Regulatory Improvement Act of 1994 to require the Director of the Community Development Financial Institutions (CDFI) Fund to testify on an annual basis before the Financial Services Committee of the House of Representatives and the Banking, Housing, and Urban Affairs Committee of the Senate.

## **3. H.R. 8337, the *Bank Resilience and Regulatory Improvement Act* (Barr)**

H.R. 8337, the *Bank Resilience and Regulatory Improvement Act*, was introduced by Representative Andy Barr (R-KY) on May 10, 2024. The bill is a compilation of six previously introduced bills:

- H.R. 6398, the *Financial Institution Regulatory Tailoring Enhancement Act*
- H.R. 7403, the *Bank Failure Prevention Act*
- H.R. 8287, the *Stress Testing Accountability and Transparency Act*
- H.R. 8264, the *Bank Supervision Appeals Improvement Act*
- H.R. 8288, the *Bringing the Discount Window into the 21<sup>st</sup> Century Act*
- H.R. 4346, the *Small Bank Holding Company Relief Act*

**Title I** – H.R. 6398, the *Financial Institution Regulatory Tailoring Enhancement Act*, was introduced on November 14, 2023, by Rep. Andy Barr (R-KY). This bill was attached to the June 6, 2023, hearing titled, “Uncertain Debt Management: Treasury markets and Financial Institutions.”

Title I would increase certain asset thresholds for community bank regulatory relief to \$50 billion from \$10 billion.

**Title II** – H.R. 7403, the *Bank Failure Prevention Act of 2024*, was introduced on February 16, 2024, by Rep. Andy Barr (R-KY). Financial Services Committee Member cosponsors include: original cosponsor Rep. Fitzgerald (R-WI) as well as Rep. Loudermilk (R-GA). This bill was attached to the May 1, 2024, hearing titled “Merger Policies of the Federal Banking Agencies.”

Title II would improve the bank merger application process by setting clear timelines and improving predictability. The title would require the Federal Reserve to promptly inform applicants whether their application is complete and to either approve or deny an application within 90 days of filing.

**Title III** – H.R. 8287, the *Stress Testing Accountability and Transparency Act*, was introduced on May 8, 2024, by Rep. Andy Barr (R-KY). This bill was attached to the May 15, 2024, hearing titled “Oversight of Prudential Regulators.”

Title III would require the Federal Reserve to subject to notice-and-comment rulemaking both the formulas used to calculate the Stress Capital Buffer (SCB) and prohibit the Federal Reserve from altering the SCB calculation without a new rulemaking. The Federal Reserve would also be required to subject the annual stress test scenarios to the notice-and-comment rulemaking process on an annual basis. In addition, the title would direct the Government Accountability Office (GAO) to conduct a study and report to Congress on the stress testing scenarios every three years.

**Title IV** – H.R. 8264, the *Bank Supervision Appeals Improvement Act* was introduced on May 7, 2024, by Rep. Andy Barr (R-KY). This bill was attached to the May 15, 2024, hearing titled “Oversight of Prudential Regulators.”

Title IV would make the following improvements to the federal banking agencies’ supervisory appeals processes: (i) encourage supervised entities to appeal material supervisory determinations that they disagree with, (ii) ensure that supervised entities receive due process, (iii) ensure that the processes remain efficient and affordable for institutions of all sizes, and (iv) clarify that supervised entities may seek judicial review where they are dissatisfied with the result of the appeal process. The title would also improve examination timing and require the Federal Deposit Insurance Corporation’s (FDIC) Inspector General to review the FDIC’s resolution activity wherever there is a material loss to the Deposit Insurance Fund (DIF).

**Title V** – H.R. 8288, the *Bringing the Discount Window into the 21st Century Act*, was introduced on May 8, 2024, by Rep. Andy Barr (R-KY). This bill was attached to the May 15, 2024, hearing titled “Oversight of Prudential Regulators.”

Title V would require the Federal Reserve to review its discount window operations, to seek public comment on discount window operations, and to develop and implement a plan to address any identified deficiencies. The Federal Reserve would be required to submit a report on its review and plan to Congress. Prior to submitting the report, the Federal Reserve would be required to solicit feedback from both the Inspector General of the Federal Reserve System (OIG) and the GAO. The Federal Reserve Chair would then be required to testify regarding the report. In addition, the Federal Reserve would be required to submit annual reports on the effectiveness of discount window operations, and the OIG would be required to submit an annual report on the Federal Reserve’s progress in implementing its remediation plan.

**Title VI** – H.R. 4346, the *Small Bank Holding Company Relief Act of 2023*, was introduced on June 23, 2024, by Rep. Alex Mooney (R-WVA). The bill currently has eight cosponsors. Reps. Barr (R-KY), Donalds (R-FL), De La Cruz (R-TX), Ogles (R-TN), and Nunn (R-IA) are all original cosponsors. Additional Financial Services Committee Member cosponsors include: Reps. Luetkemeyer (R-MO), Williams (R-TX), and Hill (R-AR). This bill was attached to the May 15, 2024, hearing titled “Oversight of Prudential Regulators.”

Title VI requires the Federal Reserve Board to raise the consolidated asset threshold under which a specified policy statement applies to small bank holding companies. The policy statement allows small bank holding companies to operate with higher debt levels than would be allowed for larger bank holding companies.

#### **4. H.R. 8338, the *Clarity in Lending Act* (Kim)**

H.R. 8338, the *Clarity in Lending Act*, was introduced by Representative Young Kim (R-CA) on May 10, 2024. The bill is a compilation of four previously introduced bills:

- H.R. 8356, *a bill to amend the Truth in Lending Act to allow covered entities to offer small-dollar credit products, and for other purposes*
- H.R. 6789, the *Rectifying UDAAP Act*
- H.R. 1806, the *Small LENDER Act*
- H.R. 1810, the *Bank Loan Privacy Act*

**Title I** – H.R. 8356, *a bill to amend the Truth in Lending Act to allow covered entities to offer small-dollar credit products, and for other purposes* was introduced on May 10, 2024, by Rep. Young Kim (R-CA). A draft of this bill was attached to the March 7, 2024, hearing titled “Politicized Financial Regulation and its Impact on Consumer Credit and Community Development.”

Title I would amend the Truth in Lending Act to provide a safe harbor for depository institutions to offer responsible small-dollar credit products.

**Title II** – H.R. 6789, the *Rectifying Undefined Descriptions of Abusive Acts and Practices Act* was introduced on December 14, 2023, by Rep. Andy Barr (R-KY). There are currently 21 cosponsors. Original cosponsors include: Reps. Luetkemeyer (R-MO), Posey (R-FL), Meuser (R-PA), Steil (R-WI), Sessions (R-TX), De La Cruz (R-TX), Fitzgerald (R-WI), Timmons (R-SC), Rose (R-TN), Mooney (R-WV), Loudermilk (R-GA), Norman (R-SC), Kim (R-CA), Williams (R-TX). Additional Financial Services Committee Member cosponsors include: Reps. Lawler (R-NY), Garbarino (R-NY), Emmer (R-MN), Donalds (R-FL), Flood (R-NE), Wagner (R-MO), Houchin (R-IN). This bill was attached to the March 7, 2024, hearing titled “Politicized Financial Regulation and its Impact on Consumer Credit and Community Development.”

Title II would clarify standards for unfair, deceptive, or abusive acts or practices (UDAAP) enforcement actions brought by the Consumer Financial Protection Bureau (CFPB). The title would require the CFPB to issue a rule within 180 days of enactment that establishes policies and procedures relating to the imposition of civil monetary penalties.

The title would also require the CFPB to issue within 180 days a rule defining “abusive acts and practices” and would allow the CFPB to promulgate rules identifying unfair, deceptive, or abusive acts or practices relating to consumer financial products or services, so long as those rules include cost-benefit analyses. In addition, CFPB would be required to solicit public comment within 180 days regarding any confusion about how the CFPB uses its authority with respect to unfair, deceptive, or abusive acts or practices.

The title would prohibit the CFPB from interpreting UDAAP to include discriminatory practices, or practices that covered persons are performing in compliance with a contract with a federal agency. It would confirm that “abusive” acts or practices are intentional and would ensure “abusive acts or practices” are not able to also be considered “unfair,” “deceptive,” or otherwise prohibited by federal consumer financial law. It would establish a procedure for covered persons that self-identify potential unfair, deceptive, or abusive acts or practices to report and provide them with an opportunity to cure.

The title would require enforcement actions for UDAAP violations to be brought in U.S. district courts where the company’s headquarters is located or the U.S. District Court for the District of Columbia. The title would require the CFPB to clearly identify the circumstances in which an allegation constitutes a UDAAP violation. The title would also prohibit the CFPB from bringing enforcement actions on duplicative claims of “unfair” or “deceptive” *and* “abusive” on the same action.

The title would prohibit the CFPB from seeking a civil money penalty for any violation that occurred prior to the most recent assignment of a consumer compliance rating that had not been identified in writing as a material finding or supervisory concern at the time the rating was assigned, except in cases of fraud or material misrepresentation.

**Title III** – H.R. 1806, the *Small Lenders Exempt from New Data and Excessive Reporting Act*, was introduced on March 27, 2023, by Rep. French Hill (R-AR) and has 17 cosponsors. In addition to original cosponsors, Reps. Williams (R-TX) and Luetkemeyer (R-MO), other Financial Services Committee Member cosponsors include Reps. Kim (R-CA), Barr (R-KY), Nunn (R-IA), De La Cruz (R-TX), and Meuser (R-PA). This bill was attached to the May 1, 2024, hearing titled “Merger Policies of the Federal Banking Agencies.”

Title III would exempt the smallest financial institutions from the requirements of the CFPB’s Small Business Lending Rule (pursuant to Section 1071 of the Dodd-Frank Act). The title would raise the origination threshold to at least 500 credit transactions to small businesses in each of the preceding two years and lower the gross annual revenue threshold to \$1 million or less. The title would also require a three-year compliance deadline and a two-year safe harbor from any penalties for failure to comply.

**Title IV** – H.R. 1810, the *Bank Loan Privacy Act*, was introduced on March 27, 2023, by Rep. Blaine Luetkemeyer (R-MO) and currently has 11 cosponsors. In addition to original cosponsors, Reps. Hill (R-AR) and Williams (R-TX), additional Financial Services Committee Members cosponsors include: Reps. Nunn (R-IA), Barr (R-KY), De La Cruz (R-TX), and Meuser (R-PA).

This bill was attached to the May 1, 2024, hearing titled “Merger Policies of the Federal Banking Agencies.”

Title IV would require the CFPB to clarify, through a notice-and-comment rulemaking, the way information collected under the CFPB’s Small Business Lending Rule (pursuant to Section 1071 of the Dodd-Frank Act) will be published.

## **5. H.R. 8339, the *SEC Reform and Restructuring Act* (Wagner)**

H.R. 8339, the *SEC Reform and Restructuring Act*, was introduced by Rep. Ann Wagner (R-MO) on May 10, 2024. The bill is a compilation of seven bills, including:

- H.R. 8239, the *SEC Regulatory Accountability Act*, (Rep. Wagner)
- H.R. 8241, the *SEC Transparency Act* (Rep. Wagner)
- H.R. 8240, the *SEC Cybersecurity Act* (Rep. Wagner)
- H.R. 7030, the *REG Act of 2024* (Rep. Kim)
- H.R. 8228, the *Streamlining Public Company Accounting Oversight Act* (Rep. Huizenga)
- H.R. 8226, *To require the Comptroller General of the United States to carry out a study regarding major rules issued by the Securities and Exchange Commission* (Rep. Garbarino)
- H.R. 8255, *To establish a minimum public comment period with respect to proposed rules issued by the Securities and Exchange Commission* (Rep. Lucas)

**Title I** – H.R. 8239, the *SEC Regulatory Accountability Act*, was introduced on May 2, 2024, by Rep. Ann Wagner (R-MO). The five original cosponsors include: Reps. Garbarino (R-NY), Nunn (R-IA), Meuser (R-PA), Huizenga (R-MI), Emmer (R-MN). A draft of this bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title I would amend the Securities Exchange Act of 1934 (the “Exchange Act”) to improve the quality of the Securities and Exchange Commission’s (the “SEC”) cost-benefit analysis before issuing regulations.

**Title II** – H.R. 8241, the *SEC Transparency Act*, was introduced on May 2, 2024, Rep. Ann Wagner (R-MO). The bill has four original cosponsors, Reps. Garbarino (R-NY), Meuser (R-PA), Huizenga (R-MI), Emmer (R-M). A draft of this bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title II would require the semi-annual testimony of the Chairman of the SEC before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, with testimony on at least one instance to include the testimony of the entire Commission.

**Title III** – H.R. 8240, the *SEC Cybersecurity Act*, was introduced on May 2, 2024, by Rep. Ann Wagner (R-MO). Original cosponsors include: Reps. Garbarino (R-NY), Meuser (R-PA), Huizenga (R-MI), Emmer (R-MN). Rep. Lawler (R-NY) is also a cosponsor of the bill. A draft

of this bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title III would require the Government Accountability Office (GAO) to conduct a study and report to Congress on the SEC’s information technology (IT) infrastructure and handling of data.

**Title IV** – H.R. 7030, the *Review the Expansion of Government (REG) Act of 2024*, was introduced by Rep. Young Kim (R-CA) on January 18, 2024. It has five original Republican cosponsors: Reps. Wagner (R-MO), Hill (R-AR), Huizenga (R-MI), Garbarino (R-NY), and Barr (R-KY). This bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title IV would require the SEC to review final rules every five years to determine if they are necessary or appropriate to carry out the SEC’s tripartite mission. Title IV would also amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to require all rules to consider the cumulative impact of each rulemaking.

**Title V** – H.R. 8228, the *Streamlining Public Company Accounting Oversight Act*, was introduced on May 2, 2024, by Rep. Bill Huizenga (R-MI). A draft of this bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title V would transfer the Public Company Accounting Oversight Board (“PCAOB”) to the SEC.

**Title VI** – H.R. 8226, *To require the Comptroller General of the United States to carry out a study regarding major rules issued by the Securities and Exchange Commission*, was introduced on May 2, 2024, by Rep. Andrew Garbarino (R-NY). A draft of this bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title VI would require the GAO to complete a study and report to Congress on certain major rules issued by the SEC.

**Title VII** – H.R. 8255, a bill to *establish a minimum public comment period with respect to proposed rules issued by the Securities and Exchange Commission*, was introduced on May 6, 2024, by Rep. Frank Lucas (R-OK). A draft of this bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

Title VII would mandate minimum comment periods of at least 60 days for all SEC-initiated rulemakings, with certain exceptions, calculated from the date each rule is published in the Federal Register.

## **6. H.R. 4551, the *Protecting Investors’ Personally Identifiable Information Act* (Loudermilk)**

H.R. 4551, the *Protecting Investors’ Personally Identifiable Information Act*, was introduced on July 11, 2023, by Rep. Barry Loudermilk (R-GA) and currently has 13 cosponsors. Original cosponsors include: Reps. Hill (R-AR), Huizenga (R-MI), Wagner (R-MO), Meuser (R-PA),

Kim (R-CA), Nunn (R-IA). Additional Financial Services Committee Member cosponsors include Reps. Norman (R-SC), Lawler (R-NY), Flood (R-NE), Fitzgerald (R-WI), Sessions (R-TX), and Mooney (R-WV). This bill was attached to the March 20, 2024, hearing titled “SEC Overreach: Examining the Need for Reform.”

H.R. 4551 would prohibit the SEC from collecting personally identifiable information (PII) through the Consolidated Audit Trail (CAT).

**7. H.J.Res. 100, 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 "Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure." (Garbarino)**

H.J.Res. 100, 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 "Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure," was introduced on November 9, 2023, by Rep. Andrew Garbarino (R-NY) and currently has six cosponsors. Original cosponsors include Reps. Wagner (R-MO), Nunn (R-IA), Barr (R-KY). Additional Financial Services Committee Member cosponsors include: Reps. Lawler (R-NY) and Fitzgerald (R-WI). This bill was attached to the April 16, 2024, hearing titled “Held for Ransom: How Ransomware Endangers our Financial System.”

**8. H.R. 8302, the HUD Evaluation and Optimization Act of 2024 (Davidson)**

H.R. 8302, the *HUD Evaluation and Optimization Act of 2023*, was introduced on May 8, 2024, by Rep. Warren Davidson (R-OH). There are three original cosponsors: Reps. Meuser (R-PA), Donalds (R-FL), Garbarino (R-NY). This bill was attached to a January 11, 2024, hearing titled, “Oversight of the Department of Housing and Urban Development and the Federal Housing Administration.”

H.R. 8302 would establish an independent, bipartisan Commission to review the structure and programs of HUD and issue a report with recommendations regarding how to optimize each. Among other things, the Commission would be charged with considering the benefits of reorganizing the agency, reducing fragmentation and overlap between programs, increasing economic outcomes and preventing benefits cliffs, and improving HUD oversight.

**9. H.R. 3507, the Yes in My Backyard (YIMBY) Act (Kilmer)**

H.R. 3507, the *Yes in My Backyard (YIMBY) Act*, was introduced on December 6, 2023, by Rep. Derek Kilmer (D-WA) and currently has 42 bipartisan cosponsors. In addition to lead cosponsor Rep. Mike Flood (R-NE), Financial Services Committee Member cosponsors include: Reps. Barr (R-KY), Casten (D-CA), Cleaver (D-MO), De La Cruz (R-TX), Luetkemeyer (R-MO), Norman (R-SC), Nunn (R-IA), Petterson (D-CO), Timmons (R-SC), and Williams (R-TX). This bill was attached to the December 6, 2023, hearing titled “Housing Affordability: Governmental Barriers and Market-Based Solutions.”



H.R. 3507 would require communities that receive Community Development Block Grant (CDBG) program grants to submit, as part of their five-year development plan, a report that tracks any discriminatory land use policies and other barriers to constructing affordable housing.

**10. H.R. 7480, the *Disabled Veterans Housing Support Act* (De La Cruz)**

H.R. 7480, *the Disabled Veterans Housing Support Act*, was introduced on February 29, 2024, by Rep. Monica De La Cruz (R-TX) and currently has 13 bipartisan cosponsors. Financial Services Committee Member cosponsors include: Reps. Barr (R-KY), Lawler (R-NY), and Sherman (D-CA). This bill was attached to the March 20, 2024, hearing titled “The Characteristics and Challenges of Today’s Homebuyers.”

H.R. 7480 would require the Department of Housing and Urban Development (HUD) to exclude all service-connected disability compensation from CDBG’s income eligibility calculations. This will ensure that low-income disabled veterans are not unfairly penalized in accessing CDBG programs and services.

**11. H.R. 8340, the *Housing Unhoused Disabled Veterans Act* (Sherman)**

H.R. 8340, *the Housing Unhoused Disabled Veterans Act*, was introduced on May 10, 2024, by Rep. Brad Sherman (D-CA), and has 15 cosponsors. Financial Services Member cosponsors include: Reps. De La Cruz (R-TX), Foster (D-IL), Gottheimer (D-NJ), Meuser (R-PA), Nickel (D-NC), and Sessions (R-TX). This bill was attached to the March 20, 2024, hearing titled “The Characteristics and Challenges of Today’s Homebuyers.”

H.R. 8340 would amend how income is calculated when determining eligible households and programs under the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, excluding disability benefits received by a veteran under Chapter 11 or Chapter 15 of Title 38 of the United States Code.