

S. 2155

One Hundred Fifteenth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Wednesday,  
the third day of January, two thousand and eighteen*

An Act

To promote economic growth, provide tailored regulatory relief, and enhance consumer protections, and for other purposes.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Economic Growth, Regulatory Relief, and Consumer Protection Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

TITLE I—IMPROVING CONSUMER ACCESS TO MORTGAGE CREDIT

- Sec. 101. Minimum standards for residential mortgage loans.
- Sec. 102. Safeguarding access to habitat for humanity homes.
- Sec. 103. Exemption from appraisals of real property located in rural areas.
- Sec. 104. Home Mortgage Disclosure Act adjustment and study.
- Sec. 105. Credit union residential loans.
- Sec. 106. Eliminating barriers to jobs for loan originators.
- Sec. 107. Protecting access to manufactured homes.
- Sec. 108. Escrow requirements relating to certain consumer credit transactions.
- Sec. 109. No wait for lower mortgage rates.

TITLE II—REGULATORY RELIEF AND PROTECTING CONSUMER ACCESS TO CREDIT

- Sec. 201. Capital simplification for qualifying community banks.
- Sec. 202. Limited exception for reciprocal deposits.
- Sec. 203. Community bank relief.
- Sec. 204. Removing naming restrictions.
- Sec. 205. Short form call reports.
- Sec. 206. Option for Federal savings associations to operate as covered savings associations.
- Sec. 207. Small bank holding company policy statement.
- Sec. 208. Application of the Expedited Funds Availability Act.
- Sec. 209. Small public housing agencies.
- Sec. 210. Examination cycle.
- Sec. 211. International insurance capital standards accountability.
- Sec. 212. Budget transparency for the NCUA.
- Sec. 213. Making online banking initiation legal and easy.
- Sec. 214. Promoting construction and development on Main Street.
- Sec. 215. Reducing identity fraud.
- Sec. 216. Treasury report on risks of cyber threats.
- Sec. 217. Discretionary surplus funds.

TITLE III—PROTECTIONS FOR VETERANS, CONSUMERS, AND HOMEOWNERS

- Sec. 301. Protecting consumers’ credit.
- Sec. 302. Protecting veterans’ credit.
- Sec. 303. Immunity from suit for disclosure of financial exploitation of senior citizens.

- Sec. 304. Restoration of the Protecting Tenants at Foreclosure Act of 2009.
- Sec. 305. Remediating lead and asbestos hazards.
- Sec. 306. Family self-sufficiency program.
- Sec. 307. Property Assessed Clean Energy financing.
- Sec. 308. GAO report on consumer reporting agencies.
- Sec. 309. Protecting veterans from predatory lending.
- Sec. 310. Credit score competition.
- Sec. 311. GAO report on Puerto Rico foreclosures.
- Sec. 312. Report on children’s lead-based paint hazard prevention and abatement.
- Sec. 313. Foreclosure relief and extension for servicemembers.

TITLE IV—TAILORING REGULATIONS FOR CERTAIN BANK HOLDING COMPANIES

- Sec. 401. Enhanced supervision and prudential standards for certain bank holding companies.
- Sec. 402. Supplementary leverage ratio for custodial banks.
- Sec. 403. Treatment of certain municipal obligations.

TITLE V—ENCOURAGING CAPITAL FORMATION

- Sec. 501. National securities exchange regulatory parity.
- Sec. 502. SEC study on algorithmic trading.
- Sec. 503. Annual review of government-business forum on capital formation.
- Sec. 504. Supporting America’s innovators.
- Sec. 505. Securities and Exchange Commission overpayment credit.
- Sec. 506. U.S. territories investor protection.
- Sec. 507. Encouraging employee ownership.
- Sec. 508. Improving access to capital.
- Sec. 509. Parity for closed-end companies regarding offering and proxy rules.

TITLE VI—PROTECTIONS FOR STUDENT BORROWERS

- Sec. 601. Protections in the event of death or bankruptcy.
- Sec. 602. Rehabilitation of private education loans.
- Sec. 603. Best practices for higher education financial literacy.

SEC. 2. DEFINITIONS.

In this Act:

- (1) APPROPRIATE FEDERAL BANKING AGENCY; COMPANY; DEPOSITORY INSTITUTION; DEPOSITORY INSTITUTION HOLDING COMPANY.—The terms “appropriate Federal banking agency”, “company”, “depository institution”, and “depository institution holding company” have the meanings given those terms in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).
- (2) BANK HOLDING COMPANY.—The term “bank holding company” has the meaning given the term in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

TITLE I—IMPROVING CONSUMER ACCESS TO MORTGAGE CREDIT

SEC. 101. MINIMUM STANDARDS FOR RESIDENTIAL MORTGAGE LOANS.

Section 129C(b)(2) of the Truth in Lending Act (15 U.S.C. 1639c(b)(2)) is amended by adding at the end the following:

- “(F) SAFE HARBOR.—
- “(i) DEFINITIONS.—In this subparagraph—
- “(I) the term ‘covered institution’ means an insured depository institution or an insured credit union that, together with its affiliates, has less than \$10,000,000,000 in total consolidated assets;
- “(II) the term ‘insured credit union’ has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);
- “(III) the term ‘insured depository institution’ has the meaning given the term in section 3 of

the Federal Deposit Insurance Act (12 U.S.C. 1813);

“(IV) the term ‘interest-only’ means that, under the terms of the legal obligation, one or more of the periodic payments may be applied solely to accrued interest and not to loan principal; and

“(V) the term ‘negative amortization’ means payment of periodic payments that will result in an increase in the principal balance under the terms of the legal obligation.

“(ii) SAFE HARBOR.—In this section—

“(I) the term ‘qualified mortgage’ includes any residential mortgage loan—

“(aa) that is originated and retained in portfolio by a covered institution;

“(bb) that is in compliance with the limitations with respect to prepayment penalties described in subsections (c)(1) and (c)(3);

“(cc) that is in compliance with the requirements of clause (vii) of subparagraph (A);

“(dd) that does not have negative amortization or interest-only features; and

“(ee) for which the covered institution considers and documents the debt, income, and financial resources of the consumer in accordance with clause (iv); and

“(II) a residential mortgage loan described in subclause (I) shall be deemed to meet the requirements of subsection (a).

“(iii) EXCEPTION FOR CERTAIN TRANSFERS.—A residential mortgage loan described in clause (ii)(I) shall not qualify for the safe harbor under clause (ii) if the legal title to the residential mortgage loan is sold, assigned, or otherwise transferred to another person unless the residential mortgage loan is sold, assigned, or otherwise transferred—

“(I) to another person by reason of the bankruptcy or failure of a covered institution;

“(II) to a covered institution so long as the loan is retained in portfolio by the covered institution to which the loan is sold, assigned, or otherwise transferred;

“(III) pursuant to a merger of a covered institution with another person or the acquisition of a covered institution by another person or of another person by a covered institution, so long as the loan is retained in portfolio by the person to whom the loan is sold, assigned, or otherwise transferred; or

“(IV) to a wholly owned subsidiary of a covered institution, provided that, after the sale, assignment, or transfer, the residential mortgage loan is considered to be an asset of the covered institution for regulatory accounting purposes.

“(iv) CONSIDERATION AND DOCUMENTATION REQUIREMENTS.—The consideration and documentation requirements described in clause (ii)(I)(ee) shall—

“(I) not be construed to require compliance with, or documentation in accordance with, appendix Q to part 1026 of title 12, Code of Federal Regulations, or any successor regulation; and

“(II) be construed to permit multiple methods of documentation.”.

**SEC. 102. SAFEGUARDING ACCESS TO HABITAT FOR HUMANITY HOMES.**

Section 129E(i)(2) of the Truth in Lending Act (15 U.S.C. 1639e(i)(2)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and adjusting the margins accordingly;

(2) in the matter preceding clause (i), as so redesignated, by striking “For purposes of” and inserting the following:

“(A) IN GENERAL.—For purposes of”; and

(3) by adding at the end the following:

“(B) RULE OF CONSTRUCTION RELATED TO APPRAISAL DONATIONS.—If a fee appraiser voluntarily donates appraisal services to an organization eligible to receive tax-deductible charitable contributions, such voluntary donation shall be considered customary and reasonable for the purposes of paragraph (1).”.

**SEC. 103. EXEMPTION FROM APPRAISALS OF REAL PROPERTY LOCATED IN RURAL AREAS.**

Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3331 et seq.) is amended by adding at the end the following:

**“SEC. 1127. EXEMPTION FROM APPRAISALS OF REAL ESTATE LOCATED IN RURAL AREAS.**

“(a) DEFINITIONS.—In this section—

“(1) the term ‘mortgage originator’ has the meaning given the term in section 103 of the Truth in Lending Act (15 U.S.C. 1602); and

“(2) the term ‘transaction value’ means the amount of a loan or extension of credit, including a loan or extension of credit that is part of a pool of loans or extensions of credit.

“(b) APPRAISAL NOT REQUIRED.—Except as provided in subsection (d), notwithstanding any other provision of law, an appraisal in connection with a federally related transaction involving real property or an interest in real property is not required if—

“(1) the real property or interest in real property is located in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations;

“(2) not later than 3 days after the date on which the Closing Disclosure Form, made in accordance with the final rule of the Bureau of Consumer Financial Protection entitled ‘Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)’ (78 Fed. Reg. 79730 (December 31, 2013)), relating to the federally related transaction is given to the consumer, the mortgage originator or its agent, directly or indirectly—

“(A) has contacted not fewer than 3 State certified appraisers or State licensed appraisers, as applicable, on the mortgage originator’s approved appraiser list in the market area in accordance with part 226 of title 12, Code of Federal Regulations; and

“(B) has documented that no State certified appraiser or State licensed appraiser, as applicable, was available within 5 business days beyond customary and reasonable fee and timeliness standards for comparable appraisal assignments, as documented by the mortgage originator or its agent;

“(3) the transaction value is less than \$400,000; and

“(4) the mortgage originator is subject to oversight by a Federal financial institutions regulatory agency.

“(c) SALE, ASSIGNMENT, OR TRANSFER.—A mortgage originator that makes a loan without an appraisal under the terms of subsection (b) shall not sell, assign, or otherwise transfer legal title to the loan unless—

“(1) the loan is sold, assigned, or otherwise transferred to another person by reason of the bankruptcy or failure of the mortgage originator;

“(2) the loan is sold, assigned, or otherwise transferred to another person regulated by a Federal financial institutions regulatory agency, so long as the loan is retained in portfolio by the person;

“(3) the sale, assignment, or transfer is pursuant to a merger of the mortgage originator with another person or the acquisition of the mortgage originator by another person or of another person by the mortgage originator; or

“(4) the sale, loan, or transfer is to a wholly owned subsidiary of the mortgage originator, provided that, after the sale, assignment, or transfer, the loan is considered to be an asset of the mortgage originator for regulatory accounting purposes.

“(d) EXCEPTION.—Subsection (b) shall not apply if—

“(1) a Federal financial institutions regulatory agency requires an appraisal under section 225.63(c), 323.3(c), 34.43(c), or 722.3(e) of title 12, Code of Federal Regulations; or

“(2) the loan is a high-cost mortgage, as defined in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

“(e) ANTI-EVASION.—Each Federal financial institutions regulatory agency shall ensure that any mortgage originator that the Federal financial institutions regulatory agency oversees that makes a significant amount of loans under subsection (b) is complying with the requirements of subsection (b)(2) with respect to each loan.”.

#### **SEC. 104. HOME MORTGAGE DISCLOSURE ACT ADJUSTMENT AND STUDY.**

(a) IN GENERAL.—Section 304 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803) is amended—

(1) by redesignating subsection (i) as paragraph (3) and adjusting the margins accordingly;

(2) by inserting before paragraph (3), as so redesignated, the following:

“(i) EXEMPTIONS.—

“(1) CLOSED-END MORTGAGE LOANS.—With respect to an insured depository institution or insured credit union, the requirements of paragraphs (5) and (6) of subsection (b) shall not apply with respect to closed-end mortgage loans if the insured depository institution or insured credit union originated fewer than 500 closed-end mortgage loans in each of the 2 preceding calendar years.

“(2) OPEN-END LINES OF CREDIT.—With respect to an insured depository institution or insured credit union, the requirements of paragraphs (5) and (6) of subsection (b) shall not apply with respect to open-end lines of credit if the insured depository institution or insured credit union originated fewer than 500 open-end lines of credit in each of the 2 preceding calendar years.

“(3) REQUIRED COMPLIANCE.—Notwithstanding paragraphs (1) and (2), an insured depository institution shall comply with paragraphs (5) and (6) of subsection (b) if the insured depository institution has received a rating of ‘needs to improve record of meeting community credit needs’ during each of its 2 most recent examinations or a rating of ‘substantial noncompliance in meeting community credit needs’ on its most recent examination under section 807(b)(2) of the Community Reinvestment Act of 1977 (12 U.S.C. 2906(b)(2)).”; and

(3) by adding at the end the following:

“(o) DEFINITIONS.—In this section—

“(1) the term ‘insured credit union’ has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752); and

“(2) the term ‘insured depository institution’ has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).”.

(b) LOOKBACK STUDY.—

(1) STUDY.—Not earlier than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study to evaluate the impact of the amendments made by subsection (a) on the amount of data available under the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801 et seq.) at the national and local level.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that includes the findings and conclusions of the Comptroller General with respect to the study required under paragraph (1).

(c) TECHNICAL CORRECTION.—Section 304(i)(3) of the Home Mortgage Disclosure Act of 1975, as so redesignated by subsection (a)(1), is amended by striking “section 303(2)(A)” and inserting “section 303(3)(A)”.

#### **SEC. 105. CREDIT UNION RESIDENTIAL LOANS.**

(a) REMOVAL FROM MEMBER BUSINESS LOAN LIMITATION.—Section 107A(c)(1)(B)(i) of the Federal Credit Union Act (12 U.S.C. 1757a(c)(1)(B)(i)) is amended by striking “that is the primary residence of a member”.

(b) RULE OF CONSTRUCTION.—Nothing in this section or the amendment made by this section shall preclude the National Credit

Union Administration from treating an extension of credit that is fully secured by a lien on a 1- to 4-family dwelling that is not the primary residence of a member as a member business loan for purposes other than the member business loan limitation requirements under section 107A of the Federal Credit Union Act (12 U.S.C. 1757a).

**SEC. 106. ELIMINATING BARRIERS TO JOBS FOR LOAN ORIGINATORS.**

(a) **IN GENERAL.**—The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.) is amended by adding at the end the following:

**“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINATORS.**

“(a) **DEFINITIONS.**—In this section:

“(1) **APPLICATION STATE.**—The term ‘application State’ means a State in which a registered loan originator or a State-licensed loan originator seeks to be licensed.

“(2) **STATE-LICENSED MORTGAGE COMPANY.**—The term ‘State-licensed mortgage company’ means an entity that is licensed or registered under the law of any State to engage in residential mortgage loan origination and processing activities.

“(b) **TEMPORARY AUTHORITY TO ORIGINATE LOANS FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY INSTITUTION TO A NON-DEPOSITORY INSTITUTION.**—

“(1) **IN GENERAL.**—Upon becoming employed by a State-licensed mortgage company, an individual who is a registered loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the individual—

“(A) has not had—

“(i) an application for a loan originator license denied; or

“(ii) a loan originator license revoked or suspended in any governmental jurisdiction;

“(B) has not been subject to, or served with, a cease and desist order—

“(i) in any governmental jurisdiction; or

“(ii) under section 1514(c);

“(C) has not been convicted of a misdemeanor or felony that would preclude licensure under the law of the application State;

“(D) has submitted an application to be a State-licensed loan originator in the application State; and

“(E) was registered in the Nationwide Mortgage Licensing System and Registry as a loan originator during the 1-year period preceding the date on which the information required under section 1505(a) is submitted.

“(2) **PERIOD.**—The period described in this paragraph shall begin on the date on which an individual described in paragraph (1) submits the information required under section 1505(a) and shall end on the earliest of the date—

“(A) on which the individual withdraws the application to be a State-licensed loan originator in the application State;

“(B) on which the application State denies, or issues a notice of intent to deny, the application;

“(C) on which the application State grants a State license; or

“(D) that is 120 days after the date on which the individual submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

“(c) TEMPORARY AUTHORITY TO ORIGINATE LOANS FOR STATE-LICENSED LOAN ORIGINATORS MOVING INTERSTATE.—

“(1) IN GENERAL.—A State-licensed loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the State-licensed loan originator—

“(A) meets the requirements of subparagraphs (A), (B), (C), and (D) of subsection (b)(1);

“(B) is employed by a State-licensed mortgage company in the application State; and

“(C) was licensed in a State that is not the application State during the 30-day period preceding the date on which the information required under section 1505(a) was submitted in connection with the application submitted to the application State.

“(2) PERIOD.—The period described in this paragraph shall begin on the date on which the State-licensed loan originator submits the information required under section 1505(a) in connection with the application submitted to the application State and end on the earliest of the date—

“(A) on which the State-licensed loan originator withdraws the application to be a State-licensed loan originator in the application State;

“(B) on which the application State denies, or issues a notice of intent to deny, the application;

“(C) on which the application State grants a State license; or

“(D) that is 120 days after the date on which the State-licensed loan originator submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

“(d) APPLICABILITY.—

“(1) EMPLOYER OF LOAN ORIGINATORS.—Any person employing an individual who is deemed to have temporary authority to act as a loan originator in an application State under this section shall be subject to the requirements of this title and to applicable State law to the same extent as if that individual was a State-licensed loan originator licensed by the application State.

“(2) ENGAGING IN MORTGAGE LOAN ACTIVITIES.—Any individual who is deemed to have temporary authority to act as a loan originator in an application State under this section and who engages in residential mortgage loan origination activities shall be subject to the requirements of this title and to applicable State law to the same extent as if that individual was a State-licensed loan originator licensed by the application State.”.

(b) TABLE OF CONTENTS AMENDMENT.—Section 1(b) of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 4501 note)



is amended by inserting after the item relating to section 1517 the following:

“Sec. 1518. Employment transition of loan originators.”.

(c) CIVIL LIABILITY.—Section 1513 of the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5112) is amended by striking “persons who are loan originators or are applying for licensing or registration as loan originators.” and inserting “persons who—

“(1) have applied, are applying, or are licensed or registered through the Nationwide Mortgage Licensing System and Registry; and

“(2) work in an industry with respect to which persons were licensed or registered through the Nationwide Mortgage Licensing System and Registry on the date of enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act.”.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that is 18 months after the date of enactment of this Act.

**SEC. 107. PROTECTING ACCESS TO MANUFACTURED HOMES.**

Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(1) by redesignating the second subsection (cc) (relating to definitions relating to mortgage origination and residential mortgage loans) and subsection (dd) as subsections (dd) and (ee), respectively; and

(2) in paragraph (2) of subsection (dd), as so redesignated, by striking subparagraph (C) and inserting the following:

“(C) does not include any person who is—

“(i) not otherwise described in subparagraph (A) or (B) and who performs purely administrative or clerical tasks on behalf of a person who is described in any such subparagraph; or

“(ii) a retailer of manufactured or modular homes or an employee of the retailer if the retailer or employee, as applicable—

“(I) does not receive compensation or gain for engaging in activities described in subparagraph (A) that is in excess of any compensation or gain received in a comparable cash transaction;

“(II) discloses to the consumer—

“(aa) in writing any corporate affiliation with any creditor; and

“(bb) if the retailer has a corporate affiliation with any creditor, at least 1 unaffiliated creditor; and

“(III) does not directly negotiate with the consumer or lender on loan terms (including rates, fees, and other costs).”.

**SEC. 108. ESCROW REQUIREMENTS RELATING TO CERTAIN CONSUMER CREDIT TRANSACTIONS.**

Section 129D of the Truth in Lending Act (15 U.S.C. 1639d) is amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and adjusting the margins accordingly;

(B) in the matter preceding subparagraph (A), as so redesignated, by striking “The Board” and inserting the following:

“(1) IN GENERAL.—The Bureau”;

(C) in paragraph (1), as so redesignated, by striking “the Board” each place that term appears and inserting “the Bureau”; and

(D) by adding at the end the following:

“(2) TREATMENT OF LOANS HELD BY SMALLER INSTITUTIONS.—The Bureau shall, by regulation, exempt from the requirements of subsection (a) any loan made by an insured depository institution or an insured credit union secured by a first lien on the principal dwelling of a consumer if—

“(A) the insured depository institution or insured credit union has assets of \$10,000,000,000 or less;

“(B) during the preceding calendar year, the insured depository institution or insured credit union and its affiliates originated 1,000 or fewer loans secured by a first lien on a principal dwelling; and

“(C) the transaction satisfies the criteria in sections 1026.35(b)(2)(iii)(A), 1026.35(b)(2)(iii)(D), and 1026.35(b)(2)(v) of title 12, Code of Federal Regulations, or any successor regulation.”; and

(2) in subsection (i), by adding at the end the following:

“(3) INSURED CREDIT UNION.—The term ‘insured credit union’ has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

“(4) INSURED DEPOSITORY INSTITUTION.—The term ‘insured depository institution’ has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).”.

**SEC. 109. NO WAIT FOR LOWER MORTGAGE RATES.**

(a) IN GENERAL.—Section 129(b) of the Truth in Lending Act (15 U.S.C. 1639(b)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

“(3) NO WAIT FOR LOWER RATE.—If a creditor extends to a consumer a second offer of credit with a lower annual percentage rate, the transaction may be consummated without regard to the period specified in paragraph (1) with respect to the second offer.”.

(b) SENSE OF CONGRESS.—It is the sense of Congress that, whereas the Bureau of Consumer Financial Protection issued a final rule entitled “Integrated Mortgage Disclosures Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)” (78 Fed. Reg. 79730 (December 31, 2013)) (in this subsection referred to as the “TRID Rule”) to combine the disclosures a consumer receives in connection with applying for and closing on a mortgage loan, the Bureau of Consumer Financial Protection should endeavor to provide clearer, authoritative guidance on—

(1) the applicability of the TRID Rule to mortgage assumption transactions;

(2) the applicability of the TRID Rule to construction-to-permanent home loans, and the conditions under which those loans can be properly originated; and

(3) the extent to which lenders can rely on model disclosures published by the Bureau of Consumer Financial Protection without liability if recent changes to regulations are not reflected in the sample TRID Rule forms published by the Bureau of Consumer Financial Protection.

## **TITLE II—REGULATORY RELIEF AND PROTECTING CONSUMER ACCESS TO CREDIT**

### **SEC. 201. CAPITAL SIMPLIFICATION FOR QUALIFYING COMMUNITY BANKS.**

(a) DEFINITIONS.—In this section:

(1) COMMUNITY BANK LEVERAGE RATIO.—The term “Community Bank Leverage Ratio” means the ratio of the tangible equity capital of a qualifying community bank, as reported on the qualifying community bank’s applicable regulatory filing with the qualifying community bank’s appropriate Federal banking agency, to the average total consolidated assets of the qualifying community bank, as reported on the qualifying community bank’s applicable regulatory filing with the qualifying community bank’s appropriate Federal banking agency.

(2) GENERALLY APPLICABLE LEVERAGE CAPITAL REQUIREMENTS; GENERALLY APPLICABLE RISK-BASED CAPITAL REQUIREMENTS.—The terms “generally applicable leverage capital requirements” and “generally applicable risk-based capital requirements” have the meanings given those terms in section 171(a) of the Financial Stability Act of 2010 (12 U.S.C. 5371(a)).

(3) QUALIFYING COMMUNITY BANK.—

(A) ASSET THRESHOLD.—The term “qualifying community bank” means a depository institution or depository institution holding company with total consolidated assets of less than \$10,000,000,000.

(B) RISK PROFILE.—The appropriate Federal banking agencies may determine that a depository institution or depository institution holding company (or a class of depository institutions or depository institution holding companies) described in subparagraph (A) is not a qualifying community bank based on the depository institution’s or depository institution holding company’s risk profile, which shall be based on consideration of—

- (i) off-balance sheet exposures;
- (ii) trading assets and liabilities;
- (iii) total notional derivatives exposures; and
- (iv) such other factors as the appropriate Federal banking agencies determine appropriate.

(b) COMMUNITY BANK LEVERAGE RATIO.—The appropriate Federal banking agencies shall, through notice and comment rule making under section 553 of title 5, United States Code—

(1) develop a Community Bank Leverage Ratio of not less than 8 percent and not more than 10 percent for qualifying community banks; and

(2) establish procedures for treatment of a qualifying community bank that has a Community Bank Leverage Ratio that falls below the percentage developed under paragraph (1) after exceeding the percentage developed under paragraph (1).

(c) CAPITAL COMPLIANCE.—

(1) IN GENERAL.—Any qualifying community bank that exceeds the Community Bank Leverage Ratio developed under subsection (b)(1) shall be considered to have met—

(A) the generally applicable leverage capital requirements and the generally applicable risk-based capital requirements;

(B) in the case of a qualifying community bank that is a depository institution, the capital ratio requirements that are required in order to be considered well capitalized under section 38 of the Federal Deposit Insurance Act (12 U.S.C. 1831o) and any regulation implementing that section; and

(C) any other capital or leverage requirements to which the qualifying community bank is subject.

(2) EXISTING AUTHORITIES.—Nothing in paragraph (1) shall limit the authority of the appropriate Federal banking agencies as in effect on the date of enactment of this Act.

(d) CONSULTATION.—The appropriate Federal banking agencies shall—

(1) consult with the applicable State bank supervisors in carrying out this section; and

(2) notify the applicable State bank supervisor of any qualifying community bank that it supervises that exceeds, or does not exceed after previously exceeding, the Community Bank Leverage ratio developed under subsection (b)(1).

**SEC. 202. LIMITED EXCEPTION FOR RECIPROCAL DEPOSITS.**

(a) IN GENERAL.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended by adding at the end the following:

“(i) LIMITED EXCEPTION FOR RECIPROCAL DEPOSITS.—

“(1) IN GENERAL.—Reciprocal deposits of an agent institution shall not be considered to be funds obtained, directly or indirectly, by or through a deposit broker to the extent that the total amount of such reciprocal deposits does not exceed the lesser of—

“(A) \$5,000,000,000; or

“(B) an amount equal to 20 percent of the total liabilities of the agent institution.

“(2) DEFINITIONS.—In this subsection:

“(A) AGENT INSTITUTION.—The term ‘agent institution’ means an insured depository institution that places a covered deposit through a deposit placement network at other insured depository institutions in amounts that are less than or equal to the standard maximum deposit insurance amount, specifying the interest rate to be paid for such amounts, if the insured depository institution—

“(i)(I) when most recently examined under section 10(d) was found to have a composite condition of outstanding or good; and

“(II) is well capitalized;

“(ii) has obtained a waiver pursuant to subsection (c); or

“(iii) does not receive an amount of reciprocal deposits that causes the total amount of reciprocal deposits held by the agent institution to be greater than the average of the total amount of reciprocal deposits held by the agent institution on the last day of each of the 4 calendar quarters preceding the calendar quarter in which the agent institution was found not to have a composite condition of outstanding or good or was determined to be not well capitalized.

“(B) COVERED DEPOSIT.—The term ‘covered deposit’ means a deposit that—

“(i) is submitted for placement through a deposit placement network by an agent institution; and

“(ii) does not consist of funds that were obtained for the agent institution, directly or indirectly, by or through a deposit broker before submission for placement through a deposit placement network.

“(C) DEPOSIT PLACEMENT NETWORK.—The term ‘deposit placement network’ means a network in which an insured depository institution participates, together with other insured depository institutions, for the processing and receipt of reciprocal deposits.

“(D) NETWORK MEMBER BANK.—The term ‘network member bank’ means an insured depository institution that is a member of a deposit placement network.

“(E) RECIPROCAL DEPOSITS.—The term ‘reciprocal deposits’ means deposits received by an agent institution through a deposit placement network with the same maturity (if any) and in the same aggregate amount as covered deposits placed by the agent institution in other network member banks.

“(F) WELL CAPITALIZED.—The term ‘well capitalized’ has the meaning given the term in section 38(b)(1).”.

(b) INTEREST RATE RESTRICTION.—Section 29 of the Federal Deposit Insurance Act (12 U.S.C. 1831f) is amended by striking subsection (e) and inserting the following:

“(e) RESTRICTION ON INTEREST RATE PAID.—

“(1) DEFINITIONS.—In this subsection—

“(A) the terms ‘agent institution’, ‘reciprocal deposits’, and ‘well capitalized’ have the meanings given those terms in subsection (i); and

“(B) the term ‘covered insured depository institution’ means an insured depository institution that—

“(i) under subsection (c) or (d), accepts funds obtained, directly or indirectly, by or through a deposit broker; or

“(ii) while acting as an agent institution under subsection (i), accepts reciprocal deposits while not well capitalized.

“(2) PROHIBITION.—A covered insured depository institution may not pay a rate of interest on funds or reciprocal deposits described in paragraph (1) that, at the time that the funds or reciprocal deposits are accepted, significantly exceeds the limit set forth in paragraph (3).

“(3) LIMIT ON INTEREST RATES.—The limit on the rate of interest referred to in paragraph (2) shall be—

“(A) the rate paid on deposits of similar maturity in the normal market area of the covered insured depository institution for deposits accepted in the normal market area of the covered insured depository institution; or

“(B) the national rate paid on deposits of comparable maturity, as established by the Corporation, for deposits accepted outside the normal market area of the covered insured depository institution.”.

**SEC. 203. COMMUNITY BANK RELIEF.**

Section 13(h)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1851(h)(1)) is amended—

(1) in subparagraph (D), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins accordingly;

(2) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and adjusting the margins accordingly;

(3) in the matter preceding clause (i), as so redesignated, in the second sentence, by striking “institution that functions solely in a trust or fiduciary capacity, if—” and inserting the following: “institution—

“(A) that functions solely in a trust or fiduciary capacity, if—”;

(4) in clause (iv)(II), as so redesignated, by striking the period at the end and inserting “; or”; and

(5) by adding at the end the following:

“(B) that does not have and is not controlled by a company that has—

“(i) more than \$10,000,000,000 in total consolidated assets; and

“(ii) total trading assets and trading liabilities, as reported on the most recent applicable regulatory filing filed by the institution, that are more than 5 percent of total consolidated assets.”.

**SEC. 204. REMOVING NAMING RESTRICTIONS.**

Section 13 of the Bank Holding Company Act of 1956 (12 U.S.C. 1851) is amended—

(1) in subsection (d)(1)(G)(vi), by inserting before the semicolon the following: “, except that the hedge fund or private equity fund may share the same name or a variation of the same name as a banking entity that is an investment adviser to the hedge fund or private equity fund, if—

“(I) such investment adviser is not an insured depository institution, a company that controls an insured depository institution, or a company that is treated as a bank holding company for purposes of section 8 of the International Banking Act of 1978 (12 U.S.C. 3106);

“(II) such investment adviser does not share the same name or a variation of the same name as an insured depository institution, any company that controls an insured depository institution, or any company that is treated as a bank holding

company for purposes of section 8 of the International Banking Act of 1978 (12 U.S.C. 3106); and

“(III) such name does not contain the word ‘bank’”; and

(2) in subsection (h)(5)(C), by inserting before the period the following: “, except as permitted under subsection (d)(1)(G)(vi)”.

**SEC. 205. SHORT FORM CALL REPORTS.**

Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by adding at the end the following:

“(12) SHORT FORM REPORTING.—

“(A) IN GENERAL.—The appropriate Federal banking agencies shall issue regulations that allow for a reduced reporting requirement for a covered depository institution when the institution makes the first and third report of condition for a year, as required under paragraph (3).

“(B) DEFINITION.—In this paragraph, the term ‘covered depository institution’ means an insured depository institution that—

“(i) has less than \$5,000,000,000 in total consolidated assets; and

“(ii) satisfies such other criteria as the appropriate Federal banking agencies determine appropriate.”.

**SEC. 206. OPTION FOR FEDERAL SAVINGS ASSOCIATIONS TO OPERATE AS COVERED SAVINGS ASSOCIATIONS.**

The Home Owners’ Loan Act (12 U.S.C. 1461 et seq.) is amended by inserting after section 5 (12 U.S.C. 1464) the following:

**“SEC. 5A. ELECTION TO OPERATE AS A COVERED SAVINGS ASSOCIATION.**

“(a) DEFINITION.—In this section, the term ‘covered savings association’ means a Federal savings association that makes an election that is approved under subsection (b).

“(b) ELECTION.—

“(1) IN GENERAL.—In accordance with the rules issued under subsection (f), a Federal savings association with total consolidated assets equal to or less than \$20,000,000,000, as reported by the association to the Comptroller as of December 31, 2017, may elect to operate as a covered savings association by submitting a notice to the Comptroller of that election.

“(2) APPROVAL.—A Federal savings association shall be deemed to be approved to operate as a covered savings association beginning on the date that is 60 days after the date on which the Comptroller receives the notice submitted under paragraph (1), unless the Comptroller notifies the Federal savings association that the Federal savings association is not eligible.

“(c) RIGHTS AND DUTIES.—Notwithstanding any other provision of law, and except as otherwise provided in this section, a covered savings association shall—

“(1) have the same rights and privileges as a national bank that has the main office of the national bank situated in the same location as the home office of the covered savings association; and

“(2) be subject to the same duties, restrictions, penalties, liabilities, conditions, and limitations that would apply to a national bank described in paragraph (1).

“(d) TREATMENT OF COVERED SAVINGS ASSOCIATIONS.—A covered savings association shall be treated as a Federal savings association for the purposes—

“(1) of governance of the covered savings association, including incorporation, bylaws, boards of directors, shareholders, and distribution of dividends;

“(2) of consolidation, merger, dissolution, conversion (including conversion to a stock bank or to another charter), conservatorship, and receivership; and

“(3) determined by regulation of the Comptroller.

“(e) EXISTING BRANCHES.—A covered savings association may continue to operate any branch or agency that the covered savings association operated on the date on which an election under subsection (b) is approved.

“(f) RULE MAKING.—The Comptroller shall issue rules to carry out this section—

“(1) that establish streamlined standards and procedures that clearly identify required documentation and timelines for an election under subsection (b);

“(2) that require a Federal savings association that makes an election under subsection (b) to identify specific assets and subsidiaries that—

“(A) do not conform to the requirements for assets and subsidiaries of a national bank; and

“(B) are held by the Federal savings association on the date on which the Federal savings association submits a notice of the election;

“(3) that establish—

“(A) a transition process for bringing the assets and subsidiaries described in paragraph (2) into conformance with the requirements for a national bank; and

“(B) procedures for allowing the Federal savings association to submit to the Comptroller an application to continue to hold assets and subsidiaries described in paragraph (2) after electing to operate as a covered savings association;

“(4) that establish standards and procedures to allow a covered savings association to—

“(A) terminate an election under subsection (b) after an appropriate period of time; and

“(B) make a subsequent election under subsection (b) after terminating an election under subparagraph (A);

“(5) that clarify requirements for the treatment of covered savings associations, including the provisions of law that apply to covered savings associations; and

“(6) as the Comptroller determines necessary in the interests of safety and soundness.

“(g) GRANDFATHERED COVERED SAVINGS ASSOCIATIONS.—Subject to the rules issued under subsection (f), a covered savings association may continue to operate as a covered savings association if, after the date on which the election is made under subsection (b), the covered savings association has total consolidated assets greater than \$20,000,000,000.”



**SEC. 207. SMALL BANK HOLDING COMPANY POLICY STATEMENT.**

(a) **DEFINITIONS.**—In this section:

(1) **BOARD.**—The term “Board” means the Board of Governors of the Federal Reserve System.

(2) **SAVINGS AND LOAN HOLDING COMPANY.**—The term “savings and loan holding company” has the meaning given the term in section 10(a) of the Home Owners’ Loan Act (12 U.S.C. 1467a(a)).

(b) **CHANGES REQUIRED TO SMALL BANK HOLDING COMPANY POLICY STATEMENT ON ASSESSMENT OF FINANCIAL AND MANAGERIAL FACTORS.**—Not later than 180 days after the date of enactment of this Act, the Board shall revise appendix C to part 225 of title 12, Code of Federal Regulations (commonly known as the “Small Bank Holding Company and Savings and Loan Holding Company Policy Statement”), to raise the consolidated asset threshold under that appendix from \$1,000,000,000 to \$3,000,000,000 for any bank holding company or savings and loan holding company that—

(1) is not engaged in significant nonbanking activities either directly or through a nonbank subsidiary;

(2) does not conduct significant off-balance sheet activities (including securitization and asset management or administration) either directly or through a nonbank subsidiary; and

(3) does not have a material amount of debt or equity securities outstanding (other than trust preferred securities) that are registered with the Securities and Exchange Commission.

(c) **EXCLUSIONS.**—The Board may exclude any bank holding company or savings and loan holding company, regardless of asset size, from the revision under subsection (b) if the Board determines that such action is warranted for supervisory purposes.

(d) **CONFORMING AMENDMENT.**—Section 171(b)(5) of the Financial Stability Act of 2010 (12 U.S.C. 5371(b)(5)) is amended by striking subparagraph (C) and inserting the following:

“(C) any bank holding company or savings and loan holding company that is subject to the application of appendix C to part 225 of title 12, Code of Federal Regulations (commonly known as the ‘Small Bank Holding Company and Savings and Loan Holding Company Policy Statement’).”.

**SEC. 208. APPLICATION OF THE EXPEDITED FUNDS AVAILABILITY ACT.**

(a) **IN GENERAL.**—The Expedited Funds Availability Act (12 U.S.C. 4001 et seq.) is amended—

(1) in section 602 (12 U.S.C. 4001)—

(A) in paragraph (20), by inserting “, located in the United States,” after “ATM”;

(B) in paragraph (21), by inserting “American Samoa, the Commonwealth of the Northern Mariana Islands, Guam,” after “Puerto Rico,”; and

(C) in paragraph (23), by inserting “American Samoa, the Commonwealth of the Northern Mariana Islands, Guam,” after “Puerto Rico,”; and

(2) in section 603(d)(2)(A) (12 U.S.C. 4002(d)(2)(A)), by inserting “American Samoa, the Commonwealth of the Northern Mariana Islands, Guam,” after “Puerto Rico,”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on the date that is 30 days after the date of enactment of this Act.

**SEC. 209. SMALL PUBLIC HOUSING AGENCIES.**

(a) **SMALL PUBLIC HOUSING AGENCIES.**—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following:

**“SEC. 38. SMALL PUBLIC HOUSING AGENCIES.**

**“(a) DEFINITIONS.**—In this section:

**“(1) HOUSING VOUCHER PROGRAM.**—The term ‘housing voucher program’ means a program for tenant-based assistance under section 8.

**“(2) SMALL PUBLIC HOUSING AGENCY.**—The term ‘small public housing agency’ means a public housing agency—

**“(A)** for which the sum of the number of public housing dwelling units administered by the agency and the number of vouchers under section 8(o) administered by the agency is 550 or fewer; and

**“(B)** that predominantly operates in a rural area, as described in section 1026.35(b)(2)(iv)(A) of title 12, Code of Federal Regulations.

**“(3) TROUBLED SMALL PUBLIC HOUSING AGENCY.**—The term ‘troubled small public housing agency’ means a small public housing agency designated by the Secretary as a troubled small public housing agency under subsection (c)(3).

**“(b) APPLICABILITY.**—Except as otherwise provided in this section, a small public housing agency shall be subject to the same requirements as a public housing agency.

**“(c) PROGRAM INSPECTIONS AND EVALUATIONS.**—

**“(1) PUBLIC HOUSING PROJECTS.**—

**“(A) FREQUENCY OF INSPECTIONS BY SECRETARY.**—The Secretary shall carry out an inspection of the physical condition of a small public housing agency’s public housing projects not more frequently than once every 3 years, unless the agency has been designated by the Secretary as a troubled small public housing agency based on deficiencies in the physical condition of its public housing projects. Nothing contained in this subparagraph relieves the Secretary from conducting lead safety inspections or assessments in accordance with procedures established by the Secretary under section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822).

**“(B) STANDARDS.**—The Secretary shall apply to small public housing agencies the same standards for the acceptable condition of public housing projects that apply to projects assisted under section 8.

**“(2) HOUSING VOUCHER PROGRAM.**—Except as required by section 8(o)(8)(F), a small public housing agency administering assistance under section 8(o) shall make periodic physical inspections of each assisted dwelling unit not less frequently than once every 3 years to determine whether the unit is maintained in accordance with the requirements under section 8(o)(8)(A). Nothing contained in this paragraph relieves a small public housing agency from conducting lead safety inspections or assessments in accordance with procedures established by

the Secretary under section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822).

“(3) TROUBLED SMALL PUBLIC HOUSING AGENCIES.—

“(A) PUBLIC HOUSING PROGRAM.—Notwithstanding any other provision of law, the Secretary may designate a small public housing agency as a troubled small public housing agency with respect to the public housing program of the small public housing agency if the Secretary determines that the agency has failed to maintain the public housing units of the small public housing agency in a satisfactory physical condition, based upon an inspection conducted by the Secretary.

“(B) HOUSING VOUCHER PROGRAM.—Notwithstanding any other provision of law, the Secretary may designate a small public housing agency as a troubled small public housing agency with respect to the housing voucher program of the small public housing agency if the Secretary determines that the agency has failed to comply with the inspection requirements under paragraph (2).

“(C) APPEALS.—

“(i) ESTABLISHMENT.—The Secretary shall establish an appeals process under which a small public housing agency may dispute a designation as a troubled small public housing agency.

“(ii) OFFICIAL.—The appeals process established under clause (i) shall provide for a decision by an official who has not been involved, and is not subordinate to a person who has been involved, in the original determination to designate a small public housing agency as a troubled small public housing agency.

“(D) CORRECTIVE ACTION AGREEMENT.—

“(i) AGREEMENT REQUIRED.—Not later than 60 days after the date on which a small public housing agency is designated as a troubled public housing agency under subparagraph (A) or (B), the Secretary and the small public housing agency shall enter into a corrective action agreement under which the small public housing agency shall undertake actions to correct the deficiencies upon which the designation is based.

“(ii) TERMS OF AGREEMENT.—A corrective action agreement entered into under clause (i) shall—

“(I) have a term of 1 year, and shall be renewable at the option of the Secretary;

“(II) provide, where feasible, for technical assistance to assist the public housing agency in curing its deficiencies;

“(III) provide for—

“(aa) reconsideration of the designation of the small public housing agency as a troubled small public housing agency not less frequently than annually; and

“(bb) termination of the agreement when the Secretary determines that the small public housing agency is no longer a troubled small public housing agency; and

“(IV) provide that in the event of substantial noncompliance by the small public housing agency under the agreement, the Secretary may—

“(aa) contract with another public housing agency or a private entity to manage the public housing of the troubled small public housing agency;

“(bb) withhold funds otherwise distributable to the troubled small public housing agency;

“(cc) assume possession of, and direct responsibility for, managing the public housing of the troubled small public housing agency;

“(dd) petition for the appointment of a receiver, in accordance with section 6(j)(3)(A)(ii); and

“(ee) exercise any other remedy available to the Secretary in the event of default under the public housing annual contributions contract entered into by the small public housing agency under section 5.

“(E) EMERGENCY ACTIONS.—Nothing in this paragraph may be construed to prohibit the Secretary from taking any emergency action necessary to protect Federal financial resources or the health or safety of residents of public housing projects.

“(d) REDUCTION OF ADMINISTRATIVE BURDENS.—

“(1) EXEMPTION.—Notwithstanding any other provision of law, a small public housing agency shall be exempt from any environmental review requirements with respect to a development or modernization project having a total cost of not more than \$100,000.

“(2) STREAMLINED PROCEDURES.—The Secretary shall, by rule, establish streamlined procedures for environmental reviews of small public housing agency development and modernization projects having a total cost of more than \$100,000.”.

(b) ENERGY CONSERVATION.—Section 9(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437g(e)(2)) is amended by adding at the end the following:

“(D) FREEZE OF CONSUMPTION LEVELS.—

“(i) IN GENERAL.—A small public housing agency, as defined in section 38(a), may elect to be paid for its utility and waste management costs under the formula for a period, at the discretion of the small public housing agency, of not more than 20 years based on the small public housing agency’s average annual consumption during the 3-year period preceding the year in which the election is made (in this subparagraph referred to as the ‘consumption base level’).

“(ii) INITIAL ADJUSTMENT IN CONSUMPTION BASE LEVEL.—The Secretary shall make an initial one-time adjustment in the consumption base level to account for differences in the heating degree day average over the most recent 20-year period compared to the average in the consumption base level.

“(iii) ADJUSTMENTS IN CONSUMPTION BASE LEVEL.—The Secretary shall make adjustments in the consumption base level to account for an increase or reduction in units, a change in fuel source, a change in resident controlled electricity consumption, or for other reasons.

“(iv) SAVINGS.—All cost savings resulting from an election made by a small public housing agency under this subparagraph—

“(I) shall accrue to the small public housing agency; and

“(II) may be used for any public housing purpose at the discretion of the small public housing agency.

“(v) THIRD PARTIES.—A small public housing agency making an election under this subparagraph—

“(I) may use, but shall not be required to use, the services of a third party in its energy conservation program; and

“(II) shall have the sole discretion to determine the source, and terms and conditions, of any financing used for its energy conservation program.”.

(c) REPORTING BY AGENCIES OPERATING IN CONSORTIA.—Not later than 180 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall develop and deploy all electronic information systems necessary to accommodate full consolidated reporting by public housing agencies, as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)), electing to operate in consortia under section 13(a) of such Act (42 U.S.C. 1437k(a)).

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date that is 60 days after the date of enactment of this Act.

(e) SHARED WAITING LISTS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development shall make available to interested public housing agencies and owners of multifamily properties receiving assistance from the Department of Housing and Urban Development 1 or more software programs that will facilitate the voluntary use of a shared waiting list by multiple public housing agencies or owners receiving assistance, and shall publish on the website of the Department of Housing and Urban Development procedural guidance for implementing shared waiting lists that includes information on how to obtain the software.

#### **SEC. 210. EXAMINATION CYCLE.**

Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended—

(1) in paragraph (4)(A), by striking “\$1,000,000,000” and inserting “\$3,000,000,000”; and

(2) in paragraph (10), by striking “\$1,000,000,000” and inserting “\$3,000,000,000”.

#### **SEC. 211. INTERNATIONAL INSURANCE CAPITAL STANDARDS ACCOUNTABILITY.**

(a) FINDINGS.—Congress finds that—

(1) the Secretary of the Treasury, Board of Governors of the Federal Reserve System, and Director of the Federal Insurance Office shall support increasing transparency at any global insurance or international standard-setting regulatory or supervisory forum in which they participate, including supporting and advocating for greater public observer access to working groups and committee meetings of the International Association of Insurance Supervisors; and

(2) to the extent that the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office take a position or reasonably intend to take a position with respect to an insurance proposal by a global insurance regulatory or supervisory forum, the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office shall achieve consensus positions with State insurance regulators through the National Association of Insurance Commissioners, when they are United States participants in negotiations on insurance issues before the International Association of Insurance Supervisors, Financial Stability Board, or any other international forum of financial regulators or supervisors that considers such issues.

(b) INSURANCE POLICY ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—There is established the Insurance Policy Advisory Committee on International Capital Standards and Other Insurance Issues at the Board of Governors of the Federal Reserve System.

(2) MEMBERSHIP.—The Committee shall be composed of not more than 21 members, all of whom represent a diverse set of expert perspectives from the various sectors of the United States insurance industry, including life insurance, property and casualty insurance and reinsurance, agents and brokers, academics, consumer advocates, or experts on issues facing underserved insurance communities and consumers.

(c) REPORTS.—

(1) REPORTS AND TESTIMONY BY SECRETARY OF THE TREASURY AND CHAIRMAN OF THE FEDERAL RESERVE.—

(A) IN GENERAL.—The Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System, or their designee, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives, an annual report and provide annual testimony to the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives on the efforts of the Secretary and the Chairman with the National Association of Insurance Commissioners with respect to global insurance regulatory or supervisory forums, including—

(i) a description of the insurance regulatory or supervisory standard-setting issues under discussion at international standard-setting bodies, including the Financial Stability Board and the International Association of Insurance Supervisors;

(ii) a description of the effects that proposals discussed at international insurance regulatory or supervisory forums of insurance could have on consumer and insurance markets in the United States;

(iii) a description of any position taken by the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office in international insurance discussions; and

(iv) a description of the efforts by the Secretary of the Treasury, the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office to increase transparency at the Financial Stability Board with respect to insurance proposals and the International Association of Insurance Supervisors, including efforts to provide additional public access to working groups and committees of the International Association of Insurance Supervisors.

(B) TERMINATION.—This paragraph shall terminate on December 31, 2024.

(2) REPORTS AND TESTIMONY BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.—The National Association of Insurance Commissioners may provide testimony to Congress on the issues described in paragraph (1)(A).

(3) JOINT REPORT BY THE CHAIRMAN OF THE FEDERAL RESERVE AND THE DIRECTOR OF THE FEDERAL INSURANCE OFFICE.—

(A) IN GENERAL.—The Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office shall, in consultation with the National Association of Insurance Commissioners, complete a study on, and submit to Congress a report on the results of the study, the impact on consumers and markets in the United States before supporting or consenting to the adoption of any final international insurance capital standard.

(B) NOTICE AND COMMENT.—

(i) NOTICE.—The Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office shall provide public notice before the date on which drafting a report required under subparagraph (A) is commenced and after the date on which the draft of the report is completed.

(ii) OPPORTUNITY FOR COMMENT.—There shall be an opportunity for public comment for a period beginning on the date on which the report is submitted under subparagraph (A) and ending on the date that is 60 days after the date on which the report is submitted.

(C) REVIEW BY COMPTROLLER GENERAL.—The Secretary of the Treasury, Chairman of the Board of Governors of the Federal Reserve System, and the Director of the Federal Insurance Office shall submit to the Comptroller General of the United States the report described in subparagraph (A) for review.

(4) **REPORT ON INCREASE IN TRANSPARENCY.**—Not later than 180 days after the date of enactment of this Act, the Chairman of the Board of Governors of the Federal Reserve System and the Secretary of the Treasury, or their designees, shall submit to Congress a report and provide testimony to Congress on the efforts of the Chairman and the Secretary to increase transparency at meetings of the International Association of Insurance Supervisors.

**SEC. 212. BUDGET TRANSPARENCY FOR THE NCUA.**

Section 209(b) of the Federal Credit Union Act (12 U.S.C. 1789(b)) is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(2) by inserting before paragraph (2), as so redesignated, the following:

“(1) on an annual basis and prior to the submission of the detailed business-type budget required under paragraph (2)—

“(A) make publicly available and publish in the Federal Register a draft of the detailed business-type budget; and

“(B) hold a public hearing, with public notice provided of the hearing, during which the public may submit comments on the draft of the detailed business-type budget;”;

and

(3) in paragraph (2), as so redesignated—

(A) by inserting “detailed” after “submit a”; and

(B) by inserting “, which shall address any comment submitted by the public under paragraph (1)(B)” after “Control Act”.

**SEC. 213. MAKING ONLINE BANKING INITIATION LEGAL AND EASY.**

(a) **DEFINITIONS.**—In this section:

(1) **AFFILIATE.**—The term “affiliate” has the meaning given the term in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

(2) **DRIVER’S LICENSE.**—The term “driver’s license” means a license issued by a State to an individual that authorizes the individual to operate a motor vehicle on public streets, roads, or highways.

(3) **FEDERAL BANK SECRECY LAWS.**—The term “Federal bank secrecy laws” means—

(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

(B) section 123 of Public Law 91–508 (12 U.S.C. 1953);

and

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

(4) **FINANCIAL INSTITUTION.**—The term “financial institution” means—

(A) an insured depository institution;

(B) an insured credit union; or

(C) any affiliate of an insured depository institution or insured credit union.

(5) **FINANCIAL PRODUCT OR SERVICE.**—The term “financial product or service” has the meaning given the term in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481).



(6) INSURED CREDIT UNION.—The term “insured credit union” has the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(7) INSURED DEPOSITORY INSTITUTION.—The term “insured depository institution” has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(8) ONLINE SERVICE.—The term “online service” means any Internet-based service, such as a website or mobile application.

(9) PERSONAL IDENTIFICATION CARD.—The term “personal identification card” means an identification document issued by a State or local government to an individual solely for the purpose of identification of that individual.

(10) PERSONAL INFORMATION.—The term “personal information” means the information displayed on or electronically encoded on a driver’s license or personal identification card that is reasonably necessary to fulfill the purpose and uses permitted by subsection (b).

(11) SCAN.—The term “scan” means the act of using a device or software to decipher, in an electronically readable format, personal information displayed on or electronically encoded on a driver’s license or personal identification card.

(12) STATE.—The term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other commonwealth, possession, or territory of the United States.

(b) USE OF A DRIVER’S LICENSE OR PERSONAL IDENTIFICATION CARD.—

(1) IN GENERAL.—When an individual initiates a request through an online service to open an account with a financial institution or obtain a financial product or service from a financial institution, the financial institution may record personal information from a scan of the driver’s license or personal identification card of the individual, or make a copy or receive an image of the driver’s license or personal identification card of the individual, and store or retain such information in any electronic format for the purposes described in paragraph (2).

(2) USES OF INFORMATION.—Except as required to comply with Federal bank secrecy laws, a financial institution may only use the information obtained under paragraph (1)—

(A) to verify the authenticity of the driver’s license or personal identification card;

(B) to verify the identity of the individual; and

(C) to comply with a legal requirement to record, retain, or transmit the personal information in connection with opening an account or obtaining a financial product or service.

(3) DELETION OF IMAGE.—A financial institution that makes a copy or receives an image of a driver’s license or personal identification card of an individual in accordance with paragraphs (1) and (2) shall, after using the image for the purposes described in paragraph (2), permanently delete—

(A) any image of the driver’s license or personal identification card, as applicable; and

(B) any copy of any such image.

(4) DISCLOSURE OF PERSONAL INFORMATION.—Nothing in this section shall be construed to amend, modify, or otherwise

affect any State or Federal law that governs a financial institution’s disclosure and security of personal information that is not publicly available.

(c) **RELATION TO STATE LAW.**—The provisions of this section shall preempt and supersede any State law that conflicts with a provision of this section, but only to the extent of such conflict.

**SEC. 214. PROMOTING CONSTRUCTION AND DEVELOPMENT ON MAIN STREET.**

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**“SEC. 51. CAPITAL REQUIREMENTS FOR CERTAIN ACQUISITION, DEVELOPMENT, OR CONSTRUCTION LOANS.**

“(a) **IN GENERAL.**—The appropriate Federal banking agencies may only require a depository institution to assign a heightened risk weight to a high volatility commercial real estate (HVCRE) exposure (as such term is defined under section 324.2 of title 12, Code of Federal Regulations, as of October 11, 2017, or if a successor regulation is in effect as of the date of the enactment of this section, such term or any successor term contained in such successor regulation) under any risk-based capital requirement if such exposure is an HVCRE ADC loan.

“(b) **HVCRE ADC LOAN DEFINED.**—For purposes of this section and with respect to a depository institution, the term ‘HVCRE ADC loan’—

“(1) means a credit facility secured by land or improved real property that, prior to being reclassified by the depository institution as a non-HVCRE ADC loan pursuant to subsection (d)—

“(A) primarily finances, has financed, or refinances the acquisition, development, or construction of real property;

“(B) has the purpose of providing financing to acquire, develop, or improve such real property into income-producing real property; and

“(C) is dependent upon future income or sales proceeds from, or refinancing of, such real property for the repayment of such credit facility;

“(2) does not include a credit facility financing—

“(A) the acquisition, development, or construction of properties that are—

“(i) one- to four-family residential properties;

“(ii) real property that would qualify as an investment in community development; or

“(iii) agricultural land;

“(B) the acquisition or refinance of existing income-producing real property secured by a mortgage on such property, if the cash flow being generated by the real property is sufficient to support the debt service and expenses of the real property, in accordance with the institution’s applicable loan underwriting criteria for permanent financings;

“(C) improvements to existing income-producing improved real property secured by a mortgage on such property, if the cash flow being generated by the real property is sufficient to support the debt service and expenses of the real property, in accordance with the

institution’s applicable loan underwriting criteria for permanent financings; or

“(D) commercial real property projects in which—

“(i) the loan-to-value ratio is less than or equal to the applicable maximum supervisory loan-to-value ratio as determined by the appropriate Federal banking agency;

“(ii) the borrower has contributed capital of at least 15 percent of the real property’s appraised, ‘as completed’ value to the project in the form of—

“(I) cash;

“(II) unencumbered readily marketable assets;

“(III) paid development expenses out-of-pocket;

or

“(IV) contributed real property or improvements; and

“(iii) the borrower contributed the minimum amount of capital described under clause (ii) before the depository institution advances funds (other than the advance of a nominal sum made in order to secure the depository institution’s lien against the real property) under the credit facility, and such minimum amount of capital contributed by the borrower is contractually required to remain in the project until the credit facility has been reclassified by the depository institution as a non-HVCRE ADC loan under subsection (d);

“(3) does not include any loan made prior to January 1, 2015; and

“(4) does not include a credit facility reclassified as a non-HVCRE ADC loan under subsection (d).

“(c) VALUE OF CONTRIBUTED REAL PROPERTY.—For purposes of this section, the value of any real property contributed by a borrower as a capital contribution shall be the appraised value of the property as determined under standards prescribed pursuant to section 1110 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3339), in connection with the extension of the credit facility or loan to such borrower.

“(d) RECLASSIFICATION AS A NON-HVCRE ADC LOAN.—For purposes of this section and with respect to a credit facility and a depository institution, upon—

“(1) the substantial completion of the development or construction of the real property being financed by the credit facility; and

“(2) cash flow being generated by the real property being sufficient to support the debt service and expenses of the real property,

in accordance with the institution’s applicable loan underwriting criteria for permanent financings, the credit facility may be reclassified by the depository institution as a Non-HVCRE ADC loan.

“(e) EXISTING AUTHORITIES.—Nothing in this section shall limit the supervisory, regulatory, or enforcement authority of an appropriate Federal banking agency to further the safe and sound operation of an institution under the supervision of the appropriate Federal banking agency.”.

**SEC. 215. REDUCING IDENTITY FRAUD.**

(a) **PURPOSE.**—The purpose of this section is to reduce the prevalence of synthetic identity fraud, which disproportionately affects vulnerable populations, such as minors and recent immigrants, by facilitating the validation by permitted entities of fraud protection data, pursuant to electronically received consumer consent, through use of a database maintained by the Commissioner.

(b) **DEFINITIONS.**—In this section:

(1) **COMMISSIONER.**—The term “Commissioner” means the Commissioner of the Social Security Administration.

(2) **FINANCIAL INSTITUTION.**—The term “financial institution” has the meaning given the term in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809).

(3) **FRAUD PROTECTION DATA.**—The term “fraud protection data” means a combination of the following information with respect to an individual:

(A) The name of the individual (including the first name and any family forename or surname of the individual).

(B) The social security number of the individual.

(C) The date of birth (including the month, day, and year) of the individual.

(4) **PERMITTED ENTITY.**—The term “permitted entity” means a financial institution or a service provider, subsidiary, affiliate, agent, subcontractor, or assignee of a financial institution.

(c) **EFFICIENCY.**—

(1) **RELIANCE ON EXISTING METHODS.**—The Commissioner shall evaluate the feasibility of making modifications to any database that is in existence as of the date of enactment of this Act or a similar resource such that the database or resource—

(A) is reasonably designed to effectuate the purpose of this section; and

(B) meets the requirements of subsection (d).

(2) **EXECUTION.**—The Commissioner shall make the modifications necessary to any database that is in existence as of the date of enactment of this Act or similar resource, or develop a database or similar resource, to effectuate the requirements described in paragraph (1).

(d) **PROTECTION OF VULNERABLE CONSUMERS.**—The database or similar resource described in subsection (c) shall—

(1) compare fraud protection data provided in an inquiry by a permitted entity against such information maintained by the Commissioner in order to confirm (or not confirm) the validity of the information provided;

(2) be scalable and accommodate reasonably anticipated volumes of verification requests from permitted entities with commercially reasonable uptime and availability; and

(3) allow permitted entities to submit—

(A) 1 or more individual requests electronically for real-time machine-to-machine (or similar functionality) accurate responses; and

(B) multiple requests electronically, such as those provided in a batch format, for accurate electronic responses within a reasonable period of time from submission, not to exceed 24 hours.

(e) **CERTIFICATION REQUIRED.**—Before providing confirmation of fraud protection data to a permitted entity, the Commissioner shall ensure that the Commissioner has a certification from the permitted entity that is dated not more than 2 years before the date on which that confirmation is provided that includes the following declarations:

- (1) The entity is a permitted entity.
- (2) The entity is in compliance with this section.
- (3) The entity is, and will remain, in compliance with its privacy and data security requirements, as described in title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.), with respect to information the entity receives from the Commissioner pursuant to this section.
- (4) The entity will retain sufficient records to demonstrate its compliance with its certification and this section for a period of not less than 2 years.

(f) **CONSUMER CONSENT.**—

- (1) **IN GENERAL.**—Notwithstanding any other provision of law or regulation, a permitted entity may submit a request to the database or similar resource described in subsection (c) only—

- (A) pursuant to the written, including electronic, consent received by a permitted entity from the individual who is the subject of the request; and
  - (B) in connection with a credit transaction or any circumstance described in section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b).

- (2) **ELECTRONIC CONSENT REQUIREMENTS.**—For a permitted entity to use the consent of an individual received electronically pursuant to paragraph (1)(A), the permitted entity must obtain the individual’s electronic signature, as defined in section 106 of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7006).

- (3) **EFFECTUATING ELECTRONIC CONSENT.**—No provision of law or requirement, including section 552a of title 5, United States Code, shall prevent the use of electronic consent for purposes of this subsection or for use in any other consent based verification under the discretion of the Commissioner.

(g) **COMPLIANCE AND ENFORCEMENT.**—

- (1) **AUDITS AND MONITORING.**—The Commissioner may—

- (A) conduct audits and monitoring to—

- (i) ensure proper use by permitted entities of the database or similar resource described in subsection (c); and
    - (ii) deter fraud and misuse by permitted entities with respect to the database or similar resource described in subsection (c); and

- (B) terminate services for any permitted entity that prevents or refuses to allow the Commissioner to carry out the activities described in subparagraph (A).

- (2) **ENFORCEMENT.**—

- (A) **IN GENERAL.**—Notwithstanding any other provision of law, including the matter preceding paragraph (1) of section 505(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)), any violation of this section and any certification made under this section shall be enforced in accordance

with paragraphs (1) through (7) of such section 505(a) by the agencies described in those paragraphs.

(B) **RELEVANT INFORMATION.**—Upon discovery by the Commissioner, pursuant to an audit described in paragraph (1), of any violation of this section or any certification made under this section, the Commissioner shall forward any relevant information pertaining to that violation to the appropriate agency described in subparagraph (A) for evaluation by the agency for purposes of enforcing this section.

(h) **RECOVERY OF COSTS.**—

(1) **IN GENERAL.**—

(A) **IN GENERAL.**—Amounts obligated to carry out this section shall be fully recovered from the users of the database or verification system by way of advances, reimbursements, user fees, or other recoveries as determined by the Commissioner. The funds recovered under this paragraph shall be deposited as an offsetting collection to the account providing appropriations for the Social Security Administration, to be used for the administration of this section without fiscal year limitation.

(B) **PRICES FIXED BY COMMISSIONER.**—The Commissioner shall establish the amount to be paid by the users under this paragraph, including the costs of any services or work performed, such as any appropriate upgrades, maintenance, and associated direct and indirect administrative costs, in support of carrying out the purposes described in this section, by reimbursement or in advance as determined by the Commissioner. The amount of such prices shall be periodically adjusted by the Commissioner to ensure that amounts collected are sufficient to fully offset the cost of the administration of this section.

(2) **INITIAL DEVELOPMENT.**—The Commissioner shall not begin development of a verification system to carry out this section until the Commissioner determines that amounts equal to at least 50 percent of program start-up costs have been collected under paragraph (1).

(3) **EXISTING RESOURCES.**—The Commissioner may use funds designated for information technology modernization to carry out this section.

(4) **ANNUAL REPORT.**—The Commissioner shall annually submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the amount of indirect costs to the Social Security Administration arising as a result of the implementation of this section.

**SEC. 216. TREASURY REPORT ON RISKS OF CYBER THREATS.**

Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the risks of cyber threats to financial institutions and capital markets in the United States, including—

(1) an assessment of the material risks of cyber threats to financial institutions and capital markets in the United States;

(2) the impact and potential effects of material cyber attacks on financial institutions and capital markets in the United States;

(3) an analysis of how the appropriate Federal banking agencies and the Securities and Exchange Commission are addressing the material risks of cyber threats described in paragraph (1), including—

(A) how the appropriate Federal banking agencies and the Securities and Exchange Commission are assessing those threats;

(B) how the appropriate Federal banking agencies and the Securities and Exchange Commission are assessing the cyber vulnerabilities and preparedness of financial institutions;

(C) coordination amongst the appropriate Federal banking agencies and the Securities and Exchange Commission, and their coordination with other government agencies (including with respect to regulations, examinations, lexicon, duplication, and other regulatory tools); and

(D) areas for improvement; and

(4) a recommendation of whether any appropriate Federal banking agency or the Securities and Exchange Commission needs additional legal authorities or resources to adequately assess and address the material risks of cyber threats described in paragraph (1), given the analysis required by paragraph (3).

**SEC. 217. DISCRETIONARY SURPLUS FUNDS.**

Section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is amended by striking “\$7,500,000,000” and inserting “\$6,825,000,000”.

**TITLE III—PROTECTIONS FOR VETERANS, CONSUMERS, AND HOME-OWNERS**

**SEC. 301. PROTECTING CONSUMERS’ CREDIT.**

(a) IN GENERAL.—Section 605A of the Fair Credit Reporting Act (15 U.S.C. 1681c–1) is amended—

(1) in subsection (a)(1)(A), by striking “90 days” and inserting “1 year”; and

(2) by adding at the end the following:

“(i) NATIONAL SECURITY FREEZE.—

“(1) DEFINITIONS.—For purposes of this subsection:

“(A) The term ‘consumer reporting agency’ means a consumer reporting agency described in section 603(p).

“(B) The term ‘proper identification’ has the meaning of such term as used under section 610.

“(C) The term ‘security freeze’ means a restriction that prohibits a consumer reporting agency from disclosing the contents of a consumer report that is subject to such security freeze to any person requesting the consumer report.

“(2) PLACEMENT OF SECURITY FREEZE.—

“(A) IN GENERAL.—Upon receiving a direct request from a consumer that a consumer reporting agency place a security freeze, and upon receiving proper identification from the consumer, the consumer reporting agency shall, free of charge, place the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 business day after receiving the request directly from the consumer; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request directly from the consumer.

“(B) CONFIRMATION AND ADDITIONAL INFORMATION.—Not later than 5 business days after placing a security freeze under subparagraph (A), a consumer reporting agency shall—

“(i) send confirmation of the placement to the consumer; and

“(ii) inform the consumer of—

“(I) the process by which the consumer may remove the security freeze, including a mechanism to authenticate the consumer; and

“(II) the consumer’s right described in section 615(d)(1)(D).

“(C) NOTICE TO THIRD PARTIES.—A consumer reporting agency may advise a third party that a security freeze has been placed with respect to a consumer under subparagraph (A).

“(3) REMOVAL OF SECURITY FREEZE.—

“(A) IN GENERAL.—A consumer reporting agency shall remove a security freeze placed on the consumer report of a consumer only in the following cases:

“(i) Upon the direct request of the consumer.

“(ii) The security freeze was placed due to a material misrepresentation of fact by the consumer.

“(B) NOTICE IF REMOVAL NOT BY REQUEST.—If a consumer reporting agency removes a security freeze under subparagraph (A)(ii), the consumer reporting agency shall notify the consumer in writing prior to removing the security freeze.

“(C) REMOVAL OF SECURITY FREEZE BY CONSUMER REQUEST.—Except as provided in subparagraph (A)(ii), a security freeze shall remain in place until the consumer directly requests that the security freeze be removed. Upon receiving a direct request from a consumer that a consumer reporting agency remove a security freeze, and upon receiving proper identification from the consumer, the consumer reporting agency shall, free of charge, remove the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 hour after receiving the request for removal; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request for removal.

“(D) THIRD-PARTY REQUESTS.—If a third party requests access to a consumer report of a consumer with respect to which a security freeze is in effect, where such request



is in connection with an application for credit, and the consumer does not allow such consumer report to be accessed, the third party may treat the application as incomplete.

“(E) TEMPORARY REMOVAL OF SECURITY FREEZE.—Upon receiving a direct request from a consumer under subparagraph (A)(i), if the consumer requests a temporary removal of a security freeze, the consumer reporting agency shall, in accordance with subparagraph (C), remove the security freeze for the period of time specified by the consumer.

“(4) EXCEPTIONS.—A security freeze shall not apply to the making of a consumer report for use of the following:

“(A) A person or entity, or a subsidiary, affiliate, or agent of that person or entity, or an assignee of a financial obligation owed by the consumer to that person or entity, or a prospective assignee of a financial obligation owed by the consumer to that person or entity in conjunction with the proposed purchase of the financial obligation, with which the consumer has or had prior to assignment an account or contract including a demand deposit account, or to whom the consumer issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owed for the account, contract, or negotiable instrument. For purposes of this subparagraph, ‘reviewing the account’ includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

“(B) Any Federal, State, or local agency, law enforcement agency, trial court, or private collection agency acting pursuant to a court order, warrant, or subpoena.

“(C) A child support agency acting pursuant to part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

“(D) A Federal agency or a State or its agents or assigns acting to investigate fraud or acting to investigate or collect delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities, provided such responsibilities are consistent with a permissible purpose under section 604.

“(E) By a person using credit information for the purposes described under section 604(c).

“(F) Any person or entity administering a credit file monitoring subscription or similar service to which the consumer has subscribed.

“(G) Any person or entity for the purpose of providing a consumer with a copy of the consumer’s consumer report or credit score, upon the request of the consumer.

“(H) Any person using the information in connection with the underwriting of insurance.

“(I) Any person using the information for employment, tenant, or background screening purposes.

“(J) Any person using the information for assessing, verifying, or authenticating a consumer’s identity for purposes other than the granting of credit, or for investigating or preventing actual or potential fraud.

“(5) NOTICE OF RIGHTS.—At any time a consumer is required to receive a summary of rights required under section 609, the following notice shall be included:

“‘CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE

“‘You have a right to place a “security freeze” on your credit report, which will prohibit a consumer reporting agency from releasing information in your credit report without your express authorization. The security freeze is designed to prevent credit, loans, and services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, mortgage, or any other account involving the extension of credit.

“‘As an alternative to a security freeze, you have the right to place an initial or extended fraud alert on your credit file at no cost. An initial fraud alert is a 1-year alert that is placed on a consumer’s credit file. Upon seeing a fraud alert display on a consumer’s credit file, a business is required to take steps to verify the consumer’s identity before extending new credit. If you are a victim of identity theft, you are entitled to an extended fraud alert, which is a fraud alert lasting 7 years.

“‘A security freeze does not apply to a person or entity, or its affiliates, or collection agencies acting on behalf of the person or entity, with which you have an existing account that requests information in your credit report for the purposes of reviewing or collecting the account. Reviewing the account includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.’

“(6) WEBPAGE.—

“(A) CONSUMER REPORTING AGENCIES.—A consumer reporting agency shall establish a webpage that—

“(i) allows a consumer to request a security freeze;

“(ii) allows a consumer to request an initial fraud alert;

“(iii) allows a consumer to request an extended fraud alert;

“(iv) allows a consumer to request an active duty fraud alert;

“(v) allows a consumer to opt-out of the use of information in a consumer report to send the consumer a solicitation of credit or insurance, in accordance with section 615(d); and

“(vi) shall not be the only mechanism by which a consumer may request a security freeze.

“(B) FTC.—The Federal Trade Commission shall establish a single webpage that includes a link to each webpage established under subparagraph (A) within the Federal Trade Commission’s website [www.Identitytheft.gov](http://www.Identitytheft.gov), or a successor website.

“(j) NATIONAL PROTECTION FOR FILES AND CREDIT RECORDS OF PROTECTED CONSUMERS.—

“(1) DEFINITIONS.—As used in this subsection:

“(A) The term ‘consumer reporting agency’ means a consumer reporting agency described in section 603(p).

“(B) The term ‘protected consumer’ means an individual who is—

“(i) under the age of 16 years at the time a request for the placement of a security freeze is made; or

“(ii) an incapacitated person or a protected person for whom a guardian or conservator has been appointed.

“(C) The term ‘protected consumer’s representative’ means a person who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.

“(D) The term ‘record’ means a compilation of information that—

“(i) identifies a protected consumer;

“(ii) is created by a consumer reporting agency solely for the purpose of complying with this subsection; and

“(iii) may not be created or used to consider the protected consumer’s credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

“(E) The term ‘security freeze’ means a restriction that prohibits a consumer reporting agency from disclosing the contents of a consumer report that is the subject of such security freeze or, in the case of a protected consumer for whom the consumer reporting agency does not have a file, a record that is subject to such security freeze to any person requesting the consumer report for the purpose of opening a new account involving the extension of credit.

“(F) The term ‘sufficient proof of authority’ means documentation that shows a protected consumer’s representative has authority to act on behalf of a protected consumer and includes—

“(i) an order issued by a court of law;

“(ii) a lawfully executed and valid power of attorney;

“(iii) a document issued by a Federal, State, or local government agency in the United States showing proof of parentage, including a birth certificate; or

“(iv) with respect to a protected consumer who has been placed in a foster care setting, a written communication from a county welfare department or its agent or designee, or a county probation department or its agent or designee, certifying that the protected consumer is in a foster care setting under its jurisdiction.

“(G) The term ‘sufficient proof of identification’ means information or documentation that identifies a protected consumer and a protected consumer’s representative and includes—

“(i) a social security number or a copy of a social security card issued by the Social Security Administration;

“(ii) a certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate; or

“(iii) a copy of a driver’s license, an identification card issued by the motor vehicle administration, or any other government issued identification.

“(2) PLACEMENT OF SECURITY FREEZE FOR A PROTECTED CONSUMER.—

“(A) IN GENERAL.—Upon receiving a direct request from a protected consumer’s representative that a consumer reporting agency place a security freeze, and upon receiving sufficient proof of identification and sufficient proof of authority, the consumer reporting agency shall, free of charge, place the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 business day after receiving the request directly from the protected consumer’s representative; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request directly from the protected consumer’s representative.

“(B) CONFIRMATION AND ADDITIONAL INFORMATION.—Not later than 5 business days after placing a security freeze under subparagraph (A), a consumer reporting agency shall—

“(i) send confirmation of the placement to the protected consumer’s representative; and

“(ii) inform the protected consumer’s representative of the process by which the protected consumer may remove the security freeze, including a mechanism to authenticate the protected consumer’s representative.

“(C) CREATION OF FILE.—If a consumer reporting agency does not have a file pertaining to a protected consumer when the consumer reporting agency receives a direct request under subparagraph (A), the consumer reporting agency shall create a record for the protected consumer.

“(3) PROHIBITION ON RELEASE OF RECORD OR FILE OF PROTECTED CONSUMER.—After a security freeze has been placed under paragraph (2)(A), and unless the security freeze is removed in accordance with this subsection, a consumer reporting agency may not release the protected consumer’s consumer report, any information derived from the protected consumer’s consumer report, or any record created for the protected consumer.

“(4) REMOVAL OF A PROTECTED CONSUMER SECURITY FREEZE.—

“(A) IN GENERAL.—A consumer reporting agency shall remove a security freeze placed on the consumer report of a protected consumer only in the following cases:

“(i) Upon the direct request of the protected consumer’s representative.

“(ii) Upon the direct request of the protected consumer, if the protected consumer is not under the age of 16 years at the time of the request.

“(iii) The security freeze was placed due to a material misrepresentation of fact by the protected consumer’s representative.

“(B) NOTICE IF REMOVAL NOT BY REQUEST.—If a consumer reporting agency removes a security freeze under subparagraph (A)(iii), the consumer reporting agency shall notify the protected consumer’s representative in writing prior to removing the security freeze.

“(C) REMOVAL OF FREEZE BY REQUEST.—Except as provided in subparagraph (A)(iii), a security freeze shall remain in place until a protected consumer’s representative or protected consumer described in subparagraph (A)(ii) directly requests that the security freeze be removed. Upon receiving a direct request from the protected consumer’s representative or protected consumer described in subparagraph (A)(ii) that a consumer reporting agency remove a security freeze, and upon receiving sufficient proof of identification and sufficient proof of authority, the consumer reporting agency shall, free of charge, remove the security freeze not later than—

“(i) in the case of a request that is by toll-free telephone or secure electronic means, 1 hour after receiving the request for removal; or

“(ii) in the case of a request that is by mail, 3 business days after receiving the request for removal.

“(D) TEMPORARY REMOVAL OF SECURITY FREEZE.—Upon receiving a direct request from a protected consumer or a protected consumer’s representative under subparagraph (A)(i), if the protected consumer or protected consumer’s representative requests a temporary removal of a security freeze, the consumer reporting agency shall, in accordance with subparagraph (C), remove the security freeze for the period of time specified by the protected consumer or protected consumer’s representative.”.

(b) CONFORMING AMENDMENT.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)) is amended—

- (1) in subparagraph (H), by striking “or” at the end; and
- (2) by adding at the end the following:

“(J) subsections (i) and (j) of section 605A relating to security freezes; or”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 120 days after the date of enactment of this Act.

#### SEC. 302. PROTECTING VETERANS’ CREDIT.

(a) PURPOSES.—The purposes of this section are—

- (1) to rectify problematic reporting of medical debt included in a consumer report of a veteran due to inappropriate or delayed payment for hospital care, medical services, or extended care services provided in a non-Department of Veterans Affairs facility under the laws administered by the Secretary of Veterans Affairs; and

- (2) to clarify the process of debt collection for such medical debt.

(b) AMENDMENTS TO FAIR CREDIT REPORTING ACT.—

(1) VETERAN'S MEDICAL DEBT DEFINED.—Section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a) is amended by adding at the end the following:

“(z) VETERAN.—The term ‘veteran’ has the meaning given the term in section 101 of title 38, United States Code.

“(aa) VETERAN'S MEDICAL DEBT.—The term ‘veteran's medical debt’—

“(1) means a medical collection debt of a veteran owed to a non-Department of Veterans Affairs health care provider that was submitted to the Department for payment for health care authorized by the Department of Veterans Affairs; and

“(2) includes medical collection debt that the Department of Veterans Affairs has wrongfully charged a veteran.”.

(2) EXCLUSION FOR VETERAN'S MEDICAL DEBT.—Section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)) is amended by adding at the end the following:

“(7) With respect to a consumer reporting agency described in section 603(p), any information related to a veteran's medical debt if the date on which the hospital care, medical services, or extended care services was rendered relating to the debt antedates the report by less than 1 year if the consumer reporting agency has actual knowledge that the information is related to a veteran's medical debt and the consumer reporting agency is in compliance with its obligation under section 302(c)(5) of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

“(8) With respect to a consumer reporting agency described in section 603(p), any information related to a fully paid or settled veteran's medical debt that had been characterized as delinquent, charged off, or in collection if the consumer reporting agency has actual knowledge that the information is related to a veteran's medical debt and the consumer reporting agency is in compliance with its obligation under section 302(c)(5) of the Economic Growth, Regulatory Relief, and Consumer Protection Act.”.

(3) REMOVAL OF VETERAN'S MEDICAL DEBT FROM CONSUMER REPORT.—Section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i) is amended—

(A) in subsection (a)(1)(A), by inserting “and except as provided in subsection (g)” after “subsection (f)”; and

(B) by adding at the end the following:

“(g) DISPUTE PROCESS FOR VETERAN'S MEDICAL DEBT.—

“(1) IN GENERAL.—With respect to a veteran's medical debt, the veteran may submit a notice described in paragraph (2), proof of liability of the Department of Veterans Affairs for payment of that debt, or documentation that the Department of Veterans Affairs is in the process of making payment for authorized hospital care, medical services, or extended care services rendered to a consumer reporting agency or a reseller to dispute the inclusion of that debt on a consumer report of the veteran.

“(2) NOTIFICATION TO VETERAN.—The Department of Veterans Affairs shall submit to a veteran a notice that the Department of Veterans Affairs has assumed liability for part or all of a veteran's medical debt.

“(3) DELETION OF INFORMATION FROM FILE.—If a consumer reporting agency receives notice, proof of liability, or documentation under paragraph (1), the consumer reporting agency shall delete all information relating to the veteran’s medical debt from the file of the veteran and notify the furnisher and the veteran of that deletion.”.

(c) VERIFICATION OF VETERAN’S MEDICAL DEBT.—

(1) DEFINITIONS.—For purposes of this subsection—

(A) the term “consumer reporting agency” means a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p)); and

(B) the terms “veteran” and “veteran’s medical debt” have the meanings given those terms in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a), as added by subsection (b)(1).

(2) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Veterans Affairs shall establish a database to allow consumer reporting agencies to verify whether a debt furnished to a consumer reporting agency is a veteran’s medical debt.

(3) DATABASE FEATURES.—The Secretary of Veterans Affairs shall ensure that the database established under paragraph (2), to the extent permitted by law, provides consumer reporting agencies with—

(A) sufficiently detailed and specific information to verify whether a debt being furnished to the consumer reporting agency is a veteran’s medical debt;

(B) access to verification information in a secure electronic format;

(C) timely access to verification information; and

(D) any other features that would promote the efficient, timely, and secure delivery of information that consumer reporting agencies could use to verify whether a debt is a veteran’s medical debt.

(4) STAKEHOLDER INPUT.—Prior to establishing the database for verification under paragraph (2), the Secretary of Veterans Affairs shall publish in the Federal Register a notice and request for comment that solicits input from consumer reporting agencies and other stakeholders.

(5) VERIFICATION.—Provided the database established under paragraph (2) is fully functional and the data available to consumer reporting agencies, a consumer reporting agency shall use the database as a means to identify a veteran’s medical debt pursuant to paragraphs (7) and (8) of section 605(a) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)), as added by subsection (b)(2).

(d) CREDIT MONITORING.—

(1) IN GENERAL.—Section 605A of the Fair Credit Reporting Act (15 U.S.C. 1681c–1), as amended by section 301(a), is amended by adding at the end the following:

“(k) CREDIT MONITORING.—

“(1) DEFINITIONS.—In this subsection:

“(A) The term ‘active duty military consumer’ includes a member of the National Guard.

“(B) The term ‘National Guard’ has the meaning given the term in section 101(c) of title 10, United States Code.

“(2) CREDIT MONITORING.—A consumer reporting agency described in section 603(p) shall provide a free electronic credit monitoring service that, at a minimum, notifies a consumer of material additions or modifications to the file of the consumer at the consumer reporting agency to any consumer who provides to the consumer reporting agency—

“(A) appropriate proof that the consumer is an active duty military consumer; and

“(B) contact information of the consumer.

“(3) RULEMAKING.—Not later than 1 year after the date of enactment of this subsection, the Federal Trade Commission shall promulgate regulations regarding the requirements of this subsection, which shall at a minimum include—

“(A) a definition of an electronic credit monitoring service and material additions or modifications to the file of a consumer; and

“(B) what constitutes appropriate proof.

“(4) APPLICABILITY.—

“(A) Sections 616 and 617 shall not apply to any violation of this subsection.

“(B) This subsection shall be enforced exclusively under section 621 by the Federal agencies and Federal and State officials identified in that section.”.

(2) CONFORMING AMENDMENT.—Section 625(b)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681t(b)(1)), as amended by section 301(b), is amended by adding at the end the following:

“(K) subsection (k) of section 605A, relating to credit monitoring for active duty military consumers, as defined in that subsection;”.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date that is 1 year after the date of enactment of this Act.

**SEC. 303. IMMUNITY FROM SUIT FOR DISCLOSURE OF FINANCIAL EXPLOITATION OF SENIOR CITIZENS.**

(a) IMMUNITY.—

(1) DEFINITIONS.—In this section—

(A) the term “Bank Secrecy Act officer” means an individual responsible for ensuring compliance with the requirements mandated by subchapter II of chapter 53 of title 31, United States Code (commonly known as the “Bank Secrecy Act”);

(B) the term “broker-dealer” means a broker and a dealer, as those terms are defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a));

(C) the term “covered agency” means—

(i) a State financial regulatory agency, including a State securities or law enforcement authority and a State insurance regulator;

(ii) each of the Federal agencies represented in the membership of the Financial Institutions Examination Council established under section 1004 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3303);

(iii) a securities association registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3);



- (iv) the Securities and Exchange Commission;
- (v) a law enforcement agency; or
- (vi) a State or local agency responsible for administering adult protective service laws;
- (D) the term “covered financial institution” means—
  - (i) a credit union;
  - (ii) a depository institution;
  - (iii) an investment adviser;
  - (iv) a broker-dealer;
  - (v) an insurance company;
  - (vi) an insurance agency; or
  - (vii) a transfer agent;
- (E) the term “credit union” has the meaning given the term in section 2 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301);
- (F) the term “depository institution” has the meaning given the term in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));
- (G) the term “exploitation” means the fraudulent or otherwise illegal, unauthorized, or improper act or process of an individual, including a caregiver or a fiduciary, that—
  - (i) uses the resources of a senior citizen for monetary or personal benefit, profit, or gain; or
  - (ii) results in depriving a senior citizen of rightful access to or use of benefits, resources, belongings, or assets;
- (H) the term “insurance agency” means any business entity that sells, solicits, or negotiates insurance coverage;
- (I) the term “insurance company” has the meaning given the term in section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a));
- (J) the term “insurance producer” means an individual who is required under State law to be licensed in order to sell, solicit, or negotiate insurance coverage;
- (K) the term “investment adviser” has the meaning given the term in section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a));
- (L) the term “investment adviser representative” means an individual who—
  - (i) is employed by, or associated with, an investment adviser; and
  - (ii) does not perform solely clerical or ministerial acts;
- (M) the term “registered representative” means an individual who represents a broker-dealer in effecting or attempting to effect a purchase or sale of securities;
- (N) the term “senior citizen” means an individual who is not younger than 65 years of age;
- (O) the term “State” means each of the several States, the District of Columbia, and any territory or possession of the United States;
- (P) the term “State insurance regulator” has the meaning given the term in section 315 of the Gramm-Leach-Bliley Act (15 U.S.C. 6735);
- (Q) the term “State securities or law enforcement authority” has the meaning given the term in section

24(f)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78x(f)(4)); and

(R) the term “transfer agent” has the meaning given the term in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(2) IMMUNITY FROM SUIT.—

(A) IMMUNITY FOR INDIVIDUALS.—An individual who has received the training described in subsection (b) shall not be liable, including in any civil or administrative proceeding, for disclosing the suspected exploitation of a senior citizen to a covered agency if the individual, at the time of the disclosure—

(i) served as a supervisor or in a compliance or legal function (including as a Bank Secrecy Act officer) for, or, in the case of a registered representative, investment adviser representative, or insurance producer, was affiliated or associated with, a covered financial institution; and

(ii) made the disclosure—  
(I) in good faith; and  
(II) with reasonable care.

(B) IMMUNITY FOR COVERED FINANCIAL INSTITUTIONS.—A covered financial institution shall not be liable, including in any civil or administrative proceeding, for a disclosure made by an individual described in subparagraph (A) if—

(i) the individual was employed by, or, in the case of a registered representative, insurance producer, or investment adviser representative, affiliated or associated with, the covered financial institution at the time of the disclosure; and

(ii) before the time of the disclosure, each individual described in subsection (b)(1) received the training described in subsection (b).

(C) RULE OF CONSTRUCTION.—Nothing in subparagraph (A) or (B) shall be construed to limit the liability of an individual or a covered financial institution in a civil action for any act, omission, or fraud that is not a disclosure described in subparagraph (A).

(b) TRAINING.—

(1) IN GENERAL.—A covered financial institution or a third party selected by a covered financial institution may provide the training described in paragraph (2)(A) to each officer or employee of, or registered representative, insurance producer, or investment adviser representative affiliated or associated with, the covered financial institution who—

(A) is described in subsection (a)(2)(A)(i);

(B) may come into contact with a senior citizen as a regular part of the professional duties of the individual; or

(C) may review or approve the financial documents, records, or transactions of a senior citizen in connection with providing financial services to a senior citizen.

(2) CONTENT.—

(A) IN GENERAL.—The content of the training that a covered financial institution or a third party selected by the covered financial institution may provide under paragraph (1) shall—

(i) be maintained by the covered financial institution and made available to a covered agency with examination authority over the covered financial institution, upon request, except that a covered financial institution shall not be required to maintain or make available such content with respect to any individual who is no longer employed by, or affiliated or associated with, the covered financial institution;

(ii) instruct any individual attending the training on how to identify and report the suspected exploitation of a senior citizen internally and, as appropriate, to government officials or law enforcement authorities, including common signs that indicate the financial exploitation of a senior citizen;

(iii) discuss the need to protect the privacy and respect the integrity of each individual customer of the covered financial institution; and

(iv) be appropriate to the job responsibilities of the individual attending the training.

(B) TIMING.—The training under paragraph (1) shall be provided—

(i) as soon as reasonably practicable; and

(ii) with respect to an individual who begins employment, or becomes affiliated or associated, with a covered financial institution after the date of enactment of this Act, not later than 1 year after the date on which the individual becomes employed by, or affiliated or associated with, the covered financial institution in a position described in subparagraph (A), (B), or (C) of paragraph (1).

(C) RECORDS.—A covered financial institution shall—

(i) maintain a record of each individual who—

(I) is employed by, or affiliated or associated with, the covered financial institution in a position described in subparagraph (A), (B), or (C) of paragraph (1); and

(II) has completed the training under paragraph (1), regardless of whether the training was—

(aa) provided by the covered financial institution or a third party selected by the covered financial institution;

(bb) completed before the individual was employed by, or affiliated or associated with, the covered financial institution; and

(cc) completed before, on, or after the date of enactment of this Act; and

(ii) upon request, provide a record described in clause (i) to a covered agency with examination authority over the covered financial institution.

(c) RELATIONSHIP TO STATE LAW.—Nothing in this section shall be construed to preempt or limit any provision of State law, except only to the extent that subsection (a) provides a greater level of protection against liability to an individual described in subsection (a)(2)(A) or to a covered financial institution described in subsection (a)(2)(B) than is provided under State law.

**SEC. 304. RESTORATION OF THE PROTECTING TENANTS AT FORECLOSURE ACT OF 2009.**

(a) **REPEAL OF SUNSET PROVISION.**—Section 704 of the Protecting Tenants at Foreclosure Act of 2009 (12 U.S.C. 5201 note; 12 U.S.C. 5220 note; 42 U.S.C. 1437f note) is repealed.

(b) **RESTORATION.**—Sections 701 through 703 of the Protecting Tenants at Foreclosure Act of 2009, the provisions of law amended by such sections, and any regulations promulgated pursuant to such sections, as were in effect on December 30, 2014, are restored and revived.

(c) **EFFECTIVE DATE.**—Subsections (a) and (b) shall take effect on the date that is 30 days after the date of enactment of this Act.

**SEC. 305. REMEDIATING LEAD AND ASBESTOS HAZARDS.**

Section 109(a)(1) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5219(a)(1)) is amended, in the second sentence, by inserting “and to remediate lead and asbestos hazards in residential properties” before the period at the end.

**SEC. 306. FAMILY SELF-SUFFICIENCY PROGRAM.**

(a) **IN GENERAL.**—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended—

(1) in subsection (a)—

(A) by striking “public housing and”; and

(B) by striking “the certificate and voucher programs under section 8” and inserting “sections 8 and 9”;

(2) by amending subsection (b) to read as follows:

“(b) **CONTINUATION OF PRIOR REQUIRED PROGRAMS.**—

“(1) **IN GENERAL.**—Each public housing agency that was required to administer a local Family Self-Sufficiency program on the date of enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act shall operate such local program for, at a minimum, the number of families the agency was required to serve on the date of enactment of such Act, subject only to the availability under appropriations Acts of sufficient amounts for housing assistance and the requirements of paragraph (2).

“(2) **REDUCTION.**—The number of families for which a public housing agency is required to operate such local program under paragraph (1) shall be decreased by 1 for each family from any supported rental housing program administered by such agency that, after October 21, 1998, fulfills its obligations under the contract of participation.

“(3) **EXCEPTION.**—The Secretary shall not require a public housing agency to carry out a mandatory program for a period of time upon the request of the public housing agency and upon a determination by the Secretary that implementation is not feasible because of local circumstances, which may include—

“(A) lack of supportive services accessible to eligible families, which shall include insufficient availability of resources for programs under title I of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

“(B) lack of funding for reasonable administrative costs;

“(C) lack of cooperation by other units of State or local government; or

- “(D) any other circumstances that the Secretary may consider appropriate.”;
- (3) by striking subsection (i);
- (4) by redesignating subsections (c), (d), (e), (f), (g), and (h) as subsections (d), (e), (f), (g), (h), and (i) respectively;
- (5) by inserting after subsection (b), as amended, the following:

“(c) ELIGIBILITY.—

“(1) ELIGIBLE FAMILIES.—A family is eligible to participate in a local Family Self-Sufficiency program under this section if—

“(A) at least 1 household member seeks to become and remain employed in suitable employment or to increase earnings; and

“(B) the household member receives direct assistance under section 8 or resides in a unit assisted under section 8 or 9.

“(2) ELIGIBLE ENTITIES.—The following entities are eligible to administer a local Family Self-Sufficiency program under this section:

“(A) A public housing agency administering housing assistance to or on behalf of an eligible family under section 8 or 9.

“(B) The owner or sponsor of a multifamily property receiving project-based rental assistance under section 8, in accordance with the requirements under subsection (1).”;

(6) in subsection (d), as so redesignated—

(A) in paragraph (1)—

(i) by striking “public housing agency” the first time it appears and inserting “eligible entity”;

(ii) in the first sentence, by striking “each leaseholder receiving assistance under the certificate and voucher programs of the public housing agency under section 8 or residing in public housing administered by the agency” and inserting “a household member of an eligible family”; and

(iii) by striking the third sentence and inserting the following: “Housing assistance may not be terminated as a consequence of either successful completion of the contract of participation or failure to complete such contract. A contract of participation shall remain in effect until the participating family exits the Family Self-Sufficiency program upon successful graduation or expiration of the contract of participation, or for other good cause.”;

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A)—

(I) in the first sentence—

(aa) by striking “A local program under this section” and inserting “An eligible entity”;

(bb) by striking “provide” and inserting “coordinate”; and

(cc) by striking “to” and inserting “for”; and

(II) in the second sentence—

(aa) by striking “provided during” and inserting “coordinated for”;

- (bb) by striking “under section 8 or residing in public housing” and inserting “pursuant to section 8 or 9 and for the duration of the contract of participation”; and
  - (cc) by inserting “, but are not limited to” after “may include”;
  - (ii) in subparagraph (D), by inserting “or attainment of a high school equivalency certificate” after “high school”;
  - (iii) by striking subparagraph (G);
  - (iv) by redesignating subparagraphs (E), (F), and (J) as subparagraphs (F), (G), and (K) respectively;
  - (v) by inserting after subparagraph (D) the following:  
“(E) education in pursuit of a post-secondary degree or certification;”;
  - (vi) in subparagraph (H), by inserting “financial literacy, such as training in financial management, financial coaching, and asset building, and” after “training in”;
  - (vii) in subparagraph (I), by striking “and” at the end; and
  - (viii) by inserting after subparagraph (I) the following:  
“(J) homeownership education and assistance; and”;
- and
- (C) in paragraph (3)—
    - (i) in the first sentence, by inserting “the first recertification of income after” after “not later than 5 years after”; and
    - (ii) in the second sentence—
      - (I) by striking “public housing agency” and inserting “eligible entity”; and
      - (II) by striking “of the agency”;
  - (D) by amending paragraph (4) to read as follows:  
“(4) EMPLOYMENT.—The contract of participation shall require 1 household member of the participating family to seek and maintain suitable employment.”; and
  - (E) by adding at the end the following:  
“(5) NONPARTICIPATION.—Assistance under section 8 or 9 for a family that elects not to participate in a Family Self-Sufficiency program shall not be delayed by reason of such election.”;
  - (7) in subsection (e), as so redesignated—
    - (A) in paragraph (1), by striking “whose monthly adjusted income does not exceed 50 percent” and all that follows through the period at the end of the third sentence and inserting “shall be calculated under the rental provisions of section 3 or section 8(o), as applicable.”;
    - (B) in paragraph (2)—
      - (i) by striking the first sentence and inserting the following: “For each participating family, an amount equal to any increase in the amount of rent paid by the family in accordance with the provisions of section 3 or 8(o), as applicable, that is attributable to increases in earned income by the participating family, shall

be placed in an interest-bearing escrow account established by the eligible entity on behalf of the participating family. Notwithstanding any other provision of law, an eligible entity may use funds it controls under section 8 or 9 for purposes of making the escrow deposit for participating families assisted under, or residing in units assisted under, section 8 or 9, respectively, provided such funds are offset by the increase in the amount of rent paid by the participating family.”;

(ii) by striking the second sentence and inserting the following: “All Family Self-Sufficiency programs administered under this section shall include an escrow account.”;

(iii) in the fourth sentence, by striking “subsection (c)” and inserting “subsection (d)”;

(iv) in the last sentence—

(I) by striking “A public housing agency” and inserting “An eligible entity”; and

(II) by striking “the public housing agency” and inserting “such eligible entity”; and

(C) by amending paragraph (3) to read as follows:

“(3) FORFEITED ESCROW.—Any amount placed in an escrow account established by an eligible entity for a participating family as required under paragraph (2), that exists after the end of a contract of participation by a household member of a participating family that does not qualify to receive the escrow, shall be used by the eligible entity for the benefit of participating families in good standing.”;

(8) in subsection (f), as so redesignated, by striking “, unless the income of the family equals or exceeds 80 percent of the median income of the area (as determined by the Secretary with adjustments for smaller and larger families)”;

(9) in subsection (g), as so redesignated—

(A) in paragraph (1)—

(i) by striking “public housing agency” and inserting “eligible entity”;

(ii) by striking “the public housing agency” and inserting “such eligible entity”; and

(iii) by striking “subsection (g)” and inserting “subsection (h)”;

(B) in paragraph (2)—

(i) by striking “public housing agency” and inserting “eligible entity” each place that term appears;

(ii) by striking “or the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act”;

(iii) by inserting “primary, secondary, and post-secondary” after “public and private”; and

(iv) in the second sentence, by inserting “and tenants served by the program” after “the unit of general local government”;

(10) in subsection (h), as so redesignated—

(A) in paragraph (1)—

(i) by striking “public housing agency” and inserting “eligible entity”;

(ii) by striking “participating in the” and inserting “carrying out a”;

- (iii) by striking “to the Secretary”;
- (B) in paragraph (2)—
  - (i) by striking “public housing agency” and inserting “eligible entity”;
  - (ii) by striking “subsection (f)” and inserting “subsection (g)”;
  - (iii) by striking “residents of the public housing” and inserting “the current and prospective participants of the program”; and
  - (iv) by striking “or the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act”; and
- (C) in paragraph (3)—
  - (i) in subparagraph (C)—
    - (I) by striking “subsection (c)(2)” and inserting “subsection (d)(2)”;
    - (II) by striking “provided to” and inserting “coordinated on behalf of participating”;
    - (III) by inserting “direct” before “assistance”;
  - and
  - (IV) by striking “the section 8 and public housing programs” and inserting “sections 8 and 9”;
  - (ii) in subparagraph (D)—
    - (I) by striking “subsection (d)” and inserting “subsection (e)”;
    - (II) by striking “public housing agency” and inserting “eligible entity”;
    - (iii) in subparagraph (E), by striking “deliver” and inserting “coordinate”;
    - (iv) in subparagraph (H), by striking “the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act and”; and
    - (v) in subparagraph (I), by striking “public housing or section 8 assistance” and inserting “assistance under section 8 or 9”;

(11) by amending subsection (i), as so redesignated, to read as follows:

“(i) FAMILY SELF-SUFFICIENCY AWARDS.—

“(1) IN GENERAL.—Subject to appropriations, the Secretary shall establish a formula by which annual funds shall be awarded or as otherwise determined by the Secretary for the costs incurred by an eligible entity in administering the Family Self-Sufficiency program under this section.

“(2) ELIGIBILITY FOR AWARDS.—The award established under paragraph (1) shall provide funding for family self-sufficiency coordinators as follows:

“(A) BASE AWARD.—An eligible entity serving 25 or more participants in the Family Self-Sufficiency program under this section is eligible to receive an award equal to the costs, as determined by the Secretary, of 1 full-time family self-sufficiency coordinator position. The Secretary may, by regulation or notice, determine the policy concerning the award for an eligible entity serving fewer than 25 such participants, including providing prorated



awards or allowing such entities to combine their programs under this section for purposes of employing a coordinator.

“(B) ADDITIONAL AWARD.—An eligible entity that meets performance standards set by the Secretary is eligible to receive an additional award sufficient to cover the costs of filling an additional family self-sufficiency coordinator position if such entity has 75 or more participating families, and an additional coordinator for each additional 50 participating families, or such other ratio as may be established by the Secretary based on the award allocation evaluation under subparagraph (E).

“(C) STATE AND REGIONAL AGENCIES.—For purposes of calculating the award under this paragraph, each administratively distinct part of a State or regional eligible entity may be treated as a separate agency.

“(D) DETERMINATION OF NUMBER OF COORDINATORS.—In determining whether an eligible entity meets a specific threshold for funding pursuant to this paragraph, the Secretary shall consider the number of participants enrolled by the eligible entity in its Family Self-Sufficiency program as well as other criteria determined by the Secretary.

“(E) AWARD ALLOCATION EVALUATION.—The Secretary shall submit to Congress a report evaluating the award allocation under this subsection, and make recommendations based on this evaluation and other related findings to modify such allocation, within 4 years after the date of enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act, and not less frequently than every 4 years thereafter. The report requirement under this subparagraph shall terminate after the Secretary has submitted 2 such reports to Congress.

“(3) RENEWALS AND ALLOCATION.—

“(A) IN GENERAL.—Funds allocated by the Secretary under this subsection shall be allocated in the following order of priority:

“(i) FIRST PRIORITY.—Renewal of the full cost of all coordinators in the previous year at each eligible entity with an existing Family Self-Sufficiency program that meets applicable performance standards set by the Secretary.

“(ii) SECOND PRIORITY.—New or incremental coordinator funding authorized under this section.

“(B) GUIDANCE.—If the first priority, as described in subparagraph (A)(i), cannot be fully satisfied, the Secretary may prorate the funding for each eligible entity, as long as—

“(i) each eligible entity that has received funding for at least 1 part-time coordinator in the prior fiscal year is provided sufficient funding for at least 1 part-time coordinator as part of any such proration; and

“(ii) each eligible entity that has received funding for at least 1 full-time coordinator in the prior fiscal year is provided sufficient funding for at least 1 full-time coordinator as part of any such proration.

“(4) RECAPTURE OR OFFSET.—Any awards allocated under this subsection by the Secretary in a fiscal year that have not been spent by the end of the subsequent fiscal year or

such other time period as determined by the Secretary may be recaptured by the Secretary and shall be available for providing additional awards pursuant to paragraph (2)(B), or may be offset as determined by the Secretary. Funds appropriated pursuant to this section shall remain available for 3 years in order to facilitate the re-use of any recaptured funds for this purpose.

“(5) PERFORMANCE REPORTING.—Programs under this section shall be required to report the number of families enrolled and graduated, the number of established escrow accounts and positive escrow balances, and any other information that the Secretary may require. Program performance shall be reviewed periodically as determined by the Secretary.

“(6) INCENTIVES FOR INNOVATION AND HIGH PERFORMANCE.—The Secretary may reserve up to 5 percent of the amounts made available under this subsection to provide support to or reward Family Self-Sufficiency programs based on the rate of successful completion, increased earned income, or other factors as may be established by the Secretary.”;

(12) in subsection (j)—

(A) by striking “public housing agency” and inserting “eligible entity”;

(B) by striking “public housing” before “units”;

(C) by striking “in public housing projects administered by the agency”;

(D) by inserting “or coordination” after “provision”; and

(E) by striking the last sentence;

(13) in subsection (k), by striking “public housing agencies” and inserting “eligible entities”;

(14) by striking subsection (n);

(15) by striking subsection (o);

(16) by redesignating subsections (l) and (m) as subsections (m) and (n), respectively;

(17) by inserting after subsection (k) the following:

“(1) PROGRAMS FOR TENANTS IN PRIVATELY OWNED PROPERTIES WITH PROJECT-BASED ASSISTANCE.—

“(1) VOLUNTARY AVAILABILITY OF FSS PROGRAM.—The owner of a privately owned property may voluntarily make a Family Self-Sufficiency program available to the tenants of such property in accordance with procedures established by the Secretary. Such procedures shall permit the owner to enter into a cooperative agreement with a local public housing agency that administers a Family Self-Sufficiency program or, at the owner’s option, operate a Family Self-Sufficiency program on its own or in partnership with another owner. An owner, who voluntarily makes a Family Self-Sufficiency program available pursuant to this subsection, may access funding from any residual receipt accounts for the property to hire a family self-sufficiency coordinator or coordinators for their program.

“(2) COOPERATIVE AGREEMENT.—Any cooperative agreement entered into pursuant to paragraph (1) shall require the public housing agency to open its Family Self-Sufficiency program waiting list to any eligible family residing in the owner’s property who resides in a unit assisted under project-based rental assistance.

“(3) TREATMENT OF FAMILIES ASSISTED UNDER THIS SUBSECTION.—A public housing agency that enters into a cooperative agreement pursuant to paragraph (1) may count any family participating in its Family Self-Sufficiency program as a result of such agreement as part of the calculation of the award under subsection (i).

“(4) ESCROW.—

“(A) COOPERATIVE AGREEMENT.—A cooperative agreement entered into pursuant to paragraph (1) shall provide for the calculation and tracking of the escrow for participating residents and for the owner to make available, upon request of the public housing agency, escrow for participating residents, in accordance with paragraphs (2) and (3) of subsection (e), residing in units assisted under section 8.

“(B) CALCULATION AND TRACKING BY OWNER.—The owner of a privately owned property who voluntarily makes a Family Self-Sufficiency program available pursuant to paragraph (1) shall calculate and track the escrow for participating residents and make escrow for participating residents available in accordance with paragraphs (2) and (3) of subsection (e).

“(5) EXCEPTION.—This subsection shall not apply to properties assisted under section 8(o)(13).

“(6) SUSPENSION OF ENROLLMENT.—In any year, the Secretary may suspend the enrollment of new families in Family Self-Sufficiency programs under this subsection based on a determination that insufficient funding is available for this purpose.”;

(18) in subsection (m), as so redesignated—

(A) in paragraph (1)—

(i) in the first sentence, by striking “Each public housing agency” and inserting “Each eligible entity”;

(ii) in the second sentence, by striking “The report shall include” and inserting “The contents of the report shall include”; and

(iii) in subparagraph (D)—

(I) by striking “public housing agency” and inserting “eligible entity”; and

(II) by striking “local”; and

(B) in paragraph (2), by inserting “and describing any additional research needs of the Secretary to evaluate the effectiveness of the program” after “under paragraph (1)”;

(19) in subsection (n), as so redesignated, by striking “may” and inserting “shall”; and

(20) by adding at the end the following:

“(o) DEFINITIONS.—In this section:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity that meets the requirements under subsection (c)(2) to administer a Family Self-Sufficiency program under this section.

“(2) ELIGIBLE FAMILY.—The term ‘eligible family’ means a family that meets the requirements under subsection (c)(1) to participate in the Family Self-Sufficiency program under this section.

“(3) PARTICIPATING FAMILY.—The term ‘participating family’ means an eligible family that is participating in the Family Self-Sufficiency program under this section.”

(b) EFFECTIVE DATE.—Not later than 360 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue regulations to implement this section and any amendments made by this section, and this section and any amendments made by this section shall take effect upon such issuance.

**SEC. 307. PROPERTY ASSESSED CLEAN ENERGY FINANCING.**

Section 129C(b)(3) of the Truth in Lending Act (15 U.S.C. 1639c(b)(3)) is amended by adding at the end the following:

“(C) CONSIDERATION OF UNDERWRITING REQUIREMENTS FOR PROPERTY ASSESSED CLEAN ENERGY FINANCING.—

“(i) DEFINITION.—In this subparagraph, the term ‘Property Assessed Clean Energy financing’ means financing to cover the costs of home improvements that results in a tax assessment on the real property of the consumer.

“(ii) REGULATIONS.—The Bureau shall prescribe regulations that carry out the purposes of subsection (a) and apply section 130 with respect to violations under subsection (a) of this section with respect to Property Assessed Clean Energy financing, which shall account for the unique nature of Property Assessed Clean Energy financing.

“(iii) COLLECTION OF INFORMATION AND CONSULTATION.—In prescribing the regulations under this subparagraph, the Bureau—

“(I) may collect such information and data that the Bureau determines is necessary; and

“(II) shall consult with State and local governments and bond-issuing authorities.”.

**SEC. 308. GAO REPORT ON CONSUMER REPORTING AGENCIES.**

(a) DEFINITIONS.—In this section, the terms “consumer”, “consumer report”, and “consumer reporting agency” have the meanings given those terms in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a comprehensive report that includes—

(1) a review of the current legal and regulatory structure for consumer reporting agencies and an analysis of any gaps in that structure, including, in particular, the rulemaking, supervisory, and enforcement authority of State and Federal agencies under the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.), the Gramm-Leach-Bliley Act (Public Law 106–102; 113 Stat. 1338), and any other relevant statutes;

(2) a review of the process by which consumers can appeal and expunge errors on their consumer reports;

(3) a review of the causes of consumer reporting errors;

(4) a review of the responsibilities of data furnishers to ensure that accurate information is initially reported to consumer reporting agencies and to ensure that such information continues to be accurate;

(5) a review of data security relating to consumer reporting agencies and their efforts to safeguard consumer data;

(6) a review of who has access to, and may use, consumer reports;

(7) a review of who has control or ownership of a consumer’s credit data;

(8) an analysis of—

(A) which Federal and State regulatory agencies supervise and enforce laws relating to how consumer reporting agencies protect consumer data; and

(B) all laws relating to data security applicable to consumer reporting agencies; and

(9) recommendations to Congress on how to improve the consumer reporting system, including legislative, regulatory, and industry-specific recommendations.

#### **SEC. 309. PROTECTING VETERANS FROM PREDATORY LENDING.**

(a) PROTECTING VETERANS FROM PREDATORY LENDING.—

(1) IN GENERAL.—Subchapter I of chapter 37 of title 38, United States Code, is amended by adding at the end the following new section:

##### **“§ 3709. Refinancing of housing loans**

“(a) FEE RECOUPMENT.—Except as provided in subsection (d) and notwithstanding section 3703 of this title or any other provision of law, a loan to a veteran for a purpose specified in section 3710 of this title that is being refinanced may not be guaranteed or insured under this chapter unless—

“(1) the issuer of the refinanced loan provides the Secretary with a certification of the recoupment period for fees, closing costs, and any expenses (other than taxes, amounts held in escrow, and fees paid under this chapter) that would be incurred by the borrower in the refinancing of the loan;

“(2) all of the fees and incurred costs are scheduled to be recouped on or before the date that is 36 months after the date of loan issuance; and

“(3) the recoupment is calculated through lower regular monthly payments (other than taxes, amounts held in escrow, and fees paid under this chapter) as a result of the refinanced loan.

“(b) NET TANGIBLE BENEFIT TEST.—Except as provided in subsection (d) and notwithstanding section 3703 of this title or any other provision of law, a loan to a veteran for a purpose specified in section 3710 of this title that is refinanced may not be guaranteed or insured under this chapter unless—

“(1) the issuer of the refinanced loan provides the borrower with a net tangible benefit test;

“(2) in a case in which the original loan had a fixed rate mortgage interest rate and the refinanced loan will have a fixed rate mortgage interest rate, the refinanced loan has a mortgage interest rate that is not less than 50 basis points less than the previous loan;

“(3) in a case in which the original loan had a fixed rate mortgage interest rate and the refinanced loan will have an adjustable rate mortgage interest rate, the refinanced loan has a mortgage interest rate that is not less than 200 basis points less than the previous loan; and

“(4) the lower interest rate is not produced solely from discount points, unless—

“(A) such points are paid at closing; and

“(B) such points are not added to the principal loan amount, unless—

“(i) for discount point amounts that are less than or equal to one discount point, the resulting loan balance after any fees and expenses allows the property with respect to which the loan was issued to maintain a loan to value ratio of 100 percent or less; and

“(ii) for discount point amounts that are greater than one discount point, the resulting loan balance after any fees and expenses allows the property with respect to which the loan was issued to maintain a loan to value ratio of 90 percent or less.

“(c) LOAN SEASONING.—Except as provided in subsection (d) and notwithstanding section 3703 of this title or any other provision of law, a loan to a veteran for a purpose specified in section 3710 of this title that is refinanced may not be guaranteed or insured under this chapter until the date that is the later of—

“(1) the date that is 210 days after the date on which the first monthly payment is made on the loan; and

“(2) the date on which the sixth monthly payment is made on the loan.

“(d) CASH-OUT REFINANCES.—(1) Subsections (a) through (c) shall not apply in a case of a loan refinancing in which the amount of the principal for the new loan to be guaranteed or insured under this chapter is larger than the payoff amount of the refinanced loan.

“(2) Not later than 180 days after the date of the enactment of this section, the Secretary shall promulgate such rules as the Secretary considers appropriate with respect to refinancing described in paragraph (1) to ensure that such refinancing is in the financial interest of the borrower, including rules relating to recoupment, seasoning, and net tangible benefits.”.

(2) REGULATIONS.—

(A) IN GENERAL.—In prescribing any regulation to carry out section 3709 of title 38, United States Code, as added by paragraph (1), the Secretary of Veterans Affairs may waive the requirements of sections 551 through 559 of title 5, United States Code, if—

(i) the Secretary determines that urgent or compelling circumstances make compliance with such requirements impracticable or contrary to the public interest;

(ii) the Secretary submits to the Committee on Veterans’ Affairs of the Senate and the Committee on Veterans’ Affairs of the House of Representatives, and publishes in the Federal Register, notice of such waiver, including a description of the determination made under clause (i); and

(iii) a period of 10 days elapses following the notification under clause (ii).

(B) PUBLIC NOTICE AND COMMENT.—If a regulation prescribed pursuant to a waiver made under subparagraph (A) is in effect for a period exceeding 1 year, the Secretary shall provide the public an opportunity for notice and comment regarding such regulation.

(C) EFFECTIVE DATE.—This paragraph shall take effect on the date of the enactment of this Act.

(D) TERMINATION DATE.—The authorities under this paragraph shall terminate on the date that is 1 year after the date of the enactment of this Act.

(3) REPORT ON CASH-OUT REFINANCES.—

(A) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall, in consultation with the President of the Ginnie Mae, submit to Congress a report on refinancing—

(i) of loans—

(I) made to veterans for purposes specified in section 3710 of title 38, United States Code; and

(II) that were guaranteed or insured under chapter 37 of such title; and

(ii) in which the amount of the principal for the new loan to be guaranteed or insured under such chapter is larger than the payoff amount of the refinanced loan.

(B) CONTENTS.—The report required by subparagraph (A) shall include the following:

(i) An assessment of whether additional requirements, including a net tangible benefit test, fee recoupment period, and loan seasoning requirement, are necessary to ensure that the refinancing described in subparagraph (A) is in the financial interest of the borrower.

(ii) Such recommendations as the Secretary may have for additional legislative or administrative action to ensure that refinancing described in subparagraph (A) is carried out in the financial interest of the borrower.

(4) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 38, United States Code, is amended by inserting after the item relating to section 3709 the following new item:

“3709. Refinancing of housing loans.”.

(b) LOAN SEASONING FOR GINNIE MAE MORTGAGE-BACKED SECURITIES.—Section 306(g)(1) of the National Housing Act (12 U.S.C. 1721(g)(1)) is amended by inserting “The Association may not guarantee the timely payment of principal and interest on a security that is backed by a mortgage insured or guaranteed under chapter 37 of title 38, United States Code, and that was refinanced until the later of the date that is 210 days after the date on which the first monthly payment is made on the mortgage being refinanced and the date on which 6 full monthly payments have been made on the mortgage being refinanced.” after “Act of 1992.”.

(c) REPORT ON LIQUIDITY OF THE DEPARTMENT OF VETERANS AFFAIRS HOUSING LOAN PROGRAM.—

(1) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of Housing and Urban Development and the President of the Ginnie Mae shall submit to the appropriate committees of Congress a report on the liquidity of the housing loan program under chapter 37 of title 38, United States Code, in the secondary mortgage market, which shall—

(A) assess the loans provided under that chapter that collateralize mortgage-backed securities that are guaranteed by Ginnie Mae; and

(B) include recommendations for actions that Ginnie Mae should take to ensure that the liquidity of that housing loan program is maintained.

(2) **DEFINITIONS.**—In this subsection:

(A) **APPROPRIATE COMMITTEES OF CONGRESS.**—The term “appropriate committees of Congress” means—

(i) the Committee on Veterans’ Affairs and the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(ii) the Committee on Veterans’ Affairs and the Committee on Financial Services of the House of Representatives.

(B) **GINNIE MAE.**—The term “Ginnie Mae” means the Government National Mortgage Association.

(d) **ANNUAL REPORT ON DOCUMENT DISCLOSURE AND CONSUMER EDUCATION.**—Not less frequently than once each year, the Secretary of Veterans Affairs shall issue a publicly available report that—

(1) examines, with respect to loans provided to veterans under chapter 37 of title 38, United States Code—

(A) the refinancing of fixed-rate mortgage loans to adjustable rate mortgage loans;

(B) whether veterans are informed of the risks and disclosures associated with that refinancing; and

(C) whether advertising materials for that refinancing are clear and do not contain misleading statements or assertions; and

(2) includes findings based on any complaints received by veterans and on an ongoing assessment of the refinancing market by the Secretary.

#### **SEC. 310. CREDIT SCORE COMPETITION.**

(a) **USE OF CREDIT SCORES BY FANNIE MAE IN PURCHASING RESIDENTIAL MORTGAGES.**—Section 302(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)) is amended by adding at the end the following:

“(7)(A) **DEFINITIONS.**—In this paragraph—

“(i) the term ‘credit score’ means a numerical value or a categorization created by a third party derived from a statistical tool or modeling system used by a person who makes or arranges a loan to predict the likelihood of certain credit behaviors, including default; and

“(ii) the term ‘residential mortgage’ has the meaning given the term in section 302 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451).

“(B) **USE OF CREDIT SCORES.**—The corporation shall condition purchase of a residential mortgage by the corporation under this



subsection on the provision of a credit score for the borrower only if—

“(i) the credit score is derived from any credit scoring model that has been validated and approved by the corporation under this paragraph; and

“(ii) the corporation provides for the use of the credit score by all of the automated underwriting systems of the corporation and any other procedures and systems used by the corporation to purchase residential mortgages that use a credit score.

“(C) VALIDATION AND APPROVAL PROCESS.—The corporation shall establish a validation and approval process for the use of credit score models, under which the corporation may not validate and approve a credit score model unless the credit score model—

“(i) satisfies minimum requirements of integrity, reliability, and accuracy;

“(ii) has a historical record of measuring and predicting default rates and other credit behaviors;

“(iii) is consistent with the safe and sound operation of the corporation;

“(iv) complies with any standards and criteria established by the Director of the Federal Housing Finance Agency under section 1328(1) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992; and

“(v) satisfies any other requirements, as determined by the corporation.

“(D) REPLACEMENT OF CREDIT SCORE MODEL.—If the corporation has validated and approved 1 or more credit score models under subparagraph (C) and the corporation validates and approves an additional credit score model, the corporation may determine that—

“(i) the additional credit score model has replaced the credit score model or credit score models previously validated and approved; and

“(ii) the credit score model or credit score models previously validated and approved shall no longer be considered validated and approved for the purposes of subparagraph (B).

“(E) PUBLIC DISCLOSURE.—Upon establishing the validation and approval process required under subparagraph (C), the corporation shall make publicly available a description of the validation and approval process.

“(F) APPLICATION.—Not later than 30 days after the effective date of this paragraph, the corporation shall solicit applications from developers of credit scoring models for the validation and approval of those models under the process required under subparagraph (C).

“(G) TIMEFRAME FOR DETERMINATION; NOTICE.—

“(i) IN GENERAL.—The corporation shall make a determination with respect to any application submitted under subparagraph (F), and provide notice of that determination to the applicant, before a date established by the corporation that is not later than 180 days after the date on which an application is submitted to the corporation.

“(ii) EXTENSIONS.—The Director of the Federal Housing Finance Agency may authorize not more than 2 extensions of the date established under clause (i), each of which shall not exceed 30 days, upon a written request and a showing of good cause by the corporation.

“(iii) STATUS NOTICE.—The corporation shall provide notice to an applicant regarding the status of an application submitted under subparagraph (F) not later than 60 days after the date on which the application was submitted to the corporation.

“(iv) REASONS FOR DISAPPROVAL.—If an application submitted under subparagraph (F) is disapproved, the corporation shall provide to the applicant the reasons for the disapproval not later than 30 days after a determination is made under this subparagraph.

“(H) AUTHORITY OF DIRECTOR.—If the corporation elects to use a credit score model under this paragraph, the Director of the Federal Housing Finance Agency shall require the corporation to periodically review the validation and approval process required under subparagraph (C) as the Director determines necessary to ensure that the process remains appropriate and adequate and complies with any standards and criteria established pursuant to section 1328(1) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

“(I) EXTENSION.—If, as of the effective date of this paragraph, a credit score model has not been approved under subparagraph (C), the corporation may use a credit score model that was in use before the effective date of this paragraph, if necessary to prevent substantial market disruptions, until the earlier of—

“(i) the date on which a credit score model is validated and approved under subparagraph (C); or

“(ii) the date that is 2 years after the effective date of this paragraph.”.

(b) USE OF CREDIT SCORES BY FREDDIE MAC IN PURCHASING RESIDENTIAL MORTGAGES.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following:

“(d)(1) DEFINITION.—In this subsection, the term ‘credit score’ means a numerical value or a categorization created by a third party derived from a statistical tool or modeling system used by a person who makes or arranges a loan to predict the likelihood of certain credit behaviors, including default.

“(2) USE OF CREDIT SCORES.—The Corporation shall condition purchase of a residential mortgage by the Corporation under this section on the provision of a credit score for the borrower only if—

“(A) the credit score is derived from any credit scoring model that has been validated and approved by the Corporation under this subsection; and

“(B) the Corporation provides for the use of the credit score by all of the automated underwriting systems of the Corporation and any other procedures and systems used by the Corporation to purchase residential mortgages that use a credit score.

“(3) VALIDATION AND APPROVAL PROCESS.—The Corporation shall establish a validation and approval process for the use of credit score models, under which the Corporation may not validate and approve a credit score model unless the credit score model—

“(A) satisfies minimum requirements of integrity, reliability, and accuracy;

“(B) has a historical record of measuring and predicting default rates and other credit behaviors;

“(C) is consistent with the safe and sound operation of the corporation;

“(D) complies with any standards and criteria established by the Director of the Federal Housing Finance Agency under section 1328(1) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992; and

“(E) satisfies any other requirements, as determined by the Corporation.

“(4) REPLACEMENT OF CREDIT SCORE MODEL.—If the Corporation has validated and approved 1 or more credit score models under paragraph (3) and the Corporation validates and approves an additional credit score model, the Corporation may determine that—

“(A) the additional credit score model has replaced the credit score model or credit score models previously validated and approved; and

“(B) the credit score model or credit score models previously validated and approved shall no longer be considered validated and approved for the purposes of paragraph (2).

“(5) PUBLIC DISCLOSURE.—Upon establishing the validation and approval process required under paragraph (3), the Corporation shall make publicly available a description of the validation and approval process.

“(6) APPLICATION.—Not later than 30 days after the effective date of this subsection, the Corporation shall solicit applications from developers of credit scoring models for the validation and approval of those models under the process required under paragraph (3).

“(7) TIMEFRAME FOR DETERMINATION; NOTICE.—

“(A) IN GENERAL.—The Corporation shall make a determination with respect to any application submitted under paragraph (6), and provide notice of that determination to the applicant, before a date established by the Corporation that is not later than 180 days after the date on which an application is submitted to the Corporation.

“(B) EXTENSIONS.—The Director of the Federal Housing Finance Agency may authorize not more than 2 extensions of the date established under subparagraph (A), each of which shall not exceed 30 days, upon a written request and a showing of good cause by the Corporation.

“(C) STATUS NOTICE.—The Corporation shall provide notice to an applicant regarding the status of an application submitted under paragraph (6) not later than 60 days after the date on which the application was submitted to the Corporation.

“(D) REASONS FOR DISAPPROVAL.—If an application submitted under paragraph (6) is disapproved, the Corporation shall provide to the applicant the reasons for the disapproval not later than 30 days after a determination is made under this paragraph.

“(8) AUTHORITY OF DIRECTOR.—If the Corporation elects to use a credit score under this subsection, the Director of the Federal Housing Finance Agency shall require the Corporation to periodically review the validation and approval process required under paragraph (3) as the Director determines necessary to ensure that the process remains appropriate and adequate and complies with any standards and criteria established pursuant to section 1328(1)

of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

“(9) EXTENSION.—If, as of the effective date of this subsection, a credit score model has not been approved under paragraph (3), the Corporation may use a credit score model that was in use before the effective date of this subsection, if necessary to prevent substantial market disruptions, until the earlier of—

“(A) the date on which a credit score model is validated and approved under paragraph (3); or

“(B) the date that is 2 years after the effective date of this subsection.”.

(c) AUTHORITY OF THE DIRECTOR.—Subpart A of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541 et seq.) is amended by adding at the end the following:

**“SEC. 1328. REGULATIONS FOR USE OF CREDIT SCORES.**

“The Director shall—

“(1) by regulation, establish standards and criteria for any process used by an enterprise to validate and approve credit scoring models pursuant to section 302(b)(7) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(7)) and section 305(d) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(d)); and

“(2) ensure that any credit scoring model that is validated and approved by an enterprise under section 302(b)(7) (12 U.S.C. 1717(b)(7)) of the Federal National Mortgage Association Charter Act or section 305(d) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(d)) meets the requirements of clauses (i), (ii), and (iii) of section 302(b)(7)(C) of the Federal National Mortgage Association Charter Act and subparagraphs (A), (B), and (C) of section 305(d)(3) of the Federal Home Loan Mortgage Corporation Act, respectively.”.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date that is 180 days after the date of enactment of this Act.

**SEC. 311. GAO REPORT ON PUERTO RICO FORECLOSURES.**

Not earlier than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on foreclosures in the Commonwealth of Puerto Rico, including—

(1) the rate of foreclosures in the Commonwealth of Puerto Rico before and after Hurricane Maria;

(2) the rate of return for housing developers in the Commonwealth of Puerto Rico before and after Hurricane Maria;

(3) the rate of delinquency in the Commonwealth of Puerto Rico before and after Hurricane Maria;

(4) the rate of homeownership in the Commonwealth of Puerto Rico before and after Hurricane Maria; and

(5) the rate of defaults on federally insured mortgages in the Commonwealth of Puerto Rico before and after Hurricane Maria.

**SEC. 312. REPORT ON CHILDREN’S LEAD-BASED PAINT HAZARD PREVENTION AND ABATEMENT.**

(a) DEFINITIONS.—In this section—

(1) the term “Department” means the Department of Housing and Urban Development; and

(2) the term “public housing agency” has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary of Housing and Urban Development shall submit to Congress a report that includes—

(1) an overview of existing policies and enforcement of the Department, including public outreach, relating to lead-based paint hazard prevention and abatement;

(2) recommendations and best practices for the Department, public housing agencies, and landlords for improving lead-based paint hazard prevention standards and Federal lead prevention and abatement policies to protect the environmental health and safety of children, including within housing receiving assistance from or occupied by families receiving housing assistance from the Department; and

(3) recommendations for legislation to improve lead-based paint hazard prevention and abatement.

**SEC. 313. FORECLOSURE RELIEF AND EXTENSION FOR SERVICEMEMBERS.**

Section 710(d) of the Honoring America’s Veterans and Caring for Camp Lejeune Families Act of 2012 (Public Law 112–154; 50 U.S.C. 3953 note) is amended by striking paragraphs (1) and (3).

**TITLE IV—TAILORING REGULATIONS FOR CERTAIN BANK HOLDING COMPANIES**

**SEC. 401. ENHANCED SUPERVISION AND PRUDENTIAL STANDARDS FOR CERTAIN BANK HOLDING COMPANIES.**

(a) IN GENERAL.—Section 165 of the Financial Stability Act of 2010 (12 U.S.C. 5365) is amended—

(1) in subsection (a)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by striking “\$50,000,000,000” and inserting “\$250,000,000,000”; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “may” and inserting “shall”;

(ii) in subparagraph (B), by striking “\$50,000,000,000” and inserting “the applicable threshold”; and

(iii) by adding at the end the following:

“(C) RISKS TO FINANCIAL STABILITY AND SAFETY AND SOUNDNESS.—The Board of Governors may by order or rule promulgated pursuant to section 553 of title 5, United States Code, apply any prudential standard established under this section to any bank holding company or bank holding companies with total consolidated assets equal to

or greater than \$100,000,000,000 to which the prudential standard does not otherwise apply provided that the Board of Governors—

“(i) determines that application of the prudential standard is appropriate—

“(I) to prevent or mitigate risks to the financial stability of the United States, as described in paragraph (1); or

“(II) to promote the safety and soundness of the bank holding company or bank holding companies; and

“(ii) takes into consideration the bank holding company’s or bank holding companies’ capital structure, riskiness, complexity, financial activities (including financial activities of subsidiaries), size, and any other risk-related factors that the Board of Governors deems appropriate.”;

(2) in subsection (b)(1)—

(A) in subparagraph (A)(iv), by striking “and credit exposure report”; and

(B) in subparagraph (B)(ii), by inserting “, including credit exposure reports” before the semicolon at the end;

(3) in subsection (d)(2), in the matter preceding subparagraph (A), by striking “shall” and inserting “may”;

(4) in subsection (h)(2), by striking “\$10,000,000,000” each place that term appears and inserting “\$50,000,000,000”;

(5) in subsection (i)—

(A) in paragraph (1)(B)(i)—

(i) by striking “3” and inserting “2”; and

(ii) by striking “, adverse,”; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in the first sentence, by striking “semi-annual” and inserting “periodic”; and

(II) in the second sentence—

(aa) by striking “\$10,000,000,000” and inserting “\$250,000,000,000”; and

(bb) by striking “annual” and inserting “periodic”; and

(ii) in subparagraph (C)(ii)—

(I) by striking “3” and inserting “2”; and

(II) by striking “, adverse,”; and

(6) in subsection (j)(1), in the first sentence, by striking “\$50,000,000,000” and inserting “\$250,000,000,000”.

(b) RULE OF CONSTRUCTION.—Nothing in subsection (a) shall be construed to limit—

(1) the authority of the Board of Governors of the Federal Reserve System, in prescribing prudential standards under section 165 of the Financial Stability Act of 2010 (12 U.S.C. 5365) or any other law, to tailor or differentiate among companies on an individual basis or by category, taking into consideration their capital structure, riskiness, complexity, financial activities (including financial activities of their subsidiaries), size, and any other risk-related factors that the Board of Governors deems appropriate; or

(2) the supervisory, regulatory, or enforcement authority of an appropriate Federal banking agency to further the safe

and sound operation of an institution under the supervision of the appropriate Federal banking agency.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) FINANCIAL STABILITY ACT OF 2010.—The Financial Stability Act of 2010 (12 U.S.C. 5311 et seq.) is amended—

(A) in section 115(a)(2)(B) (12 U.S.C. 5325(a)(2)(B)), by striking “\$50,000,000,000” and inserting “the applicable threshold”;

(B) in section 116(a) (12 U.S.C. 5326(a)), in the matter preceding paragraph (1), by striking “\$50,000,000,000” and inserting “\$250,000,000,000”;

(C) in section 121(a) (12 U.S.C. 5331(a)), in the matter preceding paragraph (1), by striking “\$50,000,000,000” and inserting “\$250,000,000,000”;

(D) in section 155(d) (12 U.S.C. 5345(d)), by striking “50,000,000,000” and inserting “\$250,000,000,000”;

(E) in section 163(b) (12 U.S.C. 5363(b)), by striking “\$50,000,000,000” each place that term appears and inserting “\$250,000,000,000”; and

(F) in section 164 (12 U.S.C. 5364), by striking “\$50,000,000,000” and inserting “\$250,000,000,000”.

(2) FEDERAL RESERVE ACT.—The second subsection (s) (relating to assessments) of section 11 of the Federal Reserve Act (12 U.S.C. 248(s)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking “\$50,000,000,000” and inserting “\$100,000,000,000”; and

(ii) in subparagraph (B), by striking “\$50,000,000,000” and inserting “\$100,000,000,000”; and

(B) by adding at the end the following:

“(3) TAILORING ASSESSMENTS.—In collecting assessments, fees, or other charges under paragraph (1) from each company described in paragraph (2) with total consolidated assets of between \$100,000,000,000 and \$250,000,000,000, the Board shall adjust the amount charged to reflect any changes in supervisory and regulatory responsibilities resulting from the Economic Growth, Regulatory Relief, and Consumer Protection Act with respect to each such company.”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date that is 18 months after the date of enactment of this Act.

(2) EXCEPTION.—Notwithstanding paragraph (1), the amendments made by this section shall take effect on the date of enactment of this Act with respect to any bank holding company with total consolidated assets of less than \$100,000,000,000.

(3) ADDITIONAL AUTHORITY.—Before the effective date described in paragraph (1), the Board of Governors of the Federal Reserve System may by order exempt any bank holding company with total consolidated assets of less than \$250,000,000,000 from any prudential standard under section 165 of the Financial Stability Act of 2010 (12 U.S.C. 5365).

(4) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to prohibit the Board of Governors of the Federal Reserve System from issuing an order or rule making under section 165(a)(2)(C) of the Financial Stability Act of 2010 (12 U.S.C. 5365(a)(2)(C)), as added by this section, before the effective date described in paragraph (1).

(e) **SUPERVISORY STRESS TEST.**—Beginning on the effective date described in subsection (d)(1), the Board of Governors of the Federal Reserve System shall, on a periodic basis, conduct supervisory stress tests of bank holding companies with total consolidated assets equal to or greater than \$100,000,000,000 and total consolidated assets of less than \$250,000,000,000 to evaluate whether such bank holding companies have the capital, on a total consolidated basis, necessary to absorb losses as a result of adverse economic conditions.

(f) **GLOBAL SYSTEMICALLY IMPORTANT BANK HOLDING COMPANIES.**—Any bank holding company, regardless of asset size, that has been identified as a global systemically important BHC under section 217.402 of title 12, Code of Federal Regulations, shall be considered a bank holding company with total consolidated assets equal to or greater than \$250,000,000,000 with respect to the application of standards or requirements under—

(1) this section;

(2) sections 116(a), 121(a), 155(d), 163(b), 164, and 165 of the Financial Stability Act of 2010 (12 U.S.C. 5326(a), 5331(a), 5345(d), 5363(b), 5364, 5365); and

(3) paragraph (2)(A) of the second subsection (s) (relating to assessments) of section 11 of the Federal Reserve Act (12 U.S.C. 248(s)(2)).

(g) **CLARIFICATION FOR FOREIGN BANKS.**—Nothing in this section shall be construed to—

(1) affect the legal effect of the final rule of the Board of Governors of the Federal Reserve System entitled “Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations” (79 Fed. Reg. 17240 (March 27, 2014)) as applied to foreign banking organizations with total consolidated assets equal to or greater than \$100,000,000,000; or

(2) limit the authority of the Board of Governors of the Federal Reserve System to require the establishment of an intermediate holding company under, implement enhanced prudential standards with respect to, or tailor the regulation of a foreign banking organization with total consolidated assets equal to or greater than \$100,000,000,000.

#### **SEC. 402. SUPPLEMENTARY LEVERAGE RATIO FOR CUSTODIAL BANKS.**

(a) **DEFINITION.**—In this section, the term “custodial bank” means any depository institution holding company predominantly engaged in custody, safekeeping, and asset servicing activities, including any insured depository institution subsidiary of such a holding company.

(b) **REGULATIONS.**—

(1) **DEFINITION.**—In this subsection, the term “central bank” means—

(A) the Federal Reserve System;

(B) the European Central Bank; and



(C) central banks of member countries of the Organisation for Economic Co-operation and Development, if—

(i) the member country has been assigned a zero percent risk weight under sections 3.32, 217.32, and 324.32 of title 12, Code of Federal Regulations, or any successor regulation; and

(ii) the sovereign debt of such member country is not in default or has not been in default during the previous 5 years.

(2) REGULATIONS.—The appropriate Federal banking agencies shall promulgate regulations to amend sections 3.10, 217.10, and 324.10 of title 12, Code of Federal Regulations, to specify that—

(A) subject to subparagraph (B), funds of a custodial bank that are deposited with a central bank shall not be taken into account when calculating the supplementary leverage ratio as applied to the custodial bank; and

(B) with respect to the funds described in subparagraph (A), any amount that exceeds the total value of deposits of the custodial bank that are linked to fiduciary or custodial and safekeeping accounts shall be taken into account when calculating the supplementary leverage ratio as applied to the custodial bank.

(c) RULE OF CONSTRUCTION.—Nothing in subsection (b) shall be construed to limit the authority of the appropriate Federal banking agencies to tailor or adjust the supplementary leverage ratio or any other leverage ratio for any company that is not a custodial bank.

#### SEC. 403. TREATMENT OF CERTAIN MUNICIPAL OBLIGATIONS.

(a) IN GENERAL.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended—

(1) by moving subsection (z) so that it appears after subsection (y); and

(2) by adding at the end the following:

“(aa) TREATMENT OF CERTAIN MUNICIPAL OBLIGATIONS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘investment grade’, with respect to an obligation, has the meaning given the term in section 1.2 of title 12, Code of Federal Regulations, or any successor thereto;

“(B) the term ‘liquid and readily-marketable’ has the meaning given the term in section 249.3 of title 12, Code of Federal Regulations, or any successor thereto; and

“(C) the term ‘municipal obligation’ means an obligation of—

“(i) a State or any political subdivision thereof;

or

“(ii) any agency or instrumentality of a State or any political subdivision thereof.

“(2) MUNICIPAL OBLIGATIONS.—For purposes of the final rule entitled ‘Liquidity Coverage Ratio: Liquidity Risk Measurement Standards’ (79 Fed. Reg. 61439 (October 10, 2014)), the final rule entitled ‘Liquidity Coverage Ratio: Treatment of U.S. Municipal Securities as High-Quality Liquid Assets’ (81 Fed. Reg. 21223 (April 11, 2016)), and any other regulation that

incorporates a definition of the term ‘high-quality liquid asset’ or another substantially similar term, the appropriate Federal banking agencies shall treat a municipal obligation as a high-quality liquid asset that is a level 2B liquid asset if that obligation is, as of the date of calculation—

- “(A) liquid and readily-marketable; and
- “(B) investment grade.”.

(b) AMENDMENT TO LIQUIDITY COVERAGE RATIO REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency shall amend the final rule entitled “Liquidity Coverage Ratio: Liquidity Risk Measurement Standards” (79 Fed. Reg. 61439 (October 10, 2014)) and the final rule entitled “Liquidity Coverage Ratio: Treatment of U.S. Municipal Securities as High-Quality Liquid Assets” (81 Fed. Reg. 21223 (April 11, 2016)) to implement the amendments made by this section.

## TITLE V—ENCOURAGING CAPITAL FORMATION

### SEC. 501. NATIONAL SECURITIES EXCHANGE REGULATORY PARITY.

Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is amended—

- (1) by striking subparagraph (A);
- (2) in subparagraph (B)—

(A) by inserting “a security designated as qualified for trading in the national market system pursuant to section 11A(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78k–1(a)(2)) that is” before “listed”; and

(B) by striking “that has listing standards that the Commission determines by rule (on its own initiative or on the basis of a petition) are substantially similar to the listing standards applicable to securities described in subparagraph (A)”;

(3) in subparagraph (C), by striking “or (B)”; and

(4) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

### SEC. 502. SEC STUDY ON ALGORITHMIC TRADING.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the staff of the Securities and Exchange Commission shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the risks and benefits of algorithmic trading in capital markets in the United States.

(b) MATTERS REQUIRED TO BE INCLUDED.—The matters covered by the report required by subsection (a) shall include the following:

(1) An assessment of the effect of algorithmic trading in equity and debt markets in the United States on the provision of liquidity in stressed and normal market conditions.

(2) An assessment of the benefits and risks to equity and debt markets in the United States by algorithmic trading.

(3) An analysis of whether the activity of algorithmic trading and entities that engage in algorithmic trading are subject to appropriate Federal supervision and regulation.

(4) A recommendation of whether—

(A) based on the analysis described in paragraphs (1), (2), and (3), any changes should be made to regulations; and

(B) the Securities and Exchange Commission needs additional legal authorities or resources to effect the changes described in subparagraph (A).

**SEC. 503. ANNUAL REVIEW OF GOVERNMENT-BUSINESS FORUM ON CAPITAL FORMATION.**

Section 503 of the Small Business Investment Incentive Act of 1980 (15 U.S.C. 80c–1) is amended by adding at the end the following:

“(e) The Commission shall—

“(1) review the findings and recommendations of the forum;

and

“(2) each time the forum submits a finding or recommendation to the Commission, promptly issue a public statement—

“(A) assessing the finding or recommendation of the forum; and

“(B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.”.

**SEC. 504. SUPPORTING AMERICA’S INNOVATORS.**

Section 3(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting “(or, in the case of a qualifying venture capital fund, 250 persons)” after “one hundred persons”; and

(2) by adding at the end the following:

“(C)(i) The term ‘qualifying venture capital fund’ means a venture capital fund that has not more than \$10,000,000 in aggregate capital contributions and uncalled committed capital, with such dollar amount to be indexed for inflation once every 5 years by the Commission, beginning from a measurement made by the Commission on a date selected by the Commission, rounded to the nearest \$1,000,000.

“(ii) The term ‘venture capital fund’ has the meaning given the term in section 275.203(l)–1 of title 17, Code of Federal Regulations, or any successor regulation.”.

**SEC. 505. SECURITIES AND EXCHANGE COMMISSION OVERPAYMENT CREDIT.**

(a) DEFINITIONS.—In this section—

(1) the term “Commission” means the Securities and Exchange Commission;

(2) the term “national securities association” means an association that is registered under section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3); and

(3) the term “national securities exchange” means an exchange that is registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).

(b) CREDIT FOR OVERPAYMENT OF FEES.—Notwithstanding section 31(j) of the Securities Exchange Act of 1934 (15 U.S.C. 78ee(j)), and subject to subsection (c) of this section, if a national securities exchange or a national securities association has paid fees and assessments to the Commission in an amount that is more than the amount that the exchange or association was required to pay under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) and, not later than 10 years after the date of such payment, the exchange or association informs the Commission about the payment of such excess amount, the Commission shall offset future fees and assessments due by that exchange or association in an amount that is equal to the difference between the amount that the exchange or association paid and the amount that the exchange or association was required to pay under such section 31.

(c) APPLICABILITY.—Subsection (b) shall apply only to fees and assessments that a national securities exchange or a national securities association was required to pay to the Commission before the date of enactment of this Act.

**SEC. 506. U.S. TERRITORIES INVESTOR PROTECTION.**

(a) IN GENERAL.—Section 6(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–6(a)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively.

(b) EFFECTIVE DATE AND SAFE HARBOR.—

(1) EFFECTIVE DATE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SAFE HARBOR.—With respect to a company that is exempt under section 6(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–6(a)(1)) on the day before the date of enactment of this Act, the amendment made by subsection (a) shall take effect on the date that is 3 years after the date of enactment of this Act.

(3) EXTENSION OF SAFE HARBOR.—The Securities and Exchange Commission, by rule or regulation upon its own motion, or by order upon application, may conditionally or unconditionally, under section 6(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–6(c)), further delay the effective date for a company described in paragraph (2) for a maximum of 3 years following the initial 3-year period if, before the end of the initial 3-year period, the Commission determines that such a rule, regulation, motion, or order is necessary or appropriate in the public interest and for the protection of investors.

**SEC. 507. ENCOURAGING EMPLOYEE OWNERSHIP.**

Not later than 60 days after the date of the enactment of this Act, the Securities and Exchange Commission shall revise section 230.701(e) of title 17, Code of Federal Regulations, so as to increase from \$5,000,000 to \$10,000,000 the aggregate sales price or amount of securities sold during any consecutive 12-month period in excess of which the issuer is required under such section to deliver an additional disclosure to investors. The Commission shall index for inflation such aggregate sales price or amount every 5 years to reflect the change in the Consumer Price Index for

All Urban Consumers published by the Bureau of Labor Statistics, rounding to the nearest \$1,000,000.

**SEC. 508. IMPROVING ACCESS TO CAPITAL.**

The Securities and Exchange Commission shall amend—

(1) section 230.251 of title 17, Code of Federal Regulations, to remove the requirement that the issuer not be subject to section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) immediately before the offering; and

(2) section 230.257 of title 17, Code of Federal Regulations, with respect to an offering described in section 230.251(a)(2) of title 17, Code of Federal Regulations, to deem any issuer that is subject to section 13 or 15(d) of the Securities Exchange Act of 1934 as having met the periodic and current reporting requirements of section 230.257 of title 17, Code of Federal Regulations, if such issuer meets the reporting requirements of section 13 of the Securities Exchange Act of 1934.

**SEC. 509. PARITY FOR CLOSED-END COMPANIES REGARDING OFFERING AND PROXY RULES.**

(a) **REVISION TO RULES.**—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Securities and Exchange Commission shall propose and, not later than 2 years after the date of enactment of this Act, the Securities and Exchange Commission shall finalize any rules, as appropriate, to allow any closed-end company, as defined in section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–5), that is registered as an investment company under such Act, and is listed on a national securities exchange or that makes periodic repurchase offers pursuant to section 270.23c–3 of title 17, Code of Federal Regulations, to use the securities offering and proxy rules, subject to conditions the Commission determines appropriate, that are available to other issuers that are required to file reports under section 13 or section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m; 78o(d)). Any action that the Commission takes pursuant to this subsection shall consider the availability of information to investors, including what disclosures constitute adequate information to be designated as a “well-known seasoned issuer”.

(b) **TREATMENT IF REVISIONS NOT COMPLETED IN A TIMELY MANNER.**—If the Commission fails to complete the revisions required by subsection (a) by the time required by such subsection, any registered closed-end company that is listed on a national securities exchange or that makes periodic repurchase offers pursuant to section 270.23c–3 of title 17, Code of Federal Regulations, shall be deemed to be an eligible issuer under the final rule of the Commission titled “Securities Offering Reform” (70 Fed. Reg. 44722; published August 3, 2005).

(c) **RULES OF CONSTRUCTION.**—

(1) **NO EFFECT ON RULE 482.**—Nothing in this section or the amendments made by this section shall be construed to impair or limit in any way a registered closed-end company from using section 230.482 of title 17, Code of Federal Regulations, to distribute sales material.

(2) **REFERENCES.**—Any reference in this section to a section of title 17, Code of Federal Regulations, or to any form or schedule means such rule, section, form, or schedule, or any successor to any such rule, section, form, or schedule.

## **TITLE VI—PROTECTIONS FOR STUDENT BORROWERS**

### **SEC. 601. PROTECTIONS IN THE EVENT OF DEATH OR BANKRUPTCY.**

(a) **IN GENERAL.**—Section 140 of the Truth in Lending Act (15 U.S.C. 1650) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1) through (8) as paragraphs (2) through (9), respectively; and

(B) by inserting before paragraph (2), as so redesignated, the following:

“(1) the term ‘cosigner’—

“(A) means any individual who is liable for the obligation of another without compensation, regardless of how designated in the contract or instrument with respect to that obligation, other than an obligation under a private education loan extended to consolidate a consumer’s pre-existing private education loans;

“(B) includes any person the signature of which is requested as condition to grant credit or to forbear on collection; and

“(C) does not include a spouse of an individual described in subparagraph (A), the signature of whom is needed to perfect the security interest in a loan.”; and

(2) by adding at the end the following:

“(g) **ADDITIONAL PROTECTIONS RELATING TO BORROWER OR CO-SIGNER OF A PRIVATE EDUCATION LOAN.**—

“(1) **PROHIBITION ON AUTOMATIC DEFAULT IN CASE OF DEATH OR BANKRUPTCY OF NON-STUDENT OBLIGOR.**—With respect to a private education loan involving a student obligor and 1 or more cosigners, the creditor shall not declare a default or accelerate the debt against the student obligor on the sole basis of a bankruptcy or death of a cosigner.

“(2) **COSIGNER RELEASE IN CASE OF DEATH OF BORROWER.**—

“(A) **RELEASE OF COSIGNER.**—The holder of a private education loan, when notified of the death of a student obligor, shall release within a reasonable timeframe any cosigner from the obligations of the cosigner under the private education loan.

“(B) **NOTIFICATION OF RELEASE.**—A holder or servicer of a private education loan, as applicable, shall within a reasonable time-frame notify any cosigners for the private education loan if a cosigner is released from the obligations of the cosigner for the private education loan under this paragraph.

“(C) **DESIGNATION OF INDIVIDUAL TO ACT ON BEHALF OF THE BORROWER.**—Any lender that extends a private education loan shall provide the student obligor an option to designate an individual to have the legal authority to act on behalf of the student obligor with respect to the private education loan in the event of the death of the student obligor.”.

(b) **APPLICABILITY.**—The amendments made by subsection (a) shall only apply to private education loan agreements entered into on or after the date that is 180 days after the date of enactment of this Act.

**SEC. 602. REHABILITATION OF PRIVATE EDUCATION LOANS.**

(a) **IN GENERAL.**—Section 623(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(1)) is amended by adding at the end the following:

“(E) **REHABILITATION OF PRIVATE EDUCATION LOANS.**—

“(i) **IN GENERAL.**—Notwithstanding any other provision of this section, a consumer may request a financial institution to remove from a consumer report a reported default regarding a private education loan, and such information shall not be considered inaccurate, if—

“(I) the financial institution chooses to offer a loan rehabilitation program which includes, without limitation, a requirement of the consumer to make consecutive on-time monthly payments in a number that demonstrates, in the assessment of the financial institution offering the loan rehabilitation program, a renewed ability and willingness to repay the loan; and

“(II) the requirements of the loan rehabilitation program described in subclause (I) are successfully met.

“(ii) **BANKING AGENCIES.**—

“(I) **IN GENERAL.**—If a financial institution is supervised by a Federal banking agency, the financial institution shall seek written approval concerning the terms and conditions of the loan rehabilitation program described in clause (i) from the appropriate Federal banking agency.

“(II) **FEEDBACK.**—An appropriate Federal banking agency shall provide feedback to a financial institution within 120 days of a request for approval under subclause (I).

“(iii) **LIMITATION.**—

“(I) **IN GENERAL.**—A consumer may obtain the benefits available under this subsection with respect to rehabilitating a loan only 1 time per loan.

“(II) **RULE OF CONSTRUCTION.**—Nothing in this subparagraph may be construed to require a financial institution to offer a loan rehabilitation program or to remove any reported default from a consumer report as a consideration of a loan rehabilitation program, except as described in clause (i).

“(iv) **DEFINITIONS.**—For purposes of this subparagraph—

“(I) the term ‘appropriate Federal banking agency’ has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

“(II) the term ‘private education loan’ has the meaning given the term in section 140(a) of the Truth in Lending Act (15 U.S.C. 1650(a)).”.

(b) **GAO STUDY.**—

(1) **STUDY.**—The Comptroller General of the United States shall conduct a study, in consultation with the appropriate Federal banking agencies, regarding—

(A) the implementation of subparagraph (E) of section 623(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681s–2(a)(1)) (referred to in this paragraph as “the provision”), as added by subsection (a);

(B) the estimated operational, compliance, and reporting costs associated with the requirements of the provision;

(C) the effects of the requirements of the provision on the accuracy of credit reporting;

(D) the risks to safety and soundness, if any, created by the loan rehabilitation programs described in the provision; and

(E) a review of the effectiveness and impact on the credit of participants in any loan rehabilitation programs described in the provision and whether such programs improved the ability of participants in the programs to access credit products.

(2) **REPORT.**—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that contains all findings and determinations made in conducting the study required under paragraph (1).

**SEC. 603. BEST PRACTICES FOR HIGHER EDUCATION FINANCIAL LITERACY.**

Section 514(a) of the Financial Literacy and Education Improvement Act (20 U.S.C. 9703(a)) is amended by adding at the end the following:

“(3) **BEST PRACTICES FOR TEACHING FINANCIAL LITERACY.**—

“(A) **IN GENERAL.**—After soliciting public comments and consulting with and receiving input from relevant parties, including a diverse set of institutions of higher education and other parties, the Commission shall, by not later than 1 year after the date of enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act, establish best practices for institutions of higher education regarding methods to—

“(i) teach financial literacy skills; and

“(ii) provide useful and necessary information to assist students at institutions of higher education when making financial decisions related to student borrowing.

“(B) **BEST PRACTICES.**—The best practices described in subparagraph (A) shall include the following:

“(i) Methods to ensure that each student has a clear sense of the student’s total borrowing obligations, including monthly payments, and repayment options.

“(ii) The most effective ways to engage students in financial literacy education, including frequency and timing of communication with students.

“(iii) Information on how to target different student populations, including part-time students, first-time students, and other nontraditional students.



“(iv) Ways to clearly communicate the importance of graduating on a student’s ability to repay student loans.

“(C) MAINTENANCE OF BEST PRACTICES.—The Commission shall maintain and periodically update the best practices information required under this paragraph and make the best practices available to the public.

“(D) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to require an institution of higher education to adopt the best practices required under this paragraph.”.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*