

HR 10

Financial CHOICE Act of 2017

Congress: 115 (2017–2019, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Apr 26, 2017

Current Status: Committee on Banking, Housing, and Urban Affairs. Hearings held. Hearings printed: S.Hrg. 115-108.

Latest Action: Committee on Banking, Housing, and Urban Affairs. Hearings held. Hearings printed: S.Hrg. 115-108. (Jul 13, 2017)

Official Text: <https://www.congress.gov/bill/115th-congress/house-bill/10>

Sponsor

Name: Rep. Hensarling, Jeb [R-TX-5]

Party: Republican • **State:** TX • **Chamber:** House

Cosponsors (40 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Barr, Andy [R-KY-6]	R · KY		Apr 26, 2017
Rep. Duffy, Sean P. [R-WI-7]	R · WI		Apr 26, 2017
Rep. Huizenga, Bill [R-MI-2]	R · MI		Apr 26, 2017
Rep. Luetkemeyer, Blaine [R-MO-3]	R · MO		Apr 26, 2017
Rep. McHenry, Patrick T. [R-NC-10]	R · NC		Apr 26, 2017
Rep. Pearce, Stevan [R-NM-2]	R · NM		Apr 26, 2017
Rep. Wagner, Ann [R-MO-2]	R · MO		Apr 26, 2017
Rep. Banks, Jim [R-IN-3]	R · IN		May 11, 2017
Rep. Arrington, Jodey C. [R-TX-19]	R · TX		May 16, 2017
Rep. Davidson, Warren [R-OH-8]	R · OH		May 16, 2017
Rep. Hill, J. French [R-AR-2]	R · AR		May 16, 2017
Rep. Hollingsworth, Trey [R-IN-9]	R · IN		May 16, 2017
Rep. Kustoff, David [R-TN-8]	R · TN		May 16, 2017
Rep. Loudermilk, Barry [R-GA-11]	R · GA		May 16, 2017
Rep. Meadows, Mark [R-NC-11]	R · NC		May 16, 2017
Rep. Pittenger, Robert [R-NC-9]	R · NC		May 16, 2017
Rep. Rothfus, Keith J. [R-PA-12]	R · PA		May 16, 2017
Rep. Walker, Mark [R-NC-6]	R · NC		May 16, 2017
Rep. Williams, Roger [R-TX-25]	R · TX		May 16, 2017
Rep. Budd, Ted [R-NC-13]	R · NC		May 18, 2017
Rep. Flores, Bill [R-TX-17]	R · TX		May 18, 2017
Rep. Franks, Trent [R-AZ-8]	R · AZ		May 18, 2017
Rep. McClintock, Tom [R-CA-4]	R · CA		May 18, 2017
Rep. Palmer, Gary J. [R-AL-6]	R · AL		May 18, 2017
Rep. Trott, David A. [R-MI-11]	R · MI		May 18, 2017
Rep. Wittman, Robert J. [R-VA-1]	R · VA		May 18, 2017
Rep. Emmer, Tom [R-MN-6]	R · MN		May 23, 2017
Rep. Estes, Ron [R-KS-4]	R · KS		May 23, 2017
Rep. King, Peter T. [R-NY-2]	R · NY		May 23, 2017
Rep. Love, Mia B. [R-UT-4]	R · UT		May 23, 2017
Rep. MacArthur, Thomas [R-NJ-3]	R · NJ		May 23, 2017
Rep. Mooney, Alexander X. [R-WV-2]	R · WV		May 23, 2017
Rep. Posey, Bill [R-FL-8]	R · FL		May 23, 2017
Rep. Smith, Adrian [R-NE-3]	R · NE		May 23, 2017
Rep. Stivers, Steve [R-OH-15]	R · OH		May 23, 2017
Rep. Tenney, Claudia [R-NY-22]	R · NY		May 23, 2017
Rep. Thornberry, Mac [R-TX-13]	R · TX		May 23, 2017
Rep. Tipton, Scott R. [R-CO-3]	R · CO		May 23, 2017
Rep. Zeldin, Lee M. [R-NY-1]	R · NY		May 23, 2017
Rep. Royce, Edward R. [R-CA-39]	R · CA		May 24, 2017

Committee Activity

Committee	Chamber	Activity	Date
Agriculture Committee	House	Referred to	May 4, 2017
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (full committee)	Jul 13, 2017
Budget Committee	House	Discharged From	May 25, 2017
Education and Workforce Committee	House	Discharged From	May 25, 2017
Financial Services Committee	House	Reported By	Jun 2, 2017
Judiciary Committee	House	Discharged From	May 25, 2017
Oversight and Government Reform Committee	House	Discharged From	May 25, 2017
Rules Committee	House	Discharged From	May 25, 2017
Transportation and Infrastructure Committee	House	Referred to	Apr 27, 2017
Ways and Means Committee	House	Discharged From	May 25, 2017

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
115 HR 2128	Related bill	Jan 2, 2019: Placed on the Union Calendar, Calendar No. 885.
115 HR 4247	Related bill	Jan 2, 2019: Placed on the Union Calendar, Calendar No. 886.
115 HR 4302	Related bill	Dec 28, 2018: Placed on the Union Calendar, Calendar No. 868.
115 HR 5054	Related bill	Dec 21, 2018: Placed on the Union Calendar, Calendar No. 846.
115 HR 4758	Related bill	Dec 12, 2018: Placed on the Union Calendar, Calendar No. 837.
115 S 3733	Related bill	Dec 10, 2018: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4015	Related bill	Dec 6, 2018: Committee on Banking, Housing, and Urban Affairs. Hearings held. Hearings printed: S.Hrg. 115-455.
115 HR 4753	Related bill	Sep 27, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 3518	Related bill	Sep 27, 2018: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 5756	Related bill	Aug 24, 2018: Placed on the Union Calendar, Calendar No. 700.
115 HR 5051	Related bill	Aug 3, 2018: Placed on the Union Calendar, Calendar No. 686.
115 S 488	Related bill	Jul 18, 2018: Message on House action received in Senate and at desk: House amendments to Senate bill.
115 HR 5877	Related bill	Jul 11, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4294	Related bill	Jun 27, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 2126	Related bill	Jun 26, 2018: Committee on Banking, Housing, and Urban Affairs. Hearings held. Hearings printed: S.Hrg. 115-354.
115 S 3070	Related bill	Jun 14, 2018: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 2155	Related bill	May 24, 2018: Became Public Law No: 115-174.
115 HR 4738	Related bill	May 7, 2018: Placed on the Union Calendar, Calendar No. 509.
115 HR 5614	Related bill	Apr 25, 2018: Referred to the House Committee on Financial Services.
115 HR 4267	Related bill	Apr 24, 2018: Placed on the Union Calendar, Calendar No. 495.
115 HR 4263	Related bill	Mar 19, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4545	Related bill	Mar 19, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 1116	Related bill	Mar 15, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2226	Related bill	Mar 7, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4296	Related bill	Feb 28, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4529	Related bill	Feb 23, 2018: Placed on the Union Calendar, Calendar No. 436.

Bill	Relationship	Last Action
115 HR 4248	Related bill	Feb 20, 2018: Placed on the Union Calendar, Calendar No. 430.
115 HR 3978	Related bill	Feb 15, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2948	Related bill	Feb 13, 2018: Placed on the Union Calendar, Calendar No. 414.
115 HR 1153	Related bill	Feb 12, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4771	Related bill	Feb 12, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 3948	Related bill	Feb 8, 2018: Placed on the Union Calendar, Calendar No. 412.
115 HR 4292	Related bill	Feb 5, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 1426	Related bill	Jan 30, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2255	Related bill	Jan 30, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2954	Related bill	Jan 19, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4279	Related bill	Jan 18, 2018: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4791	Related bill	Jan 12, 2018: Referred to the House Committee on Financial Services.
115 HR 4755	Related bill	Jan 10, 2018: Referred to the House Committee on Financial Services.
115 HR 4756	Related bill	Jan 10, 2018: Referred to the House Committee on Financial Services.
115 HR 3971	Related bill	Dec 13, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2706	Related bill	Dec 12, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 477	Related bill	Dec 11, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 1699	Related bill	Dec 4, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4517	Related bill	Dec 1, 2017: Referred to the House Committee on Financial Services.
115 HR 1645	Related bill	Nov 28, 2017: Placed on the Union Calendar, Calendar No. 315.
115 HR 4452	Related bill	Nov 17, 2017: Referred to the House Committee on Financial Services.
115 HR 3973	Related bill	Nov 14, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2201	Related bill	Nov 13, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 4319	Related bill	Nov 13, 2017: Referred to the Subcommittee on Highways and Transit.
115 HR 3903	Related bill	Nov 2, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Bill	Relationship	Last Action
115 S 2013	Related bill	Oct 26, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 3950	Related bill	Oct 16, 2017: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.
115 S 327	Related bill	Oct 6, 2017: Became Public Law No: 115-66.
115 HR 24	Related bill	Sep 21, 2017: Placed on the Union Calendar, Calendar No. 228.
115 S 416	Related bill	Sep 12, 2017: Held at the desk.
115 HR 1257	Related bill	Aug 15, 2017: Placed on the Union Calendar, Calendar No. 195.
115 S 1751	Related bill	Aug 3, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 1753	Related bill	Aug 3, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 3601	Related bill	Jul 28, 2017: Referred to the House Committee on Financial Services.
115 HRES 375	Procedurally related	Jun 7, 2017: Motion to reconsider laid on the table Agreed to without objection.
115 HR 910	Related bill	May 2, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 1312	Related bill	May 2, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 2204	Related bill	Apr 27, 2017: Referred to the House Committee on Financial Services.
115 HR 1667	Related bill	Apr 6, 2017: Received in the Senate and Read twice and referred to the Committee on the Judiciary.
115 HR 1343	Related bill	Apr 5, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 1948	Related bill	Apr 5, 2017: Referred to the House Committee on Financial Services.
115 S 779	Related bill	Mar 30, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S2153-2154)
115 HR 1637	Related bill	Mar 20, 2017: Referred to the House Committee on Financial Services.
115 S 639	Related bill	Mar 15, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 567	Related bill	Mar 8, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 1031	Related bill	Feb 14, 2017: Referred to the House Committee on Financial Services.
115 S 370	Related bill	Feb 14, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 S 310	Related bill	Feb 6, 2017: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
115 HR 79	Related bill	Jan 11, 2017: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Financial CHOICE Act of 2017

(Sec. 2) This bill repeals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and other laws. Any rule that was issued or revised pursuant to a provision repealed by the bill is nullified.

TITLE I--ENDING "TOO BIG TO FAIL" AND BANK BAILOUTS

Subtitle A--Repeal of the Orderly Liquidation Authority

(Sec. 111) The bill repeals the orderly liquidation authority of the Federal Deposit Insurance Corporation (FDIC). The FDIC's orderly liquidation authority, as established under the Dodd-Frank Act, allows the FDIC to liquidate a failing financial institution if the institution's imminent failure threatens financial stability.

Subtitle B--Financial Institution Bankruptcy

(Sec. 121) Newly established provisions related to Chapter 11 bankruptcy, which generally involves the reorganization of a debtor's assets and debts, shall apply to covered financial corporations (certain large and complex financial institutions, as defined by the bill).

Under specified circumstances, a court may convert a covered financial corporation's Chapter 11 bankruptcy case into a case under Chapter 7 bankruptcy (also known as "liquidation" bankruptcy).

(Sec. 122) The bill amends the federal bankruptcy code to establish Chapter 11 bankruptcy procedures specific to covered financial institutions.

Specified federal financial regulatory agencies may appear and be heard in such cases.

In making decisions in such cases, a court may consider effects on financial stability in the United States.

(Sec. 123) The Chief Justice of the U.S. Supreme Court shall designate judges to hear Chapter 11 bankruptcy cases involving covered financial corporations.

Subtitle C--Ending Government Guarantees

(Sec. 131) The bill repeals the FDIC's authority, under the Dodd-Frank Act, to guarantee bank debt during times of severe economic distress.

(Sec. 132) Current law generally requires the FDIC to utilize the least-costly method when using the Deposit Insurance Fund to resolve failing banks; however, in an exception to this requirement, the FDIC may take other action or provide assistance to avoid or mitigate serious adverse effects on economic conditions or financial stability. The bill repeals this exception.

(Sec. 133) The Exchange Stabilization Fund may not be used for the establishment of a guaranty program for any nongovernmental entity.

Subtitle D--Eliminating Financial Market Utility Designations

(Sec. 141) The bill repeals the authority of the Financial Stability Oversight Council (FSOC) to designate financial market

utilities (i.e., payment, clearing, and settlement systems) as "systemically important" (also known as "too big to fail"). Under current law, entities so designated are subject to additional regulatory restrictions.

Subtitle E--Reform of the Financial Stability Act of 2010

(Sec. 151) The bill repeals FSOC's authority to designate non-bank financial institutions as "systemically important."

In addition, the bill eliminates the Office of Financial Research, which is tasked under current law with supporting FSOC through data collection and analysis.

The bill repeals: (1) provisions related to the authority of the Federal Reserve Board (FRB) to supervise and take enforcement action against non-bank financial companies; (2) the prohibition against management interlocks in certain financial companies (i.e., the prohibition against a management official serving simultaneously in two unaffiliated organizations); and (3) specified early-remediation requirements applicable to non-bank financial companies in financial distress.

With respect to FSOC, the bill modifies council membership, voting procedures, open meetings requirements, and duties. In addition, the bill subjects FSOC to the congressional appropriations process.

The bill exempts qualifying banking organizations from certain standards related to proposed acquisitions.

In addition, the bill modifies procedures for: (1) the submission and federal review of "living wills" (i.e., companies' plans for rapid and orderly resolution in the event of financial distress or failure); and (2) the stress testing of bank holding companies.

The FRB may not, on an emergency basis, approve an application that would cause a company to become a bank holding company, unless the application involves the company's acquisition of a bank that is critically undercapitalized.

Specified concentration limits applicable to large financial firms under the Bank Holding Company Act of 1956 shall apply only to banking organizations.

(Sec. 152) A federal banking agency may not establish an operational-risk capital requirement for banking organizations unless the requirement: (1) is based on, and is appropriately sensitive to, current risks; (2) is determined under a forward-looking assessment of potential losses; and (3) allows certain adjustments.

TITLE II--DEMANDING ACCOUNTABILITY FROM WALL STREET

Subtitle A--SEC Penalties Modernization

(Sec. 211) The bill amends the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to increase civil monetary penalties that may be imposed by the Securities and Exchange Commission (SEC) for various securities laws violations. With respect to a failure to comply with an injunction or order relating to a violation of one of these laws, each day shall be deemed a separate offense.

(Sec. 212) The bill amends the Sarbanes-Oxley Act of 2002 to increase civil monetary penalties that the Public Company Accounting Oversight Board (PCAOB) may impose upon registered public accounting firms or associated persons for violations of specified securities laws, board rules, or professional standards.

(Sec. 216) The Government Accountability Office (GAO) must report on the SEC's use of its authority to impose civil

monetary penalties.

Subtitle B--FIRREA Penalties Modernization

(Sec. 221) The bill amends the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and other laws, to increase civil and criminal monetary penalties for specified violations involving financial institutions.

TITLE III--DEMANDING ACCOUNTABILITY FROM FINANCIAL REGULATORS AND DEVOLVING POWER AWAY FROM WASHINGTON

Subtitle A--Cost-Benefit Analyses

(Sec. 312) In general, a federal financial regulatory agency must include, in a notice of proposed rulemaking, a regulatory analysis as specified by the bill. Except at the direction of Congress, a federal regulatory agency may not publish a notice of final rulemaking if the agency, in its analysis, determines that the quantified costs of the proposed rule exceed its quantified benefits.

(Sec. 314) A federal financial regulatory agency must make available on its website the data, methodologies, and assumptions underlying its required regulatory analysis such that its results can be substantially reproduced.

(Sec. 315) A federal financial regulatory agency's chief economist must submit to Congress, and make available on the agency's website, a report that examines the economic impact of a regulation that is the subject of a notice of final rulemaking.

(Sec. 316) Each federal financial regulatory agency must periodically submit to Congress, and make available on its website: (1) a plan to modify, streamline, expand, or repeal existing regulations so as to make the agency more effective or less burdensome in achieving its regulatory objectives; and (2) a progress report on the steps that the agency has taken to implement that plan.

(Sec. 317) A person that is aggrieved by a regulation may bring an action for judicial review of agency compliance with the bill's requirements with respect to regulatory analysis.

(Sec. 318) The bill establishes a Chief Economists Council, consisting of federal financial regulatory agencies' chief economists, and tasks the council to report annually to Congress on specified issues related to regulations.

Subtitle B--Congressional Review of Federal Financial Agency Rulemaking

(Sec. 331) Before a rule may take effect, the promulgating federal financial regulatory agency must report to Congress and the GAO on any cost-benefit analysis of the rule and other specified information.

In general, a "major rule" (i.e., a rule with significant economic impact) promulgated by a federal financial regulatory agency shall not take effect unless Congress enacts a joint resolution of approval, as described by the bill.

(Sec. 332) The bill establishes procedures for congressional approval of major rules.

(Sec. 333) The bill establishes procedures for congressional disapproval of rules other than major rules.

(Sec. 335) No action or omission under this subtitle of the bill shall be subject to judicial review, except that a court may determine whether an agency has completed the necessary requirements for a rule to take effect.

(Sec. 336) A rule shall take effect at a time determined by the promulgating federal financial regulatory agency if: (1) the rule establishes or modifies a program related to hunting, fishing, or camping; or (2) with respect to a rule that is not a major rule, the agency finds that compliance with certain requirements is impracticable, unnecessary, or contrary to the public interest.

(Sec. 338) This subtitle of the bill shall not apply to rules concerning monetary policy.

Subtitle C--Judicial Review of Agency Actions

(Sec. 341) In general, the standard for judicial review of an action by a federal financial agency shall be de novo (i.e., without deference to the agency).

Subtitle D--Leadership of Financial Regulators

(Sec. 351) The bill amends the Federal Deposit Insurance Act to modify the membership of the FDIC such that all five members shall be appointed by the President.

(Sec. 352) The bill amends the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 to allow the President to remove the director of the Federal Housing Finance Agency (FHFA) without cause.

Subtitle E--Congressional Oversight of Appropriations

(Sec. 361) The bill subjects each of the following to the congressional appropriations process:

- the FDIC,
- the FHFA,
- the examination and supervision functions of the National Credit Union Administration (NCUA),
- the Office of the Comptroller of the Currency (OCC), and
- the nonmonetary policy-related administrative costs of the FRB.

Subtitle F--International Processes

(Sec. 371) The Department of the Treasury and specified federal financial regulatory agencies must satisfy certain notice and reporting requirements before participating in a process of setting financial standards as part of a foreign or multinational entity.

Subtitle G--Unfunded Mandates Reform

(Sec. 382) The Unfunded Mandates Reform Act of 1995, which restricts the federal imposition of unfunded mandates on state and local governments, shall apply to federal financial regulatory agencies.

In general, before promulgating a final rule that may result in a significant economic impact to state or local governments, a federal financial regulatory agency must prepare a regulatory analysis as specified by the bill.

Each agency must develop a process to allow impacted parties within the private sector to provide input with respect to the development of regulatory proposals containing significant federal mandates.

Subtitle H--Enforcement Coordination

(Sec. 391) Federal financial regulatory agencies must implement policies and procedures to minimize the duplication of

effort with respect to enforcement actions.

Subtitle I--Penalties for Unauthorized Disclosures

(Sec. 392) The bill amends the Financial Stability Act of 2010 to establish criminal monetary penalties with respect to: (1) an officer or employee of a federal financial regulatory agency who willfully makes an unauthorized disclosure of certain individually identifiable information, and (2) a person who willfully requests or obtains such information under false pretenses.

Subtitle J--Stop Settlement Slush Funds

(Sec. 393) A settlement may not direct or provide for payment to any person who is not a victim of the alleged wrongdoing if the Department of Housing and Urban Development, the Department of Justice, the Rural Housing Service, or a federal financial regulatory agency is a party to the settlement.

TITLE IV--UNLEASHING OPPORTUNITIES FOR SMALL BUSINESSES, INNOVATORS, AND JOB CREATORS BY FACILITATING CAPITAL FORMATION

Subtitle A--Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification

(Sec. 401) The bill generally exempts merger-and-acquisition brokers from registration requirements under the Securities Exchange Act of 1934.

Subtitle B--Encouraging Employee Ownership

(Sec. 406) The SEC shall increase, from \$5 million to \$20 million, the 12-month sales threshold beyond which an issuer is required to provide investors with additional disclosures related to compensatory benefit plans.

Subtitle C--Small Company Disclosure Simplification

(Sec. 411) The bill exempts from requirements to use Extensible Business Reporting Language (XBRL) for SEC filings: (1) emerging growth companies (i.e., companies with revenues below a specified threshold); and (2) on a temporary basis, certain other smaller companies.

(Sec. 412) The SEC must conduct an analysis of the costs and benefits of XBRL requirements with respect to such companies.

(Sec. 413) The SEC must report to Congress on the results of its analysis and other specified issues related to XBRL implementation.

Subtitle D--Securities and Exchange Commission Overpayment Credit

(Sec. 416) If a national securities exchange or national securities association overpays certain transaction fees to the SEC, the SEC must credit the amount of overpayment to the exchange or association.

Subtitle E--Fair Access to Investment Research

(Sec. 421) The SEC must establish and implement a "safe harbor" for certain investment fund research reports published by brokers and dealers. Such reports shall be deemed not to be "offers" under specified provisions of securities laws, even if the broker or dealer participates in the registered offering of the investment fund's securities.

In implementing the safe harbor, the SEC must prohibit a self-regulatory organization (SRO) from maintaining or enforcing a rule that would prevent a member from: (1) publishing or distributing a covered investment fund research report solely because the member is also participating in a registered offering of the fund, or (2) participating in a registered offering of a covered investment fund solely because the member has published a research report about the fund.

The bill restricts the SEC from conditioning the safe harbor upon certain requirements.

Subtitle F--Accelerating Access to Capital

(Sec. 426) The SEC must allow certain smaller companies to use a simplified registration form.

Subtitle G--Enhancing the RAISE Act

(Sec. 431) The bill modifies the requirements that must be met in order for certain accredited-investor transactions to be exempt from prohibitions against interstate solicitation.

Subtitle H--Small Business Credit Availability

(Sec. 436) The bill removes certain restrictions on the acquisition by a business development company (BDC) of securities issued by an investment adviser or eligible portfolio company.

(Sec. 437) The bill: (1) reduces the required asset-coverage ratio (i.e., a measure of a company's ability to cover its debt obligations with its assets) for a BDC that meets specified requirements, and (2) otherwise modifies requirements applicable to BDCs.

(Sec. 438) The SEC must allow BDCs to use securities offering and proxy rules that are available to other issuers.

Subtitle I--Fostering Innovation

(Sec. 441) The bill temporarily exempts certain lower-revenue issuers from auditor-attestation requirements under the Sarbanes-Oxley Act of 2002.

Subtitle J--Small Business Capital Formation Enhancement

(Sec. 446) The bill amends the Small Business Investment Incentive Act of 1980 to require the SEC to report publicly on the findings and recommendations of the annual government-business forum on capital formation.

Subtitle K--Helping Angels Lead Our Startups

(Sec. 452) The SEC must revise Regulation D, which exempts certain offerings from SEC registration requirements but prohibits general solicitation or general advertising with respect to such offerings. Specifically, this prohibition shall not apply to events with specified kinds of sponsors, including "angel investor groups" that are unconnected to broker-dealers or investment advisers, if specified requirements are met.

Subtitle L--Main Street Growth

(Sec. 456) A national securities exchange that meets specified requirements may elect to be treated as a "venture exchange" and accordingly be exempt from: (1) state regulation of securities offerings, and (2) certain SEC regulations.

Subtitle M--Micro Offering Safe Harbor

(Sec. 461) The bill exempts certain micro-offerings from: (1) state regulation of securities offerings, and (2) federal prohibitions related to interstate solicitation.

Subtitle N--Private Placement Improvement

(Sec. 466) The SEC must further revise Regulation D with respect to filing requirements, as specified by the bill.

Subtitle O--Supporting America's Innovators

(Sec. 471) The bill exempts from the definition of an "investment company," for purposes of certain limitations applicable to such a company, a qualifying venture capital fund that has no more than 500 investors. Specifically, the bill applies to a venture capital fund that has less than \$50 million in aggregate capital contributions and uncalled committed capital. Under current law, a venture capital fund is considered to be an investment company if it has more than 100 investors.

Subtitle P--Fix Crowdfunding

(Sec. 476) The bill lessens restrictions related to the SEC registration exemption for securities offerings involving crowdfunding.

(Sec. 477) With respect to that exemption, the bill excludes crowdfunding investors from the cap on shareholders.

(Sec. 479) The bill exempts crowdfunding intermediaries known as "funding portals" from certain reporting requirements.

Subtitle Q--Corporate Governance Reform and Transparency

(Sec. 482) The bill establishes SEC registration requirements for proxy advisory firms that provide proxy voting research, analysis, or recommendations to clients.

(Sec. 483) The SEC must report annually and publicly on specified issues related to proxy advisory firms.

Subtitle R--Senior Safe

(Sec. 491) The bill extends immunity from liability to certain financial institution employees who: (1) have been trained to identify and report suspected exploitation of a senior citizen, and (2) disclose suspected exploitation to a regulatory or law enforcement agency.

(Sec. 492) A financial institution may provide such training to its employees.

Subtitle S--National Securities Exchange Regulatory Parity

(Sec. 496) Under current law, a security must be listed, or authorized for listing, on one of several specified national securities exchanges (or one with substantially similar standards) in order to be exempt from SEC registration requirements. The bill instead requires that a security be listed, or authorized for listing, on a national securities exchange that has been approved by the SEC.

Subtitle T--Private Company Flexibility and Growth

(Sec. 497) The bill increases the shareholder and assets thresholds at which SEC registration requirements become

applicable.

Subtitle U--Small Company Capital Formation Enhancements

(Sec. 498) Under current law, the SEC must exempt from registration requirements offerings of up to \$50 million annually if specified requirements are met. The bill increases this limit to \$75 million and provides for inflationary adjustments.

Subtitle V--Encouraging Public Offerings

(Sec. 499) The bill allows an issuer to: (1) communicate with qualified institutional buyers or accredited investors to ascertain interest in a contemplated securities offering (i.e., "test the waters"), either before or after the date of filing of a registration statement; and (2) confidentially submit a draft registration statement to the SEC for nonpublic review prior to public filing. Under current law, only emerging growth companies are permitted to do so.

Subtitle X--Modernized Offering and Proxy Rules for Closed-End Funds

(Sec. 499A) The SEC must revise its rules to the extent necessary to allow a closed-end company (i.e., a publicly traded investment company that sells a limited number of shares to investors in an initial public offering) to use specified offering and proxy rules.

TITLE V--REGULATORY RELIEF FOR MAIN STREET AND COMMUNITY FINANCIAL INSTITUTIONS

Subtitle A--Preserving Access to Manufactured Housing

(Sec. 501) The bill amends the Truth in Lending Act (TILA) to specify that a retailer of manufactured housing is generally not a "mortgage originator" under the Act.

(Sec. 502) In addition, the bill modifies the annual percentage rates and transaction values at which mortgages for certain dwellings are considered "high-cost mortgages" under TILA.

Subtitle B--Mortgage Choice

(Sec. 506) Certain charges shall not be considered "points and fees" for purposes of determining whether a mortgage is a "high-cost mortgage."

Subtitle C--Financial Institution Customer Protection

(Sec. 511) A federal banking agency may not request or order a depository institution to terminate a customer account unless: (1) the agency has a material reason for doing so, and (2) that reason is not based solely on reputation risk.

(Sec. 512) The bill amends FIRREA to: (1) apply civil penalties to specified violations by a financial institution against an unaffiliated third person, and (2) modify provisions related to administrative subpoenas.

Subtitle D--Portfolio Lending and Mortgage Access

(Sec. 516) In general, a creditor that is a depository institution shall not be subject to suit for violating specified ability-to-pay requirements with respect to a residential mortgage loan if: (1) the creditor has consistently held the loan on its balance sheet, and (2) prepayment penalties associated with the loan comply with specified limitations. Similarly, a mortgage originator shall not be subject to suit for such a violation if: (1) the creditor is a depository institution; and (2) the creditor informs the mortgage originator, which informs the consumer, that the creditor intends to hold the loan on its

balance sheet for the life of the loan.

Subtitle E--Application of the Expedited Funds Availability Act

(Sec. 521) The bill amends the Expedited Funds Availability Act to apply the Act, which governs bank deposit holds, to American Samoa and the Commonwealth of the Northern Mariana Islands. The Act's one-day extension for certain deposits in noncontiguous states or territories shall apply to both.

Subtitle F--Small Bank Holding Company Policy Statement

(Sec. 526) The FRB must revise its Small Bank Holding Company Policy Statement on Assessment of Financial and Managerial Factors (which allows smaller bank companies to have higher debt levels than are generally allowed). Specifically, the FRB must raise the consolidated asset threshold at which the statement applies from \$1 billion to \$10 billion.

Subtitle G--Community Institution Mortgage Relief

(Sec. 531) The bill exempts from specified escrow requirements a loan held by a creditor that: (1) has consolidated assets of up to \$10 billion, and (2) holds the loan on its balance sheet for a specified period of time.

The Consumer Law Enforcement Agency (as established by title VII of this bill) must revise certain escrow and other requirements with respect to servicers that service 20,000 or fewer mortgages annually.

Subtitle H--Financial Institutions Examination Fairness and Reform

(Sec. 536) The bill amends the Federal Financial Institutions Examination Council Act of 1978 to: (1) set deadlines for final examination reports and exit interviews of a financial institution by a federal financial regulatory agency, (2) establish new examination standards with respect to commercial loans, (3) establish the Office of Independent Examination Review, and (4) allow a financial institution to obtain an independent review of a material supervisory determination contained in a final report of examination.

Subtitle I--National Credit Union Administration Budget Transparency

(Sec. 541) The bill amends the Federal Credit Union Act to require the NCUA to hold public hearings on its draft annual budget.

Subtitle J--Taking Account of Institutions with Low Operation Risk

(Sec. 546) Federal financial regulatory agencies must: (1) tailor any regulatory actions so as to limit burdens on the institutions involved, with consideration of the risk profiles and business models of those institutions; and (2) report to Congress on specific actions taken to do so, as well as on other related issues. The bill's tailoring requirement applies not only to future regulatory actions but also to regulations adopted within the last seven years.

Subtitle K--Federal Savings Association Charter Flexibility

(Sec. 551) The bill amends the Home Owners' Loan Act to allow a federal savings association to elect to operate, subject to the OCC's supervision, with the same rights and duties as a national bank.

Subtitle L--SAFE Transitional Licensing

(Sec. 556) The bill amends the S.A.F.E. Mortgage Licensing Act of 2008 to temporarily allow loan originators that meet specified requirements to continue to originate loans after moving: (1) from one state to another, or (2) from a depository institution to a non-depository institution.

Subtitle M--Right to Lend

(Sec. 561) The bill repeals provisions of the Equal Credit Opportunity Act that require a financial institution, in the case of an application for credit by a business, to request information regarding whether the business is a women-owned, minority-owned, or small business.

Subtitle N--Community Bank Reporting Relief

(Sec. 566) The bill allows reduced reporting requirements for well-capitalized, insured depository institutions that meet specified criteria.

Subtitle O--Homeowner Information Privacy Protection

(Sec. 571) The GAO must conduct a study regarding, and report to Congress on, the privacy of certain information collected under the Home Mortgage Disclosure Act of 1975. The bill suspends data-sharing requirements under that Act unless they predated enactment of the Dodd-Frank Act.

Subtitle P--Home Mortgage Disclosure Adjustment

(Sec. 576) The bill exempts a depository institution from certain records and disclosure requirements: (1) with respect to closed-end mortgage loans, if the depository institution originated fewer than 100 such loans in each of the two preceding years; and (2) with respect to open-end lines of credit, if the depository institution originated fewer than 200 such lines of credit in each of the two preceding years.

Subtitle Q--Protecting Consumers' Access to Credit

(Sec. 581) The bill amends various provisions of law to specify that a loan that is valid as to its maximum rate of interest shall remain valid with respect to that rate regardless of whether the loan is transferred to a third party.

Subtitle R--NCUA Overhead Transparency

(Sec. 586) The NCUA must report annually and publicly on specified issues related to its use of funds from the National Credit Union Share Insurance Fund.

Subtitle U--Legitimate Financial Transactions Report

(Sec. 597) Treasury must report to Congress on its efforts to ensure that legitimate financial transactions move freely and globally.

Subtitle V--Dividend Waiver Authority for Mutual Holding Companies

(Sec. 598) With respect to a mutual holding company, current law requires a federal financial agency to consider waived dividends in determining an appropriate exchange ratio in the event of a full conversion to stock form. The bill eliminates this requirement and instead prohibits a federal financial agency from considering waived dividends in making such a determination.

TITLE VI--REGULATORY RELIEF FOR STRONGLY CAPITALIZED, WELL MANAGED BANKING ORGANIZATIONS

(Sec. 601) A banking organization may elect to be treated as a "qualifying banking organization" for purposes of regulatory relief under the bill if it has an average leverage ratio of at least 10% and meets other specified requirements.

(Sec. 602) A qualifying banking organization shall be exempt from: (1) any federal law or regulation addressing capital or liquidity requirements or standards; (2) any federal law, rule, or regulation that allows a federal financial agency to object to a capital distribution; (3) specified considerations as to whether the banking organization poses a risk to the stability of the financial system of the United States; and (4) other specified federal laws, rules, and regulations.

(Sec. 603) Specified federal financial regulatory agencies shall study, and hold public hearings on, how to design a requirement for banking organizations to issue contingent capital with a market-based conversion trigger.

(Sec. 604) The GAO must report to Congress on the benefits and feasibility of altering certain corrective-action rules.

TITLE VII--EMPOWERING AMERICANS TO ACHIEVE FINANCIAL INDEPENDENCE

Subtitle A--Separation of Powers and Liberty Enhancements

(Sec. 711) The bill converts the Consumer Financial Protection Bureau (CFPB) into the Consumer Law Enforcement Agency. The President may remove the Director of the agency with or without cause. In addition, the President shall appoint the agency's Deputy Director.

(Sec. 712) The bill subjects the agency to the congressional appropriations process.

(Sec. 713) The President, rather than the Chairman of the FRB, shall appoint the Inspector General for the agency.

(Sec. 714) A private party that is a party to an administrative proceeding brought by the agency may compel the agency to terminate the proceeding, in which case the agency may bring a civil action for the same remedy.

(Sec. 715) Under current law, a person may file a petition with the CFPB, subject to judicial review, for an order to modify or set aside a civil investigative demand made by the CFPB. The bill instead allows a person, with respect to a civil investigative demand made by the agency, to file such a petition in the district court.

(Sec. 716) A purpose of the agency shall be to implement and enforce federal consumer law consistently in order to strengthen market participation, increase competition, and enhance consumer choice.

The bill establishes an Office of Economic Analysis within the agency to review and assess existing and proposed rules and regulations issued by the agency.

(Sec. 717) The bill repeals provisions of the Consumer Financial Protection Act that require courts to defer to determinations by the agency (as converted from the CFPB by this subtitle of the bill) regarding the meaning or interpretation of federal consumer financial law.

Subtitle B--Administrative Enhancements

(Sec. 721) The agency must: (1) establish procedures for responding to inquiries concerning whether specific conduct conforms with federal consumer financial law; (2) issue advisory opinions, when feasible; and (3) develop a system to charge a fee for each inquiry.

(Sec. 722) The agency must establish and maintain a segregated account for civil penalties obtained by the agency. Amounts in the account shall be used to make payments to victims; however, any amounts remaining in the account after a specified period of time must be credited to the Treasury.

(Sec. 723) Agency employees shall be compensated according to the General Schedule pay scale for federal employees.

(Sec. 724) Under current law, the CFPB is tasked with monitoring for risks to consumers with respect to consumer financial products or services. Such monitoring shall not be a function of the agency.

(Sec. 725) The bill eliminates requirements for the agency (as converted from the CFPB by this subtitle of the bill) to establish specified offices within itself.

(Sec. 726) The bill eliminates the Consumer Advisory Board.

(Sec. 727) The bill eliminates the authority of the agency (as converted from the CFPB by this subtitle of the bill) to supervise and examine financial institutions.

(Sec. 728) The bill: (1) transfers control of the building that serves as the CFPB's headquarters to the General Services Administration (GSA); and (2) authorizes the GSA to sell the building, depending on what the GSA determines are the new agency's real-estate leasing needs.

(Sec. 729) The agency generally may not exercise any authority with respect to: (1) employee benefit compensation plans, or (2) persons regulated by either the SEC or the Commodity Futures Trading Commission (CFTC).

Subtitle C--Policy Enhancements

(Sec. 731) The agency may not collect or use any nonpublic personal information about a consumer without the consumer's permission.

(Sec. 732) The bill repeals FSOC's authority to, for reasons of safety and soundness of the U.S. banking system, set aside a regulation issued by the agency (as converted from the CFPB by this subtitle of the bill).

(Sec. 733) The agency may not exercise any authority with respect to payday loans, vehicle-title loans, or other similar loans.

(Sec. 734) The bill nullifies a CFPB bulletin on indirect auto lending and compliance with the Equal Credit Opportunity Act. According to that bulletin, certain lenders that offer auto loans through dealerships are potentially liable for unlawful, discriminatory dealer markups.

(Sec. 735) The bill eliminates the regulatory and enforcement authority of the agency (as converted from the CFPB by this subtitle of the bill) with respect to unfair, deceptive, and abusive acts and practices by depository institutions.

(Sec. 736) The bill directs federal banking agencies to promulgate regulations under the Federal Trade Commission Act to prevent unfair or deceptive acts or practices by depository institutions.

(Sec. 737) The bill repeals the authority of the agency (as converted from the CFPB by this subtitle of the bill) to, for reasons of consumer protection and the public interest, restrict the use of an agreement for mandatory pre-dispute arbitration.

TITLE VIII--CAPITAL MARKETS IMPROVEMENTS

Subtitle A--SEC Reform, Restructuring, and Accountability

(Sec. 801) The bill reauthorizes through FY2022 the SEC.

(Sec. 802) The SEC must annually report to Congress on any funds appropriated to the SEC that remain unobligated.

(Sec. 803) The bill abolishes the SEC Reserve Fund, which was established under the Dodd-Frank Act to support SEC operations.

(Sec. 804) The SEC must collect fees and assessments in specified targeted amounts to offset congressional appropriations to the SEC. Fees collected in excess of the amount of such appropriations must be credited to the Treasury.

(Sec. 805) The SEC may not obligate any funds for the purpose of federal construction of a new headquarters facility.

(Sec. 806) The SEC must, within a specified timeframe, complete implementation of specified recommendations regarding the SEC's operations and structure.

(Sec. 807) The SEC's Office of Credit Ratings shall report to the Division of Trading and Markets.

(Sec. 808) The SEC's Office of Municipal Securities shall also report to the Division of Trading and Markets.

(Sec. 809) The Ombudsman of the SEC shall be appointed by the Chairman of the SEC rather than by the Investor Advocate.

(Sec. 810) The bill modifies provisions relating to the membership of the Investor Advisory Committee.

(Sec. 811) The Investor Advocate shall not take a position on any pending legislation other than certain legislative changes proposed by the Investor Advocate to promote the interests of investors.

(Sec. 812) The Small Business Capital Formation Advisory Committee shall be subject to the Federal Advisory Committee Act.

(Sec. 813) The SEC as well as each registered national security association must develop internal risk controls to safeguard market data.

(Sec. 814) The bill applies specified notice and comment requirements to any statement or guidance that has the effect of interpreting or prescribing law or policy and is voted on by the SEC.

(Sec. 815) A pilot program established by an SRO and filed with the SEC shall terminate after five years in the absence of an extension.

(Sec. 816) The bill amends various provisions of law to specify that the SEC may not compel a person to produce a source code or similar intellectual property without first issuing a subpoena.

(Sec. 817) The SEC must establish a process for closing investigations, as specified by the bill.

(Sec. 818) The bill establishes an Enforcement Ombudsman to act as a liaison between the SEC and any person who is

the subject of an SEC investigation or enforcement action.

(Sec. 819) No person shall be subject to an SEC enforcement action with respect to a securities law, rule, or regulation if the person did not have adequate notice of the law, rule, or regulation.

(Sec. 820) The SEC must establish an advisory committee on the SEC's enforcement policies and practices.

(Sec. 821) The SEC must establish a process to allow a recipient of a Wells notification (i.e., a written notice that the SEC is planning to bring an enforcement action against the recipient) to make an in-person presentation before the SEC. A written report of any such presentation must be produced by SEC staff.

(Sec. 822) The SEC must publish an updated manual setting forth its policies and practices with respect to the enforcement of securities laws. In addition, the SEC must annually publish an enforcement plan and report.

(Sec. 823) A person against whom the SEC brings an administrative proceeding may compel the SEC to terminate the proceeding and to instead bring a civil action.

(Sec. 824) The SEC may not impose a civil monetary penalty upon an issuer unless the order approving the imposition of that penalty contains certified findings regarding whether: (1) the alleged violation resulted in direct economic benefit to the issuer, and (2) the penalty will harm the issuer's shareholders.

(Sec. 825) The bill repeals the SEC's authority, in a cease-and-desist proceeding, to prohibit certain persons from serving as officers or directors of an issuer.

(Sec. 826) The duration of an omnibus order of investigation (authorizing the SEC to issue subpoenas to multiple persons in relation to a particular subject matter area) shall not be indefinite.

(Sec. 827) A entity may not be disqualified from using an exemption or registration provision of securities laws on the basis of a felony conviction or other specified sanction, unless the SEC, after notice and an opportunity for a hearing, makes an on-the-record determination that the entity should be so disqualified.

(Sec. 828) The SEC may not pay an award to any whistleblower who is responsible for, or complicit in, the violation with respect to which the whistleblower provided information.

(Sec. 830) The bill specifies burden-of-proof and complaint requirements with respect to certain actions for breach of fiduciary duty.

(Sec. 831) The PCAOB must make specified information available to Congress upon request.

(Sec. 832) The bill eliminates the PCAOB Investor Advisory Group.

(Sec. 833) The bill repeals the requirement that certain monetary penalties collected by the PCAOB be used to fund a specified merit scholarship program.

(Sec. 834) Fines collected for violations of the rules of the Municipal Securities Rulemaking Board shall generally be credited to the Treasury.

Subtitle B--Eliminating Excessive Government Intrusion in the Capital Markets

(Sec. 841) The bill nullifies the "fiduciary duty" rule finalized by the Department of Labor on April 8, 2016. In accordance

with that rule, advisers to retirement investors are fiduciaries that must comply with specified standards for impartial conduct.

(Sec. 842) The bill exempts asset-backed securities that are comprised wholly of nonresidential mortgages from certain risk-retention requirements.

(Sec. 843) Current law requires shareholder approval with respect to an issuer's compensation of executives no less frequently than once every three years. The bill instead requires such approval only when there has been a material change to executive compensation from the previous year.

(Sec. 844) Current regulations allow the resubmission of a shareholder proposal that has been previously included in the issuer's proxy materials if, when the proposal was last included, it received less than a specified percentage of the vote; this percentage, which varies depending upon the number of times a proposal has been previously submitted, represents the minimum threshold at which resubmission is permissible. The bill directs the SEC to increase this threshold.

In addition, the SEC must revise its regulations with respect to the holding requirement for a shareholder to be eligible to submit a shareholder proposal to an issuer for inclusion in the issuer's proxy statement. Specifically, the SEC must eliminate the option for a shareholder to satisfy the holding requirement by holding a certain dollar amount (under current regulations, \$2,000). The SEC must also extend the requisite holding period from one year to three years.

An issuer may not include in its proxy materials (i.e., documents outlining a public company's methods and procedures) a shareholder proposal submitted by a person acting as a proxy or otherwise acting on behalf of a shareholder.

(Sec. 845) The SEC may not require that a proxy solicitation, in an election of members of an issuer's board of directors, be made using a single ballot.

(Sec. 846) An issuer of municipal securities shall not be required to retain a municipal advisor prior to issuing such securities.

(Sec. 847) Current law exempts from certain internal-control evaluation requirements an issuer that is either an accelerated filer or a large accelerated filer. The bill instead exempts from such requirements an issuer that either: (1) has total market capitalization of less than \$500 million, or (2) is a depository institution with assets below \$1 billion.

(Sec. 848) The SEC must adhere to specified timeframes with respect to granting or rejecting an application for an exemption from requirements of the Investment Company Act of 1940. If the SEC denies such an application, it must provide the applicant with a written explanation and an opportunity for a hearing.

(Sec. 849) Current law requires an issuer to establish a policy for the recovery of certain erroneously awarded executive compensation. The bill specifies that this requirement applies only with respect to recovery from an executive officer who had control or authority over the financial reporting that resulted in the error.

(Sec. 850) The SEC may exempt a person from registration requirements applicable to a nationally recognized statistical rating organization (NRSO) if: (1) such requirements create a barrier to entry into the market for, or impede competition among, NRSOs; or (2) such an exemption is necessary or appropriate in the public interest and is consistent with the protection of investors.

(Sec. 851) Under current law, the SEC's Office of Credit Ratings is required to conduct annual examinations of each NRSO. The bill specifies that such examinations shall be risk-based and removes the requirement that they be conducted

at least annually.

(Sec. 852) Current law requires each NRSO to disclose to the SEC certain information related to the NRSO's credit rating procedures and methodologies. The bill prohibits the SEC from: (1) mandating the specific organization of such disclosures, or (2) requiring that such disclosures include references to statutory or regulatory requirements.

(Sec. 853) The bill repeals the requirement for each NRSO to include, with any credit rating it issues, an attestation affirming that: (1) no part of the rating was influenced by other business activities, (2) the rating was based solely on the merits of the instruments being rated, and (3) the rating was an independent evaluation of the instrument's risks and merits. The bill also repeals the requirement for each NRSO to include in its annual internal-controls report an attestation of its chief executive officer.

(Sec. 854) The bill limits the applicability of certain look-back review requirements for NRSOs.

(Sec. 856) A person who sells or markets the products or services of an NRSO may provide certain material information relating to credit ratings to a person who determines or monitors credit ratings, so long as the information is not intended to influence credit-rating determinations.

(Sec. 857) The bill repeals provisions of the Dodd-Frank Act that:

- authorize the SEC to engage in investor testing;
- authorize the SEC to restrict the use of mandatory pre-dispute arbitration;
- provide for equal treatment of SRO rules;
- with respect to short sales, establish specified public-disclosure and investor-notification requirements;
- prohibit manipulative short sales of securities;
- lessen requirements with respect to pleading state of mind in a private action against an NRSO;
- apply the fair disclosure rule (which requires publicly traded companies to disclose material information to all investors at the same time) to NRSOs;
- subject credit rating agencies to expert liability;
- require an issuer to make specified disclosures;
- prohibit covered financial institutions with assets in excess of \$1 billion from using certain incentive-based payment arrangements that encourage inappropriate risks;
- require the SEC's Division of Trading and Markets to employ a staff of compliance examiners;
- allow the SEC to issue specified rules regarding proxy access;
- allow the SEC to require a registered national securities association to establish a fee to fund the Governmental Accounting Standards Board;
- direct the SEC to issue rules to increase the transparency of securities-lending information available to brokers, dealers, and investors; and
- establish a grant program to support state efforts to protect seniors from fraudulent marketing.

(Sec. 858) In general, an investment adviser shall not be subject to registration and reporting requirements under the Investment Advisers Act of 1940 with respect to the provision of investment advice relating to a private equity fund.

(Sec. 860) The bill expands the category of investors that may be considered "accredited investors" for purposes of participating in private offerings.

(Sec. 862) The bill repeals provisions of the Dodd-Frank Act that require specified disclosures related to: (1) conflict

minerals originating in the Democratic Republic of the Congo, (2) mine safety violations, (3) and payments to foreign governments by resource extraction issuers.

Subtitle C--Harmonization of Derivatives Rules

(Sec. 871) The SEC and the CFTC must review specified rules relating to swap markets.

(Sec. 872) The bill exempts swap transactions between affiliates from swap rules issued by the SEC or the CFTC.

TITLE IX--REPEAL OF THE VOLCKER RULE AND OTHER PROVISIONS

(Sec. 901) The bill lifts the moratorium on the FDIC's provision of deposit insurance to industrial banks, credit-card banks, and certain trust banks.

The bill eliminates the FRB's supervisory authority over securities holding companies.

The bill repeals the "Volcker Rule," which prohibits banking agencies from engaging in proprietary trading or entering into certain relationships with hedge funds and private equity funds.

Current law prohibits an underwriter, placement agent, initial purchaser, or sponsor of an asset-backed security from engaging, within one year after the first closing of the sale of the asset-backed security, in a transaction that would involve a material conflict of interest. The bill repeals this prohibition.

TITLE X--FED OVERSIGHT REFORM AND MODERNIZATION

(Sec. 1001) The bill amends the Federal Reserve Act to require the Federal Open Market Committee (FOMC) to, after each meeting, submit to Congress a Directive Policy Rule for open market operations that includes specified information and meets certain other requirements.

(Sec. 1002) The bill restricts the type of public communications that FOMC members and staff may make regarding financial developments or monetary policy during a "blackout period" (i.e., a period extending from approximately one week before an FOMC meeting to approximately one day afterwards).

(Sec. 1003) The FOMC must make full transcripts of its meetings available to the public.

(Sec. 1004) The bill alters the membership of the FOMC.

(Sec. 1005) The Chairman of the FRB must testify to Congress quarterly, rather than semiannually.

(Sec. 1007) The bill: (1) subjects members and employees of the FRB to additional ethics standards as well as specified restrictions on financial interests, transactions and outside employment; (2) requires such members and employees to disclose all brokerage accounts and other accounts in which they have a financial interest; and (3) requires the FRB to publicly disclose salary information with respect to certain staff.

(Sec. 1008) The bill limits the FRB's emergency-lending authority to cases in which the financial stability of the United States is threatened. Moreover, the FRB may not exercise its emergency-lending authority without the affirmative votes of at least nine Federal Reserve bank presidents.

The FRB must issue specified rules regarding: (1) the collateral required to secure loans made under its emergency-lending authority, and (2) the minimum interest rate on loans made under its emergency-lending authority.

A borrower shall be ineligible to borrow from an emergency-lending program unless the borrower is certified by the FRB and federal banking regulators as solvent.

(Sec. 1010) The bill removes specified limitations on GAO audits of the FRB and Federal Reserve banks.

(Sec. 1011) The bill establishes the Centennial Monetary Commission and tasks the commission with studying specified issues related to monetary policy.

TITLE XI--IMPROVING INSURANCE COORDINATION THROUGH AN INDEPENDENT ADVOCATE

(Sec. 1101) The bill: (1) eliminates the Federal Insurance Office, which is tasked under the Dodd-Frank Act to monitor the insurance sector; and (2) establishes the Office of the Independent Insurance Advocate, which is authorized under the bill to provide coordination and consultation with respect to insurance matters.

(Sec. 1102) Before an agreement regarding prudential measures involving insurance or reinsurance may take effect, Treasury and the Office of the U.S. Trade Representative must publish and make available for public comment the proposed text of the agreement.

Actions Timeline

- **Jul 13, 2017:** Committee on Banking, Housing, and Urban Affairs. Hearings held. Hearings printed: S.Hrg. 115-108.
- **Jun 13, 2017:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Jun 12, 2017:** Received in the Senate.
- **Jun 8, 2017:** Considered under the provisions of rule H. Res. 375. (consideration: CR H4716-4802)
- **Jun 8, 2017:** Rule provides for consideration of H.R. 10 with 1 hour and 30 minutes of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order.
- **Jun 8, 2017:** The Speaker designated the Honorable Steve Womack to act as Chairman of the Committee.
- **Jun 8, 2017:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 375 and Rule XVIII.
- **Jun 8, 2017:** GENERAL DEBATE - The Committee of the Whole proceeded with ninety minutes of general debate on H.R. 10.
- **Jun 8, 2017:** DEBATE - Pursuant to the provisions of H. Res. 375, the Committee of the Whole proceeded with 10 minutes of debate on the Hensarling Part B amendment No. 1.
- **Jun 8, 2017:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Hensarling amendment, the Chair put the question on adoption of the amendment and by voice vote announced that the ayes had prevailed. Mr. Ellison demanded a recorded vote and the Chair postponed further proceedings on adoption of the amendment until later in the legislative day.
- **Jun 8, 2017:** DEBATE - Pursuant to the provisions of H. Res. 375, the Committee of the Whole proceeded with 10 minutes of debate on the Hollingsworth Part B amendment No. 2.
- **Jun 8, 2017:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Hollingsworth amendment, the Chair put the question on adoption of the amendment and by voice vote announced that the ayes had prevailed. Mr. Ellison demanded a recorded vote and the Chair postponed further proceedings on adoption of the amendment until later in the legislative day.
- **Jun 8, 2017:** DEBATE - Pursuant to the provisions of H. Res. 375, the Committee of the Whole proceeded with 10 minutes of debate on the Smucker Part B amendment No. 3.
- **Jun 8, 2017:** DEBATE - Pursuant to the provisions of H. Res. 375, the Committee of the Whole proceeded with 10 minutes of debate on the Faso Part B amendment No. 4.
- **Jun 8, 2017:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Faso amendment, the Chair put the question on adoption of the amendment and by voice vote announced that the ayes had prevailed. Mr. Ellison demanded a recorded vote and the Chair postponed further proceedings on adoption of the amendment until later in the legislative day.
- **Jun 8, 2017:** DEBATE - Pursuant to the provisions of H. Res. 375, the Committee of the Whole proceeded with 10 minutes of debate on the McSally Part B amendment No. 5.
- **Jun 8, 2017:** DEBATE - Pursuant to the provisions of H. Res. 375, the Committee of the Whole proceeded with 10 minutes of debate on the Buck Part B amendment No. 6.
- **Jun 8, 2017:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Buck amendment, the Chair put the question on adoption of the amendment and by voice vote announced that the ayes had prevailed. Mr. Ellison demanded a recorded vote and the Chair postponed further proceedings on adoption of the amendment until later in the legislative day.
- **Jun 8, 2017:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was the question on adoption of amendments which had been debated earlier and on which further proceedings had been postponed.
- **Jun 8, 2017:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 10.
- **Jun 8, 2017:** The previous question was ordered pursuant to the rule. (consideration: CR H4801)
- **Jun 8, 2017:** The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union. (text of amendment in the nature of a substitute: CR H4731-4789)
- **Jun 8, 2017:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 233 - 186 (Roll no. 299).
- **Jun 8, 2017:** On passage Passed by the Yeas and Nays: 233 - 186 (Roll no. 299).
- **Jun 8, 2017:** Motion to reconsider laid on the table Agreed to without objection.
- **Jun 7, 2017:** Rule H. Res. 375 passed House.
- **Jun 6, 2017:** Rules Committee Resolution H. Res. 375 Reported to House. Rule provides for consideration of H.R. 10 with 1 hour and 30 minutes of general debate. Previous question shall be considered as ordered without intervening

motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order.

- **Jun 2, 2017:** Supplemental report filed by the Committee on Financial Services, H. Rept. 115-153, Part II.
- **May 25, 2017:** Reported (Amended) by the Committee on Financial Services. H. Rept. 115-153, Part I.
- **May 25, 2017:** Committee on Agriculture discharged.
- **May 25, 2017:** Committee on Ways and Means discharged.
- **May 25, 2017:** Committee on the Judiciary discharged.
- **May 25, 2017:** Committee on Oversight and Government discharged.
- **May 25, 2017:** Committee on Transportation discharged.
- **May 25, 2017:** Committee on Rules discharged.
- **May 25, 2017:** Committee on the Budget discharged.
- **May 25, 2017:** Committee on Education and the Workforce discharged.
- **May 25, 2017:** Placed on the Union Calendar, Calendar No. 100.
- **May 4, 2017:** Committee Consideration and Mark-up Session Held.
- **May 4, 2017:** Ordered to be Reported (Amended) by the Yeas and Nays: 34 - 26.
- **May 4, 2017:** Referred to the Subcommittee on Commodity Exchanges, Energy, and Credit.
- **May 3, 2017:** Committee Consideration and Mark-up Session Held.
- **May 2, 2017:** Committee Consideration and Mark-up Session Held.
- **Apr 27, 2017:** Referred to the Subcommittee on Economic Development, Public Buildings and Emergency Management.
- **Apr 26, 2017:** Introduced in House
- **Apr 26, 2017:** Referred to the Committee on Financial Services, and in addition to the Committees on Agriculture, Ways and Means, the Judiciary, Oversight and Government Reform, Transportation and Infrastructure, Rules, the Budget, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
- **Apr 26, 2017:** Committee Hearings Held.