

think it's important in the context of this discussion, however, to make certain that the Nation understands and that our colleagues appreciate that much work has been done to make certain that individuals are able to remain in their homes. There are remarkable programs that have helped, literally, millions of Americans remain in their homes, programs that we strongly support and encourage the expansion of.

So I want to, once again, commend my friend from California for introducing this resolution, and I want to thank my friend for his comments.

Ms. WOOLSEY. Mr. Speaker, the importance of homeownership can't be underestimated. That's why I support H. Res. 1271, a bill to recognize National Homeownership Month and the importance of homeownership in the United States.

For most Americans, homeownership represents security for themselves and their families. Unfortunately in recent months, homeownership (a cornerstone of the American Dream) has been tarnished by an unscrupulous mortgage industry that has trapped far too many families into paying for homes they can't afford. In my district, all over California, and across the country, we are seeing family after family fall into foreclosure, as their dreams turn to dust, and they hand over their prize possession to the bank.

So, as we consider this bill in support of homeownership, I think it's important that we also don't forget the homeowner . . . those past, present and future, who need the assistance of this Congress to ensure they get a fair deal.

Mr. Speaker, it's my hope that those who vote in favor of this bill, H. Res. 1271, will also join in passing real housing reform to bring about systemic changes to help more Americans be able to achieve the goal of owning their own home, on fair terms, at affordable prices.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 1271, Recognizing National Homeownership Month and the importance of homeownership in the United States, introduced by my distinguished colleague from California, Representative GARY MILLER. This timely legislation helps to highlight the importance of ownership by recognizing homeowners in the United States.

This legislation recognizes June 2008 as National Homeownership Month. We should be very proud that the people of the United States are one of the best-housed populations in the world. This phenomenon has evolved because we are anchored in the belief that owning a home is a fundamental part of the American dream and is the largest personal investment many families will ever make. Homeownership provides economic security for homeowners by aiding them in building wealth over time and strengthens communities through a greater stake among homeowners in local schools, civic organizations, and churches. Creating affordable homeownership opportunities requires the commitment and cooperation of the private, public, and nonprofit sectors, including the Federal Government and State and local governments. In 2007, Texas ranked fourth behind California, Florida, and Illinois in pre-foreclosures. Last year, Texas held the top seat for active foreclosures.

This is why it is important that we reaffirm that homeownership can be sustained through appropriate homeownership education and informed borrowers. Affordable homeownership and maintaining the confidence and morale of current homeowners will play a vital role in resolving the crisis in the United States housing market: Now, therefore, I fully support the goals and ideals of National Homeownership Month, and I recognize the importance of homeownership in building strong communities and families.

H. Res. 1271 recognizes homeowners and only homeowners, not speculators or lenders. This legislation reminds us that we cannot continue to stand by as the housing market continues to deteriorate. U.S. home prices tumbled in April at the fastest rate since a widely-followed index was begun in 2000 with all 20 metropolitan areas posting annual declines for the first time. Texas reported 13,829 properties entering some stage of foreclosure in April, a 16 percent increase from the previous month and the most foreclosure filings reported by any state. The state documented the nation's third highest state combined foreclosure rate—one foreclosure filing for every 582 households.

Many homeowners in my district are worried about missing their next house payment or their next home equity mortgage, or their interest rate going up. These families are under stress and in constant fear of losing their homes.

This bill should not be the last word in housing legislation nor should it be restricted to the status of symbolic rhetoric. The American people need us to intervene in this housing crisis that is leaving many undeserving families homeless. This bill coupled with Congresswoman MAXINE WATERS' bill, H.R. 5818, the Neighborhood Stabilization Act, provides a good starting point in providing Americans with relief. We must never forget that many of the New Deal programs under President Roosevelt were considered bailouts at that time. And yet, these programs brought our country out of the Depression, rejuvenated our economy, and gave hope as we sought to deal with the War overseas.

We are spending billions of dollars on the war in Iraq. I support our troops but I am dismayed at how our support for a war that needs to become less military and more diplomatic in nature, has disrupted our ability to take care of things at home. Thank you Madam Speaker for your leadership in this area, I urge my colleagues to support recognizing American homeowners by supporting H.R. 1271.

Mr. PRICE of Georgia. I yield back the balance of my time.

Mr. CLEAVER. Mr. Speaker, I have no additional speakers, and so I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. CLEAVER) that the House suspend the rules and agree to the resolution, H. Res. 1271.

The question was taken.

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

Mr. PRICE of Georgia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the

point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

#### CREDIT UNION, BANK, AND THRIFT REGULATORY RELIEF ACT OF 2008

Mr. KANJORSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6312) to advance credit union efforts to promote economic growth, modify credit union regulatory standards and reduce burdens, to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6312

*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 "Credit Union, Bank, and Thrift Regulatory Relief Act of 2008".

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

Sec. 1. Short title; table of contents.

#### TITLE I—CREDIT UNIONS

Sec. 101. Investments in securities by Federal credit unions.

Sec. 102. Increase in investment limit in credit union service organizations.

Sec. 103. Member business loan exclusion for loans to nonprofit religious organizations.

Sec. 104. Authority of NCUA to establish longer maturities for certain credit union loans.

Sec. 105. Providing the National Credit Union Administration with greater flexibility in responding to market conditions.

Sec. 106. Conversions of certain credit unions to a community charter.

Sec. 107. Credit union participation in the SBA section 504 program.

Sec. 108. Amendments relating to credit union service to underserved areas.

Sec. 109. Short-term payday loan alternatives within field of membership.

Sec. 110. Credit union governance.

Sec. 111. Encouraging small business development in underserved urban and rural communities.

#### TITLE II—SAVINGS ASSOCIATION PROVISIONS

Sec. 201. Restatement of authority for Federal savings associations to invest in small business investment companies.

Sec. 202. Removal of limitation on investments in auto loans.

Sec. 203. Repeal of qualified thrift lender requirement with respect to out-of-state branches.

Sec. 204. Small business and other commercial loans.

Sec. 205. Increase in limits on commercial real estate loans.

Sec. 206. Savings association credit card banks.

## TITLE III—NOTICE PROVISIONS

Sec. 301. Exception to annual privacy notice requirement under the Gramm-Leach-Bliley Act.

## TITLE IV—BUSINESS CHECKING

Sec. 401. Short title.  
 Sec. 402. Interest-bearing transaction accounts authorized for all businesses.  
 Sec. 403. Interest-bearing transaction accounts authorized.  
 Sec. 404. Rules of construction.  
 Sec. 405. Consumer banking costs assessment.

## TITLE I—CREDIT UNIONS

## SEC. 101. INVESTMENTS IN SECURITIES BY FEDERAL CREDIT UNIONS.

Section 107 of the Federal Credit Union Act (12 U.S.C. 1757) is amended—

(1) by striking “A Federal credit union” and inserting “(a) IN GENERAL.—A Federal credit union”; and

(2) by adding at the end the following new subsection:

“(b) INVESTMENT FOR THE CREDIT UNION’S OWN ACCOUNT.—

“(1) IN GENERAL.—In addition to the investments authorized in subsection (a), a Federal credit union may purchase and hold for its own account such investment securities of investment grade as the Board may authorize by regulation, subject to such limitations and restrictions as the Board may prescribe in the regulations.

“(2) PERCENTAGE LIMITATIONS.—

“(A) SINGLE OBLIGOR.—In no event may the total amount of investment securities of any single obligor or maker held by a Federal credit union for the credit union’s own account exceed at any time an amount equal to 10 percent of the net worth of the credit union.

“(B) AGGREGATE INVESTMENTS.—In no event may the aggregate amount of investment securities held by a Federal credit union for the credit union’s own account exceed at any time an amount equal to 10 percent of the assets of the credit union.

“(3) INVESTMENT SECURITY DEFINED.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘investment security’ means marketable obligations evidencing the indebtedness of any person in the form of bonds, notes, or debentures and other instruments commonly referred to as investment securities.

“(B) FURTHER DEFINITION BY BOARD.—The Board may further define the term ‘investment security’.

“(4) INVESTMENT GRADE DEFINED.—The term ‘investment grade’ means with respect to an investment security purchased by a credit union for its own account, an investment security that at the time of such purchase is rated in one of the 4 highest rating categories by at least 1 nationally recognized statistical rating organization.

“(5) CLARIFICATION OF PROHIBITION ON STOCK OWNERSHIP.—No provision of this subsection shall be construed as authorizing a Federal credit union to purchase shares of stock of any corporation for the credit union’s own account, except as otherwise permitted by law.”

## SEC. 102. INCREASE IN INVESTMENT LIMIT IN CREDIT UNION SERVICE ORGANIZATIONS.

Section 107(a)(7)(I) of the Federal Credit Union Act (12 U.S.C. 1757(7)(I)) (as so redesignated by section 101(1)) is amended by striking “up to 1 per centum of the total paid” and inserting “up to 3 percent of the total paid”.

## SEC. 103. MEMBER BUSINESS LOAN EXCLUSION FOR LOANS TO NONPROFIT RELIGIOUS ORGANIZATIONS.

Section 107A(a) of the Federal Credit Union Act (12 U.S.C. 1757a(a)) is amended by insert-

ing “, excluding loans made to nonprofit religious organizations,” after “total amount of such loans”.

## SEC. 104. AUTHORITY OF NCUA TO ESTABLISH LONGER MATURITIES FOR CERTAIN CREDIT UNION LOANS.

Section 107(a)(5) of the Federal Credit Union Act (12 U.S.C. 1757(5)) (as so redesignated by section 101(1)) is amended in the matter preceding subparagraph (A), by striking “except as otherwise provided herein” and inserting “or any longer maturity as the Board may allow, in regulations, except as otherwise provided in this Act”.

## SEC. 105. PROVIDING THE NATIONAL CREDIT UNION ADMINISTRATION WITH GREATER FLEXIBILITY IN RESPONDING TO MARKET CONDITIONS.

Section 107(a)(5)(A)(vi)(I) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(vi)(I)) (as so redesignated by section 101(1)) is amended by striking “six-month period and that prevailing interest rate levels” and inserting “6-month period or that prevailing interest rate levels”.

## SEC. 106. CONVERSIONS OF CERTAIN CREDIT UNIONS TO A COMMUNITY CHARTER.

Section 109(g) of the Federal Credit Union Act (12 U.S.C. 1759(g)) is amended by inserting after paragraph (2) the following new paragraph:

“(3) CRITERIA FOR CONTINUED MEMBERSHIP OF CERTAIN MEMBER GROUPS IN COMMUNITY CHARTER CONVERSIONS.—In the case of a voluntary conversion of a common-bond credit union described in paragraph (1) or (2) of subsection (b) into a community credit union described in subsection (b)(3), the Board shall prescribe, by regulation, the criteria under which the Board may determine that a member group or other portion of a credit union’s existing membership, that is located outside the well-defined local community, neighborhood, or rural district that shall constitute the community charter, can be satisfactorily served by the credit union and remain within the community credit union’s field of membership.”

## SEC. 107. CREDIT UNION PARTICIPATION IN THE SBA SECTION 504 PROGRAM.

Section 107(a)(5)(A)(iii) of the Federal Credit Union Act (12 U.S.C. 1757(5)(A)(iii)) (as so redesignated by section 101(1)) is amended by inserting “, and applicable regulations,” after “specified in the law”.

## SEC. 108. AMENDMENTS RELATING TO CREDIT UNION SERVICE TO UNDERSERVED AREAS.

(a) IN GENERAL.—Paragraph (2) of section 109(c) of the Federal Credit Union Act (12 U.S.C. 1759(c)(2)) is amended to read as follows:

“(2) EXCEPTION FOR UNDERSERVED AREAS.—

“(A) IN GENERAL.—Notwithstanding subsection (b), the Board may approve an application by a Federal credit union to allow the membership of such credit union to include any person or organization whose principal residence or place of business is located within a local community, neighborhood, or rural district if—

“(i) the Board determines—

“(I) at any time after August 7, 1998, that all of the local community, neighborhood, or rural district taken into account for purposes of this paragraph is an underserved area (as defined in section 101(10)); and

“(II) at the time of such approval, that the credit union is well capitalized or adequately capitalized (as defined in section 216(c)(1)); and

“(ii) before the end of the 24-month period beginning on the date of such approval, the credit union has established and maintains an office or facility in the local community, neighborhood, or rural district at which credit union services are available.

“(B) TERMINATION OF APPROVAL.—Any failure of a Federal credit union to meet the re-

quirement of clause (ii) of subparagraph (A) by the end of the 24-month period referred to in such clause shall constitute a termination, as a matter of law, of any approval of an application under this paragraph by the Board with respect to the membership of such credit union.

“(C) ANNUAL CREDIT UNION REPORTING REQUIREMENT.—Any Federal credit union which has an application approved under this paragraph shall submit an annual report to the Administration on the number of members of the credit union who are members by reason of such application and the number of offices or facilities maintained by the credit union in the local community, neighborhood, or rural district taken into account by the Board in approving such application.

“(D) PUBLICATION BY ADMINISTRATION.—The Administration shall publish annually a report containing—

“(i) a list of all the applications approved under this paragraph prior to the publication of the report;

“(ii) the number and locations of the underserved areas taken into account in approving such applications; and

“(iii) the total number of members of credit unions who are members by reason of the approval of such applications.”

(b) UNDERSERVED AREA DEFINED.—Section 101 of the Federal Credit Union Act (12 U.S.C. 1752) is amended—

(1) by striking “and” at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting “; and”; and

(3) by adding at the end the following new paragraph:

“(10) the term ‘underserved area’—

“(A) means a geographic area consisting of a single census tract or a group of census tracts, each of which—

“(i) meets the criteria for—

“(I) a low income community, as defined in section 45D(e) of the Internal Revenue Code of 1986; or

“(II) an investment area, as defined and designated under section 103(16) of the Community Development Banking and Financial Institutions Act of 1994; and

“(ii) is not a tract in which 50 percent or more of the resident families have annual incomes in excess of \$75,000 (as adjusted periodically by the Board, at the discretion of the Board, to reflect changes in the average Consumer Price Index for all-urban consumers published by the Department of Labor); and

“(B) notwithstanding subparagraph (A), includes, with respect to any Federal credit union, any geographic area within which such credit union—

“(i) has received approval to provide service before the date of the enactment of the Credit Union, Bank, and Thrift Regulatory Relief Act of 2008 from the National Credit Union Administration; and

“(ii) has established a service facility before such date of enactment.”

## SEC. 109. SHORT-TERM PAYDAY LOAN ALTERNATIVES WITHIN FIELD OF MEMBERSHIP.

Section 107(a) of the Federal Credit Union Act (12 U.S.C. 1757(5)) (as so redesignated by section 101(1)) is amended—

(1) by redesignating paragraphs (16) and (17) as paragraphs (17) and (18), respectively; and

(2) by inserting after paragraph (15) the end the following new paragraph:

“(16) to make short-term unsecured loans as an alternative to payday loans, in amounts not more than \$1,000 each and for a term of not more than 90 days, to nonmembers in the field of membership, subject to the same terms and conditions as are applicable under paragraph (5)(A), including the

interest rate ceiling, with respect to loans to members, to the extent applicable, and to regulations prescribed by the Board.”.

#### SEC. 110. CREDIT UNION GOVERNANCE.

(a) **EXPULSION OF MEMBERS FOR JUST CAUSE.**—Subsection (b) of section 118 of the Federal Credit Union Act (12 U.S.C. 1764(b)) is amended to read as follows:

“(b) **POLICY AND ACTIONS OF BOARDS OF DIRECTORS OF FEDERAL CREDIT UNIONS.**—

“(1) **EXPULSION OF MEMBERS FOR NON-PARTICIPATION OR FOR JUST CAUSE.**—The board of directors of a Federal credit union may, by majority vote of a quorum of directors, adopt and enforce a policy with respect to expulsion from membership, by a majority vote of such board of directors, based on just cause, including disruption of credit union operations, or on nonparticipation by a member in the affairs of the credit union.

“(2) **WRITTEN NOTICE OF POLICY TO MEMBERS.**—If a policy described in paragraph (1) is adopted, written notice of the policy as adopted and the effective date of such policy shall be provided to—

“(A) each existing member of the credit union not less than 30 days prior to the effective date of such policy; and

“(B) each new member prior to or upon applying for membership.”.

(b) **TERM LIMITS AUTHORIZED FOR BOARD MEMBERS OF FEDERAL CREDIT UNIONS.**—Section 111(a) of the Federal Credit Union Act (12 U.S.C. 1761(a)) is amended by adding at the end the following new sentence: “The by-laws of a Federal credit union may limit the number of consecutive terms any person may serve on the board of directors of such credit union.”.

#### SEC. 111. ENCOURAGING SMALL BUSINESS DEVELOPMENT IN UNDERSERVED URBAN AND RURAL COMMUNITIES.

Section 107A(c)(1)(B) of the Federal Credit Union Act (12 U.S.C. 1757a(c)(1)(B)) is amended—

(1) by striking “or” after the semicolon at the end of clause (iv);

(2) by redesignating clause (v) as clause (vi); and

(3) by inserting after clause (iv) the following new clause:

“(v) that is made to a member, the proceeds of which are to be used for commercial, corporate, business, farm or agricultural purposes in an underserved area if such extension of credit—

“(I) is made to a person or organization whose principal residence or place of business is located within an underserved area (as defined in section 101(10)) served by the credit union, and is not a business, or a local outlet of a business, operating on a nationwide basis (for purposes of the preceding clause, a locally-owned franchise that consists only of local operations shall not be treated as a business operating on a nationwide basis); or

“(II) is secured by real property located within, or is intended to operate as part of a business located within, such underserved area; or”.

#### TITLE II—SAVINGS ASSOCIATION PROVISIONS

##### SEC. 201. RESTATEMENT OF AUTHORITY FOR FEDERAL SAVINGS ASSOCIATIONS TO INVEST IN SMALL BUSINESS INVESTMENT COMPANIES.

Subparagraph (D) of section 5(c)(4) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(4)) is amended to read as follows:

“(D) **SMALL BUSINESS INVESTMENT COMPANIES.**—Any Federal savings association may invest in 1 or more small business investment companies, or in any entity established to invest solely in small business investment companies formed under the Small Business Investment Act of 1958, except that the total

amount of investments under this subparagraph may not at any time exceed the amount equal to 5 percent of capital and surplus of the savings association.”.

##### SEC. 202. REMOVAL OF LIMITATION ON INVESTMENTS IN AUTO LOANS.

(a) **IN GENERAL.**—Section 5(c)(1) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(1)) is amended by adding at the end the following new subparagraph:

“(V) **AUTO LOANS.**—Loans and leases for motor vehicles acquired for personal, family, or household purposes.”.

(b) **TECHNICAL AND CONFORMING AMENDMENT RELATING TO QUALIFIED THRIFT INVESTMENTS.**—Section 10(m)(4)(C)(ii) of the Home Owners’ Loan Act (12 U.S.C. 1467a(m)(4)(C)(ii)) is amended by adding at the end the following new subclause:

“(VIII) Loans and leases for motor vehicles acquired for personal, family, or household purposes.”.

##### SEC. 203. REPEAL OF QUALIFIED THRIFT LENDER REQUIREMENT WITH RESPECT TO OUT-OF-STATE BRANCHES.

Section 5(r)(1) of the Home Owners’ Loan Act (12 U.S.C. 1464(r)(1)) is amended by striking the last sentence.

##### SEC. 204. SMALL BUSINESS AND OTHER COMMERCIAL LOANS.

(a) **ELIMINATION OF LENDING LIMIT ON SMALL BUSINESS LOANS.**—Section 5(c)(1) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(1)) is amended by inserting after subparagraph (V) (as added by section 202(a) of this title) the following new subparagraph:

“(W) **SMALL BUSINESS LOANS.**—Small business loans, as defined in regulations which the Director shall prescribe.”.

(b) **INCREASE IN LENDING LIMIT ON OTHER BUSINESS LOANS.**—Section 5(c)(2)(A) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(2)(A)) is amended by striking “, and amounts in excess of 10 percent” and all that follows through “by the Director”.

##### SEC. 205. INCREASE IN LIMITS ON COMMERCIAL REAL ESTATE LOANS.

Section 5(c)(2)(B)(i) of the Home Owners’ Loan Act (12 U.S.C. 1464(c)(2)(B)(i)) is amended by striking “400 percent” and inserting “500 percent”.

##### SEC. 206. SAVINGS ASSOCIATION CREDIT CARD BANKS.

Section 10(a)(1)(A) of the Home Owners’ Loan Act (12 U.S.C. 1467a(a)(1)(A)) is amended by inserting “and such term does not include an institution described in section 2(c)(2)(F) of the Bank Holding Company Act of 1956 for purposes of subsections (a)(1)(E), (c)(3)(B)(i), (c)(9)(C)(i), and (e)(3)” before the period at the end.

#### TITLE III—NOTICE PROVISIONS

##### SEC. 301. EXCEPTION TO ANNUAL PRIVACY NOTICE REQUIREMENT UNDER THE GRAMM-LEACH-BLILEY ACT.

Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C. 6803) is amended by adding the following new subsections:

“(c) **EXCEPTION TO ANNUAL NOTICE REQUIREMENT.**—A financial institution that—

“(1) provides nonpublic personal information only in accordance with the provisions of subsection (b)(2) or (e) of section 502 or regulations prescribed under section 504(b);

“(2) does not share information with affiliates under section 603(d)(2)(A)(iii) of the Fair Credit Reporting Act; and

“(3) has not changed its policies and practices with regard to disclosing nonpublic personal information from the policies and practices that were disclosed in the most recent disclosure sent to consumers in accordance with this subsection,

shall not be required to provide an annual disclosure under this subsection until such time as the financial institution fails to comply with any criteria described in paragraph (1), (2), or (3).

“(d) **EXCEPTION TO NOTICE REQUIREMENT.**—A financial institution shall not be required to provide any disclosure under this section if—

“(1) the financial institution is licensed by a State and is subject to existing regulation of consumer confidentiality that prohibits disclosure of nonpublic personal information without knowing and expressed consent of the consumer in the form of laws, rules, or regulation of professional conduct or ethics promulgated either by the court of highest appellate authority or by the principal legislative body or regulatory agency or body of any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, or the Northern Mariana Islands; or

“(2) the financial institution is licensed by a State and becomes subject to future regulation of consumer confidentiality that prohibits disclosure of nonpublic personal information without knowing and expressed consent of the consumer in the form of laws, rules, or regulation of professional conduct or ethics promulgated either by the court of highest appellate authority or by the principal legislative body or regulatory agency or body of any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, or the Northern Mariana Islands.”.

#### TITLE IV—BUSINESS CHECKING

##### SEC. 401. SHORT TITLE.

This title may be cited as the “Business Checking Fairness Act of 2008”.

##### SEC. 402. INTEREST-BEARING TRANSACTION ACCOUNTS AUTHORIZED FOR ALL BUSINESSES.

Section 2 of Public Law 93-100 (12 U.S.C. 1832) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following:

“(b) Notwithstanding any other provision of law, any depository institution may permit the owner of any deposit or account which is a deposit or account on which interest or dividends are paid and is not a deposit or account described in subsection (a)(2) to make up to 24 transfers per month (or such greater number as the Board of Governors of the Federal Reserve System may determine by rule or order), for any purpose, to another account of the owner in the same institution. An account offered pursuant to this subsection shall be considered a transaction account for purposes of section 19 of the Federal Reserve Act unless the Board of Governors of the Federal Reserve System determines otherwise.”.

##### SEC. 403. INTEREST-BEARING TRANSACTION ACCOUNTS AUTHORIZED.

(a) **REPEAL OF PROHIBITION ON PAYMENT OF INTEREST ON DEMAND DEPOSITS.**—

(1) **FEDERAL RESERVE ACT.**—Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is amended to read as follows:

“(i) [Repealed].”.

(2) **HOME OWNERS’ LOAN ACT.**—The first sentence of section 5(b)(1)(B) of the Home Owners’ Loan Act (12 U.S.C. 1464(b)(1)(B)) is amended by striking “savings association may not—” and all that follows through “(ii) permit any” and inserting “savings association may not permit any”.

(3) **FEDERAL DEPOSIT INSURANCE ACT.**—Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended to read as follows:

“(g) [Repealed].”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall take effect at

the end of the 2-year period beginning on the date of the enactment of this Act.

#### SEC. 404. RULES OF CONSTRUCTION.

In the case of an escrow account maintained at a depository institution for the purpose of completing the settlement of a real estate transaction—

(1) the absorption, by the depository institution, of expenses incidental to providing a normal banking service with respect to such escrow account;

(2) the forbearance, by the depository institution, from charging a fee for providing any such banking function; and

(3) any benefit which may accrue to the holder or the beneficiary of such escrow account as a result of an action of the depository institution described in subparagraph (1) or (2) or similar in nature to such action, including any benefits which have been so determined by the appropriate Federal regulator,

shall not be treated as the payment or receipt of interest for purposes of this title and any provision of Public Law 93–100, the Federal Reserve Act, the Home Owners' Loan Act, or the Federal Deposit Insurance Act relating to the payment of interest on accounts or deposits at depository institutions. No provision of this title shall be construed so as to require a depository institution that maintains an escrow account in connection with a real estate transaction to pay interest on such escrow account or to prohibit such institution from paying interest on such escrow account. No provision of this title shall be construed as preempting the provisions of law of any State dealing with the payment of interest on escrow accounts maintained in connection with real estate transactions.

#### SEC. 405. CONSUMER BANKING COSTS ASSESSMENT.

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended—

(1) by redesignating sections 30 and 31 as sections 31 and 32, respectively; and

(2) by inserting after section 29 the following new section:

##### “SEC. 30. SURVEY OF BANK FEES AND SERVICES.

“(a) BIENNIAL SURVEY REQUIRED.—The Board of Governors of the Federal Reserve System shall obtain biennially a sample, which is representative by type and size of the institution (including small institutions) and geographic location, of the following retail banking services and products provided by insured depository institutions and insured credit unions (along with related fees and minimum balances):

“(1) Checking and other transaction accounts.

“(2) Negotiable order of withdrawal and savings accounts.

“(3) Automated teller machine transactions.

“(4) Other electronic transactions.

“(b) MINIMUM SURVEY REQUIREMENT.—The biennial survey described in subsection (a) shall meet the following minimum requirements:

“(1) CHECKING AND OTHER TRANSACTION ACCOUNTS.—Data on checking and transaction accounts shall include, at a minimum, the following:

“(A) Monthly and annual fees and minimum balances to avoid such fees.

“(B) Minimum opening balances.

“(C) Check processing fees.

“(D) Check printing fees.

“(E) Balance inquiry fees.

“(F) Fees imposed for using a teller or other institution employee.

“(G) Stop payment order fees.

“(H) Nonsufficient fund fees.

“(I) Overdraft fees.

“(J) Fees imposed in connection with bounced-check protection and overdraft protection programs.

“(K) Deposit items returned fees.

“(L) Availability of no-cost or low-cost accounts for consumers who maintain low balances.

“(2) NEGOTIABLE ORDER OF WITHDRAWAL ACCOUNTS AND SAVINGS ACCOUNTS.—Data on negotiable order of withdrawal accounts and savings accounts shall include, at a minimum, the following:

“(A) Monthly and annual fees and minimum balances to avoid such fees.

“(B) Minimum opening balances.

“(C) Rate at which interest is paid to consumers.

“(D) Check processing fees for negotiable order of withdrawal accounts.

“(E) Fees imposed for using a teller or other institution employee.

“(F) Availability of no-cost or low-cost accounts for consumers who maintain low balances.

“(3) AUTOMATED TELLER TRANSACTIONS.—Data on automated teller machine transactions shall include, at a minimum, the following:

“(A) Monthly and annual fees.

“(B) Card fees.

“(C) Fees charged to customers for withdrawals, deposits, and balance inquiries through institution-owned machines.

“(D) Fees charged to customers for withdrawals, deposits, and balance inquiries through machines owned by others.

“(E) Fees charged to noncustomers for withdrawals, deposits, and balance inquiries through institution-owned machines.

“(F) Point-of-sale transaction fees.

“(4) OTHER ELECTRONIC TRANSACTIONS.—Data on other electronic transactions shall include, at a minimum, the following:

“(A) Wire transfer fees.

“(B) Fees related to payments made over the Internet or through other electronic means.

“(5) OTHER FEES AND CHARGES.—Data on any other fees and charges that the Board of Governors of the Federal Reserve System determines to be appropriate to meet the purposes of this section.

“(6) FEDERAL RESERVE BOARD AUTHORITY.—The Board of Governors of the Federal Reserve System may cease the collection of information with regard to any particular fee or charge specified in this subsection if the Board makes a determination that, on the basis of changing practices in the financial services industry, the collection of such information is no longer necessary to accomplish the purposes of this section.

“(c) BIENNIAL REPORT TO CONGRESS REQUIRED.—

“(1) PREPARATION.—The Board of Governors of the Federal Reserve System shall prepare a report of the results of each survey conducted pursuant to subsections (a) and (b) of this section and section 136(b)(1) of the Consumer Credit Protection Act.

“(2) CONTENTS OF THE REPORT.—In addition to the data required to be collected pursuant to subsections (a) and (b), each report prepared pursuant to paragraph (1) shall include a description of any discernible trend, in the Nation as a whole, in a representative sample of the 50 States (selected with due regard for regional differences), and in each consolidated metropolitan statistical area (as defined by the Director of the Office of Management and Budget), in the cost and availability of the retail banking services, including those described in subsections (a) and (b) (including related fees and minimum balances), that delineates differences between institutions on the basis of the type of institution and the size of the institution, between large and small institutions of the same type, and any engagement of the institution in multistate activity.

“(3) SUBMISSION TO THE CONGRESS.—The Board of Governors of the Federal Reserve System shall submit an biennial report to the Congress not later than June 1, 2009, and before the end of each 2-year period beginning after such date.

“(d) DEFINITIONS.—For purposes of this section, the term ‘insured depository institution’ has the meaning given such term in section 3 of the Federal Deposit Insurance Act, and the term ‘insured credit union’ has the meaning given such term in section 101 of the Federal Credit Union Act.”

(b) CONFORMING AMENDMENT.—

(1) IN GENERAL.—Paragraph (1) of section 136(b) of the Truth in Lending Act (15 U.S.C. 1646(b)(1)) is amended to read as follows:

“(1) COLLECTION REQUIRED.—The Board shall collect, on a semiannual basis, from a broad sample of financial institutions which offer credit card services, credit card price and availability information including—

“(A) the information required to be disclosed under section 127(c);

“(B) the average total amount of finance charges paid by consumers; and

“(C) the following credit card rates and fees:

“(i) Application fees.

“(ii) Annual percentage rates for cash advances and balance transfers.

“(iii) Maximum annual percentage rate that may be charged when an account is in default.

“(iv) Fees for the use of convenience checks.

“(v) Fees for balance transfers.

“(vi) Fees for foreign currency conversions.”

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 2009.

(c) REPEAL OF OTHER REPORT PROVISIONS.—Section 1002 of Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and section 108 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 are hereby repealed.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. KANJORSKI) and the gentleman from California (Mr. ROYCE) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

#### GENERAL LEAVE

Mr. KANJORSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks as to this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KANJORSKI. Mr. Speaker, I yield myself 4½ minutes.

(Mr. KANJORSKI asked and was given permission to revise and extend his remarks.)

Mr. KANJORSKI. Mr. Speaker, I rise today in strong support of H.R. 6312. This bill will make a number of statutory improvements in the laws concerning credit unions, banks and thrifts. It will also help consumers assist businesses, ease paperwork burdens and promote economic development in underserved communities.

In developing this bill, we have sought to identify an appropriate balance between competing interests. I am

especially pleased that this legislation contains a number of important provisions affecting credit unions. Some of these provisions have previously passed the House, including the sections concerning the treatment of loans made by credit unions to nonprofit religious organizations, the authority of credit unions to invest in high-grade securities and the governance of credit unions.

The bill also contains a number of new provisions based on the proposals first set out in the Credit Union Regulatory Improvements Act, or CURIA. The inclusion of these provisions in this bill is an important step forward in our legislative debates about how best to ensure that credit unions can better serve their members.

One provision found in CURIA and contained in this bill we are now considering will permit all Federal credit unions, regardless of charter type, to expand services to eligible communities that the Treasury Department determines meets income, unemployment and other distress criteria. This change fixes a drafting error made nearly a decade ago when the Congress passed H.R. 1151, the Credit Union Membership Access Act.

Like CURIA, we also make in this bill important and sensible modifications to the definition of an "underserved area." Moreover, the legislation will allow credit unions to help underserved communities in two other important ways:

First, at the request of the chairman of the Financial Services Committee, it will permit credit unions to provide short-term, unsecured loans to anyone in their field of membership. Second, it will exempt loans made to small businesses operating in underserved areas, consensus tracks from the existing member business lending caps. Together, these two provisions will help to promote economic development and will provide a stable source of funds for businesses and individuals.

Another provision in this bill that permits financial institutions to pay interest on business checking accounts will also help small business growth. I have worked for more than a decade on this issue, and have previously introduced legislation to implement the recommendations first made by regulators in 1996.

Before closing, Mr. Speaker, I want to thank several of my colleagues for their assistance in bringing this legislation forward today: The gentleman from Massachusetts (Mr. FRANK) provided essential guidance and assistance in developing this legislative product. Additionally, the gentleman from California (Mr. ROYCE) has stood with me for 5 years as we have worked on a bipartisan basis to update the laws governing credit unions. I am grateful for his support. The gentleman from Kansas (Mr. MOORE) also provided important contributions to the package before us, especially regarding the reduction of paperwork burdens and the col-

lection of needed information about consumer banking services and costs.

In sum, Mr. Speaker, this bill will help credit unions to provide better services and to promote economic growth in underdeveloped areas. Moreover, H.R. 6312 is, without question, the most significant piece of credit union legislation considered in the House in nearly a decade. H.R. 6312 will also appropriately ease regulatory burdens but will still protect the interests of consumers. It also addresses some of the concerns of banks and thrifts.

Because it is a balanced product, I urge all of my colleagues to support H.R. 6312.

I reserve the balance of my time.

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

I rise also in support of this legislation. This is the Credit Union, Bank and Thrift Regulatory Relief Act that we have before us.

As our capital markets continue to change and continue to evolve, the regulatory model overseeing our financial institutions must adjust as well. This legislation today is a small example of this effort to improve the regulatory structure overseeing the banks and the credit unions and the thrifts. By reducing the regulatory burdens, H.R. 6312 allows credit unions and banks and thrifts to devote more resources toward better servicing their customers and toward better serving those who use these institutions.

Since the 108th Congress, as Mr. KANJORSKI mentioned, he and I have coauthored the Credit Union Regulatory Improvements Act in an effort to modernize the regulatory model overseeing America's credit unions. We have made tremendous strides over the years. That bill, which is called CURIA now, has the support of 150 Members of this Chamber, and while today's legislation may not go as far as some would like, it is important that we not let the perfect be the enemy of the good. The Credit Union, Bank and Thrift Regulatory Relief Act has several worthwhile provisions which deserve consideration.

Among other things, this measure clarifies the intent of the Credit Union Membership Access Act, which is that all federally chartered credit unions should be allowed to serve underserved areas around the country. By increasing the field of membership and by exempting member business loans made in these underserved areas, this provision will allow credit unions to extend credit to these areas. Following a hearing in the Financial Services Committee, this provision was adjusted to ensure those areas that benefit are, indeed, underserved.

Additionally, this bill would support the community development work of nonprofit religious institutions by excluding such loans from credit union business lending caps. I introduced legislation to do just this back in 2003 with the intent of closing a long-standing liquidity gap between creditors and nonprofit organizations.

I believe the other major provisions contained in CURIA and which are not in today's legislation are important, and I believe they should not be forgotten. In particular, I am going to continue to push to modernize the capital requirements for our credit unions because we must replace the current one-size-fits-all leverage capital requirement with a more rigorous, two-part, net worth structure that will more closely monitor actual asset risk. This will put credit unions' capital requirements on par with those of other FDIC-insured institutions.

One hundred fifty Members of this Congress have signed on to CURIA, and it will remain the ultimate objective for those of us trying to bring the regulatory structure of overseeing credit unions into the 21st century.

Today's legislation joins regulatory relief for credit unions with improvements geared towards thrifts and towards banks. Representative MOORE's reg relief bill, much of which has been incorporated into this measure, will remove several unnecessary regulatory burdens faced by these financial institutions, allowing them to better serve their customers.

Among other things, the bill provides savings institutions with greater lending flexibility by removing limits on small business and on auto loans. The bill also increases the ability of savings associations to invest in small business investment companies and to make commercial real estate loans. Furthermore, this measure 6312 authorizes banks and thrifts to pay interest on business checking accounts for their customers.

Again, I would like to thank Chairman KANJORSKI, and I would like to thank Representative MOORE for their work on this legislation. This bill is an important step toward removing some of the unnecessary regulatory burdens placed on our Nation's financial institutions.

I have no further speakers on this side, and I yield back the balance of my time.

Mr. KANJORSKI. I yield 5 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE of Kansas. I thank my friend, Mr. KANJORSKI, for yielding me time.

I also want to congratulate Mr. KANJORSKI and Mr. ROYCE on their hard work in crafting a bipartisan bill to provide reg relief to credit unions.

As you know, the legislation before us today combines important provisions from credit union regulatory relief legislation previously introduced by Mr. KANJORSKI and Mr. ROYCE with provisions from my legislation H.R. 5841, the Bank and Thrift Regulatory Relief Act of 2008.

At a time when many businesses are having difficulty obtaining access to credit, H.R. 5841 will provide important credit opportunities for small- and medium-sized businesses. Among other

provisions, this legislation would remove the existing limits on small business lending for thrifts, thereby enhancing the role of savings associations as community leaders. The Homeowners Loan Act currently caps the aggregate amount of commercial loans other than small business loans at 10 percent of a savings association's assets, and it permits commercial lending, including small business lending, of up to 20 percent of assets.

According to the Small Business Administration's Office of Advocacy, smaller businesses have experienced difficulty in obtaining relatively small loans from large commercial banks that set minimum loan amounts relatively high. Savings associations are increasingly important providers of small business credit and communities throughout the country.

This change, Mr. Chairman, will allow savings associations to continue to serve their small business customers and to further diversify their assets while also providing businesses with greater choice and flexibility to meet their credit needs.

Additionally, this proposal will significantly reduce the amount of time financial institutions spend filling out paperwork, and it will free up resources for the thousands of institutions on the front lines of community lending.

For example, the legislation would provide relief to community banks and financial institutions from requirements under the Gramm-Leach-Bliley Act to provide annual privacy notices to their customers, detailing their privacy policies and the way they share information.

While I have consistently advocated for increased protection of sensitive financial information, there should be targeted exemptions from this requirement to relieve the burden from small banks that do not share information with their affiliates and that have not otherwise changed their privacy policies.

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This change, Mr. Speaker, will save small businesses millions of dollars in compliance costs while also protecting consumers from unnecessary and duplicative notices.

The legislation also contains important provisions that would repeal the prohibition against the payment of interest on business checking. This prohibition was enacted during the Depression as part of the Banking Act of 1933, to protect banks in the heat of competition from offering interest levels on deposit balances that might be sustained through risky investments.

In their 1996 report "Streamlining of Regulatory Requirements," the Federal banking regulators concluded, however, that the statutory prohibition against paying interest on business accounts no longer serves a valid public purpose. For example, large financial services companies have devised products, such as "sweep ac-

counts" that, in effect, provide interest on deposit accounts, giving them a competitive advantage over small community banks that may not have the capability to offer such accounts.

In addition, most small business owners don't have the minimum balances necessary to maintain a sweep account so they are forced to keep vital cash in zero-interest checking accounts. Making this small change would make a huge difference for small businesses.

Furthermore, every provision in this bill providing regulatory relief for banks and thrifts has been approved previously by Congress in one form or another. The bipartisan support for this bill shows just how important it is for both businesses and consumers that Congress pass this meaningful legislation.

America's financial services industry is the most effective and competitive in the world and my proposal will help us stay out in front. Reducing regulatory burdens on businesses and consumers is simply the right thing to do.

Mr. Speaker, I thank Chairman KANJORSKI and the staff, and I look forward to passage of this legislation today.

Mr. KANJORSKI. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ALTMIRE).

Mr. ALTMIRE. I thank the gentleman.

Mr. Speaker, there are over 90 million members of America's credit unions, including more than 168,000 in the district I represent. Each of them will benefit from passage of this bill, which I strongly support. It is a bipartisan piece of legislation that is an excellent first step towards improving the regulatory framework for our Nation's credit unions and banks.

Credit unions serve a broad and diverse membership, including many low and moderate-income individuals who would otherwise be unable to access the services provided by financial institutions. This bill will allow Federal credit unions to better serve consumers and provide them with greater access to financial products and services.

I ask my colleagues to support this commonsense and long-overdue legislation.

Mr. KANJORSKI. Mr. Speaker, I yield to the gentleman from Kansas (Mr. MOORE) who wishes to enter into a colloquy.

Mr. MOORE of Kansas. As one of the cosponsors of this legislation, I would like to engage its primary sponsor, you, Mr. KANJORSKI, in a colloquy on two questions related to section 111. This section concerns the encouragement of small business development in underserved urban and rural communities.

First, I have a question about the meaning of the provision that exempts business loans made by credit unions in underserved areas from the existing cap on member business lending. Is it the intent of this provision that the proceeds from exempt loans will be used to support business operations inside underserved areas?

Mr. KANJORSKI. Yes, the provision would exempt from the cap those loans that are used to support business operations in an underserved area in order to stimulate economic growth in these areas.

Mr. MOORE of Kansas. Thank you, Mr. KANJORSKI, for that clarification.

Section 111 of the bill also includes language that member business loans in an underserved area underwritten by a credit union for a business, or a local outlet of a business, operating on a nationwide basis, shall not be eligible from exemption from the business lending cap.

It is the phrase "operating on a nationwide basis" where I have a question. For the purpose of this section, it would seem that a business located in an underserved area that meets the other criteria, like a small family-owned business but which has a Web site that sells their goods to anyone who visits it, would not be treated as a business operated on a nationwide basis for the purpose of this section, as the economic benefit from those sales is going to that business in the underserved area.

Have I correctly characterized the intent of this section?

Mr. KANJORSKI. Yes, you have. As the title of the section indicates, the intent of this section is to promote economic growth by encouraging small business development in underserved urban and rural communities. We want to help businesses and business owners that have a presence there, like a mom-and-pop operation with an Internet store. Moreover, we have taken steps in the legislation to ensure that a locally owned franchise that consists only of local operations shall not be treated as a business operating on a nationwide basis.

Mr. MOORE of Kansas. Thank you for this clarification, Mr. KANJORSKI. I agree with your assessments.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. KANJORSKI) that the House suspend the rules and pass the bill, H.R. 6312.

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

A motion to reconsider was laid on the table.

#### GOSPEL MUSIC HERITAGE MONTH

Mr. CLAY. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 370) expressing support for designation of September 2008 as "Gospel Music Heritage Month" and honoring gospel music for its valuable and longstanding contributions to the culture of the United States.

The Clerk read the title of the concurrent resolution.