

That the Senate passed without amendment H.R. 4120.

With best wishes, I am
Sincerely,

KAREN L. HAAS.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 11 minutes p.m.), the House stood in recess.

□ 1630

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BLACK) at 4 o'clock and 30 minutes p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

CAPITAL ACCESS FOR SMALL COMMUNITY FINANCIAL INSTITUTIONS ACT OF 2014

Mrs. CAPITO. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3584) to amend the Federal Home Loan Bank Act to authorize privately insured credit unions to become members of a Federal home loan bank, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3584

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Capital Access for Small Community Financial Institutions Act of 2014".

SEC. 2. PRIVATELY INSURED CREDIT UNIONS AUTHORIZED TO BECOME MEMBERS OF A FEDERAL HOME LOAN BANK.

(a) IN GENERAL.—Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding at the end the following new paragraph:

"(5) CERTAIN PRIVATELY INSURED CREDIT UNIONS.—

"(A) IN GENERAL.—Subject to the requirements of subparagraph (B), a credit union shall be treated as an insured depository institution for purposes of determining the eligibility of such credit union for membership in a Federal home loan bank under paragraphs (1), (2), and (3).

"(B) CERTIFICATION BY APPROPRIATE SUPERVISOR.—

"(i) IN GENERAL.—For purposes of this paragraph and subject to clause (ii), a credit union which lacks Federal deposit insurance and which has applied for membership in a

Federal home loan bank may be treated as meeting all the eligibility requirements for Federal deposit insurance only if the appropriate supervisor of the State in which the credit union is chartered has determined that the credit union meets all the eligibility requirements for Federal deposit insurance as of the date of the application for membership.

"(ii) CERTIFICATION DEEMED VALID.—If, in the case of any credit union to which clause (i) applies, the appropriate supervisor of the State in which such credit union is chartered fails to make a determination pursuant to such clause by the end of the 6-month period beginning on the date of the application, the credit union shall be deemed to have met the requirements of clause (i).

"(C) SECURITY INTERESTS OF FEDERAL HOME LOAN BANK NOT AVOIDABLE.—Notwithstanding any provision of State law authorizing a conservator or liquidating agent of a credit union to repudiate contracts, no such provision shall apply with respect to—

"(i) any extension of credit from any Federal home loan bank to any credit union which is a member of any such bank pursuant to this paragraph; or

"(ii) any security interest in the assets of such credit union securing any such extension of credit.

"(D) PROTECTION FOR CERTAIN FEDERAL HOME LOAN BANK ADVANCES.—Notwithstanding any State law to the contrary, if a Bank makes an advance under section 10 to a State-chartered credit union that is not federally insured—

"(i) the Bank's interest in any collateral securing such advance has the same priority and is afforded the same standing and rights that the security interest would have had if the advance had been made to a federally-insured credit union; and

"(ii) the Bank has the same right to access such collateral that the Bank would have had if the advance had been made to a federally-insured credit union."

(b) COPIES OF AUDITS OF PRIVATE INSURERS OF CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE PROVIDED TO SUPERVISORY AGENCIES.—Section 43(a)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(a)(2)(A)) is amended—

(1) in clause (i), by striking "and" at the end;

(2) in clause (ii), by striking the period at the end and inserting a semicolon; and

(3) by inserting at the end the following new clause:

"(iii) in the case of depository institutions described in subsection (e)(2)(A) the deposits of which are insured by the private insurer which are members of a Federal home loan bank, to the Federal Housing Finance Agency, not later than 7 days after the audit is completed."

SEC. 3. GAO REPORT.

Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study and submit a report to Congress—

(1) on the adequacy of insurance reserves held by a private deposit insurer that insures deposits in an entity described in section 43(e)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(e)(2)(A)); and

(2) for an entity described in paragraph (1) the deposits of which are insured by a private deposit insurer, information on the level of compliance with Federal regulations relating to the disclosure of a lack of Federal deposit insurance.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia.

General Leave

Mrs. CAPITO. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous materials for the RECORD on H.R. 3584, as amended, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mrs. CAPITO. Madam Speaker, I yield myself such time as I may consume.

I would like to thank the gentleman from Ohio (Mr. STIVERS) and the gentlewoman from Ohio (Mrs. BEATTY) for their efforts in drafting the legislation before us this afternoon.

The Capital Access for Small Community Financial Institutions Act is bipartisan legislation that passed the House Financial Services Committee by a vote of 55-0 earlier this spring. This bill will provide meaningful regulatory relief for privately insured credit unions by allowing them to become members of the Federal Home Loan Bank system.

There are approximately 130 privately insured credit unions, with nearly \$13 billion in assets in nine States across the country. These credit unions currently cannot join the Federal Home Loan Bank system, which provides an additional source of mortgage funding for its members. Allowing privately insured credit unions to join the Federal Home Loan Bank system will allow these credit unions to increase the availability of mortgage credit in the communities that they serve.

I commend the office for identifying this inequity and putting forth this legislation. This issue is not new. Similar provisions were included in the previous regulatory relief measures that passed the House with overwhelming support.

I urge my colleagues to support this legislation, and I reserve the balance of my time.

Ms. WATERS. Madam Speaker, I yield myself such time as I may consume.

I rise to support H.R. 3584, a bill that permits credit unions insured by private companies access to the Federal Home Loan Bank system. Today, there are 132 credit unions with approximately \$13 billion in assets that cannot access additional liquidity for mortgage credit but for a statutory obstacle requiring credit unions to have Federal insurance. With membership, privately insured credit unions will be able to offer their members mortgages at more affordable rates and other products, which, in turn, helps many communities across the country.

In the past, some Members raised concerns that the home loan banks should only serve federally insured institutions, but I believe that those concerns have been largely addressed with

the adoption of several helpful amendments both before and during the committee markup of this bill.

Mrs. BEATTY, for example, worked with Mr. STIVERS to address some of the concerns of the Federal credit union regulator. In addition, the gentleman from New York (Mr. MEEKS) offered two amendments to better protect the Federal Home Loan Bank system against a bank run among privately insured credit unions.

All that being said, these credit unions and their private insurer fared remarkably well during the last financial crisis even as many of their federally insured counterparts failed. As a result, these credit unions helped bolster many communities through the economic downturn.

So I would like to thank the sponsors of this bill, Mr. STIVERS as well as his Democratic cosponsor Mrs. BEATTY, for all of their efforts to work across the aisle to assist community financial institutions and their members.

I support the adoption of H.R. 3584, and I reserve the balance of my time.

Mrs. CAPITO. Madam Speaker, I would now like to yield such time as he may consume to the gentleman from Ohio (Mr. STIVERS), the author of this bill.

Mr. STIVERS. Madam Speaker, I would thank the gentlelady from West Virginia for her support.

I rise in support of H.R. 3584, the Capital Access for Small Community Financial Institutions Act. This bill simply makes a statutory change that would allow nonfederally insured credit unions the right to apply for membership with the Federal home loan banks. It does not guarantee that they would receive membership. They would have to go through the membership application like everyone else. Similar legislation passed the House in 2006, with a bipartisan vote of 415 for, none against.

Purchasing a home is part of the American Dream, and this bill will help these small credit unions be able to make more mortgage loans as they use the Federal Home Loan Bank for liquidity and help more people live the American Dream. This bill would help those credit unions be able to have the liquidity that they don't have today.

The Federal Home Loan Bank, which was established in 1932, has been an important part of credit and liquidity for mortgage lending for the past 80 years for most Main Street institutions. Unfortunately, 132 small credit unions don't have that support right now. While most large and small institutions who are members of the Federal Home Loan Bank are able to use it every day for liquidity and to serve their customers, these 132 small credit unions in nine States with assets that total about \$11 billion are left out because of a glitch in the law.

There will not be any additional risk to the Federal Home Loan Banks as a result of this. No more than \$4 billion would be pledged, probably, as a result

of this. So there is no real concentration risk.

I do want to thank Mr. MEEKS from New York for his amendments that helped strengthen the bill. And while these credit unions don't have, I think, much risk to the institution, I think Mr. MEEKS' amendments will ensure that the Federal Home Loan Bank is never put at risk by the authorizing language in this legislation.

You know, credit unions didn't have Federal insurance until the 1970s, and many small credit unions have continued to have private insurance and remain State-regulated. Those are the institutions we are talking about today, and there is precedent for institutions like them to join the Federal Home Loan Bank. So I believe that it is appropriate to allow them to not be discriminated against and allow them to use the Federal Home Loan Bank and ensure that they can serve their customers the same way other Main Street banks and credit unions can.

Again, this bill does not guarantee that any institution will become a member of the Federal Home Loan Bank; it simply gives them the ability to apply.

I want to thank Mrs. BEATTY from Columbus, Ohio, and Ranking Member WATERS for their support in the Financial Services Committee. I want to thank Mrs. CAPITO and Mr. MEEKS for working with me on this bill.

As you heard, this bill passed the Financial Services Committee by a vote of 55-0. I would ask my colleagues to support this legislation and correct an oversight that doesn't allow these institutions to use the Federal Home Loan Bank and doesn't allow many of their customers to live the American Dream. So hopefully we can correct that today by supporting this.

Ms. WATERS. Madam Speaker, I yield such time as she may consume to the gentlelady from Ohio (Mrs. BEATTY), the coauthor of H.R. 3584.

Mrs. BEATTY. Madam Speaker, I would like to thank Ranking Member WATERS for all of her support and her leadership.

Madam Speaker, I rise today in strong support of H.R. 3584, the Capital Access for Small Community Financial Institutions Act, as amended.

Today I stand here, joining my colleague from Ohio, Congressman STEVE STIVERS, in support of final passage of this bipartisan legislation. I thank the gentleman for introducing this bill on which I partnered as the lead Democrat. In a show of bipartisanship, we were able to work together to have the legislation unanimously reported out of the Financial Services Committee, as it is certainly worth noting again, with a vote of 55-0.

Madam Speaker, H.R. 3584, if enacted, would permit privately insured credit unions to apply for membership in the Federal Home Loan Bank system. It would not, however, mandate that these privately insured credit unions become members of the Federal

Home Loan Bank. Currently, out of roughly some 6,000 credit unions across the country, there are 132 privately insured credit unions operated in nine States. These States include Alabama, California, Idaho, Illinois, Indiana, Maryland, Nevada, my home State of Ohio, and Texas.

In particular, this bill would improve access to home mortgage loans for members of the three privately insured credit unions that are based in my Third Congressional District of Ohio. H.R. 3584 is an extremely important piece of legislation for these privately insured credit unions because it will help give members and businesses greater access to credit in a tight credit market.

Additionally, this legislation would also benefit the exclusive insurers of privately insured credit unions across the country, which are based in central Ohio, just north of my congressional district, which provide employment for many Ohioans.

□ 1645

In addition, Madam Speaker, in order to ensure the best-drafted bill, Congressman MEEKS and I offered amendments that were accepted during the committee markup.

My amendment does two things. First, it removes any language referencing the National Credit Union Administration from the text of the legislation—clarifying that this legislation would not grant any supervisory jurisdiction to the NCUA over privately insured credit unions.

Secondly, it created a Government Accountability Office study and report to Congress on the adequacy of insurance reserves held by the private insurer of these credit unions and also on the compliance of these credit unions with Federal regulations requiring consumers to receive disclosures explaining that such credit unions are privately—not federally—insured.

These changes were supported by the NCUA and unanimously by the entire Financial Services Committee.

Indeed, H.R. 3584, the Capital Access for Small Community Financial Institutions Act, as amended, comes to the floor today because of the efforts of many members of the Financial Services Committee who worked to advance the legislation through regular order of the committee.

I would urge support of H.R. 3584 because this bipartisan legislation is good policy, it is good for small credit unions, and it is an easy and effective way to demonstrate bipartisan, nationwide support for local communities and businesses.

Madam Speaker, I believe this legislation is a perfect example of the type of regular order, committee-driven action that we should use as a template for bipartisan cooperation in the House, and which, if enacted, would bring real benefits to the national housing markets. I urge all of the Members to vote "yes" on H.R. 3584, as amended.

Mrs. CAPITO. Madam Speaker, I have no further speakers. I am prepared to close, so if the gentlelady would like to close, then I will follow.

Ms. WATERS. Madam Speaker, I simply ask for support for this important legislation, and I commend both Mr. STIVERS and Mrs. BEATTY for the wonderful job that they did in providing the kind of leadership that brought both sides of the aisle together. I would simply ask for support, and I yield back the balance of my time.

Mrs. CAPITO. I want to thank both the sponsors, as well, and the committee chair and Ms. WATERS for her work on this bill. I echo her sentiments. I would like to urge support and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from West Virginia (Mrs. CAPITO) that the House suspend the rules and pass the bill, H.R. 3584, as amended.

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. GOHMERT. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

HELPING EXPAND LENDING PRACTICES IN RURAL COMMUNITIES ACT

Mrs. CAPITO. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2672) to provide for an application process for interested parties to apply for a county to be designated as a rural area, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2672

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Helping Expand Lending Practices in Rural Communities Act".

SEC. 2. DESIGNATION OF RURAL AREA.

(a) APPLICATION.—Not later than 90 days after the date of the enactment of this Act, the Bureau of Consumer Financial Protection shall establish an application process under which a person who lives or does business in a State may, with respect to an area identified by the person in such State that has not been designated by the Bureau as a rural area for purposes of a Federal consumer financial law (as defined under section 1002 of the Consumer Financial Protection Act of 2010), apply for such area to be so designated.

(b) EVALUATION CRITERIA.—When evaluating an application submitted under subsection (a), the Bureau shall take into consideration the following factors:

(1) Criteria used by the Director of the Bureau of the Census for classifying geographical areas as rural or urban.

(2) Criteria used by the Director of the Office of Management and Budget to designate counties as metropolitan or micropolitan or neither.

(3) Criteria used by the Secretary of Agriculture to determine property eligibility for rural development programs.

(4) The Department of Agriculture rural-urban commuting area codes.

(5) A written opinion provided by the State's bank supervisor, as defined under section 3(r) of the Federal Deposit Insurance Act (12 U.S.C. 1813(r)).

(6) Population density.

(c) PUBLIC COMMENT PERIOD.—

(1) IN GENERAL.—Not later than 60 days after receiving an application submitted under subsection (a), the Bureau shall—

(A) publish such application in the Federal Register; and

(B) make such application available for public comment for not fewer than 90 days.

(2) LIMITATION ON ADDITIONAL APPLICATIONS.—Nothing in this section shall be construed to require the Bureau, during the public comment period with respect to an application submitted under subsection (a), to accept an additional application with respect to the area that is the subject of the initial application.

(d) DECISION ON DESIGNATION.—Not later than 90 days after the end of the public comment period under subsection (c)(1) for an application, the Bureau shall—

(1) grant or deny such application, in whole or in part; and

(2) publish such grant or denial in the Federal Register, along with an explanation of what factors the Bureau relied on in making such determination.

(e) SUBSEQUENT APPLICATIONS.—A decision by the Bureau under subsection (d) to deny an application for an area to be designated as a rural area shall not preclude the Bureau from accepting a subsequent application submitted under subsection (a) for such area to be so designated, so long as such subsequent application is made after the end of the 90-day period beginning on the date that the Bureau denies the application under subsection (d).

(f) SUNSET.—This section shall cease to have any force or effect after the end of the 2-year period beginning on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia.

GENERAL LEAVE

Mrs. CAPITO. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit extraneous materials for the RECORD on H.R. 2672, as amended, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mrs. CAPITO. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the legislation before us this afternoon makes an important improvement to the Consumer Financial Protection Bureau's qualified mortgage rule that went into effect this past January. Under the Bureau's proposed rule, a community bank or

credit union operating in a rural community would be afforded some flexibility to underwrite mortgages that otherwise would not be deemed a qualified mortgage. These products, sometimes referred to as balloon loans, are a critical source of mortgage credit in rural and agricultural communities. Although the Bureau has recognized the importance of this type of credit in rural communities, the definition that they used for a rural community will result in fewer mortgage options for consumers in rural communities.

The Bureau relied on the U.S. Department of Agriculture's Urban Influence Codes to define a rural community. Under this definition, half of the counties in the State of West Virginia are considered urban. Well, I think those of us who have driven through West Virginia would find that hard to believe. According to the Bureau, Clay County, West Virginia, which has a population density of 30 people per square mile, is urban. Similarly, neighboring Calhoun County, which has a population density of 27 people per square mile, is also deemed urban by the Bureau. These examples demonstrate a complete lack of understanding of rural America.

Mr. BARR's legislation sets up a process by which a community can petition the Bureau to be reclassified as rural. This commonsense approach strikes an appropriate balance that will allow consumers in rural areas to continue to have access to mortgage credit. I commend Mr. BARR of Kentucky for authoring this legislation and deftly navigating it through the House Financial Services Committee, where it passed 55-1.

I urge my colleagues to support this critical piece of legislation. Obviously, it will have a great impact on rural America, which is where I live and where many of us do, too. I reserve the balance of my time.

Ms. WATERS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker and Members, I rise in support of H.R. 2672, the CFPB Rural Designation Petition and Correction Act. I want to thank the distinguished gentleman from Texas (Mr. HINOJOSA) and the gentleman from Massachusetts (Mr. LYNCH) for working with the gentleman from Kentucky (Mr. BARR) to introduce this bipartisan legislation.

The Consumer Financial Protection Bureau has recognized the challenges rural communities with limited access to banking services face and are appropriately reconsidering how to designate rural counties.

However, some large counties can have both large urban centers and rolling farmland within their borders, preventing them from being considered rural. This measure would direct the Consumer Financial Protection Bureau to establish an application process so that a lender who lives or does business in a county that does not meet the rural definition can still apply to serve