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 as a rural lender under the CFPB's qualified mortgage rule.

While balloon payments were a feature of many of the risky and predatory loans that ended in financial disaster for American families, there are some specific places and times when they may make sense, especially in rural communities.

I am pleased that this legislation is narrowly tailored to ensure the kinds of institutions that would be allowed to make these loans are truly community banks—small institutions that play an active role in their communities, with personal knowledge of their customers and their needs.

As we have learned from flood insurance reform, applying map-based standards uniformly across the diverse geography of the U.S. is incredibly challenging. This legislation would ensure that in areas that may not fit the standard, but where common sense shows them to be rural, the local community would have input into the process.

I also want to acknowledge the CFPB for acting very quickly in the face of the feedback it received on the rural definition it initially proposed, making certain that credit continued to flow to borrowers by offering a 2-year waiver for all small creditors during the process of re-proposing its rural definition.

Madam Speaker, I urge my colleagues to support this measure, and I reserve the balance of my time.

Mrs. CAPITO. Madam Speaker, I now would like to yield as much time as he may consume to the gentleman from Kentucky, Congressman BARR, the author and sponsor of this legislation.

Mr. BARR. Madam Speaker, I want to thank the chairman of the Financial Institutions Subcommittee for her leadership on this important legislation. I want to thank also my colleagues on the other side of the aisle who have joined us in a bipartisan way to advance this sensible legislative correction.

Madam Speaker, obviously, government bureaucrats don't always know best, and they certainly don't know our local communities better than we do. That is why I introduced H.R. 2672, the Helping Expand Lending Practices in Rural Communities Act, or HELP Rural Communities Act, which would help remedy a bizarre situation created by a flawed, one-size-fits-all government regulation that is making life harder for millions of Americans, including my constituents in central and eastern Kentucky.

My legislation, the HELP Rural Communities Act, is about making the Federal Government more responsive to the people who know their communities better than regulators in Washington, D.C. It is a simple, pragmatic, and bipartisan solution that says that if Federal bureaucrats are going to impose different rules based on the localized characteristics of an area, then they actually need to listen to the input of the people in the communities who know those characteristics of those communities.

A few weeks ago, I was visiting with constituents in a rural county in my district, Bath County, in a country general store. And when I was sitting there talking to my constituents, a horse-drawn buggy passed by. Now, this is far from an uncommon occurrence. This was just another reminder that Bath County, Kentucky, in my district, is very much a rural area.

Amazingly, however, the Consumer Financial Protection Bureau in Washington does not recognize Bath County as rural. Instead, the bureaucrats at the CFPB improperly designated Bath County as nonrural. Now, there are plenty of similar examples throughout the country of the CFPB oddly and incorrectly designating undeniably rural areas as nonrural, which is why H.R. 2672, the HELP Rural Communities Act, enjoys broad, bipartisan support and passed out of the Financial Services Committee by a vote of 55–1.

You may be wondering why this rural versus nonrural distinction matters. Well, here is why: the CFPB imposes more stringent lending rules and restrictions on local financial institutions based in nonrural communities than it does on financial institutions in rural communities. So when the Bureau gets these rural designations wrong all throughout the country, the consequence is that it constrains the availability of credit, including for balloon loans, to rural customers of community banks and community credit unions.

But don't just take it from me. Charles Vice, who is the top banking regulator in the Commonwealth of Kentucky, the commissioner of the Kentucky Department of Financial Institutions and the chairman of the Conference of State Bank Supervisors, has emphasized the importance of preserving balloon loans in rural communities.

In his testimony before our committee, the Financial Services Committee, in the House in June, Commissioner Vice stated:

> When used responsibly, balloon loans are a useful source of credit for borrowers in all areas. Properly underwritten balloon loans are tailored to the needs and circumstances of the borrower, including situations where the borrower or property is otherwise ineligible for standard mortgage products.

So the need for this legislation has been made clear by the regulators themselves. But it has also been made clear to me by a community banker in Bath County, a community banker who has been part of his local institution for multiple generations. His father was the president of the community bank, his grandfather was the president of the community bank and, before that, his great-grandfather. This young man, Thomas Richards, testified before our committee in December.

He said:

> Unnecessary restrictions on balloon loans will lead to some qualified borrowers not receiving the credit that they deserve, and from a small community's standpoint, these restrictions would be devastating to the livelihood of that area.

It was really interesting to hear Mr. Richards testify because he said that his small, little community bank in Bath County, Kentucky, had survived the great economic changes over the centuries. It had survived the Great Depression, it survived the stagflation of the late 1970s and the early 1980s, and it even survived the financial crisis in 2008. But he said that the greatest single threat facing his small, community bank in rural Bath County, Kentucky, was the avalanche of red tape coming out of Washington in 2013 and 2014.

□ 1700

If left unfixed, these rules will block customers in rural communities from obtaining responsibly underwritten balloon loans. These are loans which Kentucky bankers throughout my district commonly use to provide credit to local customers who may not fit perfectly into Washington-dictated lending straitjackets.

These loans are vital to all kinds of individuals in rural America, from businessowners on Main Street, who simply seek to preserve their business, to farmers preparing for the next planting season.

A balloon loan can be the lifeline that finally helps a young family purchase a home; or it can help an individual repair their car, so they can get to work each day. At its core, balloon loans are common throughout rural America because they offer consumers flexibility and help community banks and community credit unions mitigate interest rate risk.

As you can see, these loans are tailored to the credit needs of the customer, which is why they are so popular throughout Kentucky. The tradition of community backing in Kentucky has always been about relationship banking. It is about truly knowing your customer and having that development of trust, so that the banker knows whether or not the customer can repay that loan.

H.R. 2672 is necessary because it preserves the best traditions of rural community banking, which are now being jeopardized by the Consumer Financial Protection Bureau's incorrect rural designations throughout the country.

Really quickly, what does the bill exactly do? This bill creates a petition process in which individuals within a State could petition the Bureau to have it reconsider an improper designation of nonrural status for an area that is plainly rural.

Instead of limiting applicants to only being able to challenge a designation based on county lines, H.R. 2672 would give the applicant the flexibility to define the specified and bounded area that they would like to see switched from nonrural to rural.

In other words, we don't want to lock people into using counties when they don't have to. This is important because county sizes can vary significantly throughout the country, particularly in Western States, and I want to thank my colleague and friend on the other side of the aisle, Congressman HINOJOSA, for his contribution to this feature of the legislation.

The legislation specifies a number of commonsense factors that CFPB must consider when evaluating an application. In addition to the local input of the applicant, these factors include population density; a written opinion provide by the State's bank supervisor; and criteria used by the Census, OMB, and the Department of Agriculture for properly classifying geographic areas as either rural or urban.

Upon receiving an application, the CFPB is to provide for a 90-day public comment period and then grant or deny such applications within an additional 90 days. The Bureau shall then publish in the Federal Register an explanation of the factors it relied on in making its ultimate determination.

Once again, I am pleased that this is a bipartisan bill. I want to thank especially Congressman HINOJOSA for his input in helping to improve this legislation. I also want to thank all of the other cosponsors of the bill, which is endorsed by a broad coalition, including the Kentucky Bankers Association, the Conference of State Bank Supervisors, the Kentucky Credit Union League, the Credit Union National Association, the National Association of Federal Credit Unions, the American Bankers Association, the Independent Community Bankers of America, the National Association of Realtors, and the chairman of the Kentucky Department of Financial Institutions—again, the top banking regulator in Kentucky, Commissioner Charles Vice.

This is a commonsense and simple bill, and I appreciate the opportunity to present it here today. I urge my colleagues to support this simple reform piece of legislation, and I urge the support and immediate passage of this legislation.

Ms. WATERS. Madam Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HINOJOSA), a cosponsor of H.R. 2672.

Mr. HINOJOSA. Madam Speaker, I rise today to urge my colleagues on both sides of the aisle to support H.R. 2672, the Helping Expand Lending Practices in Rural Communities Act, as amended. I would like to thank my distinguished colleague, Congressman BARR of Kentucky, for your leadership on this bill.

As the chairman of the Congressional Rural Housing Caucus, I have dealt with the varying definitions of rural for many years. Given that the definitions promulgated by the USDA are problematic on many counts, I was very concerned when I learned that the CFPB originally used them as a guide for their rule.

The original rule by the CFPB would exclude Hidalgo County in my 15th Congressional District in deep south Texas. Hidalgo County includes some urban areas, but much of it is also rural.

It is home to the most colonias in the Nation. Colonias often lack basic infrastructure, such as indoor plumbing and electricity. They are rural by definition. We need to ensure that community banks and credit unions are not prevented from investing in such rural communities.

The CFPB's new mortgage rules discourage risky mortgage lending practices that sparked the financial crisis. However, community banks and credit unions did not cause the crisis and have legitimate reasons for flexibility when it comes to serving rural America.

Rural community bankers know their customers by name; often, they are the only option for credit within hundreds of miles. They understand the unique financial needs of their community and how best to serve the farmers, to serve the ranchers and small businesses that rely on them.

I appreciate that the CFPB has heard our concerns and has responded by offering a short exemption. I believe the petition process enacted by this legislation will only strengthen the CFPB's final rule.

This is an important opportunity given that rural is not easily defined and looks different by region. It makes good sense for the CFPB to follow the USDA's lead and for communities to be able to petition their rural status.

I thank Congressman BARR for his outstanding work on this bill and for including the changes that I proposed. Defining rural on a county-level basis is too arbitrary, given the large size of counties in Texas and other Western States. I do not believe the bill undermines the CFPB's commitment to consumer protection, and I ask my colleagues to support H.R. 2672.

Mrs. CAPITO. Madam Speaker, I have no further speakers, and I reserve the balance of my time to close.

Ms. WATERS. Madam Speaker, I would simply like to ask all of my colleagues to support this important legislation, and I would like to commend Mr. HINOJOSA and Mr. BARR, and I would also like to commend Mrs. CAPITO and all who have worked so well together to ensure that we pay attention to the problems of rural communities, and this bill certainly does that.

I yield back the balance of my time.

Mrs. CAPITO. Madam Speaker, I yield myself the balance of my time.

I echo the comments of the ranking member, and I thank her for her help on this bill. I thank Mr. HINOJOSA and Mr. BARR for their good, hard work.

As I said earlier in my opening statement, rural America does have a different way of trying to access credit and to make sure that homeownership becomes the reality that many of us hope for our families. I would like to congratulate the sponsors, and I urge passage of the bill.

I 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. 2672, as amended.

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

The title of the bill was amended so as to read: ''A bill to amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to provide for an application process for interested parties to apply for an area to be designated as a rural area, and for other purposes.''.

A motion to reconsider was laid on the table.

MONEY REMITTANCES IMPROVEMENT ACT OF 2014

Mrs. CAPITO. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4386) to allow the Secretary of the Treasury to rely on State examinations for certain financial institutions, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4386

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 ''Money Remittances Improvement Act of 2014''.

SEC. 2. COMPLIANCE AUTHORITY FOR CERTAIN REPORTING REQUIREMENTS.

(a) COMPLIANCE WITH REPORTING REQUIREMENTS ON MONETARY INSTRUMENT TRANSACTIONS.—Section 5318(a) of title 31, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following:

''(6) rely on examinations conducted by a State supervisory agency of a category of financial institution, if the Secretary determines that—

''(A) the category of financial institution is required to comply with this subchapter and regulations prescribed under this subchapter; or

''(B) the State supervisory agency examines the category of financial institution for compliance with this subchapter and regulations prescribed under this subchapter; and''.

(b) COMPLIANCE WITH REPORTING REQUIREMENTS OF OTHER FINANCIAL INSTITUTIONS.—Section 128 of Public Law 91–508 (12 U.S.C. 1958) is amended—

(1) by striking ''this title'' and inserting ''this chapter and section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b)''; and

(2) by inserting at the end the following: ''The Secretary may rely on examinations conducted by a State supervisory agency of a category of financial institution, if the Secretary determines that the category of financial institution is required to comply with this chapter and section 21 of the Federal Deposit Insurance Act (and regulations prescribed under this chapter and section 21 of the Federal Deposit Insurance Act), or the State supervisory agency examines the category of financial institution for compliance