

Again, I would like to thank my cosponsors for the bill. I would also like to thank the Senate leads on the bill, Senators KIRK and KLOBUCHAR, and finally, again, Chairman HENSARLING and Ranking Member WATERS for prioritizing the need to improve regulatory oversight, which also meet humanitarian needs.

I urge my colleagues to support the Money Remittances Improvement Act, H.R. 4386.

Mrs. CAPITO. Madam Speaker, I have no further speakers. I am prepared to close if the gentlewoman from California is also prepared.

Ms. WATERS. Madam Speaker, I have no further requests for time. I would like to thank all of those who have worked on this legislation.

This is a fine example of how you take a rather difficult and complicated problem and work through ways by which you can ensure security and that lawful actions are continued in order to make sure that the banking laws are being recognized and being honored and still do something for those people who are dependent on these remittances.

I yield back the balance of my time and ask all of my colleagues for their support on this bill.

Mrs. CAPITO. Madam Speaker, I would like to thank the sponsors of the bill. We have done a great job of working together as two State colleagues. I urge support of this bill as well.

I yield back the balance of my time. Mr. DUFFY. Madam Speaker, I rise today in favor of H.R. 4386, the Money Remittance Improvement Act.

I want to thank my colleague Rep. ELLISON for his hard work and leadership on this important issue.

Madam Speaker, I proudly come from a family of 13—10 brothers and sisters—and my wife Rachel comes from a family of six. Both of our families are spread across the United States and at times are spread across the world. It has always been a comfort to know that we can rely on each other in good and hard financial times, and that's a value Rachel and I hope to pass on to our six—soon to be seven—children.

Sadly, duplicative requirements under current law for money service businesses make it difficult to wire money outside the United States to certain countries. Congress enacted laws to restrict money being sent internationally for illegal or fraudulent activity, but they never required the Federal government to coordinate many of those protections with State financial regulators. In fact, current law actually restricts these parties from sharing much of that information.

Not only does this create inefficiencies, but it creates confusion as well. And this confusion often prevents the hardworking Hmong in my district from sending money to their loved ones, cutting off financial support. That is why they are supporting H.R. 4386, and I submit their letter of support.

Madam Speaker, by requiring the Federal government to better communicate with State financial regulators of Wisconsin and the United States, as H.R. 4386 does, families spread across the world will enjoy the same peace of mind that Rachel and I do.

This is a common sense piece of legislation that will not only protect everyone from unscrupulous financial activity but also improve the lives of all hardworking families throughout the world.

I urge all Members to support H.R. 4386.

WAUSAU AREA HMONG
MUTUAL ASSOCIATION,
Wausau, Wisconsin, May 6, 2014.

Hon. Rep. SEAN DUFFY,
7th Congressional District of Wisconsin, Washington, DC.

DEAR REP. DUFFY: Thank you for your hard work and for being a cosponsor of the proposed legislation "The Money Remittances Improvement Act of 2013, H.R. 1694/S. 1840." This proposed bill is what many Hmong families in Central Wisconsin need to help their families and relatives in Laos.

As you are aware, Central Wisconsin is home to nearly 7,000 Hmong American residents, making the area the second largest Hmong community in the state. Wisconsin has the third largest Hmong population in the nation following California and Minnesota. Most Hmong American families in the U.S. still have close family members or relatives whom they left behind in Laos. These Hmong families are living in very poor conditions with no support from their government and are dependent on their families in the U.S. for financial assistance.

Each year, hundreds of Hmong individuals and families in Central Wisconsin would send monies to help their poor relatives in Laos. The Money Remittances Improvement Act, no doubt, would make it easier for Hmong Americans to send financial support to help their poverty stricken family members and relatives.

We support The Money Remittances Improvement Act and urge the House of Representatives to pass this bill as soon as possible. We thank you for your diligent work on behalf of the citizens of Central and Northern Wisconsin.

Sincerely,

PETER YANG,
Executive Director, Wausau Area
Hmong Mutual Association, Inc.

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. 4386.

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.

SUPPLEMENTAL REPORT ON RESOLUTION RECOMMENDING THAT THE HOUSE FIND LOIS LERNER IN CONTEMPT OF CONGRESS

Mr. ISSA, from the Committee on Oversight and Government Reform, submitted a privileged supplemental report (Rept. No. 113-415, Part II) on the resolution recommending that the House of Representatives find Lois G. Lerner, Former Director, Exempt Organizations, Internal Revenue Service, in contempt of Congress for refusal to comply with a subpoena duly issued by the Committee on Oversight and Government Reform, which was referred to the House Calendar and ordered to be printed.

COMMUNITY FINANCIAL INSTITUTIONS AND FOSTERING ECONOMIC GROWTH

Mrs. CAPITO. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3329) to enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3329

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

SECTION 1. CHANGES REQUIRED TO SMALL BANK HOLDING COMPANY POLICY STATEMENT ON ASSESSMENT OF FINANCIAL AND MANAGERIAL FACTORS.

(a) IN GENERAL.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall publish in the Federal Register proposed revisions to the Small Bank Holding Company Policy Statement on Assessment of Financial and Managerial Factors (12 C.F.R. part 225-appendix C) that provide that the policy shall apply to bank holding companies and savings and loan holding companies which have pro forma consolidated assets of less than \$1,000,000,000 and that—

(1) are not engaged in any nonbanking activities involving significant leverage; and

(2) do not have a significant amount of outstanding debt that is held by the general public.

(b) CONFORMING AMENDMENT.—Section 171(b)(5)(C) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5371(b)(5)(C)) is amended by inserting "or small savings and loan holding company" after "any small bank holding company".

(c) RULE OF CONSTRUCTION.—Nothing in this Act or the amendments made by this Act may be construed as limiting the authority of the Board of Governors of the Federal Reserve System to exclude a bank holding company or a savings and loan holding company from the policy statement described under subsection (a), if such action is warranted for supervisory purposes.

(d) DEFINITIONS.—For purposes of this section:

(1) BANK HOLDING COMPANY.—The term "bank holding company" has the meaning given that term under section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841).

(2) SAVINGS AND LOAN HOLDING COMPANY.—The term "savings and loan holding company" has the meaning given that term under section 10(a) of the Home Owners' Loan Act (12 U.S.C. 1467a(a)).

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentleman from Florida (Mr. MURPHY) 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 then submit extraneous materials for the record on H.R. 3329, 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, I would like to thank Mr. LUETKEMEYER and Mr. MURPHY of Florida for drafting the legislation before us this afternoon and for working together on the Financial Services Committee.

H.R. 3329 provides targeted regulatory relief for small bank holding companies. Under the current regulatory framework, the Federal Reserve's rules sometimes make it difficult for small banks to make acquisitions. This is because the acquiring institution often uses debt financing to make the acquisition.

Recognizing that many small institutions rely on debt financing for an institution, the Federal Reserve requires policy statements to ensure the debt is managed properly and subsidiary banks are well capitalized. The legislation before us today makes it easier to form new holding companies, fund existing holding companies and make acquisitions by issuing debt at the holding company level by raising the threshold from \$500 million in consolidated assets to \$1 billion in consolidated assets.

I commend the authors of this bill for their hard work on this bipartisan legislation which passed the committee by voice vote last November. This is about creating jobs, getting credit across the country for consumers and for small business owners.

I urge adoption of the bill and reserve the balance of my time.

Mr. MURPHY of Florida. Madam Speaker, I yield myself such time as I may consume.

First, I want to thank the gentlewoman from California for her leadership on this and countless issues that come before our committee.

I also want to thank the gentlewoman from West Virginia, the chair of Financial Institutions, for her constant willingness to come to the center and work for the greater good of our country.

I also want to thank the gentleman from Missouri (Mr. LUETKEMEYER) for his outstanding leadership working for true regulatory relief to create jobs while protecting consumers. This is not the first bill that we have worked on together, and I hope it is not the last.

Across the Treasure Coast and Palm Beaches, the constituents that I am privileged to represent know that small businesses are the backbone of our economy. They understand that capital is the lifeblood that enables those businesses to grow, spurring innovation and creating jobs.

Community banks are on the front lines providing that capital, but they are being strangled by well-intentioned but excessive regulation. Let me be clear: I am not against reining in the excesses of Wall Street banks.

After the financial crisis nearly took down the economy and cost Americans \$17 trillion worth of wealth and equity,

the country's biggest banks should be held to a higher standard. It doesn't take a CPA to see the difference between a \$2 trillion interconnected, globalized Wall Street bank and the 550 community banks on the town square under \$1 billion in assets that do not yet get the regulatory relief provided by the Fed policy statement. We are here today to change that.

This bill would provide much-needed regulatory relief to community banks. Everyone says they are for community banks. Today is the day to prove it.

Madam Speaker, I include a letter of support from the Independent Community Bankers of America into the RECORD.

INDEPENDENT COMMUNITY BANKERS OF AMERICA®,

Washington, DC., May 5, 2014.

House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: On behalf of the more than 6,500 community banks represented by the Independent Community Bankers of America, I write to express our strong support for H.R. 3329, which is scheduled for floor consideration this week. Introduced by Reps. Blaine Luetkemeyer (R-MO), Patrick Murphy (D-FL), Tom Cotton (R-AR), Mike Quigley (D-IL), and Ann Kuster (D-NH), H.R. 3329 is bipartisan legislation that would direct the Federal Reserve to increase the qualifying asset threshold of the Small Bank Holding Company Policy Statement from \$500 million to \$1 billion and allow small savings and loan holding companies to be covered by its provisions. This legislation is a key priority for ICBA and a provision of our Plan for Prosperity: A Regulatory Relief Agenda to Empower Local Communities. ICBA urges all members of the House to vote YES on H.R. 3329.

Revising the Policy Statement will make it easier for small bank and savings and loan holding companies to raise both debt and equity and downstream the proceeds to their subsidiary banks. The Policy Statement contains a number of safeguards to ensure that the debt is managed responsibly and subsidiary banks remain well capitalized. Increasing the eligibility threshold to \$1 billion to account for inflation, industry consolidation, and asset growth will help an additional 515 bank and savings and loan holding companies raise capital for additional consumer and small business lending, leading to job creation and community development.

Thank you for your consideration.

Sincerely,

CAMDEN R. FINE,
President & CEO.

Mr. MURPHY of Florida. Madam Speaker, with that, I urge my colleagues to vote "yes" on the Luetkemeyer-Murphy bill, and with no further speakers, I yield back the balance of my time.

Mrs. CAPITO. Madam Speaker, I ask unanimous consent that Mr. LUETKEMEYER be permitted to control the remaining balance of my time.

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

There was no objection.

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

I want to thank both Chairman HENSARLING and Ranking Member WATERS

for their support of my bill as well as the hard work of Chairman Congresswoman CAPITO here for her help and support today, as well as Congressman MURPHY for his sponsorship as well.

At a time when regulators are requiring more and more from small and community-based institutions, I appreciate the opportunity to work across party lines to offer some commonsense relief.

Small bank and thrift holding companies face unique challenges with regards to capital formation, which is a particular concern at a time when regulators are demanding higher capital levels in response to Basel III. Understanding these challenges, the Federal Reserve has recognized that small bank holding companies have limited access to financing and, as a result, face difficulties in the acquisition of small banks by small holding companies, which often requires the use of debt.

The Federal Reserve Bank holding company policy statement, first issued in 1980, allows for relief from certain requirements, making it necessary for a small bank holding company to raise the necessary capital and issue debt. The policy statement also simplifies acquisitions and formation of new bank and thrift holding companies. These are important tools in ensuring that our smallest institutions can continue to lend in their communities, hire new staff, and survive what remains of a very difficult time for community banks.

H.R. 3329 simply increases the threshold in the Fed's policy statement from \$500 million to \$1 billion in assets.

□ 1730

The \$500 million threshold has not been touched since 2006.

In the past 7 years, our Nation's smallest bank and thrift holding companies have faced significant recession, consolidation, and an alarming number of bank failures. While this bill does offer regulatory relief to our Nation's smallest institutions, it also includes safeguards that allow the Fed to continue to monitor for safety and soundness. The Fed retains the right to impose capital standards on a holding company if the Board of Governors decides it is needed to protect the safety and soundness of that institution and its customers.

Additionally, the policy statement outlines requirements that limit a bank holding company's ability to benefit from this relief. H.R. 3329 keeps these safeguards in place. This non-controversial bill will help more than 500 of our Nation's smallest banks and thrift holding companies.

H.R. 3329 has bipartisan support and the support of the Independent Community Bankers of America and the American Bankers Association.

H.R. 3329 will go a long way in ensuring that these institutions are able to grow stronger and continue to serve their communities.

I urge my colleagues on both sides of the aisle to support this commonsense legislation.

With that, 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. 3329.

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

CREDIT UNION SHARE INSURANCE FUND PARITY ACT

Mr. ROYCE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3468) to amend the Federal Credit Union Act to extend insurance coverage to amounts held in a member account on behalf of another person, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3468

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 "Credit Union Share Insurance Fund Parity Act".

SEC. 2. INSURANCE OF AMOUNTS HELD ON BEHALF OF OTHERS.

Section 207(k) of the Federal Credit Union Act (12 U.S.C. 1787(k)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting after "payable to any member" the following: "or to any person with funds lawfully held in a member account,"; and

(B) by striking "and paragraphs (5) and (6)";

(2) in paragraph (2)(A), by striking "(as determined under paragraph (5))";

(3) by redesignating paragraph (5) as paragraph (6); and

(4) by inserting after paragraph (4) the following:

"(5) COVERAGE FOR INTEREST ON LAWYERS TRUST ACCOUNTS (IOLTA) AND OTHER SIMILAR ESCROW ACCOUNTS.—

"(A) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any interest on lawyers trust account (IOLTA) or other similar escrow accounts.

"(B) TREATMENT OF IOLTAS.—

"(i) TREATMENT AS ESCROW ACCOUNTS.—For share insurance purposes, IOLTAs are treated as escrow accounts.

"(ii) TREATMENT AS MEMBER ACCOUNTS.—IOLTAs and other similar escrow accounts are considered member accounts for purposes of paragraph (1), if the attorney administering the IOLTA or the escrow agent administering the escrow account is a member of the insured credit union in which the funds are held.

"(C) DEFINITIONS.—For purposes of this paragraph:

"(i) INTEREST ON LAWYERS TRUST ACCOUNT.—The terms 'interest on lawyers trust account' and 'IOLTA' mean a system in which lawyers place certain client funds in interest-bearing or dividend-bearing accounts, with the interest or dividends then used to fund programs such as legal service organizations who provide services to clients in need.

"(ii) PASS-THROUGH SHARE INSURANCE.—The term 'pass-through share insurance' means, with respect to IOLTAs and other similar escrow accounts, insurance coverage based on the interest of each person on whose behalf

funds are held in such accounts by the attorney administering the IOLTA or the escrow agent administering a similar escrow account, in accordance with regulations issued by the Administration.

"(D) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of an IOLTA or similar escrow account in an amount greater than such credit union is authorized to accept under any other provision of Federal or State law."

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

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. ROYCE. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous materials on the bill, H.R. 3468.

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

There was no objection.

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

I rise in strong support of the Credit Union Share Insurance Fund Parity Act. This is a bill which passed out of the Financial Services Committee on a voice vote. This is bipartisan, common-sense legislation. The bill is supported by the Credit Union National Association, the National Association of Federal Credit Unions, the California and Nevada Credit Union Leagues, as well as the American Bar Association.

What this bill does is to ensure that there is parity in the treatment of trust accounts covered by the National Credit Union Share Insurance Fund and the Federal Deposit Insurance Corporation, the FDIC.

The Financial Services Committee has heard the testimony of credit unions from West Virginia to Texas that:

There is no public policy reason for deposit insurance purposes to distinguish credit union interest on lawyer trust accounts (IOLTAs) from those insured by FDIC. It is essential for the NCUA's share insurance fund to be treated identically in order to maintain parity between the two Federal insurance programs.

Specifically, the bill amends the Federal Credit Union Act to require that pass-through share insurance coverage be provided when a credit union member holds funds on behalf of a non-member in an IOLTA or other similar account.

Unlike FDIC coverage, currently the National Credit Union Administration treats funds held by credit union members on behalf of those who are not federally insured credit union members as not covered by the National Credit Union Share Insurance Fund. This has created, of course, a disparity in coverage, specifically when looking at IOLTAs and prepaid debit master accounts.

Part of the mission of credit unions from their very beginning has been to reach out to the community around them, especially to reach out to the underserved. Maintaining a strong commitment to the IOLTA community and removing a barrier to greater participation sustains that very mission.

I urge my colleagues to support this bill, a bill which corrects a technical disparity between the way trust accounts are federally insured at credit unions and at banks.

I look forward to the statement of the other ED, the gentleman from Colorado, my friend, who has been a champion of this important bill.

I reserve the balance of my time.

Mr. PERLMUTTER. Madam Speaker, I thank my friend, Mr. ROYCE of California, for his remarks, and I yield myself such time as I may consume. As I say: "Two Eds are better than one." So we will start with that.

This bill is designed to create parity between certain accounts held at credit unions and those held at FDIC insured banks.

As a preliminary matter, I introduce into the RECORD six letters.

The first is a letter dated September 17, 1996, signed by Richard Schulman, the associate general counsel of the National Credit Union Administration. Second is a letter dated October 8, 2008. That is from Sheila A. Albin, associate general counsel.

A letter dated May 6, 2014, from the American Bar Association, signed by the president, James R. Silkenat.

A letter dated May 5, 2014, signed by Brad Thaler of the National Association of Federal Credit Unions.

A letter dated May 5, 2014, signed by Bill Cheney, president of the Credit Union National Association.

And finally, a letter signed by Scott Earl from Mountain West Credit Union Association.

SEPTEMBER 17, 1996.

Re Interest on Lawyers Trust Accounts ("IOLTA"), (Your August 22, 1996, Letter)

ELYSE E. ROGERS, Esq.,
Mette, Evans & Woodside,
Harrisburg, PA.

DEAR MS. ROGERS: In your letter, you requested our opinion as to whether Pennsylvania attorneys can maintain client trust funds, in association with Pennsylvania's IOLTA Program, in share draft accounts at credit unions regulated by the National Credit Union Administration. As discussed below, the answer depends upon the credit union membership status of the clients whose funds are contained in the IOLTA account.

ANALYSIS

Generally, an IOLTA account is set-up by an attorney or a law firm as an escrow account containing pooled client funds. In a credit union, an IOLTA account would be set-up as an "agent" account. Section 745.3(a)(2) of NCUA's Regulations defines an agent account as "[f]unds owned by a principal [member] and deposited in one or more accounts in the names of agents or nominees. . . ." The client continues to own the funds while the attorney or law firm serves only as a custodial agent.

A federal credit union (FCU) can only accept funds belonging to its member or those