

that we will be able to make sure that the employers who employ them will be able to provide less expensive coverage. It is a win-win, and I look forward to seeing it become law.

With that, I yield back the balance of my time.

Mr. WALBERG. Mr. Speaker, I yield myself the remainder of my time.

I couldn't have said it better than my colleague from Florida. Having a district that borders the Great Lakes, having marinas and harbors in my district, having the opportunity to use the resources and to make sure that the intent of Congress is followed and that we have employees and employers who are treated fairly under workers' comp laws, that they are cared for completely at the lowest cost that we intended, with the original intent of Congress, this bill does that.

So I urge my colleagues to vote "yes" on H.R. 3896 and yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I rise today to express my support for H.R. 3896, a bill that would provide an important technical fix to the Longshore and Harbor Workers' Compensation Act to ensure that workers in the recreational repair industry have access to affordable workers' compensation insurance.

In 2009, Congress expanded an exception for the recreational repair industry that allowed workers in that industry to purchase less expensive state workers compensation insurance. However, in issuing regulations for this expanded exception, the Department of Labor modified the definition of a recreational vessel in a way that actually narrowed the exception's scope. The complexity of this new definition has led insurance underwriters to stop issuing workers compensation policies for repair workers, leading many workers to go without coverage entirely.

H.R. 3896 would enact a definition of recreational vessel that more accurately reflects the intent of Congress. The bill is supported by the recreational marine and marine insurance industries and has the support of both the Chairman and the Ranking Member of the House Education and Workforce Committee.

I want to thank Rep. WASSERMAN SCHULTZ, Chairman KLINE, and Chairman WALBERG for their support and work on this bill, as well as the committee staff who worked diligently to see it through the process.

I urge my colleagues to support this important legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. WALBERG) that the House suspend the rules and pass the bill, H.R. 3896, as amended.

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

A motion to reconsider was laid on the table.

SAFE ACT CONFIDENTIALITY AND PRIVILEGE ENHANCEMENT ACT

Mrs. CAPITO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4626) to ensure access to certain

information for financial services industry regulators, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4626

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 "SAFE Act Confidentiality and Privilege Enhancement Act".

SEC. 2. CONFIDENTIALITY OF INFORMATION SHARED BETWEEN STATE AND FEDERAL FINANCIAL SERVICES REGULATORS.

Section 1512(a) of the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5111(a)) is amended by inserting "or financial services" before "industry".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentleman from Colorado (Mr. PERLMUTTER) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia.

GENERAL LEAVE

Mrs. CAPITO. Mr. 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. 4626, 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. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of the Safe Act Confidentiality and Privilege Enhancement Act, legislation that I introduced this year.

One of the lessons learned from the financial crisis of the last decade was there were significant gaps in communication between State regulators. Duplicious mortgage originators were able to move from State to State, virtually undetected, perpetuating fraud on consumers. In response, Congress passed the SAFE Act, which required all mortgage loan originators to be licensed and registered through the National Mortgage Licensing System and Registry. The SAFE Act also set minimum licensing standards that States must meet.

Since its creation in 2008, this registry has allowed State regulators to efficiently search a mortgage loan originator's history and detect previous fraudulent behavior.

The success of this registry has not gone unnoticed. Since April 2012, State regulators have been working with other financial services providers to use the NMLS as a platform for the licensing and registry of other financial services providers, like money service businesses, debt collectors, pawnbrokers, and check cashers. In fact, my home State of West Virginia is now using this platform for their money service businesses.

The use of this national licensing system not only provides efficiencies

for the regulated businesses, but it also strengthens consumer protections for the licensed products. The licensing of these providers and the sharing of information between State regulators helps ensure that the consumers are properly protected from fraudulent lending. These registries will allow State regulators to better track fraudulent actors, making it less likely that these fraudsters can obtain a license to do business and harm consumers.

H.R. 4626 provides a minor amendment to the SAFE Act, ensuring that information shared between the State financial services regulators is protected. My legislation simply clarifies that information that is shared with these State regulators receives the same privileged and confidential treatment that is currently afforded to State banking and mortgage regulators. Without this minor change, there will be gaps in the system that could limit information sharing.

During a hearing in the Financial Institutions and Consumer Credit Subcommittee 2 weeks ago, West Virginia Division of Financial Institutions Commissioner Sally Cline said: "This possible gap limits the States' ability to use NMLS as a licensing system for nonmortgage financial services providers. The change proposed by H.R. 4626 addresses this uncertainty and would provide me and West Virginia-regulated entities with certainty that confidential or privileged information shared through NMLS would continue to be protected under State and Federal law."

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Ensuring the confidentiality of the shared information will bolster the effectiveness of these national registries. Expanding licensing to new lines of business and tracking those that are licensed will better protect consumers in my State and across the country.

Mr. Speaker, I urge support of this legislation, and I reserve the balance of my time.

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

Mr. Speaker, H.R. 4626, introduced by Chairwoman CAPITO, aims at protecting shared information in the mortgage and financial services industry by putting safeguards on confidentiality.

The bill is very simple. It applies the same confidentiality standards to information shared with State regulators regarding nondepository financial services companies that it enjoyed prior to being entered into the national mortgage licensing system, as long as that information is shared through the Nationwide Mortgage Licensing System among all mortgage regulators.

In the lead-up to the financial crisis, State regulators and Congress recognized the need to oversee the mortgage industry more comprehensively and efficiently by promoting smart and efficient financial regulations to State-licensed, nonbank financial services providers.

H.R. 4626 helps develop the Nationwide Mortgage Licensing System, NMLS, so that regulators retain the ability to keep track of bad actors and provide responsible mortgage providers with greater efficiency and consistency in the licensing process.

H.R. 4626 does not create any additional privilege or confidentiality rights, but the SAFE Act currently provides that information shared through the Nationwide Mortgage Licensing System among mortgage industry regulators retains existing State and Federal privilege and confidentiality protections.

The bill makes it so that these privileges and confidentiality protections remain as long as the information is shared with another mortgage regulator.

Mr. Speaker, the bill addresses uncertainty of confidentiality by clarifying that confidential or privileged information shared through the NMLS would continue to be protected under State and Federal law.

This bill will increase the cooperation—and I think this is the key piece—this bill will increase the cooperation between Federal and State regulators while ensuring that the NMLS fulfills its mission to enhance consumer protection and stability in the mortgage lending industry.

This is a good bill. It should be passed by the House of Representatives. It provides for safety for the home mortgage lending system and the licensure system. It provides for cooperation between Federal regulators and State regulators while preserving confidentiality rights of folks who are part of the licensing system, so I think a number of different goals are achieved.

I thank the gentlewoman from West Virginia for introducing this bill. With that, I urge its passage, and I yield back the balance of my time.

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

I would like to thank my friend from Colorado for his support of this and for his service on the committee. He is a great member of the Financial Services Committee.

Mr. Speaker, I would just like to reiterate that ensuring confidentiality will bring about more effectiveness with the national registers. We are responding basically to what a lot of our State regulators have asked us to do, to make sure that they better protect consumers and are able to keep the information in a privileged and confidential manner.

With that, I would urge passage of the bill, and 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. 4626.

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.

EXAMINATION AND SUPERVISORY PRIVILEGE PARITY ACT OF 2014

Mrs. CAPITO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5062) to amend the Consumer Financial Protection Act of 2010 to specify that privilege is maintained when information is shared by certain non-depository covered persons with Federal and State financial regulators, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5062

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 “Examination and Supervisory Privilege Parity Act of 2014”.

SEC. 2. PRIVILEGE OF INFORMATION SHARED BY CERTAIN NONDEPOSITORY COVERED PERSONS.

Section 1024(b)(3) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5514(b)(3)) is amended—

(1) by striking “regulators and the State bank regulatory authorities” and inserting “regulators, the State bank regulatory authorities, and the State agencies that license, supervise, or examine the offering of consumer financial products or services”; and

(2) by adding at the end the following: “The sharing of information with such regulators, authorities, and agencies shall not be construed as waiving, destroying, or otherwise affecting any privilege or confidentiality such person may claim with respect to such information under Federal or State law as to any person or entity other than such Bureau, agency, supervisor, or authority.”.

The SPEAKER pro tempore (Mr. RODNEY DAVIS of Illinois). Pursuant to the rule, the gentlewoman from West Virginia (Mrs. CAPITO) and the gentleman from Colorado (Mr. PERLMUTTER) each will control 20 minutes.

The Chair recognizes the gentlewoman from West Virginia.

GENERAL LEAVE

Mrs. CAPITO. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and submit any extraneous materials for the RECORD on H.R. 5062, 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. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is very similar to the previous bill that we just passed. I rise in support of H.R. 5062, the Examination and Supervisory Privilege Parity Act of 2014—we always want to have a nice, long name for everything—and congratulate my colleagues on the Financial Services Committee, Mr. PERLMUTTER and Mr. BARR, for their hard work on advancing this legislation.

This bill clarifies that the sharing of information between Federal banking regulators and State agencies that license, supervise, or examine the offering of consumer financial products or services will not be construed as waiving, destroying, or otherwise affecting any privilege or confidentiality right that a person could claim.

Americans are familiar with the concept of privilege. Under current law, legal privilege exists with respect to certain communications, so long as they are not shared with a third party. Attorney-client privilege, for example, is destroyed if the client shares what he communicated to his attorney with his colleague at work.

This legislation provides assurance for financial institutions that privileged information shared between Federal banking regulators and State regulatory agencies will be protected and remain confidential.

This will encourage a greater amount of sharing between institutions and their regulators and will allow our Nation's financial regulators to do their jobs to ensure that our financial institutions are operating lawfully while, at the same time, able to offer consumer credit products that are critical to Americans to finance their everyday purchases and start small businesses.

The Examination and Supervisory Privilege Parity Act is a simple bipartisan bill that clarifies that this is not always the case. I, again, congratulate Mr. BARR and Mr. PERLMUTTER on their work, and I would reserve the balance of my time.

Mr. PERLMUTTER. Mr. Speaker, I yield myself as much time as I might consume.

Mr. Speaker, I rise in support of H.R. 5062, the Examination and Supervisory Privilege Parity Act, which is difficult to say, but easy to understand. It is to provide for full cooperation, discourse, and communication among regulators while, at the same time, preserving some confidentiality and protections for those whose books and records are being reviewed. I want to thank my friend, Congressman BARR, for working with me on this legislation.

This legislation accomplishes two important things. First, it reduces regulatory burden by ensuring Federal regulators; the CFPB; State banking agencies; and, now, nonbank agencies may coordinate their respective examination schedules. Two, it provides parity to ensure privilege is not compromised when regulated entities turn over sensitive information to their regulators and when that information is subsequently shared among State and Federal agencies.

The Dodd-Frank legislation empowered the Consumer Financial Protection Bureau to regulate, supervise, and examine providers of consumer credit and financial products. Among these companies, nonbank financial institutions are typically State-licensed, and their primary regulator is often the State banking commissioner.