

bill (H.R. 601) to amend the Gramm-Leach-Bliley Act to provide an exception to the annual privacy notice requirement.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 601

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 "Eliminate Privacy Notice Confusion Act".

SEC. 2. 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 at the end the following:

"(f) 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), and

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. NEUGEBAUER) and the gentleman from Massachusetts (Mr. CAPUANO) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. NEUGEBAUER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to add extraneous material on this bill.

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

There was no objection.

Mr. NEUGEBAUER. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Missouri (Mr. LUETKEMEYER), the original author of this bill and one who has done a lot of work in this area.

Mr. LUETKEMEYER. Thank you, Mr. Chairman.

Mr. Speaker, year after year, millions of dollars are spent on privacy notices that are either disregarded or are confusing to consumers. Let's think about the cost of this.

This outdated requirement doesn't cost in postage alone, but it also adds its compliance costs, the cost of supplies, printing fees, and man hours. Under current law, financial institutions are required to provide annual privacy notices explaining information-sharing practices to customers. Banks and credit unions have had to give these notices each year even if the privacy policies have not changed. This creates not only waste for financial institutions but confusion and increased costs to consumers.

I talked to one community bank in my district recently that said they spend, roughly, 70 cents per disclosure. With a minimum of 250,000 accounts and customers, this one bank spends at least \$175,000 on this one requirement. It may not seem like a lot of money to my colleagues, but I can tell you that \$175,000 is a lot of money for a small institution like the one in my district. By the way, this is an institution with less than \$10 billion in assets, so it will not be helped by the recent changes implemented by the CFPB.

I want to be completely clear on what exactly this bill will do. This legislation will only remove the Gramm-Leach-Bliley annual privacy notice requirement if an institution has not in any way changed its privacy policies or procedures. This legislation does not exempt an institution from an initial privacy notice, nor does it allow a loophole for an institution to avoid using an updated notice.

The language is not controversial; it does not jeopardize consumer privacy; and it does not exempt any institution from having to produce an initial or an amended privacy notice. This legislation does eliminate millions of costly, confusing, and often ignored mailings; and with the passage of this bill, information included in these mailings would likely become more significant to the consumer because it would come only when a change in the privacy notice policy is effected.

□ 1615

I would like to remind my colleagues that similar language passed the House by a voice vote in the 111th, 112th, and 113th Congresses.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. NEUGEBAUER. I yield an additional 1 minute to the gentleman.

Mr. LUETKEMEYER. In March of this year, this legislation passed the Committee on Financial Services by a voice vote of 57-0. This legislation is supported by a litany of trade associations representing banks and credit unions.

I want to thank the gentleman from California (Mr. SHERMAN), my good friend across the aisle, for his bipartisan work on this bill.

I ask my colleagues for their support.

Mr. CAPUANO. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding.

I thank the gentleman from Missouri (Mr. LUETKEMEYER) for his tireless work on this bill. This bill has passed virtually unanimously this House in the 111th, 112th, and 113th Congresses. Now it has passed our committee 57-0.

I want to commend Director Cordray of the Consumer Financial Protection Bureau for moving in the direction of this bill as far as they could, but now it is time to codify this important change. This will not only save money

for the small- and medium-sized institutions and the entire financial services industry; it is going to get the consumer to focus on changes that are important.

There is no better way to hide a tree than to put it in the forest, and there is no better way to trivialize and cause consumers to ignore important legally required notification than to deluge them with unnecessary, meaningless, and repetitive notifications.

This bill will make our system more efficient. It is not only consistent, I believe, with what the regulators would like to do; it has passed, overwhelmingly, every time Members of the House have had a chance to deal with it.

I commend the gentleman from Missouri (Mr. LUETKEMEYER).

Mr. NEUGEBAUER. Mr. Speaker, I don't have any other speakers, so I will reserve the balance of my time.

Mr. CAPUANO. Mr. Speaker, I would just like to add my voice to those who support this bill, another commonsense bill that hopefully won't take us three more Congresses to get our friends on the other side to actually take action on something that is relatively simple and straightforward. I personally throw out six or seven of these notifications every month, so I would assume that millions of people are doing the same.

I yield back the balance of my time.

Mr. NEUGEBAUER. Mr. Speaker, I just want to add my support as well to this bill. This is a commonsense bill. This bill passed 57-0 in our committee. It ends a lot of confusion. You get those privacy notices when you open those accounts, and then all of a sudden next year you get another one, and you are trying to figure out whether you should have gotten one, if you should read that. What we have found is that probably a lot of people aren't reading those. This is a very commonsense bill, and I encourage people to support that.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. NEUGEBAUER) that the House suspend the rules and pass the bill, H.R. 601.

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.

HELPING EXPAND LENDING PRACTICES IN RURAL COMMUNITIES ACT

Mr. NEUGEBAUER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1259) 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.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1259

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 gentleman from

Texas (Mr. NEUGEBAUER) and the gentleman from Massachusetts (Mr. CAPUANO) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. NEUGEBAUER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and add extraneous materials on this bill.

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

There was no objection.

Mr. NEUGEBAUER. Mr. Speaker, I yield 7 minutes to the gentleman from Kentucky (Mr. BARR), one of the primary authors of this bill.

Mr. BARR. Mr. Speaker, I thank the chairman of the Subcommittee on Financial Institutions and Consumer Credit for yielding and for his support of this legislation. I also want to thank my colleagues on both sides of the aisle who have joined together to support this bipartisan legislation that makes a small but sensible legislative correction to a regulatory policy that we have all heard from our constituents does not work as intended.

Mr. Speaker, I am pleased to have worked with the gentleman from Texas (Mr. HINOJOSA) to reintroduce H.R. 1259, the Helping Expand Lending Practices in Rural Communities Act, or HELP Rural Communities Act, in this Congress. This legislation has now cleared the Committee on Financial Services in two consecutive Congresses with overwhelming bipartisan support. Furthermore, this Chamber approved identical legislation just 11 months ago by voice vote under suspension of the rules.

Our Federalist system of limited government enshrines in the law the idea that State and local entities know their communities better than any centralized bureaucracy in Washington. The HELP Rural Communities Act reaffirms this commitment by addressing a bizarre situation resulting from the imposition of a one-size-fits-all government regulation that fails to consider the diversity of the cities, towns, and rural areas across America.

The genesis of this legislation was a conversation that I had with a constituent, a third generation banker in rural Bath County, Kentucky. This constituent, Thomas Richards, was bewildered to learn that the Consumer Financial Protection Bureau had designated Bath County, population 11,591—yes, that is the entire county—as nonrural. His family's bank had survived the Great Depression, the stagflation of the late 1970s and early 1980s, and the Great Recession of 2008; and yet his testimony, Thomas Richards' testimony, this third generation Kentucky community banker, was that his small community bank in rural Kentucky was being imperiled by an avalanche of red tape coming out of Washington bureaucracy. There are similar stories from rural communities across this country.

This nonrural designation matters because the Dodd-Frank Act acknowledges that rural areas may be underserved credit markets and so should be treated differently under financial regulations, thus an improper nonrural designation by the Bureau, such as Bath County, puts constraints on financial products, specifically responsibly underwritten balloon loans that a bank or credit union can offer in its community, reducing access to credit in rural America. Balloon loans are common throughout rural America because they offer flexibility to consumers whose incomes are often cyclical and dependent on commodities, while helping small community banks and credit unions mitigate interest rate risk.

H.R. 1259 fixes the problem by ensuring that rural areas are treated under the law as intended, by allowing entities that feel that they have been improperly designated to appeal that decision. Here is what the bill does:

H.R. 1259 creates a petition process in which individuals within a State could petition the Consumer Financial Protection Bureau to have that area redesignated and to have the Bureau reconsider its improper designation of “nonrural” for the area that is plainly rural. The legislation specifies a number of commonsense factors that the Bureau must consider when evaluating an application. Upon receiving an application, the Bureau is to provide for a 90-day public comment period, and then grant or deny such an application within an additional 90 days. Whatever the outcome, the Bureau shall publish in the Federal Register an explanation of the factors it relied on in making its determination. The bill allows appellants to identify the area that is improperly designated. We don't want to lock people into using counties or ill-fitting census tracts that don't accurately represent the boundaries of their communities.

I want to thank the gentleman from Texas (Mr. HINOJOSA) for his important contribution to this feature of the legislation. This element is important because county sizes and census definitions of statistical areas can vary significantly throughout the country, particularly in Western States.

Recognizing the issue with its designation process, on January 29, the Bureau proposed a rule to expand its formula to include census tracts in addition to county lines in its rural designation process. Unfortunately, this administrative correction that was prompted by this legislation is still inadequate because census tracts are only updated once every 10 years and were designed for demographic data collection, not regulatory purposes. The result is that the Bureau's formula may now consider most of a rural county primarily farmland or wilderness to be rural, but the small town that would be home to the actual community bank or credit union may remain nonrural.

I have already heard from Kentucky bankers in rural counties who would

not be covered by this expanded designation. There are plenty of similar examples throughout the country of the Bureau oddly designating manifestly rural areas as “nonrural.” Furthermore, the Bureau still has not implemented an appeals process for improperly designated communities.

Mr. Speaker, in summary, this legislation is about inviting individuals—the American people—to participate in their government and provide input on matters of local knowledge. It is about making the Federal Government more accessible, more accountable, and more responsive to the people who know their local communities best.

I am pleased that this legislation enjoys bipartisan support and, again, want to thank Representative HINOJOSA for joining me as a cosponsor of this legislation. I want to thank Chairman NEUGEBAUER for his cosponsorship and stewardship of the legislation in committee, as well as my friend Congressman FRENCH HILL for joining as a cosponsor.

This legislation is endorsed by a broad coalition, including the U.S. Chamber of Commerce, the Conference of State Bank Supervisors, the National Association of Realtors, the American Bankers Association, the Independent Community Bankers of America, the Credit Union National Association, and the National Association of Federal Credit Unions.

This is a commonsense and narrowly focused bill to address a real problem imposed by Washington on rural America. I appreciate the opportunity to present it here today, and I urge my colleagues to support this simple, bipartisan reform.

Mr. CAPUANO. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HINOJOSA), my friend.

Mr. HINOJOSA. I want to thank Congressman MIKE CAPUANO for yielding time to me on this important bill.

Mr. Speaker, I rise today in support of H.R. 1259, the Helping Expand Lending Practices in Rural Communities Act. This commonsense legislation would provide much-needed relief to rural Americans not just in my district, but in districts all over the country.

I especially would like to thank my esteemed colleague from Kentucky, Representative ANDY BARR, for introducing this very important piece of legislation once again. I fully agree with Congressman BARR's examples which he gave affecting his district and all of the State of Kentucky because in the great State of Texas, we have examples that will mirror those that you gave us.

All across my district—and I represent approximately 80 communities in my congressional district that expands 250 miles geographically—many rural communities are having trouble getting access to credit, while credit unions and small banks are also finding it difficult to service their members and clients.

The designation of a county as rural has many implications for lenders in those areas, especially with regard to the credit products that they can offer. For example, under the new qualified mortgage rules, balloon mortgage payments, which are a common credit product offered in rural communities, would expose small creditors to increased legal liability. Because of this, the Consumer Financial Protection Bureau established a safe harbor to allow for small creditors in counties as I have described designated as rural to continue offering this financial product which serves so many of the people in those areas; but if not designated as rural, many of those communities I have mentioned will not qualify for the safe harbor exemption.

That is why we are here today, trying to fix something that needs to be fixed in terms of home mortgage lending. This bill gives those who do business in rural communities all over the country the ability to petition the CFPB to reverse an improper designation of nonrural for a county that is clearly rural. It will give lenders in many areas throughout my district the flexibility they need to offer the credit products that their members depend on, while still keeping in place the very important consumer protections established under the new QM rules.

I would like to once again thank Representative BARR for his outstanding work on this bill and in our committee. It has been wonderful collaborating with him to bring the concerns of rural communities to the forefront.

I respectfully request that my colleagues on both sides of the aisle vote “yes” on passage of H.R. 1259.

Mr. NEUGEBAUER. Mr. Speaker, I don't have any other speakers at this time, so I will reserve the balance of my time.

□ 1630

Mr. CAPUANO. Mr. Speaker, we have no further speakers on this bill.

I would like to add my voice to supporting this bill as well.

I will tell you unequivocally, my definition of rural is whatever ANDY BARR and RUBÉN HINOJOSA say it is. 11,591 people in a county? I have that on a street; I have that in a building. I will tell you that I understand full well that there are underserved communities in rural areas, as there are even in some of the most urban areas in the country.

I thank the gentleman for this bill.

I will tell you that my definition of rural is anyplace that would take me more than 15 minutes to drive to some good Italian food. If you can't do that, it must be rural.

I am glad that this bill is about to pass, and I thank the gentleman for offering it.

I yield back the balance of my time.

Mr. NEUGEBAUER. Mr. Speaker, I just want to close by saying I appreciate Mr. BARR's and Mr. HINOJOSA's work on this very important issue.

One of the reasons we are here and bringing these bills today is because we have had a tremendous reduction in the number of community-based financial institutions that serve rural America. In the last 4 or 5 years, we have lost over a thousand community banks and we have lost over a thousand credit unions. That is a real problem for our smaller communities. One of the things that this bill helps to do is that in many communities there is one bank, there is one financial institution, and without the ability to have flexibility to make these kinds of mortgages, in many cases there would not be mortgages available in those communities. This is a commonsense bill. It passed 56-2 out of our committee. I would urge my colleagues to support this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. NEUGEBAUER) that the House suspend the rules and pass the bill, H.R. 1259.

The question was taken.

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

Mr. NEUGEBAUER. Mr. 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 question will be postponed.

BUREAU ADVISORY COMMISSION TRANSPARENCY ACT

Mr. NEUGEBAUER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1265) to apply the requirements of the Federal Advisory Committee Act to the Bureau of Consumer Financial Protection.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1265

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 “Bureau Advisory Commission Transparency Act”.

SEC. 2. APPLICATION OF FACA.

Section 1013 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5493) is amended by adding at the end the following:

“(h) APPLICATION OF FACA.—Notwithstanding any provision of the Federal Advisory Committee Act (5 U.S.C. App.), such Act shall apply to each advisory committee of the Bureau and each subcommittee of such an advisory committee.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. NEUGEBAUER) and the gentleman from Massachusetts (Mr. CAPUANO) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. NEUGEBAUER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within