

yielding and for her leadership on this committee and in so many other areas.

Mr. Speaker, I rise today in support of H.R. 432, the SBIC Advisers Relief Act. And I am pleased to be an original sponsor of this bill along with my colleague, the gentleman from Missouri (Mr. LUETKEMEYER), a tremendous leader on the Financial Services Committee not only on this bill, but in so many other areas.

The SBIC Advisers Relief Act fixes a truly unintended consequence of Dodd-Frank. Under Dodd-Frank, an investment adviser that only advises a venture capital fund is exempt from SEC registration.

Likewise, an investment adviser that only advises Small Business Investment Companies, or SBICs, is also exempt. But an investment adviser that advises both a venture capital fund and an SBIC is not exempt for some reason.

This makes no sense, and it provides no additional protections for investors. Moreover, it discourages investment advisers who may have experience advising successful venture capital funds that have invested in larger, more mature enterprises from bringing their expertise to SBICs who want to invest in similar startups. This ultimately restricts small businesses' access to much-needed investment capital.

Our bill fixes this problem by clarifying that investment advisers that advise both venture funds and SBICs are also exempt from SEC registration.

This fix does not pose any investor protection concerns because SBICs are already subject to strict oversight by the Small Business Administration, which supports SBICs by providing a guarantee on funds used by SBICs to invest in other small businesses.

The SBIC program has a long history of success and has provided early-stage financing for companies that have since grown to become worldwide icons, such as Apple, Intel, and Staples.

This bill is identical to a bill that passed the House by voice vote last Congress, and it passed unanimously in the Financial Services Committee earlier this year. I, therefore, urge my colleagues to support H.R. 432.

Mr. LUETKEMEYER. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HILL), who is a member of the Financial Services Committee.

Mr. HILL. I thank Chairman LUETKEMEYER.

Mr. Speaker, I rise today in support of H.R. 432, the SBIC Advisers Relief Act. This commonsense bill eliminates costly, confusing, and duplicative regulations by State and Federal governments on Small Business Investment Companies, SBICs, like Diamond State Ventures and McLarty Capital Partners in Little Rock, Arkansas, by correcting the unintended consequence of drafting in the Dodd-Frank Act.

Diamond State, which was named SBIC of the year in 2011 by the Small Business Administration, has made over 18 investments in small businesses

in my State, employing over 2,300 Arkansans and investing over \$40 million in Arkansas businesses.

SBICs are already heavily regulated by the SBA and provide significant, long-term investments in small businesses across the USA.

While Dodd-Frank exempted advisers that solely advise SBIC funds from registering with the SEC, it was silent on the concept of State regulation of Federally licensed SBIC funds, creating confusion and requiring this action today. It is going to save money, legal fees, accounting fees, and make our SBICs much more cost-effective.

With that, I thank Chairman LUETKEMEYER and our colleagues for their work on this issue and urge my colleagues to support the bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I have no additional speakers.

I yield back the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I just want to thank the gentlewoman from New York (Mrs. CAROLYN B. MALONEY) for her hard work in helping cosponsor this bill, Ranking Member WATERS, as well as the gentleman from Arkansas (Mr. HILL) and the gentleman from New Jersey (Mr. GARRETT) for their support and kind words. I ask for support for H.R. 432.

I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN of Tennessee). The question is on the motion offered by the gentleman from Missouri (Mr. LUETKEMEYER) that the House suspend the rules and pass the bill, H.R. 432.

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.

HOLDING COMPANY REGISTRATION THRESHOLD EQUALIZATION ACT OF 2015

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1334) to amend the Securities Exchange Act of 1934 to make the shareholder threshold for registration of savings and loan holding companies the same as for bank holding companies.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1334

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 "Holding Company Registration Threshold Equalization Act of 2015".

SEC. 2. REGISTRATION THRESHOLD FOR SAVINGS AND LOAN HOLDING COMPANIES.

The Securities Exchange Act of 1934 (16 U.S.C. 78a et seq.) is amended—

(1) in section 12(g)—

(A) in paragraph (1)(B), by inserting after "is a bank" the following: " , a savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act);"; and

(B) in paragraph (4), by inserting after "case of a bank" the following: " , a savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act);"; and

(2) in section 15(d), by striking "case of a bank" and inserting the following: "case of a bank, a savings and loan holding company (as defined in section 10 of the Home Owners' Loan Act).";

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. HURT) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

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

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

There was no objection.

Mr. HURT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1334, the Holding Company Registration Threshold Equalization Act.

I would like to thank Representatives WOMACK, HIMES, WAGNER, and DELANEY for their bipartisan work to achieve a unanimous vote in the Financial Services Committee.

H.R. 1334 provides a technical correction to the JOBS Act in the truest sense of the term. The JOBS Act updated the shareholder threshold for bank holding companies to register and deregister under the Securities Exchange Act to 2,000 shareholders and 1,200 shareholders respectively.

However, due to a technical oversight, the statute did not specifically extend the same treatment to savings and loan holding companies, despite their being similarly organized to bank holding companies.

Since the enactment of the JOBS Act, dozens of bank holding companies have taken advantage of these provisions while savings and loan holding companies have been forced to wait for action from Congress to correct the error.

By putting savings and loan holding companies on par with banks, H.R. 1334 provides these institutions the same flexibility as banks to reduce their SEC-related compliance costs and better deploy capital throughout their communities. H.R. 1334 is identical to legislation that received 417 votes in the House last Congress.

I ask my colleagues to join me in supporting this commonsense, bipartisan legislation.

I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is my understanding that this bill addresses an oversight in the JOBS Act that established new,

higher thresholds for registration, termination of registration, and suspension of public reporting for banks and bank holding companies, but not for savings and loan companies.

In the JOBS Act, we recognized that banks and bank holding companies were inadvertently becoming public companies by virtue of their securities being distributed to a larger number of shareholders than permitted under the securities laws, even though these institutions were largely held within their own communities.

Accordingly, we provided banks and bank holding companies with regulatory relief by raising the thresholds that trigger public company reporting.

H.R. 1334 would extend this relief to savings and loan companies which, like banks and bank holding companies, are still subject to mandatory public reporting requirements by the banking regulators; so information will continue to be available to shareholders and the public.

Last Congress, we passed this non-controversial bill out of committee and on the House floor. Since that time, the Securities and Exchange Commission has, under its own authority, proposed to extend the JOBS Act provision to savings and loan companies.

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The SEC estimates that approximately 90 of the 125 savings and loan holding companies that have a class of registered securities would be eligible to terminate registration or suspend reporting under its proposal.

I am pleased to support this bill, which will extend the benefits we provide in the JOBS Act to those 90 companies that represent an additional class of community banks.

Mr. Speaker, I reserve the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. WOMACK).

Mr. WOMACK. Mr. Speaker, I thank the manager of this legislation for the time. I would like to also thank Chairman HENSARLING and the entire Financial Services Committee for, yet again, ensuring that this bill, the Holding Company Registration Threshold Equalization Act, is put in front of the full House and sent on to the Senate.

I would also like to express my gratitude to my colleagues on both sides of the aisle, Representative HIMES, Representative WAGNER, and Representative DELANEY, for their continued efforts to codify this necessary JOBS Act clarification.

Mr. Speaker, this is the third time that I have come to the floor to speak on this truly bipartisan bill, and it is unfortunate that we are still without a successful resolution to the problem because we can all agree that small community banks and savings and loan holding companies were not the cause of the financial crisis. They shouldn't be treated as if they were.

That is exactly why the House and Senate eliminated some of the unnecessary burdens placed on our small lenders by passing the JOBS Act in the 112th Congress. However, the JOBS Act, which raised the registration threshold and decreased deregistration threshold for bank holding companies, unfortunately didn't explicitly do so for savings and loan holding companies as well. Mr. Speaker, this was an oversight.

Thanks to the oversight, savings and loan holding companies are still having to spend their resources to comply with regulations intended for larger banks, instead of sharing the same ability bank and bank holding companies have been granted to focus on serving the lending needs of their communities.

A cosponsor of the JOBS Act, I can say with absolute certainty that excluding savings and loan holding companies was not our intent. H.R. 1334 would correct this oversight and would simply ensure that savings and loan holding companies are treated in the same manner as bank and bank holding companies, something my colleagues confidently affirmed when this bill passed in the 113th Congress 417-4.

Mr. Speaker, they say the third time is the charm. I am hopeful that, with the Senate's newfound leadership, we will finally get this bill where it needs to be, on the President's desk.

I urge my colleagues to help me get it there by supporting the passage of H.R. 1334.

Ms. MAXINE WATERS of California. Mr. Speaker, I am very pleased to stand here with my colleagues on both sides of the aisle today to support so many pieces of legislation that have come out of the Financial Services Committee.

I have always said with Dodd-Frank, where there were technical problems or oversights or unintended consequences, that I would work with my colleagues on the opposite side of the aisle, and much of what you see here today, that is what we have done.

Just as there may have been some unintended consequences in Dodd-Frank, we find that with the JOBS Act, there were unintended consequences; and certainly, I stand with them in correcting those. It could happen in any legislation; we know that. This is an example of that. I am very, very pleased to support this legislation today.

I reserve the balance of my time at this moment.

Mr. HURT of Virginia. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. GARRETT), the chairman of the Capital Markets Subcommittee.

Mr. GARRETT. Mr. Speaker, I thank the gentleman for his work on this. I also thank Mr. WOMACK and Mr. HIMES of Connecticut for all of their work on H.R. 1334.

I am thankful for the great bipartisan message that we just heard from

the ranking member as well on the JOBS Act, and I will look forward to working with her even more for those technical corrections on the Dodd-Frank piece of legislation. I am looking forward to doing that going forward.

As she says, there is little doubt that the JOBS Act did have a positive impact upon our economy, as evidenced by the boost in initial public offerings since 2012 and the number of companies, both public and private, that are taking advantage of some of the law's provisions right now.

Title VI of the JOBS Act included an important provision that the gentleman talked about, that increased the outdated shareholder thresholds that determined just when banks and bank holding companies have to register with the SEC.

These thresholds, by the way, they have been around for a long time. They haven't been changed for over four decades. What they were doing is they were basically forcing the smaller companies, the small banks, to register as full reporting companies with the SEC, and that is really a very costly burden on them. It is very often the case that it is inappropriate for small lenders who are already regulated and examined by a series of bank regulators.

As the gentleman points out, we had a slight oversight in the drafting of the JOBS Act. The SEC, at first, they did not include savings and loans companies under the updated threshold; and this made no sense, particularly when considering that S&Ls perform largely the same functions as banks and are overseen by the same regulators.

With few exceptions, S&Ls tend to be generally small institutions that serve the local communities. This registration with the SEC would have had the ultimate effect of raising the cost of lending to families and small businesses.

This would be the exact opposite of what the JOBS Act intended. The underlying legislation would make a technical correction to the JOBS Act. It would ensure that the S&Ls are able to take advantage of the new provisions of the law.

One final point, while the SEC, last December, proposed to include S&Ls under the new thresholds, a regulation that can be taken away at any moment is no substitute for what we have here, statutory text. Congress has a clear role here to step in and fix the issue.

Again, I thank Mr. WOMACK and Mr. HIMES for their work in fixing that issue; and I urge passage of the underlying legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I have no additional speakers.

I yield back the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I want to thank the chairman of the Subcommittee on Capital Markets for his leadership on this. I want to thank the ranking member for her spirit of

bipartisan cooperation in fixing this part of the JOBS Act.

In conclusion, it is my hope that this House will pass this good, commonsense measure.

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

Mr. CARTER of Georgia. Mr. Speaker, I rise today in support of H.R. 1334, the Holding Company Registration Threshold Equalization Act of 2015.

In 2012, Congress raised the threshold number of shareholders a bank can have before they must register with Securities and Exchange Commission from 500 to 2,000.

At the same time, Congress raised the threshold for bank shareholders from 300 to 1,200 before a bank could deregister for the Securities and Exchange Commission and convert to a private bank.

However, due to a drafting oversight, these raised thresholds currently do not apply to savings and loan institutions.

These institutions are vital for the continued development and growth of our economy.

For a large segment of American homeowners, savings and loan institutions are the primary source of financial assistance for purchasing a home.

Some would say that the structure in which these companies are built is the same structure that our country was built. They are generally locally owned and privately managed; and communities use these businesses as a savings institution and use these funds to help other individuals in the community construct, purchase, repair, or refinance their home.

With a locally owned, community driven foundation, it is wrong to subject these businesses to the same level of oversight and regulation as a large bank without affording them the same registration and deregistration thresholds.

I support this bill because I believe Congress must use every effort to build up the American people on a local level. We are not going to grow our economy from Washington, D.C., but we can create an environment on a state and local level that empowers Americans to grow themselves.

I would like to thank my colleague from Arkansas, Mr. WOMACK, for his hard work on this issue and I urge my colleagues to support this bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HURT) that the House suspend the rules and pass the bill, H.R. 1334.

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.

SMALL COMPANY SIMPLE REGISTRATION ACT OF 2015

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1723) to direct the Securities and Exchange Commission to revise Form S-1 so as to permit smaller reporting companies to use forward incorporation by reference for such form.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1723

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 “Small Company Simple Registration Act of 2015”.

SEC. 2. FORWARD INCORPORATION BY REFERENCE FOR FORM S-1.

Not later than 45 days after the date of the enactment of this Act, the Securities and Exchange Commission shall revise Form S-1 so as to permit a smaller reporting company (as defined in section 230.405 of title 17, Code of Federal Regulations) to incorporate by reference in a registration statement filed on such form any documents that such company files with the Commission after the effective date of such registration statement.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. HURT) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

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

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

There was no objection.

Mr. HURT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1723, the Small Company Simple Registration Act. I would like to thank Representative WAGNER and Representative SEWELL for their efforts to successfully move this legislation through the Financial Services Committee on a unanimous, bipartisan vote.

H.R. 1723 simplifies the registration process by amending the SEC’s form S-1 registration statement, the basic registration form for new securities offerings, to allow smaller reporting companies to incorporate by reference any documents filed with the SEC after the effective date of the form S-1.

This forward incorporation by reference eliminates the need for filing excessive paperwork with each subsequent filing, thereby lowering compliance costs associated with filing redundant paperwork. Streamlining this requirement allows eligible companies to direct more resources to growing their business.

H.R. 1723 is consistent with the recommendations of the SEC’s Government-Business Forum on Small Business Capital Formation final report and has been endorsed by several witnesses before the Capital Markets Subcommittee.

For example, Tom Quaadman of the United States Chamber of Commerce testified that, by enacting H.R. 1723, smaller companies can use forward incorporation as a way to streamline disclosures and get the information to investors without repetitive disclosures.

He went on to say that the explosion of disclosures for smaller companies isn’t providing material information to investors.

Additionally, Professor John Coffee with Columbia University Law School previously testified that, for some time, the SEC’s Government-Business Forum on Small Business Capital Formation has called for changes to permit smaller reporting companies that have filed a form S-1 to incorporate, by reference, documents filed with the SEC. I believe this one does have real efficiency justifications and could help smaller issuers.

H.R. 1723 is a commonsense update to our securities laws that will more appropriately tailor their requirement for smaller companies. I ask my colleagues to join me in supporting H.R. 1723.

I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1723, the Small Company Simple Registration Act of 2015 is a commonsense provision to help smaller companies avoid having to obtain an audit related to a filing that is itself already audited. The bill would no longer require a company to amend its registration statement when it issues a quarterly or annual filing.

Although one witness noted the concern that all information would no longer be reflected in a single document, she recommended that the SEC’s public filing system be improved and that the issuer be required to post the registration statement on its Web site, complete with hyperlinks to the documents that are incorporated by reference. This seems like a reasonable approach. I believe that the SEC can do both and likely would if H.R. 1723 is passed.

This one change has the potential to help companies save \$10,000, and with all SEC filings able to be quickly found online, it does not diminish investor protections in any way.

Last Congress, this provision was unfortunately attached to a larger bill that did not make a lot of sense. I am glad to see it has now been offered on its own, as I think it now has a much better likelihood of moving to the President’s desk. I certainly support the adoption of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. WAGNER), who is the author of this bill.

Mrs. WAGNER. Mr. Speaker, I thank my colleague, Mr. HURT, for yielding.

I am glad that the House is taking up H.R. 1723, the Small Company Simple Registration Act, which will take a much-needed step in helping remove financial barriers and make it more efficient for small businesses to go public.

This bipartisan legislation, which I have sponsored with Ms. TERRI SEWELL from Alabama and which was approved by the House Financial Services Committee on a completely unanimous