I do want to thank the chairman for his patience in getting this over the line. Hopefully, the Senate will see it our way this time.

I also want to thank the ranking member, Ms. WATERS, for her diligence in working to get this legislation to the floor and, of course, my friend from Ohio (Mr. STIVERS), for working with me on this bill. All of them have been tremendous partners.

A long, long, long, long time ago, Mr. STIVERS shook my hand and said that he would continue to work with me until we got this legislation right, and he made good on his word.

I also want to thank my friends on the Agriculture Committee, the gentlewoman from Ohio (Ms. FUDGE) and the gentleman from New York (Mr. GIBSON). I credit all of these colleagues with helping this bill pass the Financial Services Committee 57–0, and the Agriculture Committee by voice vote.

We have a bill that sort of works for everyone: business, consumer groups, and regulators.

These central treasury units, Mr. Speaker, are financial affiliates of commercial companies. They are, indeed, the corporate best practices because they permit efficient aggregation of the risk of a corporate entity and provide for a single point of contact between the company and financial counterparties.

This legislation appropriately treats central treasury units like other inter-affiliate transactions in the aggregation and monitoring of risk in businesses, which is exactly what the end user exemption in Dodd-Frank always intended.

For example, if you are a company, you have many inputs and outputs that require you to hedge, like wheat in beer-making or aluminum cans in beer-making, and you need to make sure that you hedge and lock in the price before production.

This bill permits the CTU to transact hedging transactions under the Dodd-Frank end user exemption as principal and as an agent, which is the logic that the CFTC agrees with. The legislation enshrines that logic into statute with appropriate flexibility for the regulator and companies.

So I urge all my colleagues to support H.R. 1317. We need to get this legislation across the finish line to the President's desk because our end users need this in order to conduct business.

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

Mr. HENSARLING. Mr. Speaker, I yield as much time as he may consume to the gentleman from Georgia (Mr. AUSTIN SCOTT), an outstanding member of the Agriculture committee.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, I rise today in support of H.R. 1317. This bill makes targeted reforms that narrowly expand end user clearing relief to preserve the ability of end users to utilize necessary risk management tools in line with congressional intent.

This House most recently passed similar language as part of the Agriculture Committee's comprehensive reauthorization of the CFTC. Today's suspension is another step forward in a bipartisan effort to protect end users from the unintended regulatory consequences that have begun to occur.

The derivatives market provides an efficient place for commercial end users to manage and hedge the diverse risks associated with the day-to-day operations of the businesses in this country. These essential risk-management practices allow businesses like our agricultural producers or utility companies to protect themselves against unfavorable market fluctuations and to invest their resources to grow and create jobs.

As someone who has a degree in risk management, I can't stress enough that effective policy in the derivative space must take into account these efficient and proven business strategies. That is why Congress clearly sought to exempt the end users from the law's costly and burdensome clearing requirements in the drafting of the Dodd-Frank legislation.

Unfortunately, despite these efforts, current law does not adequately take into account the common risk-management practices of many companies who utilize separate legal entities known as centralized treasury units, or CTUs, to hedge the risk of their end user affiliates.

CTUs are used by a variety of businesses to centralize the hedging activities of multiple affiliates into a single market-facing entity. While a CTU is appropriately classified as a ''financial entity,'' the transaction it enters into to hedge the commercial market risk of the end user affiliates should also be exempted from the clearing requirement as if the end user affiliate had hedged those risks itself.

This allows firms to use CTUs to consolidate and reduce enterprisewide risk, as well as to centralize hedging expertise. While current law provides clearing exemptions for CTUs that act as an ''agent'' for affiliates, the exemption does not currently extend to CTUs that practice as a ''principal'' to the trades which manage the end user risks of commercial affiliates.

As most CTUS act as principals to the transactions hedging the risks of end user affiliates, this glitch in the law effectively prohibits commercial end users who utilize CTUs from accessing the end user clearing exception.

□ 2000

H.R. 1317 makes targeted but important statutory changes to clarify that the law's essential end user clearing exception remains available for all end users, regardless of their corporate structure.

As policymakers, it is our responsibility to ensure that regulation does not pose an unnecessary detriment to legitimate business practices. H.R. 1317 is an opportunity for us to resolve one of those issues today. This bill provides needed reforms to ensure our regulatory framework protects the integrity of our markets while allowing end user access to the tools needed to conduct their businesses.

A large bipartisan group of Members from all points of the ideological spectrum have worked diligently to produce this legislation which passed unanimously out of both the House Financial Services and the Agriculture Committees.

Mr. Speaker, I would like to close by thanking each of them, and specifically Representatives MOORE, STIVERS, FUDGE, and GIBSON, for their hard work. I urge my colleagues to join me in supporting H.R. 1317.

Mr. HENSARLING. Mr. Speaker, I have no further speakers, but I just wish to urge all of my colleagues to support, again, a very bipartisan and very commonsense bill. This relief is needed for end users for proper risk management. It will indeed help these companies with economic growth.

Again, Mr. Speaker, I urge all of my colleagues to support the legislation.

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. HENSARLING) that the House suspend the rules and pass the bill, H.R. 1317, 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.

EQUITY IN GOVERNMENT COMPENSATION ACT OF 2015

Mr. HENSARLING. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2036) to suspend the current compensation packages for the chief executive officers of Fannie Mae and Freddie Mac, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

S. 2036

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 ''Equity in Government Compensation Act of 2015''.

SEC. 2. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term ''Director'' means the Director of the Federal Housing Finance Agency.

(2) ENTERPRISE.—The term ''enterprise'' means—

(A) the Federal National Mortgage Association and any affiliate thereof; and

(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof.

SEC. 3. REASONABLE PAY FOR CHIEF EXECUTIVE OFFICERS.

(a) SUSPENSION OF CURRENT COMPENSATION PACKAGE AND LIMITATION.—The Director shall suspend the compensation packages approved for 2015 for the chief executive officers of each enterprise and, in lieu of such

packages, subject to the limitation under subsection (b), establish the compensation and benefits for each such chief executive officer at the same level in effect for such officer as of January 1, 2015, and such compensation and benefits may not thereafter be increased.

(b) LIMITATION ON BONUSES.—Subsection (a) shall not be construed to affect the applicability of section 16 of the STOCK Act (12 U.S.C. 4518a) to the chief executive officer of each enterprise.

(c) APPLICABILITY.—Subsection (a) shall only apply to a chief executive officer of an enterprise if the enterprise is in conservatorship or receivership pursuant to section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617).

SEC. 4. FANNIE AND FREDDIE CHIEF EXECUTIVE OFFICERS NOT FEDERAL EMPLOYEES.

Any chief executive officer affected by any provision under section 3 shall not be considered a Federal employee.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. HENSARLING) and the gentlewoman from Wisconsin (Ms. MOORE) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill.

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

There was no objection.

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

Mr. Speaker, I rise in support of S. 2036, the Equity in Government Compensation Act. I would like to thank the gentleman from California (Mr. ROYCE) for his diligent work to craft the language which is the basis for this bill.

Mr. Speaker, S. 2036 will simply reinstate the limits on the salaries of the CEOs at the government-sponsored enterprises Fannie Mae and Freddie Mac that were eliminated earlier this year.

Since entering a Federal conservatorship in September of 2008, Fannie Mae and Freddie Mac have received nearly $187.5 billion in taxpayer money making the GSE conservatorship by far the costliest of all taxpayer bailouts due to the financial crisis.

This is not the first time there has been public outcry over the compensation of Fannie Mae's and Freddie Mac's CEOs during their conservatorship. Following several years of substantial salaries and bonuses, congressional and public concern caused then-FHFA Director Ed DeMarco to cap the compensation for the GSE's chief executives at $600,000. Earlier this year, now-FHFA Director Mel Watt repealed those salary caps allowing the GSEs to raise their CEO pay to as much as the 25th percentile of comparable companies. This ultimately allowed both GSEs to increase their CEO pay from the previous cap of $600,000 to $4 million annually, all at the expense of the American taxpayer who is still backing these institutions.

Director Watt's decision to eliminate the salary caps has provoked disapproval not only from Members of Congress but the administration as well. Notably, both the Treasury Department and the White House opposed FHFA's decision to raise the GSE's CEO pay. Treasury recommended that ''existing limits on compensation continue given the taxpayers' ongoing backstop of both enterprises.''

Additionally, White House Press Secretary Josh Earnest expressed the White House's opposition, adding that ''the reason that these entities are different than some of the financial entities that you see in the private sector is they benefit significantly from a backstop that is provided by the taxpayers. And because of that taxpayer assistance, I think it is entirely legitimate for the executives of those institutions to be subject to compensation limits.''

While some claim that the GSEs should be able to pay salaries commensurate with the private sector, these arguments failed to consider that the GSEs have yet to repay their debt to the U.S. taxpayers for their unprecedented bailouts. The 2015 New York Federal Reserve Bank Staff Report stated that taxpayers are entitled to ''a substantial risk premium,'' and the government has never collected the commitment fee taxpayers are owed.

Treasury Secretary Jack Lew concurred in his June 17, 2015, testimony before the Financial Services Committee, which I chair, that ''the risk is being borne by taxpayers on an ongoing basis, and the conservatorship is not over.''

Mr. Speaker, while Congress continues to debate the best framework for comprehensive housing finance reform, enactment of S. 2036 is a positive step forward based on a simple principle: What people do with their money is their business; what they do with taxpayer money is our business.

Mr. Speaker, I ask that my colleagues join me in supporting S. 2036.

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

CONGRESS OF THE UNITED STATES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC, November 16, 2015.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services.

DEAR MR. CHAIRMAN: I write concerning H.R. 2243, the Equity in Government Compensation Act of 2015. As you know, the Committee on Financial Services received an original referral and the Committee on Oversight and Government Reform a secondary referral when the bill was introduced on May 8, 2015. I recognize and appreciate your desire to bring this legislation before the House of Representatives in an expeditious manner, and accordingly, the Committee on Oversight and Government Reform will forego action on the bill.

The Committee takes this action with our mutual understanding that by foregoing consideration of H.R. 2243 at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation. Further, I request your support for the appointment of conferees from the Committee on Oversight and Government Reform during any House-Senate conference convened on this or related legislation.

As you know, I introduced H.R. 1577, the Fannie Mae and Freddie Mac Transparency Act of 2015, which makes those entities subject to the Freedom of Information Act when in conservatorship or receivership. The bill shares the same goal as H.R. 2243 in that it aims to ensure accountability, transparency and fairness within our Government-sponsored enterprises. The Committee appreciates your willingness to examine my bill and work towards its consideration by the full House.

I would ask that a copy of our exchange of letters on H.R. 2243 be included in the bill report filed by the Committee on Financial Services, as well as in the Congressional Record during floor consideration, to memorialize our understanding.

Sincerely,

JASON CHAFFETZ,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, November 16, 2015.

Hon. JASON CHAFFETZ,
Chair, Committee on Oversight and Government Reform.

DEAR CHAIRMAN CHAFFETZ: Thank you for your November 16th letter regarding H.R. 2243, the ''Equity in Government Compensation Act of 2015.''

I am most appreciative of your decision to forego action on H.R. 2243 so that it may move expeditiously to the House floor. I acknowledge that although you are waiving action on the bill, the Committee on Oversight and Government Reform is in no way waiving its jurisdictional interest in this or similar legislation. In addition, if a conference is necessary on this legislation, I will support any request that your committee be represented therein.

Finally, I shall be pleased to review H.R. 1577, the ''Fannie Mae and Freddie Mac Transparency Act of 2015,'' for potential action by the Financial Services Committee. I will also include your letter and this letter in the Committee's report on H.R. 2243 and in the Congressional Record during floor consideration of the same.

Sincerely,

JEB HENSARLING,
Chair, Committee on Financial Services.

Ms. MOORE. Mr. Speaker, we understand that FHFA Director Watt is doing everything in his power to conserve the assets of the GSEs. However, I agree with the chairman, Mr. HENSARLING, that we disagree that the CEOs of these two companies in conservatorship, whose operations are controlled by their regulator, should be paid multimillion-dollar compensation packages.

The Treasury, which is the GSE's largest shareholder, opposes these proposed pay packages for the GSE CEOs, and so do we. So, Mr. Speaker, I therefore support S. 2036 and would urge my colleagues to support this legislation.

Mr. Speaker, I have no other speakers.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr.

HILL), a very hardworking member of the Financial Services Committee.

Mr. HILL. I thank the chairman and appreciate his work on bringing this important bill to the floor, and I thank my friend, Chairman ROYCE, from California, for sponsoring the House version of this measure, H.R. 2243, and I stand in full support with the Senate version tonight, S. 2036.

Mr. Speaker, since being placed in voluntary conservatorship, the Federal Housing Finance Agency, in my judgment, has really abdicated their responsibility with the Treasury in acting truly as a conservator. Fannie Mae and Freddie Mac have received almost $200 billion in government assistance, by far our costliest taxpayer bailout resulting from the financial crisis.

This is also not the first time that the GSEs, the government-sponsored enterprises, were placed in conservatorship and that the FHFA has been scrutinized for awarding increased pay to the CEOs. That has been previously discussed in detail here. And largely in response to that criticism of FHFA's failure to properly administer these entities in conservatorship, the GSE's CEO compensation was capped in 2012 at $600,000. Now, miraculously, they are being approved for millions in pay increases despite the fact that these entities are still, Mr. Speaker, in conservatorship.

It is for that reason, Mr. Speaker, on July 30 that I wrote Mel Watt, the Director of the Federal Housing Finance Agency, and awarded him my monthly Golden Fleece Award for poor stewardship of taxpayer resources. I include my letter to Mr. Watt in the RECORD.

JULY 30, 2015.

Hon. MEL WATT,
Director, Federal Housing Finance Agency, Washington, DC.

DEAR DIRECTOR WATT: I write today to inform you of my recent Golden Fleece Award to the Federal Housing Finance Agency (FHFA) for its approval of approximately $4 million in raises for each of the CEOs of the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.

Since being placed in voluntary conservatorship by FHFA in 2008, Fannie Mae and Freddie Mac have received almost $200 billion in government assistance, by far the costliest taxpayer bailout resulting from the financial crisis. This is also not the first time since the GSEs were placed in conservatorship that FHFA has been scrutinized for awarding increased pay to their CEOs. In 2009, FHFA approved $42 million in pay packages to the GSEs' top 12 executives. In 2011, FHFA approved $12.79 million in bonus pay for some of the top executives at Fannie and Freddie. Largely in response to this criticism, the GSEs' CEO compensation was capped in 2012 at $600,000.

Both the U.S. Treasury Department and the White House have also opposed FHFA's decision to raise Fannie and Freddie CEOs' salaries. Specifically, Treasury recommended that ''existing limits on compensation continue given the taxpayers' ongoing backstop of both enterprises,'' while White House Press Secretary Josh Earnest stated that ''the reason that these entities are different than some of the financial entities that you see in the private sector is they benefit significantly from a backstop that's provided by that taxpayers. And because of that taxpayer assistance, I think it is entirely legitimate for the executives of those institutions to be subject to compensation limits.'' Additionally, Treasury Secretary Jack Lew stated in his June 17, 2015 testimony before the House Financial Services Committee that ''the risk is being borne by taxpayers on an ongoing basis and the conservatorship is not over.'' Despite this opposition, FHFA has once again raised these salaries to $4 million.

While the recovery of the housing market has helped Fannie and Freddie repay the federal government, and I fully support the private sector compensating its executives as it sees fit, Fannie and Freddie still have taxpayer backing, are not private companies, and should not be compensated as such.

While Congress still must work to enact necessary reforms to our GSEs, FHFA must be accountable and responsible for ensuring the protection of our hardworking taxpayers' dollars. I am committed to eradicating this type of inefficient and ineffective policy and regulation by our federal agencies, and today's Golden Fleece highlights the clear lack of judgement by FHFA in approving these raises. I invite your immediate attention to this issue, and please keep me apprised of your efforts at improvement.

Sincerely,

FRENCH HILL,
Member of Congress.

Mr. HILL. Treasury Secretary Jack Lew has given his opposition, the White House has provided a statement of opposition, and yet Mel Watt continues. It is for these reasons that I fully support the effort of Mr. ROYCE and Mr. VITTER in capping the compensation until these entities are returned to financial health.

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

Mr. Speaker, I look forward to the day where we can work to have a sustainable housing finance system in America, one that is sustainable for homeowners so they are not put into homes they cannot afford to keep; one that is sustainable for our economy, so that we promote economic growth and reduce our tendency to have these recessions; and certainly one sustainable for the taxpayers, because the taxpayers should never ever again be called upon to bail out government-sponsored enterprises to the tune of almost $200 billion.

Regardless of how effective the current CEOs are of Fannie Mae and Freddie Mac, $4 million compensation packages are not part of a sustainable housing finance system. Again, they are under government conservatorship. The taxpayer is still at risk. This does not pass the smell test, it doesn't pass the laugh test, and it certainly doesn't pass the taxpayer protection test.

So I am very happy with the work by the gentleman of California (Mr. ROYCE) that provided the House language that was underpinning the Senate language that we are debating tonight. I am glad that this is bipartisan. I don't often find myself in agreement with the administration, but I am prepared to take ''yes'' for an answer, and I urge all of my colleagues to adopt this legislation.

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. HENSARLING) that the House suspend the rules and pass the bill, S. 2036.

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.

SUPERSTORM SANDY RELIEF AND DISASTER LOAN PROGRAM IMPROVEMENT ACT OF 2015

Mr. CHABOT. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 208) to improve the disaster assistance programs of the Small Business Administration.

The Clerk read the title of the bill.

The text of the Senate amendments is as follows:

Senate amendments:

(1) On page 2, strike lines 1 through 5 and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Recovery Improvements for Small Entities After Disaster Act of 2015'' or the ''RISE After Disaster Act of 2015''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows: