Ms. SEWELL of Alabama. Mr. Chairman, I have an amendment at the desk listed as Sewell Amendment No. 3.

The Acting CHAIR. The Clerk will designate the amendment.

The text of the amendment is as follows:

Add at the end of the bill the following:

SEC. 4. RULE OF CONSTRUCTION.

Nothing in this bill shall be construed to apply to guidance issued by the Bureau of Consumer Financial Protection that is not primarily related to indirect auto financing.

The Acting CHAIR. Pursuant to House Resolution 526, the gentlewoman from Alabama (Ms. SEWELL) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from Alabama.

Ms. SEWELL of Alabama. Mr. Chairman, I rise today in support of my amendment to H.R. 1737.

My amendment is a commonsense and straightforward amendment. It simply states that nothing in this bill shall be construed to apply to guidance issued by the CFPB that is not primarily related to indirect auto financing.

This amendment is intended to help ensure that the underlying bill in no way prohibits, disrupts, or affects the enforcement of other fair lending laws or guidance that protects millions of Americans from unfair or discriminatory lending practices.

The underlying bill, H.R. 1737, provides the CFPB with criteria to consider when issuing further guidance on indirect auto lending. While I agree that the CFPB should reevaluate its recent guidance, we should also ensure that the scope of this legislation stays narrow and applies only to indirect auto financing.

Mr. Chairman, I applaud the CFPB's efforts to protect consumers from discriminatory lending practices. We can all agree that no one supports or should condone abusive or discriminatory practices in auto lending or in any area of the marketplace. However, it is our job as Members of Congress to offer guidance and constructive critique to our regulatory agencies to enforce and ensure that regulations are pragmatic and workable.

This noncontroversial amendment simply clarifies that the other valuable tools possessed by the CFPB are not infringed upon and ensures that there is no room for ambiguity. The CFPB plays a critical role in protecting consumers and buyers. My amendment helps ensure that laws like the Equal Credit Opportunity Act and other fair lending laws are not inadvertently or directly affected by this bill.

□ 1515

My amendment helps ensure that the Bureau continues to play this role while hardworking Americans continue to have access to the necessary credit to purchase any central mode of transportation. I urge support of this amendment.

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

Mr. HENSARLING. Mr. Chairman, I ask unanimous consent to claim the time in opposition to the amendment, although I am not opposed.

The Acting CHAIR (Mr. SMITH of Missouri). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Acting CHAIR. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Chairman, the gentlewoman from Alabama is a valued member of the Committee on Financial Services. The absolute worst thing I could say about her amendment is it might be redundant. Hopefully it is. But if it is not, we want to simply clarify, again, that the underlying bill from the gentleman from New Hampshire only deals with this auto finance guidance.

Again, absolutely nothing in the underlying bill to H.R. 1737 in any way, shape, or form affects the CFPB's ability to enforce the Equal Credit Opportunity Act. If this clarification is needed, I am happy that the gentlewoman is offering it, and I would urge its adoption.

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

Ms. SEWELL of Alabama. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. WATERS), the ranking member of the committee.

Ms. MAXINE WATERS of California. Mr. Chairman, I thank the gentlewoman for yielding time.

As Mr. HENSARLING said, it may be redundant, but that is okay. It reinforces basically what we have been talking about in relationship to 1737.

I will just take a moment to say how proud I am of the Consumer Financial Protection Bureau, how proud I am of Mr. Cordray, how pleased I am that this is the centerpiece of the Dodd-Frank reform, how pleased I am that we now have an agency that is looking out for consumers.

Prior to the Consumer Financial Protection Bureau, our regulatory agency said their job was for safety and soundness. They forgot about the consumers; they were dropped off the agenda.

Now we have a Consumer Financial Protection Bureau that is challenging the practices of many who claim they are in legitimate businesses. They are challenging them. They are saying to them: No longer can you rip off our consumers. No longer can you target minorities. No longer can you have discriminatory practices.

Thank God for the Consumer Financial Protection Bureau.

Ms. SEWELL of Alabama. Mr. Chairman, I want to thank the ranking member, Congresswoman WATERS, for her diligence on this committee. She serves as a model for all of us in her vigor and fervor for making sure that we are not discriminating against average Americans. All of us agree that nothing we do should be about discriminating or adding to the effects of discrimination.

I ask for support of this amendment.

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

The Acting CHAIR. The question is on the amendment offered by the gentlewoman from Alabama (Ms. SEWELL).

The amendment was agreed to.

The Acting CHAIR. There being no further amendments, under the rule the committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BYRNE) having assumed the chair, Mr. SMITH of Missouri, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 1737) to nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending, and, pursuant to House Resolution 526, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment reported from the Committee of the Whole? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GUINTA. 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.

PORTFOLIO LENDING AND MORTGAGE ACCESS ACT

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 529, I call up the bill (H.R. 1210) to amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating depository institution's portfolio, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 529, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 114–34 is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 1210

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 ''Portfolio Lending and Mortgage Access Act''.

SEC. 2. SAFE HARBOR FOR CERTAIN LOANS HELD ON PORTFOLIO.

(a) IN GENERAL.—Section 129C of the Truth in Lending Act (15 U.S.C. 1639c) is amended by adding at the end the following:

''(j) SAFE HARBOR FOR CERTAIN LOANS HELD ON PORTFOLIO.—

''(1) SAFE HARBOR FOR CREDITORS THAT ARE DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—A creditor that is a depository institution shall not be subject to suit for failure to comply with subsection (a), (c)(1), or (f)(2) of this section or section 129H with respect to a residential mortgage loan, and the banking regulators shall treat such loan as a qualified mortgage, if—

''(i) the creditor has, since the origination of the loan, held the loan on the balance sheet of the creditor; and

''(ii) all prepayment penalties with respect to the loan comply with the limitations described under subsection (c)(3).

''(B) EXCEPTION FOR CERTAIN TRANSFERS.—In the case of a depository institution that transfers a loan originated by that institution to another depository institution by reason of the bankruptcy or failure of the originating depository institution or the purchase of the originating depository institution, the depository institution transferring such loan shall be deemed to have complied with the requirement under subparagraph (A)(i).

''(2) SAFE HARBOR FOR MORTGAGE ORIGINATORS.—A mortgage originator shall not be subject to suit for a violation of section 129B(c)(3)(B) for steering a consumer to a residential mortgage loan if—

''(A) the creditor of such loan is a depository institution and has informed the mortgage originator that the creditor intends to hold the loan on the balance sheet of the creditor for the life of the loan; and

''(B) the mortgage originator informs the consumer that the creditor intends to hold the loan on the balance sheet of the creditor for the life of the loan.

''(3) DEFINITIONS.—For purposes of this subsection:

''(A) BANKING REGULATORS.—The term 'banking regulators' means the Federal banking agencies, the Bureau, and the National Credit Union Administration.

''(B) DEPOSITORY INSTITUTION.—The term 'depository institution' has the meaning given that term under section 19(b)(1) of the Federal Reserve Act (12 U.S.C. 505(b)(1)).

''(C) FEDERAL BANKING AGENCIES.—The term 'Federal banking agencies' has the meaning given that term under section 3 of the Federal Deposit Insurance Act.''.

(b) RULE OF CONSTRUCTION.—Nothing in the amendment made by this Act may be construed as preventing a balloon loan from qualifying for the safe harbor provided under section 129C(j) of the Truth in Lending Act if the balloon loan otherwise meets all of the requirements under such subsection (j), regardless of whether the balloon loan meets the requirements described under clauses (i) through (iv) of section 129C(b)(2)(E) of such Act.

The SPEAKER pro tempore. The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. WATERS) each will control 30 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 submit extraneous materials on the bill under consideration.

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.

I rise today in support of H.R. 1210, the Portfolio Lending and Mortgage Access Act, a bill approved by the Committee on Financial Services, which I chair, on a bipartisan vote of 38–18.

First, I want to thank the gentleman from Kentucky (Mr. BARR), an outstanding member of our committee, for his leadership in finding simple ways to allow aspiring home buyers across the Nation to obtain mortgages more easily, absent the onerous regulations that are presently being applied so that they can qualify a mortgage through market competition.

The aim of H.R. 1210 is simple. Banks and credit unions should be free to originate mortgages as long as they keep them on their books, as long as they keep the risk. This is responsible lending, Mr. Speaker, and it helps more qualified borrowers obtain mortgages so that perhaps they can get their piece of the American Dream.

H.R. 1210, again, does this by allowing lenders, particularly hometown community banks and credit unions, to treat mortgages held on their balance sheets as ''qualified mortgages'' for purposes of the CFPB's mortgage lending rules.

As we know, the Dodd-Frank Act made significant changes to our mortgage lending marketplace. One specific provision in section 1411 of Dodd-Frank requires mortgage lenders to determine at the time a loan is made that the borrower has a reasonable ability to repay it. The ability to repay requirements are intended to ensure a lender takes into account the borrower's capacity to actually repay the loan.

Section 1412 of Dodd-Frank creates a legal safe harbor for compliance with the ability to repay rule for lenders who issue so-called qualified mortgages, or QMs.

Now, Mr. Chairman, it seems obvious that loans that are held by a lender should be regulated differently than loans that are originated and then sold to a third party. They have completely different characteristics.

Again, lenders that hold the loans on their own books in their own portfolio assume all—all—of the exposure of risk to nonperformance and default. Lending 101 tells us that when the borrower is unable to repay the loan, the bank that made the loan, if it keeps it on its books, is the one that is going to lose the money and any future profit that would be derived from the loan.

Portfolio lenders with poor underwriting thus will not stay in business very long. In this sense, mortgages that are held in portfolio are already prudently regulated by market discipline. Yet without a safe harbor from the threat of litigation, which H.R. 1210 would provide, lenders will not make loans to otherwise creditworthy individuals.

We hear this from community banks and credit unions every day. If they don't meet the QM standards, the loans simply aren't going to get made as a practical matter.

So let me stress, the CFPB's restrictions on mortgage lending will have a disproportionate impact on low- and moderate-income home buyers, especially those from rural and certain urban areas.

According to the Federal Reserve, within a few years under this QM rule, roughly one-third of Black and Hispanic borrowers may find themselves disqualified from obtaining a mortgage because of the qualified mortgage rule. This is based simply on a rigid debt-to-income requirement.

A recent survey tells us that 73 percent of community bankers have actually decreased their mortgage business or completely stopped, Mr. Speaker, completely stopped their mortgage business or providing mortgage loans due to the expense of complying with the QM, qualified mortgage, regulatory burden. That is why a lot of community banks and credit unions across the country say that QM doesn't stand for ''qualified mortgage''; it stands for ''quitting mortgages.''

It should not be the job of Congress or unelected and unaccountable Washington regulators to decide who gets a mortgage and who does not or to force community banks and credit unions to function like regulated utilities, issuing only plain vanilla mortgages, rubberstamped in Washington for select groups.

Now, opponents of this bill will attempt to derail it in branding it some kind of gift to Wall Street. Let me be clear. H.R. 1210 is a gift to home buyers, all home buyers looking for a more transparent and competitive market.

When it comes to loans that are held on the books, the size of the institution does not matter. A loan held in portfolio will carry the exact same amount of risk and profit regardless of the size of the bank that holds it.

The commonsense legislation that is before us recognizes that the most effective way to ensure a borrower has the ability to repay is not one-size-fits-all, top-down regulation from Washington.

Let's, again, remember that the financial crisis was primarily caused by misguided Washington policies helping put people into homes they could not afford to keep, hurting underwriting standards. Portfolio lending did not cause the crisis.

I urge all of my colleagues to support the legislation of the gentleman from Kentucky. Support the American Dream.

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

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise today in opposition to H.R. 1210. Today we are again wasting time on the floor discussing a bill that President Obama has already pledged to veto because it would undermine important financial reforms and put consumers and the economy at risk.

H.R. 1210 would allow lenders to deal in the same kind of risky loans that sank Washington Mutual, Wachovia, Countrywide, and eventually the entire economy in 2008. The bill undermines the antipredatory lending provisions of the Dodd-Frank Act and virtually eliminates one of the most significant consumer protection rules implemented by the CFPB.

The bill also revives an industry practice under which mortgage brokers can earn hefty bonuses by steering borrowers into riskier, more expensive loans regardless of whether they qualify for better rates. My colleagues seem to forget that we went through a terrible financial crisis.

While we did spend hundreds of billions of dollars to rescue the banking system, millions of victims of predatory lending were left to fend for themselves as they were displaced from their homes and saw their life savings disappear.

□ 1530

Many reforms in the Dodd-Frank Act ensure that the financial industry will never again be allowed to take the kinds of risks that drove us to national crisis, but the mortgage lending rules are designed specifically to protect families from financial crisis.

The fact is that many banks, whether they held loans on their books or sold them off to investors, were able to profit from loans they knew borrowers could not repay. Rather than perform careful underwriting, many banks demanded high upfront fees and relied on rising home prices and private mortgage insurance to protect them from losses when borrowers inevitably defaulted.

Banks also targeted families in financial trouble that owned their homes free and clear, offering them cash-outs, refinancing with high origination fees and unaffordable terms.

Refinances accounted for 70 percent of subprime lending in the 3 years before the crisis and ended up sapping the life savings from many families who relied on these products to pay for unexpected medical bills or financial hardships.

Department of Justice investigations found that lenders specifically targeted, again, minorities with predatory loans, destroying a generation's worth of wealth in many communities of color.

Under the new mortgage rules, it is illegal to pay bonuses to brokers for steering borrowers into loans with bad terms. CFPB rules establish sensible underwriting standards so lenders are incentivized to design products that perform over the long run and make sense for consumers.

In cases where banks want to make riskier loans with higher fees, they are allowed to do so, but the consumer will have extra protections if the loan goes bad. These include the right to sue for financial harm and a defense against foreclosure.

The mortgage rules make good sense by protecting consumers while still allowing them access to credit and ensuring the economy can grow. These are exactly the types of regulations we should want from our regulators, and the CFPB should be commended for its success.

Republicans continue to declare that the Dodd-Frank Act and the CFPB have been bad for the economy. During the last Republican Presidential debate, a rightwing group aired a commercial painting the CFPB as a communist bureaucracy and claiming the CFPB staff were responsible for denying loans to consumers. The facts show a much different picture.

Even the conservative Wall Street Journal recently reported that industry analysts and experts agree that compliance costs aren't the greatest challenge facing community banks. The same article notes that loan balances at community banks grew twice as fast as their large counterparts over the last year and that their profitability is much closer to larger banks than it was prior to the passage of the Dodd-Frank Act.

The Mortgage Bankers Association recently revised their expectations for 2016 and 2017 to expect even more growth in housing credits. And this week, at the National Association of Realtors' annual conference, industry economists pointed to a strong housing market, with high prospects for continued growth.

It is time for Republicans to realize that Dodd-Frank and the CFPB are not the problem. They are the solution.

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

Mr. HENSARLING. I yield myself 30 seconds to say I am fascinated to hear the specter of discrimination continually waved by the other side, yet the Federal Reserve says, when the qualified mortgage rule is fully implemented, fully one-third of all Blacks and Hispanics won't be able to qualify for a mortgage. Yet we hear silence from the other side.

The reason we had the meltdown is because so many of my friends on the other side of the aisle wanted to roll the dice on so-called affordable housing goals of Fannie and Freddie. It turned out to be the largest bailout in American history.

If people are going to make bad loans, here is an idea: Let's not bail them out with taxpayers' money, but give everybody a fair shot at home ownership. That means, if a bank makes the loan, they hold it on their books. Let them keep it. Let it be a qualified mortgage.

I yield 5 minutes to the gentleman from Kentucky (Mr. BARR), the sponsor of the bill.

Mr. BARR. I thank the gentleman from Texas, the chairman of our committee, for his leadership and support of this legislation.

Mr. Speaker, the best policies serve both the interests of the individual and the broader national interests. In this case, it is in the interest of the borrower to have an affordable, right-sized mortgage. It is also in the interest of the Nation to have a sound financial system safe from the excesses that led to the crisis in 2008. It is possible to satisfy both objectives, but it will require the Federal Government to acknowledge that changes must be made to the Consumer Financial Protection Bureau's interpretation of the Dodd-Frank law.

The ability to repay requirements in Dodd-Frank are designed to ensure that a lender takes into account the borrower's ability to repay a loan. Simple enough. But the CFPB has implemented the ability to pay rule provision by promulgating a one-size-fits-all, top-down, Washington-directed qualified mortgage rule.

Under the CFPB's approach, mortgages have been made safer by effectively making them unavailable to a substantial number of would-be home buyers. According to the Federal Reserve, 22 percent of those who borrowed to buy a home in 2010—one out of every five borrowers—would not have met the underwriting requirements for a qualified mortgage.

There is no debating that for the benefit of a mortgage borrower or his or her lender and the financial system, a borrower should have a demonstrable ability to repay that loan. The only question is who is in the better position to determine whether that borrower is able to repay the loan. Is it a Washington bureaucrat without any relationship with the borrower, or is it a lender with a full view of the customer's finances and a bank or credit union that must bear 100 percent of the downside risk of default?

Dodd-Frank answered that question by taking sides with the Washington bureaucrats. The result has been a housing market struggling to recover as a result of scarce mortgage credit, impacting job creation and affordable housing, and the loss of the consolidation of community banks and credit unions.

It is time to try something different. H.R. 1210, the Portfolio Lending and Mortgage Access Act, is the solution. This legislation would treat mortgages held on the balance sheets of financial institutions as qualified mortgages for purposes of the Bureau's mortgage lending rules.

Because mortgage lenders retain all of the risk of the loans held on portfolio, they have a strong incentive to

ensure that the loan is repaid. Such a policy would drive private sector risk retention—a goal of the Dodd-Frank Act itself—and mark a return to relationship lending where a bank or credit union can tailor products to a customer's needs and credit risk without running afoul of the one-size-fits-all government requirements.

Small banks and credit unions have been disproportionately impacted by these rules. It is no coincidence that Harvard researchers have found that, since Dodd-Frank's passage, community banks have lost market share at a rate double that experienced prior to Dodd-Frank's passage in 2006 to 2010, a period including the entirety of the financial crisis.

By bearing the risk, financial institutions have every incentive to make sure that the borrower can afford to repay that loan. And no less than Chairman Barney Frank endorsed this concept at a hearing before the Financial Services Committee last year, saying he would like the main safeguard against bad loans to be risk retention because that leaves the decision in the hands of whoever is making the loan.

The Bureau, itself, made this key point in its own rulemaking where it recognized that portfolio lenders have a strong incentive to carefully consider whether a consumer will be able to repay a portfolio loan, at least, in part, because the small creditor retains the risk of default.

This bill also importantly provides a viable alternative to the originate-to-distribute mortgage lending model that contributed to the bubble in residential real estate and massive taxpayer bailouts. Indeed, this legislation embraces an approach that more effectively ensures that borrowers have the ability to repay than the CFPB's restrictive rule. The result will be expanded access to mortgage credit without additional risk to the financial system or the taxpayer.

I would just note that the ranking member talks about putting taxpayers at risk again. But the cause of the financial crisis was not portfolio lending by community banks and credit unions; it was government policy: Fannie Mae and Freddie Mac buying billions of subprime, improperly underwritten mortgages.

This policy, the GSE exemption to the qualified mortgage rule, continues to do this day. My bill offers an alternative to this risky practice of incentivizing origination without underwriting and distribution to taxpayer-backed GSEs. This is particularly important because the commonsense bill that is before the Congress recognizes that the most effective way to ensure that a borrower has an ability to repay is not one-size-fits-all Washington mandates.

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

Mr. HENSARLING. I yield the gentleman an additional 30 seconds.

Mr. BARR. Just to conclude, instead, the most effective way to ensure that a borrower has the ability to repay is to restore the traditional relationship banking that ensures that financial institutions bear the downside risks associated with their business decisions.

H.R. 1210 has the support of the American Bankers Association, the Independent Community Bankers of America, the Credit Union National Association, the National Association of Federal Credit Unions, the National Association of Home Builders, and the U.S. Chamber of Commerce.

The housing sector represents a third of the economy, and the lack of available mortgage credit is impacting our recovery. I encourage my colleagues to join me to expand access to mortgage financing and support economic growth.

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

Mr. Speaker and Members, I just heard that these bankers have the ability to understand and know whether or not the consumers have the ability to repay. That is what they told us before 2008. Unfortunately, they are the same ones now that are telling us that they can determine ability to repay. They didn't do it then, and they won't do it in the future.

I yield 3 minutes to the gentleman from Michigan (Mr. KILDEE), a member of the Financial Services Committee.

Mr. KILDEE. Mr. Speaker, I thank the ranking member for yielding.

Mr. Speaker, I appreciate the efforts of my colleague and classmate Mr. BARR in attempting to address this issue. I appreciate the impact that the qualified mortgage rule has had in terms of mortgage lending for consumers and access to credit. It is especially true for our local and community bankers who have longtime personal relationships with individuals and families. It is these types of relationships that we need to encourage: the personal knowledge of people that banks and financial institutions lend to.

I also appreciate the aspects of the bill intended to increase access for consumers that are just shy of the strict qualified mortgage standards, and I support the policy of allowing otherwise non-QM-compliant individuals having access to qualified mortgage products if lenders are willing to keep the loans on their books.

My concern with this legislation, among others, is that it does not explicitly disallow the exotic mortgage products that were so much a part of the housing crisis.

There are consumer protections that could improve this legislation in terms of how we allow safe borrower protections for banks and mortgage originators. I do think we should focus on consumer protection and allow non-QM loans to be non-QM only in terms of the borrower—those individuals that fall just outside QM standards—and not open up to non-QM products, particularly because this is not applicable only to those small community banks or credit unions that we are so familiar with, but to all institutions.

Portfolio lending is an important opportunity to find bipartisan agreement. I hope we can continue to work on this.

One other issue that I raise—and it was included in the amendment that I offered that the Rules Committee did not make in order—is that I would have preferred that the legislation require that the institutions making loans under this title collect data on how these loans are being made and how they are performing, and get us the information to determine whether or not the effect that we are trying to create with this sort of approach is actually being met or if, in fact, it is not.

I appreciate the efforts of my friend and colleague. I wish I could work with him if, in fact, this moves forward in a way that it is open to suggestion.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. HUIZENGA), the distinguished chairman of the Monetary Policy and Trade Subcommittee of our committee.

□ 1545

Mr. HUIZENGA of Michigan. Mr. Speaker, I appreciate the opportunity.

I want you to imagine with me. Imagine a single mom moving out of a trailer. She has had some tragedy in life. She has got two kids that are watching very, very closely, though, what she is doing and how she is handling it.

Imagine, as a former realtor, the joy that I took in being able to get her into her own home, the first thing that she had felt like was truly hers and something that her kids could be proud of.

Well, that is the type of scenario that we are trying to promote, I would think, as a country. Unfortunately, with the rules that have been promulgated under this qualified mortgage rule, lenders determine a borrower's ability to repay using, really, an arbitrary standard set by a formula.

They don't look at the character. They don't look at the background. They don't look at the history of that person because it is outside the formula. If a lender does not adhere to this bureaucratically established formula, a borrower can actually sue the lender.

This has caused 73 percent of community bankers, those who know their customers best, to cut back their mortgage business or simply stop providing mortgages altogether. That is the worst-case scenario.

The Portfolio Lending and Mortgage Access Act removes bureaucrats from the equation and allows lenders to work directly with borrowers to provide them with loans that they can afford. That is a key element here: loans that they can afford.

How do we know that they are going to do this?

Well, by keeping the loan on their own portfolio, on their own books, the

lender assumes the full risk of the loan. Let me repeat that. The lender retains the full risk of those loans. If they didn't think that that borrower could pay back the loan, they would not lend it to them.

Now, in my mind, that is the definition of what a qualified mortgage test really ought to be. So this bill is going to allow those mortgage lenders to extend and cover those loans and really offer those services to those people who are looking for that.

I have heard on the other side of the aisle a claim, as the White House did in its veto threat, that this bill would ''open the door to risky lending by undermining consumer protections under the rule and expanding the amount of loans that would be exempt from it.''

As was pointed out by my friend from Kentucky, portfolio loans had nothing to do with the financial crisis that we went through.

In addition, loans sold to Fannie Mae and Freddie Mac and insured by the Federal Housing Administration, which make up the vast majority of the market, are already exempt under the QM rule.

So who exactly are we protecting? Who exactly are we maybe not servicing the way that this Congress ought to be servicing and ought to be advocating for?

The originate-to-distribute model incentivized predatory and subprime lending, and, because those loans would be readily securitized, moved off of their books, they no longer had any responsibility. All they had to do was meet kind of a blush of a requirement, and they could move it right on off of their books.

I can tell you this: as a former realtor, I understand that nobody has a greater incentive to ensure that a borrower can repay their loan.

I just pray that my colleagues on both sides will support this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentlewoman from Alabama (Ms. SEWELL), a member of the Financial Services Committee.

Ms. SEWELL of Alabama. Mr. Speaker, I thank Ranking Member WATERS.

Today I rise in opposition to H.R. 1210. During the financial crisis of 2008, predatory subprime lending was far too prevalent and underwriting standards were not adequately adhered to by lenders.

In response to these practices, the Dodd-Frank Act created a new set of mortgage underwriting rules. These qualified mortgage rules are critically important to helping ensure that all American consumers are protected against harmful mortgage products and abusive lending practices. These commonsense rules now require a lender to make a good faith effort to determine that a borrower has the ability to repay a mortgage.

Additionally, the final rule contains critically important and special provisions and exemptions that are available only to small lenders and to lenders that operate predominantly in rural and underserved areas, exceptions that are critically important for districts like mine.

The QM rules simply state that, if banks make risky loans, like interest only, or adjustable mortgage loans, consumers can hold them accountable if those mortgages go bad. Lenders are also responsible for accurately researching and documenting borrowers' incomes and their ability to repay.

Unfortunately, as currently drafted, H.R. 1210 would undermine these critically important consumer protections by exempting all depository financial institutions, large and small, from QM standards as long as the mortgage loans in question are held in portfolios by those institutions.

H.R. 1210, broadly defined, would broaden the qualified mortgages to include all mortgages held on a lender's balance sheet.

Under the bill, depository institutions that hold a loan in portfolios could arguably receive legal safe harbor, even if the loan contains terms and features that are abusive and harmful to consumers.

Essentially, the bill would limit the rights of borrowers to hold harmful those banks that do bad practices.

We all know that no regulation or law is perfect. We must work together to strike a delicate balance and ensure that regulations are pragmatic and workable without placing undue harm on financial institutions that provide critically important access to capital for potential homebuyers.

Home ownership remains an important goal for most Americans and one of the most traditional gateways to the middle class. However, the financial crisis of 2008 reminds us that we must have in place sensible safeguards to protect consumers against harmful mortgage products.

I want to thank the ranking member for her leadership on this matter.

I urge my colleagues to oppose H.R. 1210.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS).

Mr. ROTHFUS. Mr. Speaker, I thank the chairman for yielding.

I would like to thank my good friend from Kentucky, the sponsor of this legislation, for leading on this important issue.

Mr. Speaker, for many western Pennsylvanians, home ownership is a significant aspect of realizing the American Dream. Moving from paying rent to owning a home is an investment in the future for these families and an investment in their local communities.

Unfortunately, today that dream is being threatened unnecessarily by the Consumer Financial Protection Bureau's qualified mortgage rule, or QM. The QM rule is a Washington-knows-best approach to mortgages that is hampering access to home loans across this country and hurting potential homebuyers and their communities.

As with many complicated and one-size-fits-all regulations, the QM rule has brought substantial unintended consequences. The rule's strict arbitrary standards have made it more difficult for many deserving consumers to get a mortgage and, as a result, has stalled much-needed investment in distressed and recovering communities.

Notably, a significant amount of low-to-moderate-income borrowers now do not qualify for a mortgage based on the rule's 43 percent debt-to-income ratio requirement. In fact, according to the Federal Reserve, 22 percent of those who borrowed to buy a home in 2010, after the financial crisis, 1 out of every 5 borrowers would not have met this requirement.

Mr. Speaker, these are hardworking, everyday people we are talking about. These are the people we are fighting for today.

It is our local community banks and credit unions that have longstanding relationships with these everyday people, and they are in the best position to judge creditworthiness and ability to repay.

But the QM rule effectively takes that opportunity away from these community institutions and subjects them to an increased potential liability should they ever decide to stray outside the regulation. This is why, as the American Banker and others have put it well, for community financial institutions, QM means quitting mortgages.

Thankfully, Mr. Speaker, this commonsense legislation that we are considering today offers a real opportunity to change this. In short, the bill provides a very reasonable tradeoff for financial institutions.

Should an institution decide to hold a mortgage in portfolio and retain the risk of default on its balance sheet, the institution receives the legal protections that are otherwise afforded by the QM rule.

On the other hand, if that institution decides not to hold the mortgage in portfolio, sells it in the secondary market and does not retain the risk, the institution does not receive those legal protections.

By providing this option, the legislation will allow institutions to meet the credit demands of their consumers while incentivizing them to ensure that potential borrowers can meet the monthly obligations of a mortgage.

In other words, it properly realigns the risk, facilitates effective underwriting by lenders, and ensures that mortgages will be readily available for deserving homebuyers.

Mr. Speaker, let's pass this legislation so we can help transform community through home ownership.

I urge my colleagues to support the bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Ms. SCHAKOWSKY), the vice chair of the Congressional Progressive Caucus and a member of the Energy and Commerce Committee.

Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentlewoman for yielding and for her leadership to protect consumers.

H.R. 1210 would allow the largest banks in the country to deal in the types of predatory and risky loans which brought down Washington Mutual, Wachovia, Countrywide, Lehman, Bear Stearns and, eventually, the entire economy.

It undermines one of the most important titles of the Dodd-Frank Act and one of the most significant consumer protection rules implemented by the Consumer Financial Protection Bureau.

Furthermore, this bill contains a provision which explicitly allows mortgage brokers to steer borrowers to riskier, more expensive loans, regardless of what they qualify for.

Some supporters of this bill think that, if banks hold these loans and, therefore, their risks in their own portfolios, they will be careful not to originate bad loans, but this isn't true. It is not true.

Several portfolio lenders went under during the crisis due to a failure to underwrite loans because they were focused on short-term benefits of upfront fees rather than the long-term performance of the mortgages that they originated.

Investment banks also chased these short-term profits and bought up risky derivatives based on loans that were poorly underwritten without due diligence.

More importantly, this bill does not change what types of loans a bank is allowed to make. It just removes consumer protections from the riskiest subprime loans.

The CFPB's ability to repay rule is the only line of defense against predatory mortgage practices that brought down the economy and destroyed billions in homeowners' wealth, and it is working.

Under the new mortgage rules, defaults are down and lending to minorities is up. Last quarter had the most loan originations since the third quarter of 2007. The rules are protecting consumers while also fostering competition among banks and growing the economy.

We should not change a rule that is working. If it ain't broke, don't fix it.

Mr. HENSARLING. Mr. Speaker, may I inquire how much time is remaining on each side?

The SPEAKER pro tempore. The gentleman from Texas has 12½ minutes remaining. The gentlewoman from California has 17 minutes remaining.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. WESTMORELAND).

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

The great American philosopher Ron White has a saying, and it says, ''You can't fix stupid.'' So I guess that is the reason we can't fix the QM rule that has come from the CFPB because it is stupid.

Here is the reason why. Why would we not want to give a bank or a credit union the ability to loan somebody money when they are taking 100 percent of the responsibility for the person to pay back that loan?

That is exactly what H.R. 1210 does. It says that a small bank, a community bank, or credit union—I don't really care who it is—is willing to put up their own money to somebody that they may know in their community that might not have the ability to have credit otherwise to be able to buy a house.

I had that personal experience. Before I went in the building business, the only thing that I had was a home. So I went and I paid about 13 percent interest. I probably paid a number of points at closing to be able to open up my building business. In doing that, I was able to do that and I was able to pay back that loan. But had these rules been in effect, that would not have been possible to do.

There are other Americans and there are other people out there waiting to get their foothold in society by buying a house, becoming part of the American Dream. And, to me, part of that dream is home ownership.

So the philosopher is right. You can't fix stupid.

The CFPB has come up with many stupid rules, but I have got to give this one the crown, because why we would want to keep people from having credit and the ability to prosper and to move on and to grow in their life and provide shelter for their family is beyond me.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield as much time as he may consume to the gentleman from Minnesota (Mr. ELLISON).

□ 1600

Mr. ELLISON. Mr. Speaker, I thank the gentlewoman for the time.

Mr. Speaker, I just want to say that the fact is that 2008 was a horrendous time here in Congress, but it was even worse across America. You can go into neighborhoods not just in my district in Minnesota but all over the country—Florida, Arizona, and California—all over the country, and the foreclosure crisis was wreaking havoc from sea to shining sea. Why? Because of poor underwriting standards. Why else? Because we didn't require much of anything to prove that people could pay a loan back.

I remember these days, and I remember them so well that I am not really one to want to return to them right away. I think Congress has a duty to protect homeowners and protect consumers from predatory lenders. I vividly recall panic. I vividly recall the loss in property values, and I vividly recall the exploding unemployment numbers. I remember the calls from homeowners in my district facing foreclosure.

In Hennepin County, which is the county in which Minneapolis is located, we had more than 35,000 foreclosures since 2007. In many cases, these home buyers were sold loans with predatory terms even though they qualified for better mortgages. They were literally steered to bad mortgages.

I have talked to people both young and elderly, people who had English as a second language, and people who have been born speaking English their whole lives, in fact, a diverse group of people who were steered to cash-out refinancing that stripped them of their wealth and left them homeless.

We acted to stop these predatory practices, and I am proud that we did. Dodd-Frank was good legislation to try to stop these irresponsible practices. We passed the Dodd-Frank Wall Street Reform and Consumer Protection Act and created a standard mortgage, one that we call a qualified mortgage. This is a good step. It was wise to create a nice, boring mortgage loan product. It was a good idea.

Qualified loans must not at the time of origination be interest only or negatively amortizing, have a term longer than 30 years, be a no-income, no-documentation loan, also known as liar loans, be a balloon loan, have a cap on fees and points, and leave the borrower with a debt-to-income ratio of greater than 43 percent.

These are commonsense requirements, and if you get a loan like this, it is probably going to be fine. These commonsense requirements are going to enable sustainable homeownership and allow people to maintain that American Dream that they have been hoping for and saving for for so long.

The fact is, we remember when we had yield spread premium. We remember no-doc, NINJA loans. We remember these interest-only loans and negative amortization. These things were ruinous and harmed the American working and middle classes. These commonsense requirements—these commonsense requirements—are what we should do.

Here we are today. H.R. 1210 seeks to repeal these protections. They want to take us back in time. They want to put us at risk and tender mercies again. The fact is, it is a huge mistake.

H.R. 1210 would allow banks with assets up to $1 trillion to seek mortgage brokers to issue the kinds of exotic products which caused the financial collapse.

Even before the ink on the Dodd-Frank Wall Street Reform bill was dry, there were people trying to undermine it. Even before we even implemented the rules, all the rules from Dodd-Frank have not even been in place yet, we are trying to change it and undermine it, really to kick the door open so that the American working and middle class can be at the tender mercies of unscrupulous lenders again. That is not to say that all home lenders are unscrupulous. Many are good. But it doesn't take that many to really ruin the industry.

These changes that H.R. 1210 proposes would encourage lenders to make

loans that are not in the best interest of the home buyer, and this I have to stand against. But I am not by myself. Not only does our ranking member know that this is a bad idea—and many Members of this body—but also the National Association for the Advancement of Colored People, the NAACP, is well aware this is bad legislation. The Leadership Conference on Civil and Human Rights knows it. Americans for Financial Reform knows it. And the Consumer Federation of America and dozens more are opposing this piece of legislation.

Some argue that because these loans will be held in the portfolio of the lender, they will be high quality loans. This is not true. This is a faulty assumption, and it is wrong. They miss the whole point of the qualified mortgage rule enacted in the Dodd-Frank Wall Street Reform and Consumer Protection Act. Mortgage rules are designed to provide safeguards that would create a safer mortgage product for the borrowers. Simply keeping a loan in a portfolio is not necessarily a substitute for the type of sound underwriting mortgage rules are designed to establish.

There is ample evidence that predatory loans can and have been held in portfolio. Some of the largest mortgage lenders that failed during the financial crisis were large portfolio lenders like Countrywide, Washington Mutual, and Wachovia. These lenders can still make money on defaulted loans. During the 3 years before the crisis, 70 percent of subprime loans were refinanced loans, Mr. Speaker, not purchased loans. With refis, borrowers bring the equity to the table. If the bank charges upfront fees and recovers the money from a foreclosure, predatory loans can be profitable even if they default. The same is true for predatory purchase loans when home values aren't falling. And that is why we are going to stand here and protect home buyers.

Mr. Speaker, I want to urge all Members of this body to vote ''no'' on H.R. 1210. And just remember, it has only been a few years since we passed Dodd-Frank. It has only been not even a decade since the financial crisis that really, really caused tremendous havoc to the American working and middle classes. After the Great Depression of the 1930s, at least it took them a couple of decades before they tried to dismantle all the financial protections. They haven't even taken a single decade. They are back at it again and fighting tooth and nail to leave the American working and middle class at the tender mercies of people who have nothing but the profit motive in mind.

Mr. Speaker, I urge Members to vote ''no'' on this piece of legislation. It is not worthy, and I urge a strong ''no'' vote.

Mr. HENSARLING. Mr. Speaker, I yield 30 seconds to the gentleman from Kentucky (Mr. BARR), the sponsor of the bill.

Mr. BARR. Mr. Speaker, it is important to respond to the rhetoric from the other side because I don't think they are really understanding what we are trying to do here. What we are not talking about are the predatory, abusive, and risky loans that they are referring to. That is not what we are talking about here. We are not talking about opaque subprime securitizations. We are not talking about the GSE exemption to the qualified mortgage rule.

By the way, Mr. Speaker, where is the outrage with the FHFA, the regulator of Fannie Mae and Freddie Mac, for not prohibiting Fannie Mae, Freddy Mac, and the GSEs from buying these non-QM mortgages that they are complaining about? What we are talking about are portfolio loans where the risk is on the shareholder, not on the taxpayer.

Ms. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. PITTENGER).

Mr. PITTENGER. Mr. Speaker, I congratulate my good friend from Kentucky (Mr. BARR) for his leadership on this important bill for consumers.

Mr. Speaker, I rise in support of H.R. 1210, the Portfolio Lending and Mortgage Access Act. Since the creation of the Consumer Financial Protection Bureau, it seems that all they have done is make it more difficult for businesses to grow and create jobs and to restrict choices for consumers. America needs an opportunity economy not hampered with massive bureaucratic regulations.

The CFPB's qualified mortgage rule is anti-opportunity. It does nothing but force overly burdensome underwriting requirements on hardworking American families and community financial institutions, making it harder for creditworthy individuals to buy a home they can afford to keep.

The Independent Community Bankers Association reports that 73 percent of community bankers have decreased their mortgage business or completely stopped providing mortgage loans due to the expense of complying with this regulatory burden.

Mr. Speaker, I sat on a community bank board for over 10 years. We knew who was creditworthy. We had personal relationships with our customers. We knew their character. Today, Mr. Speaker, it is one size fits all.

We understand the nature of loans and extending credit. Yet what is required today is a box to check. If you can't check all the boxes, you won't get a loan. The regulators today, just like they did before the crisis, are putting mandates on community financial institutions, whom you can loan money to and whom you can't loan money to. This type of excessive regulation is what is killing the opportunities and choices for the American consumers.

Since I have been in Congress, I regularly hear how Washington's red tape prevents community financial institutions from serving their customers' needs. H.R. 1210 goes a long way to ensure community banks and credit unions, who know their customers and communities, are able to serve hardworking American families, and they should not be impeded by needless and misguided meddling of Washington bureaucrats.

Ms. MAXINE WATERS of California. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. TIPTON).

Mr. TIPTON. I thank the chairman.

Mr. Speaker, I would like to thank my colleague from Kentucky, Representative BARR, for offering this piece of legislation.

This bipartisan Portfolio Lending and Mortgage Access Act responsibly expands access to mortgage credit without creating additional risk to the financial system or to the taxpayer. By allowing insured depository institutions to hold residential mortgage loans in portfolio and have them treated as qualified mortgages, this bill encourages strong underwriting standards for lenders while also giving access to credit for young families and first-time home buyers. These are people who may not otherwise be able to meet the ability to repay requirements.

Existing mortgage rules are overly restrictive and have made it difficult and, in some cases, impossible for banks to be able to make otherwise safe and sound loans to creditworthy borrowers. This bill puts the ''community'' back in community lending.

Mr. Speaker, in my district and many others across the U.S., access to mortgage credit is crucial. Unfortunately, many smaller community banks have been forced to stop mortgage lending since they could not afford the expensive compliance and personnel associated with those costs. They simply made too few mortgage loans to be able to cover their costs. In rural areas, this is a significant problem because customers often do not have the alternative to find a lender to be able to approach for mortgage products.

Thankfully, this legislation promotes the type of lending that will boost the housing market in a safe and responsible manner without taxpayer exposure. Portfolio lending is among the most traditional and lowest risk lending in which a bank can engage. Loans held in portfolio are well underwritten and conservative by their very nature since the lender retains 100 percent of the credit and interest rate risk on their own books.

Mr. Speaker, I am happy to lend my support to this bill and encourage my colleagues to be able to support this commonsense measure. Again, I thank the gentleman from Kentucky for his efforts on this bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I continue to reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. HILL).

Mr. HILL. I thank the chairman.

Mr. Speaker, I rise in support of H.R. 1210, the Portfolio Lending and Mortgage Access bill, designed by my good friend from Kentucky.

We have seen in Arkansas loan approval rates decline significantly since the QM rules were put in place. One bank noted a 40 percent decline in eligible borrowers.

Today, I just want to tell a story. A community banker in my district called this week and said that he has a customer that from time to time just needs catch-up money, money to catch up on bills, medical expenses, or to help out her kids. But her credit score is in the low range of acceptable, and therefore, she doesn't qualify for unsecured credit, and therefore, she uses the equity in her house. She has been doing it for years and paid back those lines over and over again with no problems.

Now she has to go through the ability-to-repay process, which is long and arduous and, unfortunately for her, leading to mistrust between a long-term client and her hometown bank.

As a former chairman, CEO, and president of a community bank in Arkansas, I can assure you that members of our boards of directors across this country scrutinize all portfolio loans, both those that are sold and those kept on the books. But there is no better incentive than to have good underwriting and to ensure the customer has the ability to repay the loan held on the balance sheet of one of our financial institutions.

That is what we are talking about here today.

Community institutions know best how to serve their communities and their clients—not Washington.

Mr. Speaker, I urge my colleagues to support this commonsense bill.

□ 1615

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from Maine (Mr. POLIQUIN).

Mr. POLIQUIN. Mr. Speaker, I thank the chairman.

Mr. Speaker, I am still scratching my head. I am still scratching my head at some of the folks on the other side of the aisle. I have no idea why they do not want to help those folks that are less fortunate than others in this country.

This is an opportunity, Mr. Speaker, for all of us in this Chamber, Republicans and Democrats, to step forward and show some compassion for folks that want to live in their own home.

I urge all of my colleagues right here today to support H.R. 1210, and I salute Mr. BARR from Kentucky for the hard work that he did to put this Portfolio Lending and Mortgage Access Act together. I also thank Chairman HENSARLING for his leadership in bringing this out of the committee and to the floor.

I enjoy, Mr. Speaker, traveling through my Second District in Maine, the most beautiful part of the world, and I love talking to our small credit unions and community banks. I talk to the folks up at the Maine Family Credit Union in Lewiston or the Bangor Savings Bank, and they tell me how difficult it is to navigate through this huge, complex, 2,300-page Dodd-Frank law that is preventing them from lending money to families who are creditworthy and who deserve these loans.

One specific part of the Dodd-Frank law, Mr. BARR's bill addresses. It is called the qualified mortgage rule, or QM. This is a one-size-fits-all rule that does not work for many of the families in Maine.

Now, let's say you are a lobster fisherman in the down east part of our State and you want to borrow money from the Machias Savings Bank to buy a new home because you have a couple of new kids and you need a new bathroom, but your monthly income, Mr. Speaker, may vary depending on when you set your traps, when you pull your traps, and when you sell your catch to a dealer. Now, what the regulators want is they want to see a smooth, equal 12 mortgage payments to repay that loan; but that might not be the case, Mr. Speaker, because your job doesn't work that way.

The SPEAKER pro tempore (Mr. YODER). The time of the gentleman has expired.

Mr. HENSARLING. I yield the gentleman from Maine an additional 10 seconds.

Mr. POLIQUIN. In addition to that, Machias Savings Bank may have known your family for 50 years. Now, on top of this, Mr. Speaker, the bank takes all the risk. They own the load. So, God forbid, if a storm comes up and sinks your traps and your boat in the harbor and you can't make those loan payments, there is no risk to the market because the bank owns the loan.

I ask everybody, Mr. Speaker, to stand up and show compassion for the folks around this country who want to buy a home and do qualify for these loans.

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

Proponents of H.R. 1210 argue that if banks keep loans in portfolio, they have every incentive to make sure those mortgages are sustainable and good for both the bank and the borrowers. Therefore, loans held in portfolio should automatically receive the CFPB's legal safe harbor under the qualified mortgage rule. This simply ignores the history of the recent crisis. How can banks benefit from loans that are unsustainable in the long term?

Let's look at how it really works:

Step one, underwrite a mortgage with high, up-front fees. Though an honest broker may charge a 1 percent fee, a Better Business Bureau study from just before the crisis showed mortgage brokers often making 5 percent in up-front fees. On a $200,000 mortgage, that is $10,000 just for one loan. Other examples are appraisal fees, escrow fees, settlement fees, homeowners insurance. These fees could go back to the loan originator on an unlimited basis, and originators could still have legal protection under H.R. 1210.

Step two, protect your bank from consumer defaults by requiring expensive private mortgage insurance.

Step three, underwrite a large number of loans so that the fees add up—volume churn, volume churn. This has the added benefit of keeping regional home prices high by flooding the market with buyers.

Step four, refuse to offer loan modifications. Banks can divest from loss mitigation processes and keep the profits from the high up-front fees and mortgage volumes.

Step five, foreclose on the borrower and prevent them from suing the lender for lending violations. Once the borrower defaults, the lender can then repossess the collateral. If home prices have risen, they can sell the home for a profit all the while keeping their up-front fees. Meanwhile, H.R. 1210 would provide the lenders with a legal shield against CFPB enforcement or private fair lending litigation.

Over and over, Republicans have attacked the CFPB and the important protections it provides to American consumers. Yet again, we are wasting time on the floor considering a bill the President has already pledged to veto when we could be doing other important business.

What this bill does is very simple. It forgets all of the lessons of the financial crisis of 2008 and allows the country's biggest banks to put consumers and the economy at risk by bringing back complex, high-cost mortgages. The bill resurrects a practice that allows mortgage brokers to receive bonuses from the big banks in exchange for steering consumers into expensive, risky loans.

After the financial crisis, the Department of Justice investigated these practices and found that minority communities were sought out by mortgage brokers and targeted for risky loans, even in the cases where the borrowers were qualified for prime loans. These are the same types of loans that destroyed the life savings of millions of Americans that ended up in foreclosure.

And then when I studied foreclosure practices at the largest banks, I discovered that the same banks that made these mortgages were also guilty of robo-signing. Remember that? Robo-signing, wrongfully foreclosing on families that were up to date on their payments and fabricating paperwork to defraud consumers.

The Dodd-Frank Act and the CFPB have reined in these predatory practices, yet I have had to come down to the floor over and over again to defend our work eliminating fraud in the financial system. We have already seen what happens when regulators do not do their jobs: consumers are left on the hook. We must defend the work we have done in the Dodd-Frank Act and the important work that CFPB continues to do. So certainly I urge a ''no'' vote on this legislation.

It has been said over and over again by this side of the aisle that it appears that my colleagues on the opposite side of the aisle are forgetting the lessons of 2008, forgetting what happened when we brought this country to a recession, almost a depression, forgetting the communities that have been destroyed with these foreclosures, forgetting these lessons, and coming back to the Congress of the United States disregarding all of the harm that we have caused to families and communities and presenting legislation that could put them back in the same position.

Well, we wonder why our constituents and consumers don't trust us anymore. They don't trust us because of these kinds of attempts to present public policy that again could harm our economy and harm these families and these communities. They wonder why it is we continue down this path.

We bailed out the biggest banks in America. We bailed out big insurance companies in America. We took the taxpayers' money, and we literally said to the people who had caused the harm: We forgive you. It is okay. We are going to make sure you stay in business. We are going to make sure that you have the ability to make money.

And while the taxpayers watch this, still many are reeling from the loss of their homes. And homelessness has increased in my own city of Los Angeles, over 12 to 15 percent increase in homelessness. Some of those families are there because they are victims of the predatory practices that we allowed our regulators to turn their heads and bring harm to these families and these communities.

I don't understand why you don't understand simply ability to repay. I don't understand why you would simply say let the biggest banks in America have portfolio loans if they don't have to be worried about qualified mortgages. I don't get it.

Why don't you err, if you are going to err, on the side of the consumer? What is it about the biggest financial institutions in America that can promote this kind of public policy and have so many Members, particularly on the opposite side of the aisle, doing their bidding? I don't get it. I don't understand, and I don't understand why many of your constituents don't really know what is going on.

Mr. Speaker, this is not easy work. As you know, working on the Financial Services Committee is extremely difficult and time-consuming work.

Here we are divided: one side of the aisle going back to the risky days, another side of the aisle protecting the Consumer Financial Protection Bureau and saying that we have to protect that Bureau no matter how much you attack it.

Again, I want to remind you, before Dodd-Frank and this centerpiece that was organized for reform, where we created the Consumer Financial Protection Bureau, think about the name—Consumer, Financial, Protection, Bureau—protecting those who had been dropped off the protection agenda by our own regulators.

So we created something, and we named it in such a way that consumers and our constituents would understand that we are sorry for what happened to them and we don't like the fact that we almost destroyed this economy. We support the Consumer Financial Protection Bureau. We will not go back to those days prior to 2008; and, whether you like it or not, this Bureau is here to stay, and we are going to defend it with every ounce of energy that we have.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Texas has 2¼ minutes remaining.

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

Mr. Speaker, I find it fascinating that the ranking member says ''we have to protect the CFPB,'' the very same CFPB that the Federal Reserve's inspector general says, ''minorities underrepresented in upper pay bands''; the very same CFPB, ''minority applicants not hired in proportion to qualifications.'' She wants to protect the CFPB where ''minority employees receive lower performance ratings,'' wants to protect a qualified mortgage rule which the Federal Reserve says one-third of Blacks and Hispanics will no longer be able to qualify for mortgages. Yet the ranking member says we have to protect CFPB.

No, we have to protect the American people from CFPB, the CFPB that is trying to take away their mortgages.

I hear almost every week from some credit union or community bank, like the First Arkansas Bank and Trust, who wrote:

''Our bank has a long history of helping consumers, especially those who, for some reason, cannot qualify for secondary market financing at the time. Due to the fact that this type of financing is now overly burdened by the qualified mortgage standards, we have ceased this type of financing.''

This includes for mobile homes. That is low-income people, Mr. Speaker.

We hear from the Reading Cooperative Bank, ''We have experienced a spike in loan declines to women,'' for their investigation identified that women attempting to buy the family home to settle their divorce and stabilize their family were being declined at a high rate due to the Dodd-Frank qualified mortgage rules and ability to pay.

□ 1630

We hear this stuff all the time. We have to protect the consumer, and we protect the consumer by having competitive, transparent, innovative free markets that are vigorously policed for force and fraud and deception. It is not by having this vaunted CFPB. I am shocked that we have the ranking member again talking about discrimination, but, apparently, it is okay if the CFPB practices it. That is outrageous, Mr. Speaker. It is simply outrageous. The American people will not abide by it.

We have to protect the American consumers in their opportunity for the American Dream of homeownership. That is why every single Member should vote for the legislation from the gentleman from Kentucky, which is so simple. It says, if you make the loan and you keep your books, it is a qualified mortgage, and you have your shot at the American Dream. I urge the adoption of the legislation.

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

The SPEAKER pro tempore. All time for debate on the bill has expired.

The Chair understands that the amendment made in order pursuant to the first section of House Resolution 529 will not be offered.

Pursuant to the rule, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. THOMPSON of California. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. THOMPSON of California. I am, in its current form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Thompson of California moves to recommit the bill H.R. 1210 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Page 2, line 5, strike ''and'' at the end.

Page 2, line 8, strike the period at the end and insert ''; and''.

Page 2, after line 8, insert the following:

''(iii) the consumer is not a veteran or a member of the Armed Forces.''.

Page 3, line 3, strike ''and'' at the end.

Page 3, line 7, strike the period at the end and insert ''; and''.

Page 3, after line 7, insert the following:

''(C) the consumer is not a veteran or a member of the Armed Forces.''.

Mr. THOMPSON of California (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading.

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

There was no objection.

Mr. HENSARLING. Mr. Speaker, I reserve a point of order on the gentleman's motion.

The SPEAKER pro tempore. A point of order is reserved.

Pursuant to the rule, the gentleman from California is recognized for 5 minutes in support of his motion.

Mr. THOMPSON of California. Mr. Speaker and Members, the bill on the floor before us is a rotten deal for all consumers, but it is especially bad for our servicemembers.

When you are a servicemember, you are often forced to relocate with little notice. That puts our men and women in uniform under tremendous pressure to obtain housing for themselves and for their families, all the while managing the enormous duties that military service requires. It is a lot to handle. We know this and so do the financial predators. That is why we often see them setting up shop around our military bases.

If a servicemember is targeted and sold a bad mortgage, why don't the authors of this bill want to allow them some recourse to make things right?

As a combat veteran, I understand the pressures placed on our military. Our men and women in uniform often don't have the time to investigate mortgages in detail. They have to trust that no one is taking advantage of them. The problem is people often do take advantage of them. It is a despicable practice that is matched only by the majority's bill, which denies them the opportunity to sue the predatory lender to make things right.

My amendment would change this. It would allow any servicemember or veteran to sue a predatory lender regardless of who holds the loan. The mere fact that a predatory lender holds a bad mortgage shouldn't prevent servicemembers from being able to take action to make things right.

I know my colleagues on the other side are going to vote to deny protections to your average, hard-working American family who had the bad fortune of being sold a bad mortgage; but at the very least, let's exempt servicemembers from this bill. We ask enough of them already.

Reports from the Department of Defense have noted that financial stress can affect a servicemember's performance and combat readiness. And a DOD report specifically states: ''Forty-eight percent of enlisted servicemembers are less than 25 years old, have little experience managing their finances, and have little in savings to help them through emergencies.''

Yet, on the heels of Veterans Day, when Member after Member came to the floor to praise our veterans, this majority wants to return 7 days later and put predatory lenders ahead of our men and women in uniform. Their bill limits consumer protections for servicemembers. It hurts our Armed Forces, and it hurts their families. It increases strain on people who already volunteer for a stressful, dangerous job; and it reduces combat readiness.

Let's not forget all we pledged just a week ago on Veterans Day. Let's put our policy in line with our rhetoric. Let's protect our troops. Let's protect their families. Let's protect our country. I urge my colleagues to vote ''yes'' on this motion to recommit.

I yield back the balance of my time.

Mr. HENSARLING. Mr. Speaker, I withdraw my reservation of a point of order.

The SPEAKER pro tempore. The reservation of the point of order is withdrawn.

Mr. HENSARLING. Mr. Speaker, I claim the time in opposition to the gentleman's motion.

The SPEAKER pro tempore. The gentleman from Texas is recognized for 5 minutes.

Mr. HENSARLING. Mr. Speaker, I certainly salute the gentleman for his service to our country in uniform and for his service to our country in Congress.

Although I applaud his service, I do not applaud what he is bringing before the House in this motion to recommit, because what his motion to recommit will do, regardless of what he says it will do, is hurt veterans. It will hurt their homeownership opportunities.

I don't know if the gentleman was on the floor when I shared with the House correspondence from just two community financial institutions that were saying that they can't make mortgage loans anymore under this QM rule. We know for a fact that, when fully implemented, 20 percent of the people who qualified for mortgages just 5 years ago—after the financial crisis—would no longer qualify, many of them veterans. We know the Federal Reserve has said that, when the QM rule is fully functional, one-third of all Blacks and Hispanics, many of them veterans, will not be able to qualify for mortgages.

Again, it is why so many in the industry are calling ''QM'' not ''qualified mortgage,'' Mr. Speaker, but ''quitting mortgages.'' We don't want banks and credit unions to be quitting on mortgages for our brave men and women in uniform. They deserve the same homeownership opportunities. Frankly, they deserve better homeownership opportunities than the rest of the population.

I would urge that the House reject this motion to recommit because, at the end of the day, what is going to be best for our veterans—what is going to be best for the American people—is more competition in the mortgage market, not less, not taking away their financing opportunities, particularly those who are of low income and particularly our veterans. No. We want to have competitive, transparent, innovative markets. They need to be policed for force and fraud and deception. We want as many different financial institutions creating as many opportunities for homeownership for the American people and for our veterans as possible. I would urge the House to reject this motion to recommit.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. THOMPSON of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on passage of the bill, if ordered, and passage of H.R. 1737.

The vote was taken by electronic device, and there were—yeas 184, nays 242, not voting 7, as follows:

[Roll No. 635]

YEAS—184

Adams
Aguilar
Ashford
Bass
Beatty
Becerra
Bera
Beyer
Bishop (GA)
Blumenauer
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeGette
Delaney
DeLauro
DelBene
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Duckworth
Duncan (TN)
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Graham
Grayson
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hastings
Heck (WA)
Higgins
Himes
Hinojosa
Honda
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lee
Levin
Lewis
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maloney, Carolyn
Maloney, Sean
Matsui
McDermott
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Rourke
Pallone
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Pocan
Polis
Price (NC)
Quigley
Rangel
Rice (NY)
Richmond
Roybal-Allard
Ruiz
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Sherman
Sires
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Van Hollen
Vargas
Veasey

Vela
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth

NAYS—242

Abraham
Aderholt
Allen
Amash
Amodei
Babin
Barletta
Barr
Barton
Benishek
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Boustany
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Burgess
Byrne
Carter (GA)
Carter (TX)
Chabot
Chaffetz
Clawson (FL)
Coffman
Cole
Collins (GA)
Collins (NY)
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Crenshaw
Culberson
Curbelo (FL)
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Dold
Donovan
Duffy
Duncan (SC)
Ellmers (NC)
Emmer (MN)
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Garrett
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guinta
Guthrie
Hanna
Hardy
Harper
Harris
Hartzler
Heck (NV)
Hensarling
Herrera Beutler
Hice, Jody B.
Hill
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurd (TX)
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (OH)
Johnson, Sam
Jolly
Jordan
Joyce
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger (IL)
Kline
Knight
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Long
Loudermilk
Love
Lucas
Luetkemeyer
Lummis
MacArthur
Marchant
Marino
Massie
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Moolenaar
Mooney (WV)
Mullin
Mulvaney
Murphy (PA)
Neugebauer
Newhouse
Noem
Nugent
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Pittenger
Pitts
Poe (TX)
Poliquin
Pompeo
Posey
Price, Tom
Ratcliffe
Reed
Reichert
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney (FL)
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce
Russell
Salmon
Sanford
Scalise
Schrader
Schweikert
Scott, Austin
Scott, David
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Stefanik
Stewart
Stivers
Stutzman
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Vela
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Wenstrup
Westerman
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Young (IN)
Zeldin
Zinke

NOT VOTING—7

Calvert
DeFazio
Foster
Hurt (VA)
McCollum
Ruppersberger
Takai

□ 1707

Messrs. FARENTHOLD, CARTER of Georgia, KELLY of Mississippi, FRANKS of Arizona, and DOLD changed their vote from ''yea'' to ''nay.''

Mr. BECERRA, Ms. KAPTUR, Mrs. KIRKPATRICK, Ms. LOFGREN, and Mr. RUSH changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Ms. MCCOLLUM. Mr. Speaker, on rollcall No. 635, had I been present, I would have voted "yes."

Mr. FOSTER. Mr. Speaker, on rollcall No. 635, had I been present, I would have voted "yes."

Stated against:

Mr. HURT of Virginia. Mr. Speaker, I was not present for rollcall vote No. 635, a recorded vote on the Motion to Recommit with instructions on H.R. 1210. Had I been present, I would have voted "no."

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HENSARLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 255, nays 174, not voting 4, as follows:

[Roll No. 636]

YEAS—255

Abraham
Aderholt
Allen
Amash
Amodei
Ashford
Babin
Barletta
Barr
Barton
Benishek
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Boustany
Boyle, Brendan F.
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Burgess
Byrne
Calvert
Carter (GA)
Carter (TX)
Chabot
Chaffetz
Clawson (FL)
Coffman
Cole
Collins (GA)
Collins (NY)
Comstock
Conaway
Cook
Cooper
Costa
Costello (PA)
Cramer
Crawford
Crenshaw
Cuellar
Culberson
Curbelo (FL)
Davis, Rodney
Delaney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Dold
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Ellmers (NC)
Emmer (MN)
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foxx
Franks (AZ)
Frelinghuysen
Garrett
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Graham
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guinta
Guthrie
Hanna
Hardy
Harper
Harris
Hartzler
Heck (NV)
Hensarling
Herrera Beutler
Hice, Jody B.
Hill
Holding
Hudson
Huelskamp
Huizenga (MI)
Hultgren
Hunter
Hurd (TX)
Hurt (VA)
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (OH)
Johnson, Sam
Jolly
Jones
Jordan
Joyce
Katko
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger (IL)
Kline
Knight
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
Lummis
MacArthur
Marchant
Marino
Massie
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mica
Miller (FL)
Miller (MI)
Moolenaar
Mooney (WV)
Mullin
Mulvaney
Murphy (PA)
Neugebauer
Newhouse
Noem
Nugent
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Peterson
Pittenger
Pitts
Poe (TX)
Poliquin
Pompeo
Posey
Price, Tom
Ratcliffe
Reed
Reichert
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney (FL)
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce
Russell
Salmon
Sanford
Scalise
Schrader
Schweikert
Scott, Austin
Scott, David
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Stefanik
Stewart
Stivers
Stutzman
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Vela
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Wenstrup
Westerman
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Young (IN)
Zeldin
Zinke

NAYS—174

Adams
Aguilar
Bass
Beatty
Becerra
Bera
Beyer
Bishop (GA)
Blumenauer
Bonamici
Brady (PA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Courtney
Crowley
Cummings
Davis (CA)
Davis, Danny
DeGette
DeLauro
DelBene
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Duckworth
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Grayson
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hastings
Heck (WA)
Higgins
Himes
Hinojosa
Honda
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lee
Levin
Lewis
Lieu, Ted
Lipinski
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lynch
Maloney, Carolyn
Maloney, Sean
Matsui
McCollum
McDermott
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Rourke
Pallone
Pascrell
Payne
Pelosi
Perlmutter
Peters
Pingree
Pocan
Polis
Price (NC)
Quigley
Rangel
Renacci
Rice (NY)
Richmond
Roybal-Allard
Ruiz
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schiff
Scott (VA)
Serrano
Sewell (AL)
Sherman
Sires
Slaughter
Smith (WA)
Speier
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Van Hollen
Vargas
Veasey
Velázquez
Visclosky
Walz
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Wilson (FL)
Yarmuth

NOT VOTING—4

DeFazio Takai
Ruppersberger Webster (FL)

□ 1714

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOMENT OF SILENCE FOR VICTIMS OF BOMBINGS IN BEIRUT, LEBANON

(Mr. ISSA asked and was given permission to address the House for 1 minute.)

Mr. ISSA. Mr. Speaker, I join fellow Members of the Lebanon Caucus to request a moment of silence for the victims of the bombings in Beirut, Lebanon, on November 12, 2015, that claimed the lives of at least 43 people and injured over 200.

In addition to those lost in France on November 13, and in Egypt on October 31, almost 400 murders have been claimed by ISIS in the period of less than 2 weeks.

I invite my colleagues to join the gentleman from New York (Mr. HANNA), my friend, who introduced the resolution today condemning the attack and showing our support for Lebanon.

I thank the Chair for this opportunity to remember the innocent lives lost at the hands of ISIS terrorists, and I urge the administration to do everything in its power to bring those responsible to justice.

Mr. Speaker, I ask for a moment of silence.

The SPEAKER pro tempore. Members will rise and observe a moment of silence.

REFORMING CFPB INDIRECT AUTO FINANCING GUIDANCE ACT

The SPEAKER pro tempore. Without objection, 5-minute voting will continue.

There was no objection.

The SPEAKER pro tempore. The unfinished business is the vote on passage of the bill (H.R. 1737) to nullify certain guidance of the Bureau of Consumer Financial Protection and to provide requirements for guidance issued by the Bureau with respect to indirect auto lending, on which the yeas and nays were ordered.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the passage of the bill.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 332, nays 96, not voting 5, as follows:

[Roll No. 637]

YEAS—332

Abraham
Aderholt
Aguilar
Allen
Amash
Amodei
Ashford
Babin
Barletta
Barr
Barton
Beatty
Benishek
Bera
Beyer
Bilirakis
Bishop (GA)
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Boustany
Boyle, Brendan F.
Brady (PA)
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Brownley (CA)
Buchanan
Buck
Bucshon
Burgess
Bustos
Byrne
Calvert
Carter (GA)
Carter (TX)
Cartwright
Chabot
Chaffetz
Clawson (FL)
Clyburn
Coffman
Cole
Collins (GA)
Collins (NY)
Comstock
Conaway
Connolly
Cook
Cooper
Costa
Costello (PA)
Courtney
Cramer
Crawford
Crenshaw
Crowley
Cuellar
Culberson
Curbelo (FL)
Davis, Rodney
Delaney
DelBene
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Dingell
Dold
Donovan
Doyle, Michael F.
Duckworth
Duffy
Duncan (SC)
Duncan (TN)
Ellmers (NC)
Emmer (MN)
Esty
Farenthold
Fincher
Fitzpatrick
Fleischmann
Fleming
Flores
Forbes
Fortenberry
Foster
Foxx
Franks (AZ)
Frelinghuysen
Gabbard
Gallego
Garrett
Gibbs
Gibson
Gohmert
Goodlatte
Gosar
Gowdy
Graham
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Grayson
Green, Gene
Griffith
Grothman
Guinta
Guthrie
Hahn
Hanna
Hardy
Harper
Harris
Hartzler
Hastings
Heck (NV)
Heck (WA)
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins
Hill
Hinojosa
Holding
Hudson
Huelskamp
Huffman
Huizenga (MI)
Hultgren
Hunter
Hurd (TX)
Hurt (VA)
Israel
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (OH)
Johnson, Sam
Jolly
Jones
Jordan
Joyce
Kaptur
Katko
Keating
Kelly (MS)
Kelly (PA)
Kildee
Kilmer
Kind
King (IA)
King (NY)
Kinzinger (IL)
Kirkpatrick
Kline
Knight
Kuster
Labrador
LaHood
LaMalfa
Lamborn
Lance
Larsen (WA)
Latta
Lawrence
Lieu, Ted
Lipinski
LoBiondo
Loebsack
Long
Loudermilk
Love
Lucas
Luetkemeyer
Lujan Grisham (NM)
Luján, Ben Ray (NM)
Lummis
MacArthur
Marchant
Marino
Massie
McCarthy
McCaul
McClintock
McDermott
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Meng
Messer
Mica
Miller (FL)
Miller (MI)
Moolenaar
Mooney (WV)
Mullin
Mulvaney
Murphy (FL)
Murphy (PA)
Neugebauer
Newhouse
Noem
Nolan
Norcross
Nugent
Nunes
O'Rourke
Olson
Palazzo
Palmer
Pascrell
Paulsen
Pearce
Perlmutter
Perry
Peters
Peterson
Pittenger
Pitts
Poe (TX)
Poliquin
Pompeo
Posey
Price, Tom
Quigley
Ratcliffe
Reed
Reichert
Renacci
Ribble
Rice (NY)
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney (FL)
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce
Ruiz
Russell
Ryan (OH)
Salmon
Sanchez, Loretta
Sanford
Scalise
Schiff
Schrader
Schweikert
Scott, Austin
Scott, David
Sensenbrenner
Sessions
Sewell (AL)
Sherman
Shimkus
Shuster
Simpson
Sinema
Sires
Slaughter
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (WA)
Speier
Stefanik
Stewart
Stivers
Stutzman
Swalwell (CA)
Thompson (CA)
Thompson (PA)
Thornberry
Tiberi
Tipton
Titus
Tonko
Torres
Trott
Tsongas
Turner
Upton
Valadao
Vargas
Veasey
Vela
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Walz
Wasserman Schultz
Weber (TX)
Webster (FL)
Welch
Wenstrup
Westerman
Westmoreland
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Young (IN)
Zeldin
Zinke

NAYS—96

Adams
Bass
Becerra
Blumenauer
Bonamici
Brown (FL)
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Cohen
Conyers
Cummings
Davis (CA)
Davis, Danny
DeGette
DeLauro
DeSaulnier
Deutch
Doggett
Edwards
Ellison
Engel
Farr
Fattah
Frankel (FL)
Fudge
Garamendi
Green, Al
Grijalva
Gutiérrez
Himes
Honda
Hoyer
Jackson Lee
Jeffries
Johnson (GA)
Johnson, E. B.
Kelly (IL)
Kennedy
Langevin
Larson (CT)
Lee
Levin
Lewis
Lofgren
Lowenthal
Lowey
Lynch
Maloney, Carolyn
Maloney, Sean
Matsui
McCollum
McGovern
McNerney
Meeks
Moore
Moulton
Nadler
Napolitano
Neal
Pallone
Payne
Pelosi
Pingree
Pocan
Polis
Price (NC)
Rangel
Richmond
Roybal-Allard
Rush
Sánchez, Linda T.
Sarbanes
Schakowsky
Scott (VA)
Serrano
Takano
Thompson (MS)
Van Hollen
Velázquez
Visclosky
Waters, Maxine
Watson Coleman
Wilson (FL)
Yarmuth

NOT VOTING—5

DeFazio Ruppersberger Whitfield
Eshoo Takai

□ 1726

Ms. FRANKEL of Florida changed her vote from ''yea'' to ''nay.''

Mr. TONKO and Ms. SLAUGHTER changed their vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RUPPERSBERGER. Mr. Speaker, I was not able to vote today for medical reasons. Had I been present on rollcall vote 634, I would have voted ''no.'' Had I been present on rollcall vote 635, I would have voted ''yes.'' Had I been present on rollcall vote 636, I would have voted ''no.'' Had I been present on rollcall vote 637, I would have voted ''yes.''

HOUR OF MEETING ON TOMORROW

Mr. HENSARLING. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9:30 a.m. tomorrow.

The SPEAKER pro tempore (Mr. EMMER of Minnesota). Is there objection to the request of the gentleman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3403

Mrs. LAWRENCE. Mr. Speaker, I ask unanimous consent to remove myself as a cosponsor of H.R. 3403.