

H.R. 369, which would eliminate the expiration date on the Choice Act.

However, I do have serious concerns that I want to see addressed in the future with the third-party provider Health Net, which has provided less than satisfactory services to our veterans. We must give our veterans all that we can when they return home, and I urge my colleagues to support H.R. 369.

SPEAK UP AND SPEAK OUT TO CHANGE POLICY

(Mrs. MURPHY of Florida asked and was given permission to address the House for 1 minute.)

Mrs. MURPHY of Florida. Mr. Speaker, on February 1, I introduced legislation to prohibit individuals whose primary role is political, like Steve Bannon, from serving on the National Security Council or its main subgroup, the Principals Committee. The bill has obtained 183 cosponsors and received significant public support. The majority of the American people clearly believe that our national security policymaking process should not be contaminated by partisan politics.

Today, the Trump administration responded to this message, removing Mr. Bannon from the NSC and the Principals Committee. I am incredibly proud of this development, which is clearly in the interest of our Nation's security.

Today is a victory for democracy because it proves that the people, when they speak up and speak out, can change policy for the better.

MAKE OUR GOVERNMENT SAFE ACT

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

Mr. ESPAILLAT. Mr. Speaker, today, President Trump finally saw what I recognized and what the American people knew months ago: someone like Steve Bannon should not hold a security clearance, no less serve on the National Security Council.

Bannon has made numerous inflammatory statements in support of overthrowing the United States Government. During an interview on August 22, 2016, Bannon referred to himself as "Leninist," saying:

"Lenin wanted to destroy the state, and that's my goal too. I want to bring everything crashing down, and destroy all of today's establishment."

That is what he said, Mr. Speaker. That is why I introduced the Make Our Government Safe Act, which would amend the National Security Act of 1947 to prevent anyone from serving on the National Security Council who has made the statements that Steve Bannon did about taking down the system.

My bill would prevent someone who has threatened to destroy the government from participating in or attend-

ing National Security Council meetings. And today I stand a little bit more reassured that Bannon will not be serving on the National Security Council.

Up next: remove him from the White House.

PROVIDING FOR CONSIDERATION OF H.R. 1219, SUPPORTING AMERICA'S INNOVATORS ACT OF 2017, AND PROVIDING FOR PROCEEDINGS DURING THE PERIOD FROM APRIL 7, 2017, THROUGH APRIL 24, 2017

Mr. BUCK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 242 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 242

Resolved, That upon adoption of this resolution it shall be in order to consider in the House the bill (H.R. 1219) to amend the Investment Company Act of 1940 to expand the investor limitation for qualifying venture capital funds under an exemption from the definition of an investment company. All points of order against consideration of the bill are waived. The bill shall be considered as read. All points of order against provisions in the bill are waived. The previous question shall be considered as ordered on the bill and on any amendment thereto to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services; and (2) one motion to recommend.

SEC. 2. . On any legislative day during the period from April 7, 2017, through April 24, 2017—

(a) the Journal of the proceedings of the previous day shall be considered as approved; and

(b) the Chair may at any time declare the House adjourned to meet at a date and time, within the limits of clause 4, section 5, article I of the Constitution, to be announced by the Chair in declaring the adjournment.

SEC. 3. The Speaker may appoint Members to perform the duties of the Chair for the duration of the period addressed by section 2 of this resolution as though under clause 8(a) of rule I.

SEC. 4. Each day during the period addressed by section 2 of this resolution shall not constitute a calendar day for purposes of section 7 of the War Powers Resolution (50 U.S.C. 1546).

SEC. 5. Each day during the period addressed by section 2 of this resolution shall not constitute a legislative day for purposes of clause 7 of rule XIII.

The SPEAKER pro tempore (Mr. CARTER of Georgia). The gentleman from Colorado is recognized for 1 hour.

Mr. BUCK. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MCGOVERN), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

GENERAL LEAVE

Mr. BUCK. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks.

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

There was no objection.

□ 1230

Mr. BUCK. Mr. Speaker, I rise today in support of the rule and the underlying legislation. H.R. 1219, the Supporting America's Innovators Act of 2017, will allow America's small businesses to thrive, creating jobs, developing incredible products and services, and growing our Nation's economy.

Starting a business, designing a product, developing a service, these projects often require upfront capital. For entrepreneurs and startups in this country, access to capital is one of the biggest hurdles they will face. Without it, they may not have the cash on hand for research and development, the funds to make payroll at the end of the month, or the raw material needed to start production.

Mr. Speaker, H.R. 1219 seeks to provide more sources of funding for our small businesses by raising the cap that requires a group of investors to register as an investment company. This change in the law is important. It allows angel funds, which are basically a pool of accredited investors, to permit up to 250 investors in one fund as opposed to the 100 permitted by current law.

As long as the fund does not exceed \$10 million in capital commitments, it would be considered a qualified venture capital fund that is exempt from costly registration with the SEC.

Angel funds allow individuals who may not otherwise invest in startups to join together and direct their investment dollars to promising young companies. Without raising the cap on the size of these funds, we may be pushing potential investors out of the market.

Small businesses, in their earliest stages, often have nowhere to turn for credit. While banks have historically been a source of funds, in recent years, small business loans from banks have declined. That is where these groups of individual investors come in. In many cases, they are providing just enough cash to push businesses off the ground to the next level of funding; but by overregulating groups of angel investors, we are blocking significant sources of capital from ever reaching startups.

We need to wisely regulate in this country, and this legislation doesn't eliminate the need for larger investment funds to register with the SEC. It simply raises the cap for smaller groups of individuals to contribute a limited amount of funds to the American small business community. For businesses on the receiving end, these funds may be the difference between success and bankruptcy.

Thankfully, the Jumpstart Our Business Startups Act has already raised the cap requiring companies to register with the SEC from 500 investors to 2,000 investors. By allowing small companies

to seek more individual investors, these businesses can expand the number of individuals who have a stake in the company's future, the number of individuals who will ensure the venture succeeds.

H.R. 1219 is a natural complement to the JOBS Act, allowing those potential investors to more easily join their resources to efficiently and successfully invest in America's small businesses. In fact, the current limit on the number of investors who can join together, set by the Investment Company Act of 1940, is a relic from nearly 80 years ago. In the past 80 years, our financial market and our economy have drastically changed. The barriers to entry for small businesses in many industries are lower than ever.

Just yesterday, I spent time with Etash Kalra. Etash is a young man from my district who won the Congressional App Challenge. Already, in high school, he takes computer science classes and codes smartphone apps. He even started a club to teach others programming.

He and students like him have many of the skills needed to start a small business. They have the ability to create software programs that consumers want and need. They may start small, they may start in high school, but they hold great potential.

Many individual investors may see that potential. This bill allows those investors to make a down payment on the future of these young entrepreneurs. Without growing the sources and amount of capital available to these businesses, we will end up stifling the innovation and entrepreneurial spirit that our country is known for.

Our Nation is successful because Americans are innovators and hard workers. Those Americans who start businesses embody this spirit. We are not here asking for the government to help these people succeed. No, these individuals are fully capable of building businesses on their own. But we are here asking the government to step out of the way so that our fellow citizens can help American small businesses succeed.

This rule and the underlying legislation should not be controversial. Last Congress, similar legislation passed the Financial Services Committee by a vote of 57-2. It then passed the House by a vote of 388-9.

Yesterday, I came to the House floor and spoke about the importance of passing bipartisan bills. Many Americans see their Capital awash in partisanship and bickering. They suffer under poorly crafted policies, while politicians in D.C. fail to find consensus on legislation that would help. They wonder why politicians who talk about bipartisanship on the campaign trail can't come together in Washington to pass commonsense legislation.

The challenge before us is to find solutions to our Nation's problems that overlap the principles held by both par-

ties. That is why this bill is refreshing. It stands as an exemplar of the sort of consensus-driven legislation that can earn America's trust.

Everyone can agree that innovative companies help the American economy grow and add to the quality of life in our Nation. Everyone recognizes how important access to capital is for small businesses.

This bill was reported out of the Financial Services Committee with overwhelming support. I ask now that the entire House support the rule and this underlying legislation.

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

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

(Mr. McGOVERN asked and was given permission to revise and extend his remarks.)

Mr. McGOVERN. Mr. Speaker, I want to thank the gentleman for yielding me the customary 30 minutes.

Mr. Speaker, this is the 28th closed rule we are considering in Congress. Let me repeat that. This is the 28th closed rule that we are considering in this Congress. That means that 64 percent of the rules that the Republican leadership has brought to the floor this year have been completely closed, with no opportunity for Democrats or Republicans to offer their ideas to expand upon or improve the legislation.

Under a closed rule, you can't even offer an amendment to fix a typo. If somebody is in their office listening to the debate on this bill and has an idea on how to improve it, they are denied that opportunity to offer any amendments on the floor—in short, no amendments.

Mr. Speaker, this place is called the people's House. Maybe it should be called the Russia House because this is the way they legislate in Russia, completely closed, no opportunity for different ideas to be brought before the Congress and debated.

I have never, in all my years in Congress, experienced a more authoritarian approach to legislating than I have in this Congress. I have never encountered a more closed Congress than this Congress is.

This is not right, and it should not be considered normal. Not only Democrats should be outraged, but Republicans ought to be outraged as well.

You know, I wish my Republican friends had learned something from the collapse of their healthcare bill a few weeks ago. They rushed to the floor a bill cobbled together in the dark of night, filled with bribes and backroom deals. In fact, to strong-arm Members into voting for the bill and to correct for all the technical drafting errors that occurred thanks to their secretive process, there were not one, not two, not even three, but five—that is right, five—separate manager's amendments filed with the Rules Committee.

Now, let me explain that.

Only the people who wrote the bill were allowed to amend it. They wrote

it so quickly, so sloppily, that they had to amend their amendments. I mean, this would be laughable if it weren't so tragic. And even after all of that, they were not able to piece together votes within their own Conference, and the bill imploded.

Well, it was a mess from beginning to end; and, to put it bluntly, the process was a disaster. Don't take it from me. Listen to Sean Hannity of FOX News. Now, don't adjust your television set. I am actually going to quote FOX News—and Sean Hannity, at that. I can't believe that he and I agree on something.

Here is what he said. According to a CNN report, he said: "Now, this legislation was flawed from the beginning. It was created behind closed doors. Not one single Member saw the bill until it was rolled out. And that made it a disaster."

That is Sean Hannity, one of President Trump's biggest cheerleaders, one of the biggest cheerleaders of my Republican friends. Here he is trashing the Republican health bill. And if that is not a wake-up call for Republicans, I don't know what is. You know, if Republicans are being criticized on their process by Sean Hannity, they have a serious problem.

Now we are reading that Republicans are again huddling in back rooms in the Capitol in an effort to resurrect their terrible plan to repeal the Affordable Care Act, strip important protections away from our constituents, and put insurance companies in charge of our health care. There it is on the front page of today's Washington Post: "GOP Presses for New Health Plan."

Now, I haven't been invited to any of these secret backroom negotiations, but from what we are hearing, it isn't good. It seems that things are not looking good for hospitals. MassDevice alerted us to the fact that: "Hospital Stocks Fall as GOP Looks to Revive TrumpCare Bill."

It appears as though Republicans are still working to make their bill even more devastating. Mother Jones reported: "TrumpCare 2.0 Still Isn't Cruel Enough to Satisfy Conservatives."

Yesterday, Tribune Media Wire wrote about: "How the Revised TrumpCare Plan Could Hit Americans with Pre-existing Conditions."

I include in the CONGRESSIONAL RECORD, Mr. Speaker, an article that appears in today's New York Times about how the latest health proposal weakens coverage for preexisting conditions.

[From the New York Times, Apr. 4, 2017]

REPUBLICAN HEALTH PROPOSAL WOULD UNDERMINE COVERAGE FOR PRE-EXISTING CONDITIONS

(By Margot Sanger-Katz)

Throughout the debate to repeal and replace the Affordable Care Act, President Trump and Republican congressional leaders have insisted they would retain a crucial, popular part of the health law: the promise that people can buy insurance even if they've had illnesses in the past.

Their efforts foundered last month, when a House health bill had to be pulled from the floor after it failed to attract enough support. Late Monday night, word emerged that the White House and the group of conservative lawmakers known as the Freedom Caucus had discussed a proposal to revive the bill. But the proposed changes would effectively cast the Affordable Care Act's pre-existing conditions provision aside.

The terms, described by Representative Mark Meadows, Republican of North Carolina and the head of the Freedom Caucus, are something like this: States would have the option to jettison two major parts of the Affordable Care Act's insurance regulations. They could decide to opt out of provisions that require insurers to cover a standard, minimum package of benefits, known as the essential health benefits. And they could decide to do away with a rule that requires insurance companies to charge the same price to everyone who is the same age, a provision called community rating.

The proposal is not final, but Mr. Meadows told reporters after the meeting that his members would be interested in such a bill. To pass the House, any bill would need to find favor not just with the Freedom Caucus, but also with more moderate Republicans. It would also need to attract the support of nearly every Republican in the Senate to become law.

The ability to opt out of the benefit requirements could substantially reduce the value of insurance on the market. A patient with cancer might, for example, still be allowed to buy a plan, but it wouldn't do her much good if that plan was not required to cover chemotherapy drugs.

The second opt-out would make the insurance options for those with pre-existing conditions even more meaningless.

Technically, the deal would still prevent insurers from denying coverage to people with a history of illness. But without community rating, health plans would be free to charge those patients as much as they wanted. If both of the Obamacare provisions went away, the hypothetical cancer patient might be able to buy only a plan, without chemotherapy coverage, that costs many times more than a similar plan costs a healthy customer. Only cancer patients with extraordinary financial resources and little interest in the fine print would sign up.

There is a reason that many conservatives want to do away with these provisions. Because they help people with substantial health care needs buy relatively affordable coverage, they drive up the price of insurance for people who are healthy. An insurance market that did not include cancer care—or even any cancer patients—would be one where premiums for the remaining customers were much lower. The result might be a market that is much more affordable for people with a clean bill of health. But it would become largely inaccessible to anyone who really needs help paying for medical care.

We do not have to speculate to know what the world looks like without essential health benefits and community rating. It was how most state insurance markets worked before Obamacare. Back in 2009, most sick people who did not get insurance through work or a government program were excluded from coverage if they had a history of health problems like allergies or arthritis. Plans that did not cover pregnancy care or drug addiction treatment were widespread. (The data about individual market insurance premiums is a little spotty, but it appears that they were substantially lower in most states.)

One idea Republicans have about how to care for the sick was also in effect pre-

Obamacare. Many states had “high-risk pools,” where people shut out of the traditional insurance markets could buy special plans with the help of state subsidies. The Freedom Caucus proposal is likely to include some money that states could use to set up such pools.

“The fundamental idea is that marginally sick people would pay with risk associated with their coverage,” Mr. Meadows said Monday. “Those that have, you know, premiums that would be driven up because of catastrophic illness or long-term illnesses, we’ve been dealing with that for a long time with high-risk pools.”

But insurance in the old high-risk pools tended to be expensive, and often came with long waiting periods or benefit limitations, even for the very sick.

The main difference between the policy environment in 2009 and today is that the federal government would now be offering tax credits to help healthy people buy what would probably be relatively skimpy plans. That would mean that more middle-income Americans would probably have health coverage than before the Affordable Care Act, since the combination of policies would tend to make insurance much more affordable for people who are young and healthy.

What states would choose to do with this set of options is hard to predict. Before Obamacare, few states required community rating of health plans. And few states required insurers to cover all of the benefits deemed essential under Obamacare, though most did require a few types of treatments to be covered. State governments would face a difficult choice: either take away the requirements, and leave sick patients without insurance options, or keep them and see people unable to afford coverage under the new subsidy system.

Under Obamacare, states can already waive many of the law's insurance rules if they can show that an alternative program would cover as many people with comprehensive coverage at a lower cost to the government. But that standard is difficult to meet. Mr. Meadows suggested that the waivers under discussion should be “very easily granted” to states.

The politics of health care in the United States have shifted since the Affordable Care Act was passed seven years ago. In recent months, the law has grown more popular, and the pre-existing conditions policy is among its best-known protections. That could create political pressure for states to keep the insurance rules, even if they are not required by law. But it is likely that at least some states might decide to eliminate them if they are made optional. Shifting norms about health insurance regulation may also affect the idea's reception in Congress.

Mr. Meadows said that the proposal presented to the Freedom Caucus would retain the pre-existing conditions policy. But that would be true in only the most literal sense. The mix of policies could allow insurance companies to charge sick people prices that few of them could pay. And it could allow them to exclude benefits that many healthy people need when they get sick. The result could be a world where people with pre-existing conditions would struggle to buy comprehensive health insurance—just like before Obamacare.

Thomas Kaplan contributed reporting.

Mr. MCGOVERN. Mr. Speaker, I mean, preexisting conditions. Oh, my God. What are my friends thinking about?

And we are reading that essential health benefits are still on the chopping block.

You know, these are some of the main provisions of the ACA that people

like, that people need, and that people deserve.

Protecting essential health benefits in people with preexisting conditions is our moral obligation. Taking these protections away from people would be cruel and unjust and immoral. I would say to my Republican friends: You don't have to do it.

But I guess we will have to wait and see until these secret negotiators emerge from their back rooms with details to share. And I will start getting ready for the next emergency Rules Committee. I am looking forward to that meeting because that will probably be the only time we will have to talk about the bill because I think it is probably too much to expect that my Republican friends would actually, this time around, hold a hearing. Maybe they will bypass a markup, but they will have to go to the Rules Committee in an emergency meeting, and we will probably look forward to another martial law rule.

But we are doing this bill today that no one has ever heard of. It was a non-controversial suspension bill last year, but now we lift it up like it is the most important piece of business that we are facing in America today. You know, what about the urgent priorities facing our country?

I think it is clear that Speaker RYAN and the majority leader are grasping for filler legislation to keep us busy on the House floor so that the American people really don't see really how dysfunctional this majority really is.

Representative MARIO DIAZ-BALART, a Member of the Republican Conference, said, and I think he said it best last week when he said: “It's pretty evident that we don't have the votes among Republicans to do, in essence, anything that's real.”

Maybe that is why we are wasting our time this week on these bills instead of moving an infrastructure package or finishing the FY17 appropriations process, which should have been finalized last year.

I will remind my Republican colleagues that our government runs out of funding on April 28. That is 5 legislative days from now, since we are going on break at the end of this week. Now, maybe, again, this is a radical idea, but maybe we should be dealing with that today.

I am beginning to give up hope for regular order in the appropriations process under the Republican leadership, but I would have thought we would at least have some insight about a funding bill by now. Again, 5 legislative days from now, the government potentially could be shut down.

Maybe some of you think that the underlying legislation that this rule would allow us to consider, a bill to increase the number of companies that are exempted from certain SEC regulations, is vitally important. Maybe you are being inundated with calls about this issue. I don't know. Maybe your townhalls are overflowing with people

demanding this SEC suspension bill, but I am certain that no Member of this body could say with a straight face that this is somehow more important than keeping the entire Federal Government open.

For the life of me, I don't understand why we always have to get right up to the edge of the cliff, but here we are again. Today is just the latest example that the priorities of this Republican leadership do not serve the American people.

I would urge my colleagues to think about this as we spend time in our districts over the next 2 weeks. Maybe, when we get back, Congress can actually do its job and fund the government and focus on things that are important like a jobs bill or an infrastructure bill instead of more of the same Republican messaging bills.

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

□ 1245

Mr. BUCK. Mr. Speaker, I have an inquiry for the Speaker, if I may. What is the title of this bill?

The SPEAKER pro tempore (Mr. YODER). The Clerk has read the title of the bill. Would the gentleman like the Clerk to re-read the title of the bill?

Mr. BUCK. That is all right, Mr. Speaker. I appreciate it.

I yield 5 minutes to the gentleman from Michigan (Mr. HUIZENGA), my friend.

Mr. HUIZENGA. Mr. Speaker, I appreciate the opportunity to rise, and I do feel like, to clarify, the bill title of H.R. 1219 is Supporting America's Innovators Act.

Our colleagues have seen time and time and time again that the other side has wanted to come to the floor and talk about everything other than what we are dealing with. But I do want to lay out, as one of the senior members of the committee, what has happened in Financial Services when we have dealt with this.

Last Congress, this exact bill passed 52-2 in the committee, with the ranking member supporting the bill. There were no dissenting minority views that were offered. And now, with this particular piece of legislation, H.R. 1219, there were no amendments even offered at the Rules Committee.

So which is it? My friends across the aisle complain when we don't do regular order. They complain if this had gone on suspension. I am kind of reminded of Groucho Marx in his movie, "Horse Feathers." Whatever that is, I am against it. That seems to be their attitude.

But I do look forward to working with my colleagues across the aisle to make sure that they join me in supporting government funding when we are going to be dealing with that here shortly.

So on to our bill here, H.R. 1219, unless the opposition, the other side of the aisle, would like to continue to talk about a lot of nongermane things;

I will keep bringing up Susan Rice and her illegally unmasking people if they would like to do that. We can continue with that conversation.

I would prefer to talk about H.R. 1219. So we know that small businesses and entrepreneurs are the heartbeat of the American economy, and access to financial capital is vital for entrepreneurs seeking startup money, or to operate, or to expand their businesses. However, gaining access to capital has remained an enduring challenge for small businesses.

The financial crisis and the Great Recession made the situation worse as capital became increasingly hard to access from institutional banks and various capital players. And while conditions have improved somewhat in the recent years, many entrepreneurs continue to struggle with accessing the capital that they need to compete and to grow.

In order to succeed, these companies need capital and credit, which is the lifeblood for growth, expansion, and job creation. Yet the government continues to construct arbitrary walls that cut them off from essential financing as smaller companies are caught in a sea of regulatory red tape created by Washington bureaucrats oftentimes.

As we had a similar bill yesterday, I made the point at that time as well. We know that 60 percent of all net new jobs that have been created here in the United States, 60 percent of all net new jobs that have been created here over the last 2 decades, have come from these small businesses.

Congress has made strides in tailoring the regulatory environment for these smaller companies—most notably when we passed, with strong bipartisan support, the Jumpstart Our Business Startups Act, or JOBS Act, in 2012. That was a bipartisan bill that was signed by President Obama.

The JOBS Act's benefits are notable as more and more companies use its provisions to raise investment capital in both the public and the private markets. And the JOBS Act raised the cap on investors in a privately held company from 500 to 2,000 investors, but the limit on the number of investors acting as a coordinated group to invest in a company remained at 100, where it has been since 1940, some 77 years ago. I think it is about time that we update that.

As noted by Kevin Laws, of AngelList in his written testimony before the Capital Markets Subcommittee: "With online fundraising and general solicitation becoming more common because of the JOBS Act, companies are bumping up against the limit more frequently. The current limit . . . now acts as a brake on the amount of money the company wanted to raise, leaving tens of millions of dollars on the table that did not go into startups."

Well, H.R. 1219, the Supporting America's Innovators Act, a bipartisan bill

introduced by Representatives PATRICK MCHENRY and NYDIA VELÁZQUEZ, would amend the cap currently contained in the Investment Company Act to allow 250 investors, instead of that 100, for a qualified venture capital fund, and, therefore, enhance angel investors' ability to provide important funding to our small businesses.

This bill is a very modest increase to the current exemption which has been in place for nearly 77 years, since 1940. Modernizing the cap is long overdue and reflects today's capital markets realities and the increasingly important role that angel investors play as they commit the funds necessary to help these small businesses grow.

The Securities and Exchange Commission continues to ignore the backlog of good ideas to spur capital formation recommended by entrepreneurs, small businesses, and market participants at the SEC's annual government-business forum on capital formation. So in the SEC's absence, Congress must act to promote market efficiency and capital formation. That is what we are here to do today, and I do think that that is an extremely important thing for us to do here in Congress.

I think that we can all agree that we support smart regulation that protects investors and maintains orderly and efficient markets.

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

Mr. BUCK. I yield an additional 1 minute to the gentleman from Michigan.

Mr. HUIZENGA. I think we can all agree that we need to support smart regulation that protects investors and maintains orderly and efficient markets. But outdated, excessive, and unnecessary regulation where costs outweigh the benefits is just dumb regulation that overly burdens smaller companies.

So let's provide some regulatory relief by enacting this bipartisan bill that will ease the burdens on small businesses and job creators to help foster capital formation and get Americans back to work.

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

I am glad the gentleman from Michigan believes that closed rules are regular order—maybe in Russia, but that is not supposed to be the norm here in the people's House. We have an obligation to actually debate serious bills.

Right now, my Republican friends are behind closed doors somewhere in the Capitol debating healthcare legislation. And what I am against is this whole process. This is backwards. My Republican friends ought to be out in the open debating health care. They ought to be doing hearings. This is what I am objecting to.

In the scheme of things, this is a relatively minor piece of legislation, compared to my Republican friends' plans to repeal the Affordable Care Act.

Yes, we should be debating Russia and all the ties that the Trump administration has with Russia. The question

used to be: Who in the administration has ties with Russia? Now the question is: Who in this administration doesn't have ties with Russia? Yes, those are important things we ought to be talking about. But, come on.

What we are objecting to is you bringing filler to the floor while, in secret, you are trying to dismantle health care in a way that we believe will harm millions and millions of Americans; that will take away their protections, those who have pre-existing conditions; that will throw millions of people off of their insurance; that will take away essential health benefits. Yeah, that is important to us, and it is important to the American people.

What we are objecting to is a process where you debate these issues in secret and you bring stuff like this to the floor.

Mr. Speaker, this week, President Trump signed a bill to allow internet service providers to sell their customers' sensitive information. This information includes location, financial and health data, information about customers' children, Social Security numbers, web browsing history, app usage history, and the content of their customers' communications, such as emails and video chats.

Yet, amazingly, President Trump's tax return information is still off limits to the American people. Every President since Gerald Ford has disclosed his tax return information. These returns have provided a basic level of transparency that has helped to ensure the public's interest is placed first.

So the message from President Trump and the Republican Party is clear: It is okay for companies to profit off your medical and financial information, or information contained in your private emails, but the American voter is not allowed to know if the President has any conflicts of interest. That is right. Donald Trump's privacy matters, but your privacy doesn't.

Internet companies can auction off your private, personal information to the highest bidder. But information related to Donald Trump's business life must be kept secret.

Mr. Speaker, the American people deserve better, and it is incumbent upon us, as the people's elected Representatives, to hold the executive branch accountable.

So I am going to ask people to vote "no" on the previous question. And if we defeat the previous question, I will offer an amendment to the rule to bring up Representative ESHOO's bill, which will require Presidents and major party nominees for the Presidency to release their tax returns.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment in the RECORD, along with extraneous material, immediately prior to the vote on the previous question.

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

There was no objection.

Mr. MCGOVERN. Mr. Speaker, this is a big deal. The American people have a right to know because the American people are concerned that this White House is on a collision course with corruption. It is time to let a little light shine on the President's tax returns so the American people know what his dealings have been and know what, quite frankly, they have been able to know about every other President and every other major party nominee.

I yield 5 minutes to the distinguished gentlewoman from California (Ms. ESHOO) to discuss our proposal.

Ms. ESHOO. Mr. Speaker, I thank my colleague from Massachusetts for yielding the time to me.

While I support the underlying bill, I want to urge my colleagues to defeat the previous question so that this bipartisan legislation, the Presidential Tax Transparency Act, can be made in order for consideration and a vote.

The legislation is very simple. It is not pages and pages and pages. It simply states that there will be a requirement that the President of the United States, all future Presidents, and Presidential nominees of the major parties publicly disclose their tax returns. For decades, Republican and Democratic Presidents and Republican and Democratic candidates of both parties have voluntarily disclosed this information, but not this President.

Now, this tradition began in 1973, with President Richard Nixon who, while under audit by the IRS, publicly released his tax returns and submitted them for review by Congress because there was a mini scandal at that time regarding his claims of charitable giving. He released his tax returns and, shortly after, gave what became a famous speech: "People have got to know whether or not their President is a crook. Well, I am not a crook."

The Joint Committee on Taxation, at that time, ultimately found numerous errors in the President's return, and that he owed about a half a million dollars in back taxes, and he paid them.

Now, since then, every President has voluntarily released their tax returns. But this tradition is now being tested by a President who continues to hide his finances and faces an unprecedented number of potential conflicts of interest relating to his business empire.

Now, through his financial disclosure forms, we know that he has some 564 businesses around the world and inside the United States. This is a legitimate question being posed by the American people, and that is: If we don't know, whose interest is he operating under? Who is he there for?

Is he making decisions relative to trade that will benefit his business? We don't know. Why? Because a tax return is highly instructive. Tax returns disclose to whom you owe debt, what the debt is, where your businesses are, whether they are in the United States or in a foreign country, whether you

have made charitable donations, whether you have paid taxes, whether you have avoided taxes, whether you have used loopholes, whether you have dollars in offshore areas. So this is an essential.

I want my Republican friends to think of something. This is not a partisan issue. This should concern you just as much as it concerns your constituents. The American people across the country, 74 percent, say that his tax returns should be disclosed.

□ 1300

We are now moving into an area of questions about national security.

Who is the President doing business with?

Whose interests come first? Is it the national security of the United States of America by the Commander in Chief, or is it for some Trump business?

These are very serious questions that you should want answered.

In a democracy—in a democracy—transparency is essential. They go hand in hand. We are not a banana republic. We don't have people in charge of the government that stand above the law or just disregard it.

In this case, it is not the law. It is a beautiful tradition that patriots on the Republican side and the Democratic side honored. Why did they honor it? I think they honored it because they wanted to honor the American people. That is what this effort is about.

Now, it is important to note that the President wasn't always opposed to this important transparency. As far back as 2011, he said that he would release his tax returns if he ran for President.

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

Mr. MCGOVERN. Mr. Speaker, I yield the gentlewoman from California an additional 2 minutes.

Ms. ESHOO. In 2012, he criticized Mitt Romney for not releasing his returns until late in the campaign. In 2014, Mr. Trump told an Irish television network: "If I decide to run for office, I'll produce my tax returns, absolutely." In 2016, he said repeatedly that he would release his returns "over the next few months" and "before the election." It hasn't happened yet.

So all of these issues should concern all Members of Congress because, as I said a moment ago, transparency is essential in a democracy.

Mr. Speaker, this is the fourth time this year that I have offered the Presidential Tax Transparency Act as the previous question motion, and today I filed a discharge petition on the bill, which I encourage all of my colleagues to sign at the desk. If we defeat the previous question today or if we reach 218 Members of the House on the discharge petition, we can vote on this bipartisan legislation and ensure—underscore "ensure"—that the President of the United States provides transparency for the American people now and in the future.

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

Mr. Speaker, I am reminded of an old Western movie, "The Man Who Shot Liberty Valance," and a line in that movie: "When the legend becomes fact, print the legend."

It turns out, Mr. Speaker, that this bill was marked up without any amendments on March 9, 2017, in the Senate Banking Committee and was favorably reported unanimously and without any amendments offered. It was also marked up on March 9, 2017, in the Financial Services Committee and was reported out with a 54-2 vote.

There were no amendments offered on this particular legislation, Mr. Speaker, in the Rules Committee; and, as a matter of practice, it is considered a closed rule because there were no amendments offered. So the idea that somehow this legislation has been hidden and that we are engaging in some sort of subterfuge is not accurate.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. HULTGREN), my good friend.

Mr. HULTGREN. Mr. Speaker, I thank my good friend from Colorado.

Mr. Speaker, I rise today to support the rule providing for consideration of H.R. 1219, the Supporting America's Innovators Act of 2017. This is a bipartisan piece of legislation that has seen productive debate and almost no opposition when it was considered by the House Financial Services Committee. The House considered a very similar bill last July that received 388 votes here in the House in support.

Congressman PATRICK MCHENRY has been steadfast in his dedication to finding opportunities to update our securities laws so we can harness the true power of our capital markets. In recent memory, this started with the JOBS Act, which was very bipartisan and has been crucial to reinvigorating our capital markets. However, there is still more we can do.

The Supporting America's Innovators Act of 2017 increases the limit on the number of individuals who can invest in certain venture capital funds before those funds must register with the SEC as investment companies under the Investment Company Act of 1940. Currently, the act limits the number of investors in an investment company fund to 100 if the fund is to be exempt from registration with the SEC. This registration is an extremely costly regulatory requirement that is not always appropriate.

The Chamber of Commerce describes this as a fix to what has come to be known as the "99 investor problem," that is, the requirement that certain venture capital funds register with the SEC once they reach their 100th investor. Increasing this low threshold, originally set in the 1940s, would allow venture capital to continue to play the important role in the economy that it has in the past.

Unless Congress updates this threshold, startups, the driver of job creation

and economic growth in our districts, will continue to be choked off from what should be easily accessible and affordable capital.

Mr. Speaker, I urge my colleagues to support this rule and to support this bipartisan legislation.

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

Mr. Speaker, I just want to be clear so that my good friend from Colorado understands where I am coming from.

I don't really care about this bill. I think it is a noncontroversial bill that, quite frankly, probably could be approved by voice vote if it were brought up that way.

The point I am trying to make is that this is a relatively minor bill compared to some of the important issues that we need to deal with. It is troublesome to me that, on this bill, which my friend from Colorado said involved years of hearings and where the sponsor of the bill consulted with Democratic colleagues—I favor all of that. But what I am really outraged about is that, while we are talking about this relatively inconsequential bill and about how wonderful this process around this bill is, there are meetings going on in secret, right now, with my Republican colleagues, on dismantling health care in this country, conversations that might result in tens of millions of Americans losing their health insurance, conversations involving taking away essential benefits from insurance packages, conversations that would basically remove protections for people who have preexisting conditions.

All of this is going on in secret. We are reading about it in the press. I am sure my colleagues know about it because they are reading about it. Maybe they are proud of these secret meetings. I want to know where these secret meetings are.

I am simply saying to my friends on the other side of the aisle, on something as big as health care, you ought to be having these meetings out in the open. There ought to be hearings. You ought to bring in patients and patient advocate groups. You ought to bring in doctors, nurses, and heads of hospitals. You ought to bring in people who are going to be affected by any kind of changes you make in our healthcare policy.

Instead, it is being done behind closed doors, in secret, and I think the American people are outraged by that. That is one of the reasons why the bill you brought to the floor recently only had 17 percent support amongst the American people.

So what we are objecting to is the fact that we are not bringing to the floor matters that are urgent, like keeping the government running and like an infrastructure bill. We are also objecting to the fact that we are reading that my Republican friends are, once again, behind closed doors negotiating another healthcare bill that we think will do great damage to the

health care of a lot of people in this country.

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

Mr. BUCK. Mr. Speaker, I have no further speakers, and I reserve the balance of my time.

Mr. MCGOVERN. Mr. Speaker, I yield myself the balance of my time, and I will close for our side.

Mr. Speaker, I want to alert my Republican colleagues to some recent polls that came out today. There is a poll that Quinnipiac did that said that Trump is more unpopular than Obama ever was, and, today, President Trump's approval rating is at 35 percent. That is down from 37 percent, and that is the lowest, I think, of any President this early on in his Presidency. I think the lowest rating ever was President George W. Bush. It was at 28 percent, but it took 8 years, two unpopular wars, and a staggering economy to get to that point. But with President Trump, we are already at 35 percent. The Gallup Poll says his approval is at 39 percent.

By the way, the Affordable Care Act, according to Kaiser, now polls at 55 percent approval rating, and the Republican Congress is about as low as President Trump is right now.

I am trying to think of the words to help my colleagues understand what these polls mean. I guess "not good" comes to mind, or "very, very bad." I don't think, even if you tried, you could get poll numbers so low so early on in a new Congress or so early on in a new administration.

I would say to my friends the reason for this unpopularity is the way you are conducting business in our government, that the closed processes that are being used with regard to legislation I think are unprecedented. There has never been a more closed Congress than this one. You were pretty closed last session as well. This is a terrible pattern.

I agree with my friend, Mr. BUCK, on one thing he said. The gentleman said yesterday that good process produces good policy, but perhaps equally as important, good process helps instill faith in this institution. I agree with that. I could have said those remarks here today.

My question is: If that is the case, why are my Republican friends tolerating a process on healthcare reform that is now going on that is being done behind closed doors in some back room somewhere in this building with no input from patients or patient advocate groups or doctors or nurses or hospitals or anybody who has anything to do with health care? Why, on something so important, is the process so closed and so restrictive and so secretive?

I will tell you, just as this closed process led to a disastrous Republican healthcare bill recently, this continued closed process will lead to more disaster. This is not the way we should be doing the people's business. So we

strongly object to the way the Republicans are running this House and, in fact, the way the President is handling this issue as well.

It is always nice to see Vice President PENCE in the hallway when he is walking back and forth, but it would be better to see him in a public setting talking about what the administration's priorities are, not rushing from one back room to another back room to another back room trying to make secret deals to get more people to vote for something when they have no idea what is in the legislation. That is not the way of doing business. So we object to the process.

Again, I urge my colleagues to also vote "no" on the previous question so we can have an opportunity to see President Trump's tax returns. Every President since Gerald Ford has disclosed their tax returns, every major Presidential candidate, and every day we read in the newspaper about more and more potential conflicts of interest between the President and his family. I have to tell you, we are on a collision course with corruption. The President has promised to drain the swamp. He has created a cesspool, and it should be of concern to every single person in this Chamber, Democrat and Republican alike.

I don't think it is too much to ask for transparency when it comes to the person who is our Commander in Chief. I shudder to think if Hillary Clinton had won the Presidency and didn't release her tax returns, the outrage that would be coming from the other side of the aisle. I can't even imagine how much outrage would be coming from them.

Yet when Donald Trump hides his financial information from Congress and the American people, there is silence; people don't want to know. Well, the majority of people do. Poll after poll show the overwhelming majority of Americans want to know what is in his tax returns.

Why is this such a state secret? Why can't people see what they want to see and what they have been given with every other President?

So this is an opportunity to put this issue behind us, and if there is nothing controversial in his taxes, well, then this issue goes away and we can talk about something else. But maybe there is something he is hiding. Maybe there is something that we should be concerned about. Maybe there are conflicts of interest that might be constitutionally questionable. Maybe there are ties to Russia that would cause my colleagues on the other side of the aisle more concern.

This idea of hiding this has to stop. I urge my colleagues to vote "no" on the previous question and vote "no" on the underlying rule.

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

□ 1315

Mr. BUCK. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I appreciate my friend from Massachusetts quoting me yesterday, and I would love to just emphasize a few of the words that he said a moment ago: I also shudder to think if Hillary Clinton won the Presidency.

My friend was kind enough to focus his half hour on H.R. 1219, Supporting America's Innovators Act of 2017. It is, in fact, a great piece of legislation, and I am proud to close now on that bill.

We have the opportunity today to improve access to capital for America's entrepreneurs and startups. The men and women who start companies in this Nation put everything on the line. They give of their time and their financial resources. They give of their weekends and evenings and vacations.

Our economy relies on the small businesses that these men and women create. Small businesses are the backbone of the American economy. They provide jobs and important products and services. They contribute to the life of their communities.

If we want to grow our economy, if we want to increase hiring, if we want to improve our quality of life, then we need to unleash America's entrepreneurs and startups. That is why we need to support this bill.

We must expand access to credit for small-business owners. We need to make it easier for angel investors to take a risk on young companies. We are not asking the American taxpayer to take a risk or spend any money on this. We are simply asking the Federal Government to allow angel investors to join together in larger groups to invest in promising young American companies.

I am encouraged that this bill represents a bipartisan effort to make small-business owners in this country more rewarding. When the cost of starting a small business is outweighed by the reward, our country will benefit from the resulting innovation and job creation. We simply need to give entrepreneurs the tools they need to succeed, and one of those tools is access to capital.

America's entrepreneurs and startups need H.R. 1219. Americans who want to work for small businesses need H.R. 1219. Americans who want to buy great products, access incredible services, and visit amazing websites all need H.R. 1219.

I thank Chief Deputy Whip MCHENRY for introducing this important bill, and I thank Chairman HENSARLING for bringing this legislation before us. I also thank Representative VELÁZQUEZ, Representative HOLLINGSWORTH, Representative SHERMAN, and Representative GOTTHEIMER for cosponsoring this legislation.

I ask my colleagues to vote "yes" on the rule and vote "yes" on the bill.

The material previously referred to by Mr. MCGOVERN is as follows:

AN AMENDMENT TO H. RES. 242 OFFERED BY
MR. MCGOVERN

At the end of the resolution, add the following new sections:

SEC. 6. Immediately upon adoption of this resolution the Speaker shall, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 305) to amend the Ethics in Government Act of 1978 to require the disclosure of certain tax returns by Presidents and certain candidates for the office of the President, and for other purposes. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided among and controlled by the respective chairs and ranking minority members of the Committees on Ways and Means and Oversight and Government Reform. After general debate the bill shall be considered for amendment under the five-minute rule. All points of order against provisions in the bill are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. If the Committee of the Whole rises and reports that it has come to no resolution on the bill, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee of the Whole for further consideration of the bill.

SEC. 7. Clause 1(c) of rule XIX shall not apply to the consideration of H.R. 305.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the Democratic minority to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's *Precedents of the House of Representatives* (VI, 308-311), describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

The Republican majority may say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the *Republican Leadership Manual on the Legislative Process in the United States House of Representatives*, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: "Although it is generally not possible to amend

the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment."

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: "Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. BUCK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. DENHAM). The question is on ordering the previous question.

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

Mr. MCGOVERN. 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

FINANCIAL INSTITUTION BANKRUPTCY ACT OF 2017

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1667) to amend title 11 of the United States Code in order to facilitate the resolution of an insolvent financial institution in bankruptcy, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1667

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 "Financial Institution Bankruptcy Act of 2017".

SEC. 2. GENERAL PROVISIONS RELATING TO COVERED FINANCIAL CORPORATIONS.

(a) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting the following after paragraph (9):

"(9A) The term 'covered financial corporation' means any corporation incorporated or organized under any Federal or State law, other than a stockbroker, a commodity broker, or an entity of the kind specified in paragraph (2) or (3) of section 109(b), that is—

"(A) a bank holding company, as defined in section 2(a) of the Bank Holding Company Act of 1956; or

"(B) a corporation that exists for the primary purpose of owning, controlling and financing its subsidiaries, that has total consolidated assets of \$50,000,000,000 or greater, and for which, in its most recently completed fiscal year—

"(i) annual gross revenues derived by the corporation and all of its subsidiaries from activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, from the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated annual gross revenues of the corporation; or

"(ii) the consolidated assets of the corporation and all of its subsidiaries related to activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, related to the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated assets of the corporation."

(b) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended by adding at the end the following:

"(1) Subchapter V of chapter 11 of this title applies only in a case under chapter 11 concerning a covered financial corporation."

(c) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking "or" at the end;

(B) in paragraph (3)(B), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(4) a covered financial corporation."; and

(2) in subsection (d)—

(A) by striking "and" before "an uninsured State member bank";

(B) by striking "or" before "a corporation"; and

(C) by inserting ", or a covered financial corporation" after "Federal Deposit Insurance Corporation Improvement Act of 1991".

(d) CONVERSION TO CHAPTER 7.—Section 112 of title 11, United States Code, is amended by adding at the end the following:

"(g) Notwithstanding section 109(b), the court may convert a case under subchapter V to a case under chapter 7 if—

"(1) a transfer approved under section 1185 has been consummated;

"(2) the court has ordered the appointment of a special trustee under section 1186; and

"(3) the court finds, after notice and a hearing, that conversion is in the best interest of the creditors and the estate."

(e)(1) Section 726(a)(1) of title 11, United States Code, is amended by inserting after "first," the following: "in payment of any unpaid fees, costs, and expenses of a special trustee appointed under section 1186, and then".

(2) Section 1129(a) of title 11, United States Code, is amended by inserting after paragraph (16) the following:

"(17) In a case under subchapter V, all payable fees, costs, and expenses of the special

trustee have been paid or the plan provides for the payment of all such fees, costs, and expenses on the effective date of the plan.

"(18) In a case under subchapter V, confirmation of the plan is not likely to cause serious adverse effects on financial stability in the United States."

(f) Section 322(b)(2) of title 11, United States Code, is amended by striking "The" and inserting "In cases under subchapter V, the United States trustee shall recommend to the court, and in all other cases, the".

SEC. 3. LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION.

Chapter 11 of title 11, United States Code, is amended by adding at the end the following:

"SUBCHAPTER V—LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION

"§ 1181. Inapplicability of other sections

"Sections 303 and 321(c) do not apply in a case under this subchapter concerning a covered financial corporation. Section 365 does not apply to a transfer under section 1185, 1187, or 1188.

"§ 1182. Definitions for this subchapter

"In this subchapter, the following definitions shall apply:

"(1) The term 'Board' means the Board of Governors of the Federal Reserve System.

"(2) The term 'bridge company' means a newly formed corporation to which property of the estate may be transferred under section 1185(a) and the equity securities of which may be transferred to a special trustee under section 1186(a).

"(3) The term 'capital structure debt' means all unsecured debt of the debtor for borrowed money for which the debtor is the primary obligor, other than a qualified financial contract and other than debt secured by a lien on property of the estate that is to be transferred to a bridge company pursuant to an order of the court under section 1185(a).

"(4) The term 'contractual right' means a contractual right of a kind defined in section 555, 556, 559, 560, or 561.

"(5) The term 'qualified financial contract' means any contract of a kind defined in paragraph (25), (38A), (47), or (53B) of section 101, section 741(7), or paragraph (4), (5), (11), or (13) of section 761.

"(6) The term 'special trustee' means the trustee of a trust formed under section 1186(a)(1).

"§ 1183. Commencement of a case concerning a covered financial corporation

"(a) A case under this subchapter concerning a covered financial corporation may be commenced by the filing of a petition with the court by the debtor under section 301 only if the debtor states to the best of its knowledge under penalty of perjury in the petition that it is a covered financial corporation.

"(b) The commencement of a case under subsection (a) constitutes an order for relief under this subchapter.

"(c) The members of the board of directors (or body performing similar functions) of a covered financial corporation shall have no liability to shareholders, creditors, or other parties in interest for a good faith filing of a petition to commence a case under this subchapter, or for any reasonable action taken in good faith in contemplation of such a petition or a transfer under section 1185 or section 1186, whether prior to or after commencement of the case.

"(d) Counsel to the debtor shall provide, to the greatest extent practicable without disclosing the identity of the potential debtor, sufficient confidential notice to the chief