

year at entitlement reform, which is how you tackle the debt and the deficit.”

He says that entitlements are what he is going to go after.

Well, do you know what entitlements are?

Medicare and Social Security, under his definition.

Mr. Speaker, I urge my colleagues to reject this tax scam. Instead, let's offer a better deal to the American public.

REMEMBERING MAYOR ED LEE

(Ms. LEE asked and was given permission to address the House for 1 minute.)

Ms. LEE. Mr. Speaker, today I rise with a very heavy heart upon learning of the passing of a great human being: San Francisco's Mayor Ed Lee.

My thoughts and prayers are with his family—his wife, Anita, and two daughters—and the entire city and county of San Francisco and the bay area.

My condolences are also with Leader PELOSI and Congresswoman JACKIE SPEIER, two San Francisco leaders who loved Ed and will miss him tremendously.

Ed was an unshakable champion for social justice, a tireless public servant, and, personally, a friend. He always put a smile on my face when he considered me as and called me his sister, being two Lees.

He was such a kind and thoughtful person and a truly great leader. Even before he was mayor, Ed was a champion for the people of San Francisco as a community organizer and a civil rights attorney. As the first Asian-American mayor of San Francisco, he broke new ground for the city. As mayor, he fought to expand affordable housing, address the homelessness crisis, and ensure that residents could earn a living wage.

Ed will be missed tremendously. He helped so many people in his life and he touched so many lives. Mayor Lee set the higher standards for mayors and all elected officials as a true public servant. As we grieve, we take comfort in knowing that he has left an inspiring and lasting legacy of uplifting and empowering families. We will always remember his beautiful smile and his passion for making life better for others. May his soul rest in peace.

FISCAL YEAR 2018 REPUBLICAN BUDGET

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

Mrs. LAWRENCE. Mr. Speaker, I rise today to address the Republican spending plans.

Republicans in Congress have passed a tax giveaway to corporations and left behind everyday Americans. Now Republicans are refusing to address constituents' urgent priorities: from children's healthcare to disaster relief, to certainty for DREAMers, and more.

They refuse to bring a clean reauthorization for the Children's Health Insurance Program—CHIP—which serves 9 million children and 370,000 pregnant women. They want to drastically cut other healthcare funding while saying they support CHIP.

Republicans are also planning to cut Medicare and Medicaid. These cuts would be devastating for millions of people who depend on Medicaid for essential health services: children, seniors, low-income individuals, and people with disabilities.

Mr. Speaker, this budget will hurt children, women, and all Americans just to pay for a tax giveaway, and it is simply unacceptable.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. DUNCAN of Tennessee) laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 12, 2017.

Hon. PAUL D. RYAN,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on December 12, 2017, at 11:23 a.m.:

That the Senate passed S. 447.

With best wishes, I am
Sincerely,

KAREN L. HAAS.

COMMUNITY INSTITUTION MORTGAGE RELIEF ACT OF 2017

Ms. TENNEY. Mr. Speaker, pursuant to House Resolution 647, I call up the bill (H.R. 3971) to amend the Truth in Lending Act and the Real Estate Settlement Procedures Act of 1974 to modify the requirements for community financial institutions with respect to certain rules relating to mortgage loans, 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 647, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 115-44 is adopted and the bill, as amended, is considered read.

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

H.R. 3971

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 “Community Institution Mortgage Relief Act of 2017”.

SEC. 2. COMMUNITY FINANCIAL INSTITUTION MORTGAGE RELIEF.

(a) EXEMPTION FROM ESCROW REQUIREMENTS FOR LOANS HELD BY SMALLER CREDITORS.—Section 129D of the Truth in Lending Act (15 U.S.C. 1639d) is amended—

(1) by adding at the end the following:

“(k) SAFE HARBOR FOR LOANS HELD BY SMALLER CREDITORS.—

“(1) IN GENERAL.—A creditor shall not be in violation of subsection (a) with respect to a loan if—

“(A) the creditor has consolidated assets of \$25,000,000,000 or less; and

“(B) the creditor holds the loan on the balance sheet of the creditor for the 3-year period beginning on the date of the origination of the loan.

“(2) EXCEPTION FOR CERTAIN TRANSFERS.—In the case of a creditor that transfers a loan to another person by reason of the bankruptcy or failure of the creditor, the purchase of the creditor, or a supervisory act or recommendation from a State or Federal regulator, the creditor shall be deemed to have complied with the requirement under paragraph (1)(B).”; and

(2) by striking the term “Board” each place such term appears and inserting “Bureau”.

(b) MODIFICATION TO EXEMPTION FOR SMALL SERVICERS OF MORTGAGE LOANS.—Section 6 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605) is amended by adding at the end the following:

“(n) SMALL SERVICER EXEMPTION.—The Bureau shall, by regulation, provide exemptions to, or adjustments for, the provisions of this section for a servicer that annually services 30,000 or fewer mortgage loans, in order to reduce regulatory burdens while appropriately balancing consumer protections.”.

The SPEAKER pro tempore. The bill shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services.

After 1 hour of debate, it shall be in order to consider the further amendment printed in part B of House Report 115-443, if offered by the Member designated in the report, which shall be considered read and shall be separately debatable for the time specified in the report equally divided and controlled by the proponent and an opponent.

The SPEAKER pro tempore. The gentlewoman from New York (Ms. TENNEY) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

Ms. TENNEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to submit extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

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

Mr. Speaker, over the last 10 years, the community financial institution industry has undergone a dramatic transformation. Since 2006, more than 1,500 banks have failed, been acquired, or merged, due to economic factors and the overwhelmingly expensive regulation brought forth by the passage of the Dodd-Frank Act.

During this same period, there has been a drought in de novo banks. In fact, only five new banks charters and 16 new credit union charters have been granted.

Today, for the first time in over 125 years, there are fewer than 6,000 banks and, roughly, 6,000 credit unions serving all consumers in the United States. This is proof that the community financial institutions need smart, commonsense regulatory relief so they can properly serve local communities by assisting with small business startups and consumer credit.

My bill, H.R. 3971, the Community Institution Mortgage Relief Act, would alleviate harmful burdens on small institutions across the Nation while saving money for low-income borrowers. This bipartisan measure would exempt small community-based institutions from mandatory escrow requirements.

My bill will also provide relief from new regulations that have nearly doubled the cost of servicing loans, specifically to low-income borrowers. I know that certain institutions will wish to continue to provide the same escrow services to their consumers, and they are welcome to do that.

By offering these real changes, smaller institutions—like the GOP Federal Credit Union, for example, in my district—can once again focus their full attention on relationship lending in the community without worry of government overregulation.

Once again, the current law mandates that all institutions follow escrow requirements, which raises the cost of credit for those borrowers who can least afford it, while harming small local institutions.

Mr. Speaker, I specifically thank the gentleman from California (Mr. SHERMAN) for working with me on this bill, and I appreciate his support throughout the process.

Mr. Speaker, I urge all of my colleagues to vote for the bill.

Mr. Speaker, I reserve the balance of my time, and I ask unanimous consent that the gentleman from Texas (Mr. HENSARLING), the chairman of the Financial Services Committee, control the remainder of the time.

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

There was no objection.

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

Mr. Speaker, I rise today in opposition to H.R. 3971.

Contrary to what is implied by its title, H.R. 3971 would not provide regulatory relief to community banks. Instead, this bill would allow a large number of mortgage services to drop important consumer protections and set the stage for a return of the harmful practices of the subprime meltdown and the worst financial crisis since the Great Depression.

Dodd-Frank tasked the Consumer Financial Protection Bureau with implementing mortgage rules under the Truth in Lending Act that would restrict the types of practices that led to the financial crisis. This bill would harm consumers by raising the Con-

sumer Financial Protection Bureau's exemption threshold on escrow accounts requirements for higher priced mortgage loans. Mortgages are classified as higher priced if the annual percentage rate—or APR—exceeds the average prime offer rate by 1.5 percent, and higher priced mortgage loans often reflect riskier or subprime borrowers.

Pursuant to the Dodd-Frank Act, the Consumer Financial Protection Bureau issued escrow rules that require borrowers with higher priced mortgage loans to escrow their homeowners insurance, property taxes, and private mortgage insurance for at least the first 5 years of their mortgage.

Escrow accounts are an important consumer protection mechanism, especially for higher risk borrowers, because they ensure that homeowners have funds for these expenses, thereby reducing mortgage default or loss of the property. In fact, before the Consumer Financial Protection Bureau issued its final rule on escrow requirements in 2013, a Federal Reserve study from 2011 found that consumers with higher priced mortgages that did not have an escrow account in the first year after the consummation of their mortgage had higher instances of default.

Escrow accounts also keep homeowners from being blindsided by additional costs at the end of each year and provide a more accurate monthly cost estimate for homeownership when the loan is originated. That is why the Consumer Financial Protection Bureau's rules are designed to ensure that homeowners understand and can meet the full cost of homeownership.

Even though escrow accounts are particularly important for these higher priced loans, they are certainly not unique. In fact, most homeowners escrow these funds. Loans insured by the Federal Housing Administration and the U.S. Department of Agriculture must have borrower escrow accounts, and conventional mortgages with a loan-to-value ratio of 80 percent or higher require them as well.

I have not heard a single convincing argument as to what is so burdensome about banks with \$25 billion in assets ensuring that their borrowers have enough money set aside every month to pay their taxes and insurance.

Furthermore, banks with less than \$2 billion in assets that serve rural or underserved areas are already exempt from the Consumer Financial Protection Bureau's escrow requirements, which reflects the Bureau's commitment to balanced and tailored regulations. This bill would make a dramatic leap from the Consumer Financial Protection Bureau's targeted relief and exempt banks up to \$25 billion in assets, or over 98 percent of banks, from the escrow requirement. They would get this exemption regardless of whether they are serving underserved borrowers and without any evidence that this large exemption would increase access to credit for those who need it.

The Consumer Financial Protection Bureau also addressed the fact that large servicers, especially servicers that serviced loans they did not own for an extended period of time, often did not adequately communicate with customers or appropriately track paperwork. During the crisis, this contributed to millions of unnecessary foreclosures and, later on, several billion-dollar settlements for abusive and fraudulent business practices.

In its rule, the Consumer Financial Protection Bureau also provides other flexibilities through exemptions to the Real Estate Settlement Procedures Act loan servicing and escrow account administration requirements to only small bank servicers, if they and their affiliates own the loans they service, and service no more than 5,000 loans each year. H.R. 3971 would increase this exemption by 500 percent, from 5,000 loans a year to 30,000 loans, allowing significantly larger bank servicers to avoid these important consumer safeguards, and only requiring the lenders to hold the loans in portfolio for 3 years.

□ 1230

So let's be clear, homeowners do not get to choose their own mortgage servicer, and the least we can do is ensure that they are adequately protected after they sign on the dotted line.

As we saw leading up to the 2008 financial crisis, servicers often choose profits over people, and that is why we need the Consumer Bureau to look out for the needs of consumers. The Consumer Bureau has continued to do its job in spite of the unrelenting Republican campaign to slow it down or eliminate it completely.

Simply put, H.R. 3971 would enable larger servicers, whose incentives are not aligned with the owners of the loans or the borrowers, to be able to revive the abusive practices involved with predatory lending that contributed to the 2008 financial crisis. This is the second time in less than 2 weeks that I have come before you to discuss a bill that would erode vital consumer protections under the Truth in Lending Act for borrowers with high-priced mortgage loans.

I cannot support legislation that would keep consumers looking at high-cost mortgages from the vital protections and scrutiny they deserve. For all these reasons, I oppose H.R. 3971.

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

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

Mr. Speaker, I rise in strong support of H.R. 3971, the Community Institution Mortgage Relief Act. It is an important bill that is cosponsored by a bipartisan group of Members—again, bipartisan. It was approved in the Financial Services Committee with a strong bipartisan vote of 41-19, and it has a long track record of bipartisan support,

and all Members should take note of this.

I want to thank the gentlewoman from New York (Ms. TENNEY), who is a fine member of the Financial Services Committee. I want to thank her for introducing the legislation and really helping lead our congressional effort to provide needed regulatory relief for our small community banks and credit unions, to give them relief from rules that are unfairly restricting our constituents' access to mortgage credit. This is mortgage credit that would help Americans achieve a greater level of financial independence by being able to achieve perhaps their version of the American Dream, a home they can actually afford to keep.

H.R. 3971 is a narrowly focused, modest effort to resolve concerns related to the Consumer Financial Protection Bureau's rules implementing Dodd-Frank Act provisions on escrows and mortgage servicing. The CFPB's escrow requirements for property taxes and insurance are unnecessary, they are impractical, and they are a significant expense that just makes it harder for community banks and credit unions to offer mortgage loans to their customers and members.

These escrow accounts are the accounts that people use to pay their taxes and pay their homeowners insurance. With the amendment soon to be introduced by the gentleman from California (Mr. SHERMAN), a cosponsor of this legislation, this bipartisan bill would simply relieve certain small community banks and credit unions from the obligation to provide escrow accounts if they have consolidated assets of \$10 billion or less and hold the mortgage on their balance sheet for 3 years.

Again, Mr. Speaker, if they are holding the mortgage on their balance sheet, they have every incentive—every incentive to protect the collateral and ensure that tax and insurance payments are current. There is no reason to force them, these community banks and credit unions, to go through this very expensive process of escrowing, particularly if the customer or the credit union member doesn't want it.

A large majority of community banks do not currently escrow because of the cost of which I have spoken. And requiring them to do so, Mr. Speaker, is only going to stop them from making loans; fewer home loans, fewer people with homeownership opportunity.

You know, a community banker in Missouri recently told us that the CFPB's rule has forced his bank to "limit in-house residential real estate lending." The banker went on to say: "This is hurting the housing market and our community." That just shouldn't be happening, Mr. Speaker.

A credit union official in Pennsylvania told us that this bureaucratic CFPB requirement has caused his credit union members to become "very upset and confused as to why they were

unable to pay their taxes how they always had."

He went on to write: "These members had managed their tax and insurance payments for years without institution interference, but suddenly they feel like the government now told them they were not responsible enough to manage their own affairs."

This echoes precisely what we learn from a credit union leader in Pennsylvania who wrote a letter saying that "changes to mortgage servicing rules have made it more expensive and more time consuming. Servicing rules and regulations have become a full-time regulatory and compliance nightmare." Again, Mr. Speaker, fewer home loans means fewer homes for our constituents. It is not right.

To fix these problems, H.R. 3971 would also increase the small servicer exemption threshold from 5,000 mortgages to 20,000 mortgages annually, which better delineates small servicers from the large servicers. A community bank or credit union that services fewer than 20,000 mortgages should not be subject to the same regulatory scrutiny as the big financial institution that has a \$2 trillion servicing portfolio.

Again, these important reforms will give smaller credit unions and community banks greater flexibility to ensure more of their members and customers can get a loan to buy a home and stay in their home.

Again, Mr. Speaker, Ms. TENNEY's bill has strong bipartisan support. It has in the past; I expect it will have it again today. It solves a real problem for our constituents, and I urge adoption of the measure.

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

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

Mr. Speaker, I think it is important for us to realize that, in present law, community banks of \$2 billion or less are exempted from requiring escrow accounts on higher priced loans if they serve rural and underserved areas. So we are talking about present law that gives this exemption. And not only does it exempt these real community banks of \$2 billion or less, the banks are required to serve rural communities and underserved areas.

This is so important because, oftentimes, these are loans to riskier customers. These are loans where they are charging a higher interest rate. These are loans where they are taking more risk, and so when we hear those on the opposite side of the aisle talking about different ways to service the rural communities, this is one way that the law allows that kind of attention to rural communities and underserved areas. They say: Small community banks, you don't have to have escrow accounts, and so what we are saying to you is give your attention to these rural and underserved areas where they are higher priced loans, they are

riskier accounts, and we are not going to require you to have to force upon these kinds of accounts the rules that will be forced upon different kinds of financial institutions.

If we adopt this bill, it would not be about community banks at all. And I have to disagree with my chairman of the committee who talked about this, in some way, enhancing community banks' ability to service rural and underserved areas. They are talking about expanding the exemption from \$2 billion or less to \$25 billion. That is not a community bank. We don't have any community banks that are worth \$25 billion or more. I want everybody to be clear what this bill is attempting to do.

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

Mr. HENSARLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. LUETKEMEYER), the chairman of the Financial Services Subcommittee on Financial Institutions and Consumer Credit.

Mr. LUETKEMEYER. Mr. Speaker, I thank the gentleman from Texas (Mr. HENSARLING), our distinguished chairman of the committee.

I want to start by thanking the gentlewoman from New York (Ms. TENNEY), who has become a real advocate for small financial institutions and their customers. Escrow requirements are costly and burdensome for community banks and credit unions. Many institutions lack the resources to create and maintain escrow accounts in house, and outsourcing the work is, in many cases, cost prohibitive. But this doesn't mean that these financial institutions shouldn't be in the business of mortgage lending.

H.R. 3971 amends the Truth in Lending Act to direct the Consumer Financial Protection Bureau to exempt from certain escrow requirements a loan secured by a first lien on a principal dwelling if the loan is held by a creditor with assets of \$25 billion or less.

Under the bill, the Bureau must also provide either exemptions to or adjustments from the mortgage loan servicing and escrow requirements of the Real Estate Settlement Procedures Act. That relief applies only to servicers of 30,000 or fewer mortgage loans. These aren't high thresholds, nor are the institutions that will benefit large or complex.

The gentlewoman's legislation is targeted squarely on the small banks and credit unions servicing Main Street; the financial institutions that have relationships with their customers.

This is an important aspect of the bill that isn't delineated in the legislative text. I can tell you, as someone who has made loans in my community for more than 30 years, that these small institutions care about their customers. Community bankers help people fulfill their dreams of homeownership because they care about the customer and economic health of their community.

The unfortunate reality is that, across the Nation, these banks and

credit unions are exiting the residential mortgage business. I heard from one just a few days ago. It isn't necessarily one rule that is driving this trend. It is the onslaught of rules from the CFPB and the Federal prudential regulators that, in totality, make mortgage lending and servicing cost prohibitive.

These rules aren't helping consumers. They are forcing banks to cut off services and access to mortgage credit. They are bushing borrowers to large financial institutions and nonbank servicers, the very entities that the ranking member and some of my friends on the other side of the aisle say pose the greatest threat to consumers.

The gentleman's legislation ensures that consumers continue to have various credit choices by allowing smaller institutions to remain in the mortgage market without being deterred by the high cost of regulatory compliance. The increase in the small servicer exemption threshold will better delineate small servicers from the large servicers and give credit unions and community banks greater flexibility. This flexibility will help to ensure that more of their customers have access to the mortgage market and achieve the dream of homeownership.

We shouldn't be driving that business away from small servicers, and we shouldn't subject community institutions, in this instance, to the same regulatory regime as larger ones.

This is an issue the Financial Services Committee has worked on for several years, always with bipartisan support. I want to thank the gentleman from New York for picking up this legislation and for diligently working on this matter. I hope my colleagues will join me in supporting H.R. 3971 and other measures that allow our Nation's smaller financial institutions, their customers, and their communities to thrive.

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

Mr. Speaker, I think it is important to further explain what this bill would do and why it could be harmful.

Under the present law, the Real Estate Settlement Procedures Act would require that the servicers handle no more than 5,000 or less loans. Why is this important? It is important because when you have servicers that are handling a relatively small number of these kinds of accounts, they can pay attention to them.

Don't forget, these are loans by community banks. They are riskier, they are higher priced loans, they are directed toward rural communities and communities that basically you have to pay a lot of attention to when you give out these loans. And now this bill would say: Yes, we know that when you are servicing a small number, 5,000 or less, that the services have to pay attention because they are under the rule of the Real Estate Settlement Proce-

dures Act, and that act says not only do you have to pay attention and you have to contact your borrower when you are going to transfer the loan—and let me tell you how important this is.

This is so important because when you transfer a loan, if you don't give the kind of notification to the borrower that they will understand that the originator of the loan no longer has the servicing or has the same servicing contract that is now going to move to another servicer, then people, oftentimes, end up not sending their payment to the right place. And guess what, I have seen this go on for months, and then people end up in a situation where they are defaulting on the loan, and the new servicers are putting them in a position where now their homes are in danger.

□ 1245

So this contact, this oversight, this attention that you pay to these small borrowers is so important, and that is why the 5,000.

Now, with this bill, they want to take it up to 30,000. What does that mean? It means that we are going to see the kind of problems that we have seen in the subprime meltdown that we have gone through.

We have found that servicers caused us the most problems. Of course, they didn't service the loans adequately. They lost them. They had people applying over and over again.

First of all, we discovered that many of the servicers had no training, that they were literally hired off the street, and that they were basically saying to senior citizens, 75 and 80 years old: We lost your paper. Reapply again. Reapply again. We are sorry.

It has been just an awful situation that was created because the servicers could not handle the volume that they were contracted with, oftentimes, for the financial institution that they were supposed to be doing this work for.

So, here you have a bill that literally is not about community banks. This is about increasing the number of banks that can now have the kind of protection that we were giving to the very small community banks. So don't believe this is about community banks.

In addition to that, what you are doing is you are changing the rules and the laws under the Real Estate Settlement Procedures Act that protects these rural borrowers and these small, high-risk loans that are in these communities that need a special kind of help.

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

Mr. HENSARLING. Mr. Speaker, I yield myself 30 seconds just to say we are losing a community bank or credit union a day in America, and we are losing them because they are drowning in a sea of Dodd-Frank regulations; and as they perish, so do the dreams of many of our constituents.

Mr. Speaker, if a small community bank or credit union makes a loan and

keeps it on their books, guess what. They want the loan repaid. They are going to make sure that the taxes are kept current. They are going to make sure the insurance is kept current. They don't need the burdensome regulation coming out from some Washington bureaucrat telling them how to do their business. They want to ensure the loan gets paid anyway.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), the vice chairman of the Financial Services Subcommittee on Financial Institutions and Consumer Credit.

Mr. ROTHFUS. Mr. Speaker, I rise in support of H.R. 3971, the Community Institution Mortgage Relief Act, and I thank Representative TENNEY for her hard work on this piece of legislation.

At the Financial Institutions and Consumer Credit Subcommittee, we often talk about right-sizing regulations. If we want to have a robust financial system that balances smart regulation and consumer protections with the need to make capital available to American consumers, we need to consider targeted opportunities to tailor requirements to fit the size and nature of the financial institution. Representative TENNEY's legislation does just that.

This Community Institution Mortgage Relief Act directs the CFPB to exempt creditors with \$25 billion or less in assets from certain costly escrow and impound requirements on loans secured by a first lien on a consumer's principal dwelling. These requirements are especially burdensome for community financial institutions. They often force institutions to pass increased costs on to their consumers. This can drive business away from small banks and credit unions which are already suffering from overregulation and other economic challenges. As a result, in some cases, community financial institutions have exited the mortgage business altogether. This does not help consumers, and it further imperils our shrinking number of community banks and credit unions.

This bill offers a targeted, reasonable fix so that these institutions can continue to serve their customers. This is smart. It is reasonable. It is common sense, particularly for those who understand how overregulation from Washington, D.C., has hurt consumer choice.

I encourage my colleagues to support this legislation.

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 Texas (Mr. WILLIAMS), a fellow Texan and a member of the Financial Services Committee.

Mr. WILLIAMS. Mr. Speaker, I rise today in favor of H.R. 3971, the Community Institution Mortgage Relief Act of 2017.

I would like to also thank the gentleman from New York (Ms. TENNEY)

for her hard work on this piece of legislation and her leadership on this issue.

An overwhelming majority of my Financial Services Committee colleagues recognized the need for this bill, and I hope that the full House will also recognize that very same need by voting in favor of this meaningful legislation.

Mr. Speaker, the problem right now is that community banks are being crushed by the sheer weight, magnitude, and intricacy of habitual Washington regulations, and this is all thanks to the crippling effects of the failed Dodd-Frank.

Currently, community financial institutions are facing overly burdensome rules implemented by the CFPB. The fact of the matter is we need H.R. 3971 in order to provide needed regulatory relief to small financial institutions.

By making two simple, minor changes, community financial institutions will be able to better serve their customers. To be clear, the institutions we are trying to help are not big banks, and they do not have the capabilities of the big banks.

To comply with current burdensome escrow rules, community financial institutions must devote more resources, time, and employees to compliance, and those costs get passed down to the consumer.

Oftentimes, under the pressure of the current regulatory framework, these financial institutions will choose not to participate in the escrow market at all simply because the rules are financially and technically hindering. By directing the CFPB to provide relief, to lower the thresholds, we can help make things just a little bit easier on these vital community banks.

Overall, we should not allow oppressive regulations to drive opportunity away from small servicers. Big banks and community financial institutions are not the same, and we should not treat them as such.

As a small-business owner myself of over 44 years and a steadfast defender of Main Street, I do not hesitate to support this measure. It is good for this country. I see the need for the good people of central Texas to have more options.

Our job here in Washington, many miles away from our communities and those we love, is to do what we can to make their lives easier. Mr. Speaker, H.R. 3971 makes life easier and takes a step in the direction of making America better.

In God we trust. Merry Christmas.

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

It is important to understand why we have a Consumer Financial Protection Bureau and why it is the centerpiece of the Dodd-Frank reforms.

Prior to the Consumer Financial Protection Bureau, we did not have anybody looking out for consumers, and so that led us into the crisis that this country experienced in 2008 that took

us into a recession and almost a depression.

When I come before you with opposition to this kind of legislation, it is because I know and understand—and we should all understand—what we can do to protect our consumers and how we can work with community banks and what that means when we are talking about a bill like this, where real community banks of \$2 billion or less are dealing with populations that I have alluded to over and over again in the presentation of my opposition to this bill: the rural communities and those communities that are underserved and where these are riskier loans and where they need not only the attention of the small community banks, but the servicers who service these loans, and knowing that the servicers who service a small number of loans can, in fact, pay the attention to them that is required by RESPA and make sure that the people are understanding, when there are transfers and they are in contact with them constantly—and this goes for everything from transfers to modifications—and how to deal with high-risk loans, who may need to modify those loans, who they would talk to, how they would talk to them.

I want to tell you, if you expand this, and you have servicers that are handling 30,000 or more, these borrowers are not going to get this kind of attention. So these escrows that we are talking about are extremely important, and we should know exactly who we are protecting and who we are not protecting.

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

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky (Mr. BARR), chairman of the Financial Services Subcommittee on Monetary Policy and Trade.

Mr. BARR. Mr. Speaker, I thank Chairman HENSARLING for his leadership, and especially a thank-you to the gentlewoman from New York (Ms. TENNEY), my friend, for her outstanding leadership on this issue; and I rise in support of her legislation, the Community Institution Mortgage Relief Act.

Homeownership is part of the American Dream; however, an ill-conceived rule promulgated by the Consumer Financial Protection Bureau has made it harder for Americans to purchase a home.

In typical one-size-fits-all Washington bureaucrat fashion, the Bureau's rule places excessive escrow and mortgage servicing requirements on the backs of smaller community financial institutions and mortgage servicers.

What the Bureau missed is that these lenders are rarely in subprime lending and frequently hold the loan in portfolio for the term of the loan. This means these lenders have a very strong incentive to ensure that taxes and insurance premiums are being paid because they are taking on 100 percent of

the downside risk if the borrower fails to hold up their side of the deal, and, therefore, an escrow account isn't necessary.

However, as a direct result of the rule, there is less consumer choice and more expense. That is because many community financial institutions are leaving the market or have been forced to charge home buyers more so they can afford to hire the extra professional staff they need to comply with this rule.

For these reasons, I support the Community Institution Mortgage Relief Act, which exempts community financial institutions with assets of \$25 billion or less from much of the regulatory burden of the Bureau's rule.

Again, I want to thank my good friend from New York, Congresswoman CLAUDIA TENNEY, and our chairman, Congressman JEB HENSARLING, for their leadership on this issue, and I urge my colleagues to vote for the Community Institution Mortgage Relief Act.

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

I am paying special attention to this legislation, and I take pause when I see bills like H.R. 3971 that are just a small part of Republicans' relentless attack on the work of the Consumer Bureau.

The Consumer Bureau's work on high-cost loans and consumer protections for them was well thought through and the result of careful research.

Leading up to the 2008 financial crisis, many looking to fulfill the American Dream and purchase a house were convinced to take out higher cost loans without any regard for their ability to repay. They were sold false promises about the costs of their mortgage without adequate information and protections.

The Consumer Bureau took years to talk to experts, hear from advocates, and do the research to come up with a strong rule to prevent those types of abuses from occurring again, while also providing regulatory relief to banks that serve rural and underserved communities. So let me take pause and, again, focus everyone on rural and underserved communities.

I am oftentimes appalled by the fact that we have too many legislators who represent rural communities and underserved communities, but when it comes to looking out for their financial interests, they are not doing it. Yet they go back to these communities and they talk about all the other kinds of issues. They talk about people who are not saluting the flag properly. They will talk about freedom of choice issues, and they will rally folks around everything except their financial interests.

□ 1300

If rural communities are being hurt, oftentimes it is because the very people who say they represent them are

not, indeed, representing them, and we can see this in this kind of discussion.

So, again, we are focused on making sure that rural and underserved communities are served properly, that they are not thrown to the wolves and thrown into situations where they can't be paid attention to after they take out these loans.

When they take out these loans, they need servicers who are trained, servicers who are committed, servicers who understand why rural and underserved communities need special protection, and who will work with them, who will contact them, who will work with them to work out situations where loan modifications may be required or requested.

Mr. Speaker, I am going to continue to oppose. I understand that there are others who would like to open this up, and I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Utah (Mrs. LOVE), an outstanding member of the Financial Services Committee.

Mrs. LOVE. Mr. Speaker, I rise in support of H.R. 3971, the Community Institution Mortgage Relief Act, because the ability to purchase a home is one of the most sacred financial goals we have as Americans. This is an important path to home ownership, and we are doing everything we can to make sure it remains accessible.

This bill will help do that by ensuring that community banks and credit unions stay in the mortgage lending business and continue to provide potential homeowners with diverse credit options in their communities.

I would like to thank Representative CLAUDIA TENNEY from New York for providing such a great relief to community institutions.

Unfortunately, as we have seen too often, this is one more instance where government efforts to protect people are inadvertently having the opposite effect. Though intended to protect homeowners, the CFPB's final rule and guidance on escrow and mortgage servicing requirements are so burdensome and costly for smaller institutions, that we are driving mortgage businesses away from them.

This comes on top of an already burdensome regulatory environment in which our small financial institutions are facing rules and regulations that were made for larger banks, causing them to close their doors at a rate of one small institution a day.

We need a more tailored regulatory environment that balances the credit needs of consumers with appropriate consumer protections. This legislation would do that by exempting lenders with assets of \$20 billion or less from escrow requirements on high-priced mortgage loans they hold in portfolio and would provide much-needed regulatory relief for small servicers.

With smaller staff and fewer resources, existing escrow rules are financially and technically prohibitive

for small community institutions. In addition, these smaller lenders often hold the liability in portfolio for the term of the loan, making an escrow account unnecessary, because the lender has a strong interest in protecting its collateral by ensuring that taxes and insurance premiums get paid.

When it comes to purchasing or refinancing a home, it is tremendously important that consumers have credit options. We preserve those options by allowing community institutions to enter or remain in the mortgage market.

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

Mr. HENSARLING. Mr. Speaker, I yield an additional 30 seconds to the gentlewoman from Utah.

Mrs. LOVE. Mr. Speaker, the fact is, in my district, and in many other districts, there are small banks that are getting out of the mortgage lending business, and they cannot provide those options for the communities that they live in.

We need to do everything we can to make sure that we are allowing these institutions to stay in the market without being deterred by the high cost of regulatory compliance, and thank goodness H.R. 3971 achieves those goals. I support it.

Ms. MAXINE WATERS of California. Mr. Speaker, may I inquire as to how much time I have left.

The SPEAKER pro tempore (Mr. ROGERS of Kentucky). The gentlewoman from California has 1½ minutes remaining.

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

Mr. Speaker, this bill is strongly opposed by all of the consumer groups: Americans for Financial Reform, Center for American Progress, Center for Responsible Lending, the National Consumer Law Center, and Public Citizen.

Why are they so opposed to this bill? This bill would, again, amend the Truth in Lending Act—that is TILA—and the Real Estate Settlement Procedures Act—that is RESPA—to widen the size of two exemptions that the Consumer Financial Protection Bureau has already provided for smaller sized institutions on escrow accounts for higher priced mortgage loans and servicing requirements for small mortgage servicers.

Under the bill, escrow accounts would no longer be required for riskier, high-priced loans at institutions with less than \$25 billion in assets. Currently, the exemption applies to firms with less than \$2 billion in assets. The smaller service exception for increased notification requirements to consumers would be increased, again, from servicers with 5,000 loans to those with 30,000 loans.

Why do all of these consumer groups oppose this legislation? Because it is obvious what is happening here. We are taking away the protection from those who need it the most. We are not doing

anything for community banks. There are no \$25 billion community banks.

Mr. Speaker, I would ask that my colleagues in this House oppose this bill. It goes in the opposite direction of what we have done to try and give protection to those consumers who need protection the most, and the Dodd-Frank reform has done this, and I would just ask opposition to this bill.

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

Mr. HENSARLING. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN of Tennessee. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the gentlewoman from New York started this debate with an amazing statistic when she said that over 1,500 small banks and financial institutions have been forced to merge or be acquired or go out of business altogether since the passage of the Dodd-Frank bill.

Those of us who opposed the Dodd-Frank bill at that time said this would happen, and that is exactly what happened. The big have gotten bigger.

I read recently that the five largest Wall Street banks had 22 percent of total deposits in this Nation before Dodd-Frank, but last year, when I read the update, they now have 44 percent of total deposits.

There is a big government, big business duopoly that controls too much of the life of this country, and in every overregulated industry, it ends up being consolidated and controlled in the hands of a few big giants, and that is what has happened in this case.

I remember when my wife and I bought our first house. We signed about two or three pages many years ago. Three and a half years ago, we bought a lake house, and we had to sign over 100 pages of documents that, being a lawyer and a judge, I knew that all it was was meaningless paperwork for bureaucrats and lawyers.

This is important legislation. I have had many bankers across the State of Tennessee who have told me how harmful and how difficult it has been for the smaller institutions to comply with all the rules and regulations and red tape.

Mr. Speaker, we need to pass this bill, and I urge its support.

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

Mr. Speaker, the Consumer Financial Protection Bureau's regulations address many questionable practices that contributed to the collapse of the housing market. Such practices were widespread in the mortgage servicing industry. The Bureau's servicing rules apply across the board, while providing a narrow exemption for small servicers.

This exemption minimizes the regulatory compliance burden on small and community banks. Expanding current exemptions to larger institutions, however, just opens the door wide to abuses by larger banks primarily doing business not in the communities, the rural

communities and the underserved communities, but outside of the communities where they are based, and by nonbanks, which still make most of the riskier subprime mortgage loans.

Mr. Speaker, I continue to ask opposition to this legislation, and I reserve the balance of my time.

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BUDD), a very hardworking member of the Financial Services Committee.

Mr. BUDD. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I rise today in support of the gentlewoman from New York's legislation, H.R. 3971, and I thank her for her leadership on this very important issue.

As many of my friends here today know, Dodd-Frank and the Consumer Financial Protection Bureau have made life very difficult for many. Luckily, the Community Institution Mortgage Relief Act will, once again, solve a problem that they created, this time regarding escrow and mortgage servicing requirements.

The CFPB rule regarding these accounts has done nothing more than accelerate industry consolidation in this space, particularly causing harm to rural consumers, leaving them with even less financing options.

This bill reverses that problem, though, and will help bring local banks and financial institutions back into the picture. This bill simply lets them re-enter the mortgage market and directs the CFPB to exempt them from the escrow account requirement of Dodd-Frank.

Now, though this is a bipartisan bill, some of my friends on the other side of the aisle may claim that this bill removes consumer safeguards, but I would argue that this CFPB rule that they support creates an unnecessary burden on local banks and credit unions, which, in the end, hurts local communities and people that they claim to protect with this very rule.

Mr. Speaker, I am glad this bill remains largely bipartisan and, as I said, returns power back to the community financial institutions and ensures that consumers have credit through various credit choices.

I want to thank Representative TENNEY for her steadfast leadership on this issue, and I urge adoption of her legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, may I inquire again as to how much time I have left.

The SPEAKER pro tempore. The gentlewoman from California has 8½ minutes remaining.

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

Mr. Speaker, I want to move now to say a word about what my colleague is attempting to do. I appreciate my colleague from California (Mr. SHERMAN), who is going to offer an amendment that would lower the extremely high

exemption thresholds in the underlying bill.

I think that, having talked to him, I do understand that he believes that this is important to expand opportunity rather than to limit the ability for protection for certain of our consumers who come from these areas that I have described as rural and areas that are underserved.

This amendment that he is going to present would allow creditors, again, with less than \$10 billion in assets, to be exempted from escrow requirements on higher priced mortgage loans if they hold loans in portfolios for 3 years and allow servicers that service 20,000 loans or less to be exempted from enhanced consumer protection requirements under the Real Estate Settlement Procedures Act.

His amendment changes it a little bit from \$25 billion to \$10 billion, that is still too much, and from 30,000 loans or less to 20,000 loans or less to be exempted from, again, enhanced consumer protection requirements under the Real Estate Settlement Procedures Act.

Although I am pleased that this amendment would tighten up the language in the underlying bill somewhat, I remain concerned about the impacts it could have on many consumers. The bill is called the Community Institution Mortgage Relief Act of 2017, and the title implies that it will relieve our Nation's smaller financial institutions from regulatory burdens.

Now, we all know that community banking is not purely a function of size, but when the Consumer Bureau conducted research for its escrow requirements rulemaking, it found that none of the entities it identified as operating predominantly in rural or underserved areas had total assets as of the end of 2009 greater than \$2 billion.

□ 1315

And when the Consumer Bureau researched mortgage service and practices, it concluded: "The problematic practices that have plagued the servicing industry, particularly in recent years, are, to a large extent, a function of a business model in which servicing is viewed as a discrete line of business and profit center."

However, they also found that approximately 96 percent of community bank and small credit union services that only purchase a hold, mortgage service, and rights for mortgage loans, they actually own or originate service 5,000 or fewer loans. Yet this amendment would exceed the Consumer Bureau's research base that sets that threshold by billions of dollars and its carefully researched loan service and threshold by 400 percent.

So if the amendment is adopted, I must continue to oppose the bill because it would undermine the work of the Consumer Bureau and weaken consumer protections in homeownership. Congress should not be complicit in these acts by passing legislation that

further erodes the rights and protections of America's consumers. We must continue to do all that we can to ensure mortgage loan borrowers are fully aware of the terms and conditions of their mortgage loans and how much they will owe in obtaining these loans.

If we are successful in convincing our colleagues today that they should not support this bill, I will be happy to work with my colleague, who I know has good intentions, to see what we can do to address what I think are some of his concerns. But for now, I must oppose the bill, and even with the amendment, it does not satisfy the concerns that I have addressed here. It does nothing to protect those in the rural communities and the underserved communities, and it does nothing to help community banks.

So I am opposed both to the bill and to the amendment, and I ask for a "no" vote.

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

Mr. HENSARLING. Mr. Speaker, may I inquire how much time I have remaining.

The SPEAKER pro tempore. The gentleman from Texas has 7 minutes remaining.

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

Mr. Speaker, I listened very carefully to my colleague, the ranking member, and I know how much respect she has—bordering, perhaps, on religious fealty—to the Consumer Financial Protection Bureau, and I must admit, now that it is being led by our former colleague Mick Mulvaney of South Carolina, I am taking a renewed interest in their actions and their pronouncements. I am just curious, as time goes by, whether the ranking member will continue to show such faith and confidence in that particular institution.

Here is what we know, Mr. Speaker. All across America, we continue to lose one community bank or credit union a day. They are not perishing of natural causes. They are perishing from the sheer weight, volume, load, cost, complexity, and expense of the Dodd-Frank regulatory burden, of which this CFPB rule is just one aspect.

Again, as my colleague, the chairman of the Financial Institutions and Consumer Credit Subcommittee—I believe it was he who pointed it out. There is not any one particular regulation that may cause the demise of these financial institutions, but it is the totality of them all. And as they perish, so perishes the American Dream of homeownership for so many of our constituents, particularly in rural areas like much of the Fifth District of Texas that I have the honor and pleasure of representing.

Mr. Speaker, it is important that we save our community financial institutions. They play a vital role in our economy. It takes small banks and credit unions to fund our small businesses, which are the job engine of America. But again, they are being crushed by a regulatory burden.

So I want to thank the gentlewoman from New York (Ms. TENNEY) for bringing, again, just one needed, vital regulatory relief bill.

Again, let's make sure, Mr. Speaker, everybody knows what this bill is talking about.

Number one, already in current law, there is an exemption for small financial institutions dealing with having mortgage servicing and mortgage escrows. We are trying to bring it to a more reasonable level, an exemption that already exists. And I assume that the ranking member believes in the exemption or she would offer legislation to repeal it in total. So now we are debating how large this exemption ought to be.

Given how many of our constituents still are in need of mortgage opportunities, given the demise of our community banks and credit unions, I think what we are trying to do here is most reasonable. Soon, the gentleman from California on the other side of the aisle, a respected Democratic member of the committee, will offer an amendment that I believe the sponsor of the legislation—I, myself, am willing to accept because we are trying to work on a bipartisan basis.

There is a lot of bipartisan legislation that goes to the House Financial Services Committee. I wish the ranking member would participate in more of it, as she did last week. I am sorry she is losing out on this opportunity today, so I am happy to work with the gentleman from California on a bipartisan basis to get this legislation done.

Another important note to be had, Mr. Speaker, is we get this implication from the ranking member that, oh, my Lord, if we pass this bill, H.R. 3971, all of a sudden, all consumer protection law disappears from the books. Well, I have got good news: it doesn't.

After the passage of H.R. 3971, all of these mortgages will still be subject to the Equal Credit Opportunity Act; they will still be subject to regulation B; they will still be subject to the Fair Housing Act; they will still be subject to the Fair Credit Reporting Act; they will still be subject to the Home Mortgage Disclosure Act; they will still be subject to the Homeowners Protection Act; they will still be subject to the Real Estate Settlement Procedures Act.

I have got a whole sheet here, Mr. Speaker.

Again, that is a red herring. At the end of the day, this is about ensuring our constituents, particularly in rural areas, have access to mortgage credit and that community banks and credit unions that are absolutely suffering under the weight of the load aren't forced to escrow when they keep a mortgage on their books for 3 years. They are going to make sure the taxes are paid. They are going to make sure the insurance is paid. Instead, all that regulation does is burdens them and causes them to make fewer mortgage loans and, in some cases, no mortgage loans.

So, again, I just want salute the gentlewoman from New York. I want to thank her for her leadership and what she is doing for her constituents in rural New York, and I urge everybody to adopt H.R. 3971.

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

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

AMENDMENT NO. 1 OFFERED BY MR. SHERMAN

Mr. SHERMAN. Mr. Speaker, I have an amendment at the desk.

The SPEAKER pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Page 1, line 16, strike "\$25,000,000,000" and insert "\$10,000,000,000".

Page 2, line 20, strike "30,000" and insert "20,000".

The SPEAKER pro tempore. Pursuant to House Resolution 647, the gentleman from California (Mr. SHERMAN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California.

Mr. SHERMAN. Mr. Speaker, this bill began with a proposal by Mr. LUETKEMEYER of Missouri two Congresses ago. Last Congress, I introduced it, and now the gentlewoman from New York is carrying the bill.

Mr. Speaker, I wouldn't be here supporting this bill in any form if it undermined Dodd-Frank—I cosponsored Dodd-Frank—or if it undermined the CFPB, an institution that I think is very important and was created by Dodd-Frank.

With the amendment that I am proposing, this bill goes back to the text that I introduced last year. That text came before the Financial Services Committee and secured the vote of all Republicans and 60 percent of the Democrats. Now, you can't get all the votes all the time, but if you can get, for any particular draft, 100 percent of the Republicans and 60 percent of the Democrats on the committee, that, I think, is bipartisan legislation.

Now, the first part of this bill and, by far, the most important part deals with loans made by small institutions that would otherwise be required to have an impound account. An impound account is when the bank collects from you not only your mortgage payment but collects, every month, some money toward your property taxes and toward your insurance, and then the bank pays those bills for you.

Small institutions are not set up in order to keep track of how much property tax to collect and pay or fire and other homeowners insurance. They would rather rely on the borrower, somebody they know, to pay their fire insurance, to pay their property taxes.

Now, we can count on them to make sure that they are not giving this responsibility to somebody who can't handle it, because they are required, under this bill, to hold the mortgage for 3 years in their portfolio.

Keep in mind that the whole requirement only relates to the first 5 years.

So here, they have to keep it in their portfolio for 3 years. This, I think, ensures that the bank or credit union or other small institution will make sure that the property taxes and property insurance are paid, while, at the same time, it won't take out of the market those small institutions that can't set up special impound accounts.

A second part of this bill deals with simply telling the CFPB to make whatever adjustments it thinks are appropriate for small institutions with regard to the small servicer exemption. That leaves that authority with the CFPB. Under this amendment, the rule, whatever they decide to do for smaller institutions applies to those that are servicing not 30,000, but only 20,000 total loans, because it makes sense to have different, less complicated rules for smaller servicers.

So I don't think my amendment is sufficient to gain support for the bill from the ranking member. The bill in its amended form, it was sufficient to get 60 percent of the Democrats to vote for it in committee last year.

Mr. Speaker, I want to thank the gentlewoman from New York for her work on this issue and what I understand is her support for this amendment, and I reserve the balance of my time.

Ms. TENNEY. Mr. Speaker, I claim the time in opposition to the amendment, although I am not opposed.

The SPEAKER pro tempore. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Ms. TENNEY. Mr. Speaker, I thank Chairman HENSARLING, and I thank the gentleman from California for his amendment and work on this bill.

I think this amendment is acceptable, and adopting it will still allow the bill to provide some regulatory relief to our small community banks and credit unions, and it will also assist in helping our low-income borrowers in districts like mine, NY-22, where we have lost so many community banks. I think that this will help encourage lending and allow small community banks to again lend to people who are in lower income levels.

I urge my colleagues to adopt the amendment, and I thank the gentleman again from California (Mr. SHERMAN), for his hard work on the bill and for this bipartisan effort.

I yield back the balance of my time.

Mr. SHERMAN. Mr. Speaker, seeing no further speakers, I yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the rule, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentleman from California (Mr. SHERMAN).

The question is on the amendment offered by the gentleman from California (Mr. SHERMAN).

The amendment was 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.

□ 1330

MOTION TO RECOMMIT

Ms. TITUS. Mr. Speaker, I have a motion to recommit at the desk.

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

Ms. TITUS. I am opposed in its current form.

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

The Clerk read as follows:

Ms. Titus moves to recommit the bill H.R. 3971 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Add at the end the following:

SEC. 3. PROTECTING CONSUMERS FROM EXCESSIVE HOUSING COSTS AND PREDATORY LENDERS.

(a) IN GENERAL.—No creditor or servicer may make use of the amendments made by this Act if the creditor or servicer has either been—

(1) found to have committed or engaged in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer for a consumer financial product or service; or

(2) convicted of fraud under Federal or State law in connection with a residential mortgage loan.

(b) DEFINITIONS.—For purposes of this section, the terms “State” and “consumer financial product or service” have the meaning given those terms, respectively, under section 1002 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Ms. TITUS (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 gentlewoman from Nevada?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Nevada is recognized for 5 minutes in support of her motion.

Ms. TITUS. Mr. Speaker, this is the final amendment to the bill. It will not kill the bill or send it back to committee. If adopted, the bill will immediately proceed to final passage, as amended.

My motion to recommit is just a commonsense measure that I believe everybody in this House can support because it would prevent the bad actors from being able to use the exemptions in the underlying bill to dodge the consumer protections that are found in both the Truth in Lending Act and the Real Estate Settlement Procedures Act.

My motion says if a lender has committed or engaged in an unfair, deceptive, or abusive act or practice under Federal law in connection with any transaction with a consumer for a financial product or service, or if they have been convicted of fraud under Federal or State law in connection with a residential mortgage loan, they cannot avail themselves of the bill's decreased requirements.

As you know, Mr. Speaker, I represent the heart of the Las Vegas valley. More than 43 million visitors come to my district every year from all around the world to enjoy our first class resorts, hotels, entertainment, and the natural beauty around us. It is also, though, home to over 2 million people.

Less than a decade ago, southern Nevada, unfortunately, had the additional distinction of being at the epicenter of the foreclosure crisis that was caused by the Great Recession. At its peak, nearly 70 percent of all homes in the Las Vegas valley were under water, and the foreclosure rate was five times the national average. For 62 straight months, Nevada led the Nation in foreclosures and delinquent mortgages. This is the number—just think about this—219,000 foreclosures occurred during that period.

Newspapers from coast to coast read like obituaries as home after home was boarded up, homelessness skyrocketed, and major developments along the Las Vegas strip that were under construction went belly-up, leaving high-rise rusting skeletons in the middle of the desert. We lost 80,000 construction jobs during that period.

We were one of the first States to be hit so hard by the recession and one of the last States to recover. But housing prices are coming back and new construction is taking place.

Unfortunately, it seems that my colleagues on the other side of the aisle want to turn back the clock and go back to the abusive practices, including predatory lending, that contributed to the Great Recession.

Supporters of this legislation—you have heard them—say it is needed to provide relief for smaller sized institutions and smaller sized mortgage servicers. But that is really the red herring here. The CFPB has already, as you heard too, provided a targeted exemption to cover those folks.

This bill is really about protecting the large servicers that failed to provide necessary loan documentation and to communicate openly with their customers, in turn contributing to millions of unnecessary disclosures and settlements for abusive business practices during the financial crisis.

Nevada, in fact, had to bring lawsuits against financial institutions like Countrywide and Bank of America that engaged in this predatory lending.

My motion to recommit would ensure that such lending practices and loan servicing activities cannot resurface at the expense of consumers.

This is especially important also in light of the fact that at the same time we are eroding consumer protections put in place after the financial crisis, my Republican colleagues are also simultaneously taking away affordable housing from my constituents. The “Job Cuts and Tax Act” passed by this House eliminates tax-exempt private activity bonds, a move that will stifle investments in affordable housing.

The Nevada Housing Division, for example, has already suspended its mortgage credit certificate program which provides an average of \$2,000 a year in Federal income tax savings to first-time home buyers and veterans because of the threat of this provision.

Furthermore, multifamily housing bonds make affordable housing possible for seniors, people with disabilities, veterans, and low-income families. Without the tax exemption on these bonds, Nevada can lose up to 7,000 rental homes.

So, Mr. Speaker, I ask you: How can this body pass a bill that eliminates affordable rental homes; makes ownership more expensive for first-time home buyers; and opens the door, again, to predatory lending practices that target low-income borrowers and put them at risk of foreclosure?

This mix of anticonsumer and antiaffordable housing policies does not bode well for a country that suffered a housing crisis just a decade ago, so I would urge my colleagues to vote in favor of this motion to recommit.

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

Mr. HENSARLING. Mr. Speaker, I claim time in opposition.

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

Mr. HENSARLING. Mr. Speaker, I am looking at this motion to recommit, and, on its best day, it may be superfluous and redundant; and on its worst day, it may be confusing. But I fear, in many respects, it is just a smokescreen to give many of my friends on the other side of the aisle an excuse not to vote for the underlying legislation, H.R. 3971.

Already the CFPB has full UDAP authority to deal with unfair, deceptive, and abusive acts. That already exists. So this is a red herring that somehow people are using the lack of the passage of the MTR as a rationale not to support H.R. 3971, which is vitally needed for so many of our community financial institutions to be able to make home mortgage loans to hard-working Americans who deserve their chance at the American Dream.

Again, as I said earlier during this debate, Mr. Speaker, all of these mortgages continue to be subject to the Equal Credit Opportunity Act, the Fair Housing Act, the Fair Credit Reporting Act, the Home Mortgage Disclosure Act, the Homeownership Counseling Act, the Homeowners Protection Act, the Real Estate Settlement Procedures Act, the Secure and Fair Enforcement for Mortgage Licensing Act, the Truth in Lending Act, Regulation Z, and the list goes on and on and on.

That is simply an excuse. The MTR is an excuse not to save our struggling community banks and our citizens in rural America who deserve the services of these community banks and credit unions.

Again, on its best day, it is superfluous and redundant. On its worst day,

it is introducing confusing language into an already settled area of the law for consumer protection.

Mr. Speaker, I urge all Members to reject the motion to recommit, and 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 yeas appeared to have it.

Ms. TITUS. 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 votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

DIRECTING SECRETARY OF ENERGY TO REVIEW AND UPDATE REPORT ON ENERGY AND ENVIRONMENTAL BENEFITS OF RE-REFINING OF USED LUBRICATING OIL

Mr. UPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1733) to direct the Secretary of Energy to review and update a report on the energy and environmental benefits of the re-refining of used lubricating oil.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ENERGY SAVINGS FROM LUBRICATING OIL.

Not later than one year after the date of enactment of this Act, the Secretary of Energy, in cooperation with the Administrator of the Environmental Protection Agency and the Director of the Office of Management and Budget, shall—

(1) review and update the report prepared pursuant to section 1838 of the Energy Policy Act of 2005;

(2) after consultation with relevant Federal, State, and local agencies and affected industry and stakeholder groups, update data that was used in preparing that report; and

(3) prepare and submit to Congress a coordinated Federal strategy to increase the beneficial reuse of used lubricating oil, that—

(A) is consistent with national policy as established pursuant to section 2 of the Used Oil Recycling Act of 1980 (Public Law 96-463); and

(B) addresses measures needed to—

(i) increase the responsible collection of used oil;

(ii) disseminate public information concerning sustainable reuse options for used oil; and

(iii) promote sustainable reuse of used oil by Federal agencies, recipients of Federal grant funds, entities contracting with the Federal Government, and the general public.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. UPTON) and the gentleman from Illinois (Mr. RUSH) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan.

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, this bill, H.R. 1733, was introduced by Energy and Commerce Committee member SUSAN BROOKS from Indiana on March 27 of this year. The legislation went through regular order, and it was reported by the full committee, without amendment, by a voice vote.

This bill, H.R. 1733, requires the Secretary of Energy to review and update a report on the energy and environmental benefits of re-refining used lubricating oil. The bill reauthorizes a study that was previously directed under the Energy Policy Act of 2005.

We know that recycling used lubricating oil provides environmental benefits. It does, in fact, reduce energy consumption, and, yes, it produces high-quality products for consumers.

H.R. 1733 is a good bipartisan bill. I want to thank Mrs. BROOKS for her hard work on this important issue and the other side of the aisle for working with us to bring the bill to the floor this afternoon.

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 1733, and I reserve the balance of my time.

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

Mr. Speaker, I rise in strong support of H.R. 1733, which would update a 2006 Department of Energy report on the energy and environmental benefits of re-refining used lubricating oil.

Mr. Speaker, H.R. 1733 represents a commonsense bill aimed at saving energy and protecting the environment by finding additional ways to reuse lubricating oil.

Mr. Speaker, these measures may include increasing the collection of used oil, distributing public information on sustainable reuse, and encouraging the recycling of used oils.

Mr. Speaker, the U.S. is responsible for almost one-quarter of the global lubricating oil market; however, unfortu-

nately, Mr. Speaker, we are currently behind our European counterparts in our ability to recycle this product.

Mr. Speaker, this bill will help conserve energy and protect the environment by providing a Federal strategy to re-refine lubricating oil that can be used in all different types of gas and diesel engines.

Mr. Speaker, I would like to commend my colleague from the Energy and Commerce Committee, Mrs. BROOKS from Indiana, for sponsoring this bipartisan bill, and I urge all my colleagues to support this legislation.

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

Mr. UPTON. Mr. Speaker, I yield 5 minutes to the gentlewoman from Indiana (Mrs. BROOKS), who is a member of the committee and the author of this bill.

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Mrs. BROOKS of Indiana. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise today in favor of H.R. 1733.

Like many Hoosiers, I believe in the value of recycling and the benefits it brings to Indiana and our country. This bill would help us understand how we can better recycle lubricating oil.

H.R. 1733 requires a 2006 study mandated by the Energy Policy Act of 2005 be updated to reflect current information about the benefits or re-refined lubricating oil and how its production and use could be increased in the country.

Re-refining removes contaminants from the oil and blends additives to restore the oil to its original effectiveness. Used oil can be re-refined infinitely and is suitable for use in many types of gas and diesel engines. In fact, the Federal Government already requires re-refined oil to be used within many agencies' vehicle fleets and many State and local governments require its use as well.

Ensuring that Congress has up-to-date data on the value of recycled oil will allow legislators to make smarter decisions when developing environmental and energy policies moving forward. By updating this study, companies across the country that produce re-refined oil, like Indiana's own Crystal Clean, will have a better understanding of the latest trends regarding this product and how they can better anticipate the needs of the Federal Government.

I am proud to say that Members on both sides of the aisle supported this bill when it passed through the Energy and Commerce Committee because it is environmentally conscious and supports an all-of-the-above energy strategy.

I thank my colleague, the gentleman from Massachusetts (Mr. KENNEDY) for his continued support on this bill, and the Ranking Member on the Energy Subcommittee, Mr. RUSH, as we introduced this together earlier this year to move this through committee.