Federal Reserve's large bank supervision program, underscoring there is more work that must be done.

I have been pushing bank regulators to deploy the full suite of their enforcement tools against megabanks like Wells Fargo that repeatedly and carelessly break the law and harm millions of consumers. That is why I introduced, again, H.R. 3937, the Megabank Accountability and Consequences Act.

So, no, I do not think it is appropriate to let megabanks like Wells Fargo hijack what should be regulatory relief for community banks so that they can challenge their exams. Nonbanks regulated by the Consumer Bureau, like Equifax or payday lenders, do not need this kind of regulatory relief either.

My amendment narrows the scope of the bill on what should garner broad bipartisan support: sensible relief for the community banks and credit unions that need it.

Mr. Speaker, I would urge my colleagues who truly want to help community banks and credit unions rather than Wall Street megabanks to support my amendment.

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

Mr. HENSARLING. Mr. Speaker, I rise in opposition to the amendment.

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

Mr. HENSARLING. Mr. Speaker, again, what we are talking about here is fundamental due process: due process for every American, due process for every institution regardless of its size, regardless of its geography. This is about due process.

As Justice Oliver Wendell Holmes wrote: ''Whatever disagreement there may be as to the scope of the phrase 'due process of law,' there can be no doubt that it embraces the fundamental conception of a fair trial, with opportunity to be heard.'' He is one of the most famous jurists in all of American history.

We are trying to ensure, again, that a bank examiner or a credit union examiner is not tantamount to judge, jury, prosecutor, cop on the beat, and executioner all rolled into one. There is no due process if your only practical appeal is to the person who rendered the judgment in the first place.

So, number one, it is important that all Americans, all institutions receive due process, which is perhaps why even over half of the Democrats on the Financial Services Committee chose to support H.R. 4545.

The ranking member's amendment would set a threshold here, but her threshold, as she talks about these so-called megabanks, at $10 billion, that is one-half of 1 percent of the size of J.P. Morgan.

So, Mr. Speaker, I don't believe in too-big-to-fail banks. I know my friends on the other side of the aisle do. That is why they voted for the bailout fund to support these too-big-to-fail financial institutions with taxpayer funds.

I don't believe in too-big-to-fail institutions, but if I did, Mr. Speaker, if I did, it would be limited to maybe eight or nine banks in America. It certainly wouldn't be applicable to any community bank, credit union, or regional bank.

We have to remember, regardless of the size of the bank, it is their capital that is helping to capitalize our businesses.

□ 1415

I am from Dallas, Texas. One of our major employers is American Airlines. I wish they could do business with First State Bank of Athens, but I suspect they do not. And so sometimes, yes, global banks are necessary to our economy, regional banks are necessary to our economy, community banks and credit unions are necessary to our economy. They are suffering under the sheer weight, load, volume, complexity, and expense of the regulatory burden, which the examination process is part of it.

Let's give them due process. Let's give them fairness and ensure that credit can flow to every small business, every household that is worthy in America. Let's reject the ranking member's amendment, and let's support the underlying bill, H.R. 4545.

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

The SPEAKER pro tempore (Mr. RODNEY DAVIS of Illinois). Pursuant to the rule, the previous question is ordered on the bill, as amended, and on the amendment offered by the gentlewoman from California (Ms. MAXINE WATERS).

The question is on the amendment offered by the gentlewoman from California (Ms. MAXINE WATERS).

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

Ms. MAXINE WATERS of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the order of the House of today, further proceedings on this question will be postponed.

REGULATION A+ IMPROVEMENT ACT OF 2017

Mr. HENSARLING. Mr. Speaker, pursuant to House Resolution 773, I call up the bill (H.R. 4263) to amend the Securities Act of 1933 with respect to small company capital formation, 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 773, the amendment printed in part D of House Report 115–595 is adopted, and the bill, as amended, is considered read.

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

H.R. 4263

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 ''Regulation A+ Improvement Act of 2017''.

SEC. 2. JOBS ACT-RELATED EXEMPTION.

Section 3(b) of the Securities Act of 1933 (15 U.S.C. 77c(b)) is amended—

(1) in paragraph (2)(A), by striking ''$50,000,000'' and inserting ''$75,000,000, adjusted for inflation by the Commission every 2 years to the nearest $10,000 to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics''; and

(2) in paragraph (5)—

(A) by striking ''such amount as'' and inserting: ''such amount, in addition to the adjustment for inflation provided for under such paragraph (2)(A), as''; and

(B) by striking ''such amount, it'' and inserting ''such amount, in addition to the adjustment for inflation provided for under such paragraph (2)(A), it''.

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

The gentleman from Texas (Mr. HENSARLING) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, I rise in very strong support of H.R. 4263, the Regulation A+ Improvement Act.

I want to thank the sponsor of this bipartisan legislation, the gentleman from New Jersey (Mr. MACARTHUR). He has been a huge leader on all capital formation issues within our committee and in this Congress. He is a real asset. His business acumen is well positioned to help serve us, and his leadership on this bill should be commended.

Mr. Speaker, although small companies are at the forefront of technological innovation and job creation, they often face significant obstacles in obtaining funding in our capital markets. These obstacles generally stem from the disproportionately larger burden that securities regulations, written principally for large public companies, instead place on small companies when they seek to go public.

In 2012, the Jumpstart Our Business Startups Act, known as JOBS Act, sought to modernize and better tailor some of these regulations, including Reg. A, under our securities law. Reg.

A is a longstanding exemption from SEC registration that permits public offerings without formal registration as long as certain conditions are met.

Prior to the JOBS Act, a small company seeking to use Reg. A was limited to raising $5 million of securities in a 12-month period. As you can imagine, over time, Mr. Speaker, Reg. A offerings became increasingly rare due to the relatively small offering size that was available and a requirement that Reg. A securities still comply with 50 different State securities law registration and qualification requirements.

Title IV of the JOBS Act attempted to address the antiquated Regulation A by directing the SEC to update it, which the SEC did in 2015, under the moniker Reg. A+, by creating two tiers of Regulation A offerings and allowing certain securities to qualify for preemption from State securities law.

Under the second tier, the SEC increased the amount companies can offer from $5 million to $50 million. Mr. MACARTHUR's legislation only pertains to the Tier 2 limit.

Since Reg. A+ was implemented in 2015, small businesses have increasingly been able to use this tool to raise much-needed capital to expand their businesses and create new jobs in our economy. According to the SEC Office of Small Business Policy, as of November 2017, 69 completed Reg. A+ offerings had raised a total of $611 million.

Unfortunately, the $50 million cap leaves significant opportunity on the table for our startups, opportunity that could be better realized if the limit were increased to $75 million, which the Treasury Department has recommended as a potentially less costly alternative for startups to raise capital. Moreover, increasing the Reg. A+ limit will better position companies that want to use the exemption as an on-ramp to list publicly to bear the corresponding compliance burdens and still invest in jobs and growth.

Mr. Speaker, more and more, we have seen IPOs of companies with products that we use every day—Uber, Facebook, Spotify, Snapchat—come after the company is already valued over $1 billion. For everyday investors, this often means missing out on some of the most dynamic growth stages of the company that would provide the highest rate of returns for them and their family, all while the wealthy, accredited investors and venture capital firms can invest early, and they get to rake in the better rates of return.

With regulations disproportionately stacked against them, it isn't surprising that small companies so often are choosing to stay private. Many have no other choice. Again, after all, the SEC has estimated that the costs of going public, on average, are $2.5 million in regulatory costs for undergoing an IPO and annual compliance costs averaging $1.5 million thereafter.

Those costs stand in stark contrast to the $111,000 the SEC says is the average legal and auditing cost for Reg. A+ offerings. In other words, by utilizing Reg. A+, small businesses can raise significant capital while saving more than $2 million—$2 million that can be invested in jobs and research and other growth opportunities. This is why Reg. A+ is so important: it provides a more cost-effective way to raise equity capital early on in the growth stages of these companies.

Additionally, Reg. A offerings enjoy preemption from State securities laws. Mr. Speaker, I hope every Member pays close attention to this. They may not know it.

In 1980, when a startup computer company, by the way, called Apple decided to go public, the Commonwealth of Massachusetts decided the stock was too risky and barred its sale to individual investors in the State. Today, Apple's market valuation is almost $1 trillion. It is an American iconic brand and one of the largest companies in the world. And it is, again, potentially going to be the first public company with a trillion-dollar market cap. If you had bought 45 shares of Apple when it was offered at its IPO, by the end of last year you would have over $394,000. That is hardly crumbs, Mr. Speaker.

In short, I strongly urge my colleagues to support this legislation. It is a very smart but modest improvement in a popular JOBS Act provision.

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, H.R. 4263, the so-called Regulation A+ Improvement Act, is a solution in search of a problem that threatens to undermine protections for mom-and-pop investors and the integrity of our capital markets. The bill would arbitrarily and prematurely increase the maximum amount of securities that private companies can sell each year to the public from $50 million to $75 million under the Securities and Exchange Commission's Regulation A+ exemption from registration.

Mr. Speaker, such a change makes no sense. First, the SEC only recently implemented Regulation A+ pursuant to the Jumpstart Our Business Startups, the JOBS Act. Effective June 19, 2015, that rule now allows private companies to raise either $20 million under Tier 1 or $50 million under Tier 2 from the public with less investor protections and oversight than a public securities offering registered with the SEC.

What little data we have since it became effective suggests that there is no need to raise that $50 million limit. As of December 31, 2017, only 39 percent of the 172 companies using Tier 2 of Regulation A+ sought the maximum amount of $50 million; and only three issuers, or 5 percent, of the 61 issuers that have reported proceeds in Tier 2 offerings actually raised the maximum amount.

Second, in the JOBS Act, Congress specifically directed the SEC to review the Regulation A+ limit every 2 years and report its reasons for not raising it to Congress. On April 5, 2016, the SEC sent Congress its report, stating: ''Given the short period of time that the final rules have been in effect and in light of the limited number of Regulation A+ offerings qualified and completed to date, the Commission does not believe that the information currently reported by companies on the amount of capital raised pursuant to Regulation A+ is sufficient to determine whether it would be appropriate to propose an increase in the Tier 2 $50 million offering limit.''

If my Republican colleagues think that the SEC should be doing more, they only have to wait a few more weeks for the SEC's next review and report on the Regulation A+ offering limit. There is no reason why Congress shouldn't acknowledge the SEC's existing efforts to study the empirical evidence instead of making arbitrary decisions devoid of any real analysis.

Finally, and most importantly, the bill may harm retail investors and our markets. What my Republican colleagues fail to acknowledge is that the purpose of Regulation A+ is to provide small private businesses with access to financing from mom-and-pop investors, many of whom are in their community, so that they can grow and eventually enter the public markets as full SEC reporting companies traded on a national securities exchange.

As public companies, they are subject to the full set of investor protections under the securities laws, but also gain access to much deeper sources of capital. Indeed, under the current system, eight Regulation A+ issuers have already listed their shares on an exchange, becoming true public companies. This positive development suggests that Regulation A+ is working as Congress intended, and expanding it could discourage companies from becoming truly public.

However, it is also clear that additional study of the existing Regulation A+ exemption is warranted. A series of recent press articles highlight the high risk of loss that investors face in investing in companies that have used Regulation A+ even when those companies later list their securities for trading on an exchange.

According to a February 2018 article in The Wall Street Journal, seven out of the eight companies that listed their securities for trading on an exchange in 2017 following a Regulation A+ offering are trading an average of 42 percent below their offering prices. By comparison, companies that engaged in a traditional initial public offering, or an IPO, in 2017 are trading an average of 22 percent above their offering prices. Moreover, those Regulation A+ companies were trading lower, even as the S&P 500, which tracks 500 large publicly traded companies, has risen 18 percent since the start of 2017.

Congress should better understand why Regulation A+ companies that have gone public fared so poorly compared to the rest of the market before

we go ahead and expand Regulation A+ through legislation like H.R. 4263.

Now, Mr. Speaker, I joined with my friends on the opposite side of the aisle, and Mr. MCHENRY in particular, and supported the JOBS Act, and of course I had some questions about the risk that would be involved with our mom-and-pop investors. I wasn't sure, but I decided to support the JOBS Act and Mr. MCHENRY even with my concerns because I certainly wanted the opportunity for these small businesses to have access to capital that perhaps they would not be able to get otherwise.

□ 1430

Along with that bill, we talked about the review that would be done to determine whether or not we should be increasing, particularly, Tier 2, that would expand the ability for the small businesses to have access to more than $50 million. So I don't know why we just don't stick with what we did.

I think that, despite whatever we are learning about the A+ regulation, we need to understand thoroughly what the advantages are, what the disadvantages are, and what the risks are to investors, et cetera.

So I am going to ask my colleagues to oppose this legislation.

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

Mr. HENSARLING. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey (Mr. MACARTHUR), the sponsor of this legislation and a hard-working member of the Financial Services Committee.

Mr. MACARTHUR. Mr. Speaker, I am proud to advance this bill—this bipartisan bill. I am grateful for my Democratic cosponsor, Congresswoman SINEMA; Democratic Congressman GOTTHEIMER; and Republican Congressman HOLLINGSWORTH, for joining me in this effort.

The purpose of this bill is pretty simple and pretty narrow. Seven out of ten new jobs in this country come from our Nation's 28 million small businesses. When we help those businesses grow, we help them create new jobs.

I think of the biopharmaceutical companies in my home State of New Jersey as an example of companies that desperately need capital to continue to grow, and that growth creates new jobs. The Federal Government cannot do everything, but we can surely help these companies grow in our country.

The 1933 Securities Act laid the groundwork that all interstate security offerings have to be registered with the SEC. It was cumbersome, it was expensive, so that Congress made some exceptions. Regulation A allowed a limited amount of offerings for Main Street investors, and Regulation D allowed unlimited offerings for accredited investors. This bill is working at Regulation A.

Over time, those limits have gone up periodically. The last time it was lifted was effective 2015. It was raised to $50 million, and it has been helpful. It has created growth. It has created new jobs.

This bill is a modest improvement, raising that $50 million to $75 million. This was contemplated in the original JOBS Act, where we raised it to $50 million. In that law, the SEC was required to either increase the $50 million or to explain to us why they weren't doing it. Their deadline for doing that expired at the end of 2017. So this is an overdue increase, and I think it is high time that we do it.

I could offer a lot of anecdotes of how this benefits companies. I thought I would offer the one that is closest to home, my own story.

I was fortunate enough to buy a fairly small business in 2002. I did three capital raises in the years that followed. The first was for $12 million, the second was for $75 million, the third was for $500 million. And those capital raises continued during my period of ownership of the company.

I can tell you, without any question, the smallest capital raises were the hardest for me. It is much harder to raise this much money than it is to raise this much. When I was raising a lot of money, I had a lot of interested parties. When I was raising the smaller amount, it was difficult.

What this bill does is allow growing companies to have another point in the market where they can raise money. It is not just banks or private equity funds; it is regular, Main Street investors.

I heard the remarks that this creates risk. I can tell you that there are dozens of people in my old company who became shareholders, who are living a better life today, them and their families, because they had an opportunity to buy stock in a growing company.

Mr. Speaker, this bill is good for businesses. It is good for employees. It is good for Main Street investors. It is a win, win, win. And, ultimately, it is good for the American economy. I urge my colleagues to support it. Let's not be afraid of making a commonsense change. I urge my colleagues to support it.

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 Michigan (Mr. HUIZENGA), the chairman of the Capital Markets, Securities, and Investments Subcommittee.

Mr. HUIZENGA. Mr. Speaker, I want to commend my friend from New Jersey and the work that he has put into this.

I rise today in support of this much-needed legislation that would increase the limit that small companies looking for additional investments and investors can solicit under Reg. A+. These deals would increase from $50 million to $75 million. This will enhance capital formation for growing small companies that are exploring crowdfunding as a method to raise capital.

The JOBS Act has proven to be wildly successful, and this program has proven itself successful as well. Yet it can be even more so with this modest increase.

So, specifically, the legislation further strengthens the ability for small- to mid-sized companies to attract more traditional underwriters and more sophisticated investors into the Reg. A+ process.

Reg. A+ has been termed a ''Mini IPO'' or an ''IPO to go,'' and for good reason. While the cost of doing a full-blown IPO has skyrocketed, and the crowdfunding industry has been adopting Reg. A+ and leveraging it to raise growth capital for a fraction of what a traditional full-blown IPO would be, would cost, while still having access to the capital markets.

Like the chairman, I and many others on the committee have been concerned about the decrease in these initial public offerings, or IPOs, over the last number of years. Reg. A+ has been able to step in and help fill that gap. It provides much greater flexibility and marketing to potential investors, both accredited and non-accredited, while maintaining important consumer protections that everybody agrees needs to be there.

Despite Reg. A+ being cheaper and faster, however, major underwriters and broker dealers have been slow to fully adopt Reg. A+ because the size of the increase up to that $50 million has really been minimal compared to a traditional IPO.

Raising the Reg. A+ limit to $75 million is certainly a step in the right direction to alleviate this problem, as it opens Reg. A+ to larger companies that may be considering doing a full-blown traditional IPO.

Additionally, this increased limit will have a positive impact for smaller companies because it can attract some of the more traditional underwriters to the process.

So, again, I want to congratulate my friend from New Jersey on his work on this, and the chairman for really trying to push this issue forward. It is an important piece that we have been dealing with on the capital markets as we are trying to maintain and make sure that our markets are the most liquid and deep in the world, and that maintains that.

So I urge my colleagues to support this important bill.

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

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. HULTGREN), the vice chairman of the Financial Services Subcommittee on Capital Markets, Securities, and Investments.

Mr. HULTGREN. Mr. Speaker, this is an exciting, important debate. I rise today to speak in support of H.R. 4263, the Regulation A+ Improvement Act.

Congressman MACARTHUR's bipartisan legislation would increase the offering amount that companies can offer

under Tier 2 of Reg. A from $50 million to $75 million, adjusted for inflation by the SEC every 2 years.

This type of legislation, modeled after the bipartisan JOBS Act, typically enjoys strong bipartisan support in Congress. I hope that will be the case again today.

Title IV of the JOBS Act directed the SEC to issue rules to update Reg. A, which exempts small offerings of up to $5 million within a 12-month period from Federal registration. The updated exemption, now known as Reg. A+, increased the amount companies could offer from $5 million to $50 million within a 12-month period of time, and preempts State registration and qualification requirements to make it easier for small- and medium-sized businesses to undertake Reg. A+ offerings by avoiding the oftentimes prohibitively expensive complexities of complying with up to 50 State regulators, all providing different regulations.

Some opponents of this legislation have argued that it is unnecessary because the SEC is required to review this threshold and has the authority to increase it.

On April 5, 2016, SEC staff informed the Financial Services Committee that the $50 million threshold would remain in place throughout 2018 because of a lack of information available on Reg. A+ offerings since the rule was finalized in 2015.

However, during the comment period for implementing Reg. A+, the SEC received a significant number of comments that Reg. A+ should be expanded beyond the $50 million threshold. Furthermore, since the amendment to Reg. A became effective, the rate of Reg. A+ securities offerings has increased.

Last year, the U.S. Chamber of Commerce testified before the Capital Markets, Securities, and Investments Subcommittee, noting this legislation ''is a way to help make it easier for a small business to access capital to get deals done. To do that, even with the bump up to $50 million, people are still finding their sea legs. But in terms of driving liquidity, we thought the $75 million number was important.''

Former SEC Commissioner Dan Gallagher has stated: ''The SEC should have exercised our clear authority under the JOBS Act to raise the offering limit to $75 million.''

Hester Peirce, now an SEC Commissioner, testified during a hearing of the Financial Services Committee that, ''Prior to the JOBS Act's changes to Regulation A, that provision languished unused by companies, so it is important to revisit different avenues for raising capital frequently to ensure their continued usefulness.''

Congressman MACARTHUR's legislation will help ensure that the SEC focuses on its mission of capital formation, especially for small businesses. This is vital if we are going to continue on the course of economic growth.

And at the end of the day, after all of our debate on the merits of this legislation, let's make sure we remember it is simply an inflation adjustment for the amount of shares that can be issued under this exemption. Congressman MACARTHUR is simply proposing to make this financing tool available to more startup companies and their investors. This should not be controversial.

I urge support for Congressman MACARTHUR's bipartisan legislation.

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

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. HILL), the majority whip of the committee.

Mr. HILL. Mr. Speaker, I, too, want to add my congratulations to Mr. MACARTHUR for continuing to find ways to improve Mr. Obama's and this committee's excellent work on the JOBS Act from some 8 years ago. We have learned a lot. We have seen the benefits of the JOBS Act, and today we have a chance to make it even better by improving Reg. A+.

I appreciate Mr. MACARTHUR's personal story about his entrepreneurship and how this is an opportunity for more investors in our country and more capital for our entrepreneurs.

Mr. Speaker, this week I attended a meeting where people asked: Why do we need more public companies?

Gosh, that is an easy rhetorical question.

Because we have half the number of public companies we had during the Reagan administration, and we need them for our young people to invest in. We need them for our union workers to have an earning asset in their pension fund.

So we need more public companies in this Nation to share the growth and prosperity of this Nation. That is what this legislation is all about.

I thank Mr. MACARTHUR for his very straightforward, bipartisan, commonsense increase in the authority from $50 million to $75 million for young, growing companies to raise money under Reg. A+.

Former SEC Commissioner Dan Gallagher advocated the increase in the offering threshold to even $100 million before the SEC adopted their final rule.

□ 1445

Mr. GALLAGHER expressed his disappointment that this offering threshold was not raised in the final rule from that original statutory cap of $50 million.

We have support through the commission and through the staff for raising this amount, Mr. Speaker, to help our entrepreneurs. Expanding Reg. A+ to include offerings up to $75 million will allow private companies to consider a mini-IPO under Reg. A+. This will give us more competition for capital, driving down cost of capital, driving up the number of opportunities for people to take advantage of going public, growing a prosperous company, and sharing that equity with investors through their exchange-traded fund, through their pension plan, through their 401(k) plan. We want more opportunities to share our Nation's prosperity.

I thank my friend, Mr. MACARTHUR, for his thoughtful work, and I thank our chairman for his leadership on the committee.

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

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from Maine (Mr. POLIQUIN), from the land of moose and maple syrup, a hardworking member of the Financial Services Committee.

Mr. POLIQUIN. Mr. Speaker, I appreciate this opportunity very much. You notice, Mr. Speaker, those who do not live in the great State of Maine are very envious of those who do; so I take full advantage of the moose, bear, and other critters that we have in the State of Maine.

Right now, today, Mr. Speaker, I am talking about H.R. 4263, the Regulation A+ Improvement Act, and I want to congratulate the gentleman from New Jersey (Mr. MACARTHUR) for the great work he has done on this bill, and I want to thank Chairman HENSARLING for bringing this bill to the floor. It is very important for all of us to consider this.

Now, Mr. Speaker, we all know what we want in this country, which are more opportunities and more jobs for our kids—better opportunities for our kids so they will have better lives and more freedom. This cannot happen, Mr. Speaker, unless our businesses are able to grow and hire more individuals and pay them more.

Now, that mostly can only happen, Mr. Speaker, if businesses are able to more easily borrow money. The chairman and I both know that the government's job is to help our economy grow, not get in the way.

That is why Reg. A+ cuts through the red tape such that more small- and medium-sized businesses are able to access capital, grow their operations, and hire more people. In a sense, Reg. A+ has implemented, Mr. Speaker, billions of dollars of new financing and has led economic growth in small to medium businesses to grow and present more opportunities for their workers. So Reg. A+ works. We know that because the evidence is there.

With that, Mr. Speaker, I would like to close by saying, Mr. MACARTHUR's bill is a commonsense technical adjustment to a bill—a rule, rather, that works. It simply increases the amount that companies are able to borrow under this rule that works.

Please, everybody, Republicans and Democrats, support Mr. MACARTHUR's bill.

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

Mr. HENSARLING. Mr. Speaker, I yield 3 minutes to the gentleman from

Ohio (Mr. DAVIDSON), a hardworking member of the Financial Services Committee.

Mr. DAVIDSON. Mr. Speaker, I rise today to offer my support for H.R. 4263, the Regulation A+ Improvement Act. I greatly appreciate my colleague, Representative MACARTHUR, for this bill and for our chairman for moving it through our committee, and, frankly, my colleagues from across the aisle who came together to recognize the need for this bill.

As has already been stated, this has broad implications for small capital companies. I spent the past 15 years, prior to coming to Congress, growing small manufacturing companies, and I can greatly appreciate the challenge of raising capital. This is another means of doing that, but I want to highlight another area that it might be suitable.

With approximately $4 billion of capital raised worldwide in 2017, it is fair to say that initial coin offerings are just another great way for startups to raise capital and grow their businesses. ICOs in Regulation A+ could work great together, and with Mr. MACARTHUR's bill, they can work even better.

An example of this harmonization is the investor-based Reg. A+ allows investors of any wealth to participate. This Democratic process is a pillar for ICOs in terms of the premise behind distributed ledger technology.

Another provision is anti-money laundering. Reg. A+ requires the validation of investors, as well as background checks on the principles of offering companies. This goes hand in hand with improving the credibility of ICO business practices and reducing the risk of loss.

Compliance with Reg. A+ would mean a disclosure memorandum, not just a white paper. Reg. A+ provides ICO entrepreneurs and their startups with a viable path to compliance with SEC security regulation. So it is important that we have guardrails established in this explosive new industry, while not hampering the ability to grow the business. I urge my colleagues to support this vital legislation.

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

Mr. Speaker, I have extensive information here about what is happening with Regulation A+. At first, I decided that some of this information I wouldn't share because I am so anxious for these small businesses to be able to access capital, but I think that, you know, some of my earlier concerns, perhaps, may have been justified.

H.R. 4263, the so-called Regulation A+ Improvement Act, is opposed by consumer and investor advocates. I would like to take a moment to read some of their statements in opposition to this bill.

Consumer Federation of America:

''This bill would increase the offering limit, despite the fact that the SEC already has unlimited authority to raise the cap as it deems appropriate. Moreover, the SEC is required to review the offering limit every 2 years, with its next analysis expected to be released next month. . . . A vote for this bill, before the SEC has had a chance to complete its analysis, is a vote against evidence-based policymaking.

''If Congress were to take the time to consider the research that the SEC has conducted on the Regulation A markets since the Regulation A+ rules were adopted, it would find that there currently is no need to raise the limit . . . data suggest that issuers generally are not clamoring for more capital than is currently allowed to them under the rules. . . .

''The market's tepid reaction to Regulation A offerings is surely also related to the largely abysmal performance of Regulation A offerings to date. . . . A recent Barron's article provided an in-depth review of the Regulation A market, describing the 'woeful performance' of the few dozen companies that are currently exchange-listed and the difficulty trading or getting a price quote for the vast majority of companies that aren't exchange listed. The Barron's article further described how 'most Reg. A+ businesses haven't gotten beyond the startup phase known as the pipedream.' Some examples that the article cites include businesses seeking capital for cannabis paraphernalia, flying cars, studying UFOs, telepathy, and light-speed travel. We wonder why the backers of this legislation would spend so much time and effort seeking to artificially prop up businesses of this sort.

''And while Regulation A's supporters have touted Regulation A's job creating potential, the Barron's article states that the only people Regulation A clearly has created jobs for are Regulation A underwriters and promoters on Wall Street, many of whom have 'checkered stock market histories.'''

Are these really the sort of jobs Congress is intending to promote?

''In conclusion, because this bill arbitrarily increases the offering limit without evidence that doing so is either necessary or beneficial, and in the face of evidence that Regulation A offerings to date largely have been market failures, we urge you to vote 'no.'''

Let me just continue to quote. Americans for Financial Reform: ''This is an unwarranted increase in the threshold. Most fundamentally, Congress should not be undermining public securities markets by expanding the ability of larger companies to make offerings while being exempt from core disclosure and investor protection requirements. Private offerings were designed to permit early stage capital raising from sophisticated investors by small companies, but the current cap of $50 million per year in private capital raising already permits fairly large companies to take advantage of this route. Additionally, the Securities and Exchange Commission, SEC, already has regulatory authority to increase the current threshold, which they examine on a biannual basis. . . .

''Seven of the eight companies with Regulation A+ offerings in 2017 are down 42 percent from their offer prices, as compared to conventional offerings made during the same period, which are up 22 percent from offer prices. This is to be expected, given that Regulation A+ permits companies to avoid requirements such as disclosures that were designed to protect investors. If it expanded such exemptions, Congress would facilitate increased harm to investors.

''Members should also take notice that with the blockchain and cryptocurrency fever, SEC filing and disclosure exemptions like Regulation A+ are becoming a popular avenue for initial coin offerings, ICOs. . . .

''In the middle of this SEC crackdown on fraudulent ICOs, H.R. 4263 would potentially expose a larger number of investors—including nonaccredited, unsophisticated investors—to shady companies, Ponzi schemes, and exit scams.

''The widespread use of private offerings reduces transparency and investor protections in capital markets. Raising capital under Regulation A+ should be used as an on-ramp to a true public offering and not as an end in itself for larger issuers. Increasing the annual threshold for exempted Regulation A+ offerings goes in the opposite direction.''

Public Citizen had this to say:

''Evidence shows little demand for this measure. A study by the SEC of Regulation A+ offerings found that the average issuer sought only $18 million. Moreover, these firms pose risk for investors, as the issuers had only an average of $50,000 in cash; no property, plants, and equipment; no revenues; and no net income. Increasing access to capital with no additional investor protections exacerbates the problem.''

And so, yes, I do oppose the bill. Let me just say this. I would like small businesses to do well. I would like our small businesses to have access to the capital that they need to support, you know, good ideas that have been given the kind of research that is necessary to determine the potential for some of these businesses.

You just heard this information from the Barron report. This is serious. What we have seen, despite the fact what we want to happen, is that it is not happening. The fact that we would like very much—and we have done everything that we could do with the JOBS Act to give support to our small businesses because we want them to thrive. We believe that they are job intensive, if they can get up and get going. It is not happening.

What we are doing is we are exposing these little mom-and-pop investors to situations where they are going to lose what small amounts of money they are investing. So let's just be cool, let's be calm, and let's give the SEC the opportunity to do its analysis. There is no reason to push this now.

I would ask my Members on the opposite side of the aisle to rethink and to join with me, oppose the bill so that we can give the SEC the opportunity, again, to do the kind of analysis it needs to do, and let's think about what else can we do to help small businesses, rather than continue down the road of failure, because this is exactly what is being exposed.

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

□ 1500

Mr. HENSARLING. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. TENNEY), a hard-working member of the Financial Services Committee.

Ms. TENNEY. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I rise to support this bipartisan legislation, H.R. 4263, the Regulation A+ Improvement Act, introduced by my colleague from New Jersey (Mr. MACARTHUR).

Congratulations to Mr. MACARTHUR and the chairman for bringing this great legislation to the floor.

This legislation would increase, from $50 million to $75 million, the offering exemption amount that companies can offer under the Securities and Exchange Commission's, the SEC, Tier 2 of Regulation A, an amendment to the 2012 JOBS Act.

As the owner of a small business, I understand firsthand the vital importance of making our Nation's business climate competitive at all levels. Small businesses create nearly 70 percent of the new jobs in our country. Yet small businesses are only starting to see a resurgence from the struggling ecosystem created in the last Presidential era. Thanks to the recent tax cuts and regulatory changes, we have seen continued growth.

H.R. 4263 would be the next step toward helping small companies raise necessary equity capital to enable them to grow and compete in a changing and dynamic marketplace. This will result in more jobs and more opportunities for our communities.

This bill would expand the SEC's Regulation A+ from $50 million to $75 million, and it would allow companies to consider mini IPOs or mini initial public offerings at a less costly alternative to raising capital.

In my district, it is difficult to raise capital and secure a steady line of credit for developing and sustaining small businesses. I have experienced this very difficulty and struggle with clients I have represented in my own legal practice.

This bill would help tremendously in improving access to capital for small companies that ultimately are the drivers of job growth in New York and across the Nation.

Mr. Speaker, I want to again thank Mr. MACARTHUR and the bipartisan group of cosponsors for their hard work, and I urge my colleagues to support this great legislation.

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

Mr. Speaker, H.R. 4263 is just another reckless partisan bill that could harm mom-and-pop investors and weaken the integrity of the U.S. capital markets. It continues the efforts to repeal or weaken important regulatory protections under the guise of supporting jobs.

Not only have my Republican colleagues failed to come up with any real data or analysis to support this claim, but they also completely substitute their own judgment for that of the SEC, the agency with the expertise over these issues.

As I have already said, we only have to wait a few more weeks to see if the SEC decides to expand the Regulation A+ exemption and to understand its rationale for the decision. But I suppose a few weeks is a few weeks too long for my friends on the opposite side of the aisle who are currently pushing for as many of these kinds of bills as possible to be included in the Senate's Dodd-Frank rollback.

Those bad bills would cause further harm to investors by allowing newly public companies to avoid audits of their controls over financial reporting for a decade; by hampering investors' ability to get independent, reliable information ahead of a shareholder meeting; and by making it easier for fraudsters to swindle unsophisticated investors into buying stock in a fake or failing company.

It should come as no surprise that these same harmful provisions show up in the CHOICE Act, which is 10 times worse than the Senate's deregulatory bill.

Mr. Speaker, both Democrats and Republicans want to help small businesses grow and create jobs, but as Members of Congress, we also have the responsibility to protect investors, particularly retail investors, who are looking to save for retirement, to buy a house, or to support our children's education.

As I have repeatedly said, any regulation must strike the right balance between capital formation in our securities markets and investor protection. This bill fails to do that, and that is why it is opposed by consumer and investor advocates like Americans for Financial Reform, Consumer Federation of America, and Public Citizen.

Mr. Speaker, I would urge all Members to join me in standing up for investors and vote ''no'' on H.R. 4263, and I yield back the balance of my time.

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

The SPEAKER pro tempore (Mr. FERGUSON). The gentleman from Texas has 5½ minutes remaining.

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

Mr. Speaker, I again want to thank the gentleman from New Jersey (Mr. MACARTHUR), an entrepreneur, someone who brings years and years of experience in capital formation of building a business to help grow jobs and our economy.

H.R. 4263, again, is, in part, an expansion of the JOBS Act, something that was signed into law by President Barack Obama. I didn't agree with that particular President on many occasions, but he got this right, and this has been something good for the American economy.

But what I fear is that, if we don't go forward, we end up going backwards. And what we hear from our friends on the other side of the aisle is: Let's keep the status quo.

But, Mr. Speaker, the status quo is what brought us a 1.6 percent economy. The status quo is what brought paychecks to become stagnant. The status quo ensured that Americans did not recover their savings from the great financial crisis.

Now we have the Tax Cuts and Jobs Act, and now we have 3 percent economic growth; now we have the lowest unemployment rate in 17 years; now we have seen the greatest growth in paychecks in almost a decade; now we are seeing 90 percent—90 percent—of wage earners seeing a bigger paycheck, better take-home pay, because of the economic policies of this Republican Congress and of the Trump administration.

So the gentleman from New Jersey has brought us, really, in some respects, an important but modest proposition: that we ought to increase the threshold for Reg A+ to $75 million.

Again, we don't know where the next Uber is coming from. We don't know where the next Spotify is coming from. We don't know where the next Apple is coming from. But do you know what, Mr. Speaker? We all know they need capital. And this is a valuable alley, chain, path in order to bring capital into our startup businesses.

Now, a constant theme we hear from our friends on the other side of the aisle is consumer protection. Do you know what? Back in the 1980s, the Commonwealth of Massachusetts decided to protect their people from this fly-by-night company called Apple, which now is looking at an almost $1 trillion market cap valuation, and had you invested at the IPO, you would have a 45,000 percent rate of return. You could buy a home; your children could buy a home; your great-grandchildren could buy a home. You could achieve your American Dream. But a government decided: No, you are too stupid to make this investment decision on your own. We must protect you.

Nothing—nothing—in the bill from the gentleman from New Jersey alters the vast, vast array of consumer protection laws that are already on the books. Nothing in H.R. 4263 prevents the Department of Justice from pursuing criminal prosecutions of fraud. Nothing in the bill impacts the SEC's ability to pursue civil actions for those

who engage in fraud, negligent misrepresentations, negligent transactions.

Nothing in this bill prevents the SEC from entering into cease and desist orders and imposing civil liabilities for those who violate SEC rules. Investors get to pursue Federal civil actions against those who defraud them, those who make untrue statements. So there are plenty of very important laws that are on our books.

What we shouldn't do, though, is protect our hardworking constituents from the ability to make decisions for themselves and participate in these early growth companies that now are only restricted to accredited investors. It is only the wealthiest who get to make these decisions. Well, in the land of the free, maybe a few more should, and maybe we ought to have a few more Apples, a few more Ubers, a few more Spotifys.

I want to thank, again, the gentleman from New Jersey (Mr. MACARTHUR), who has been a great leader in capital formation and job creation on our committee and in this Congress, and I want to urge all Members to adopt H.R. 4263.

I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 773, the previous question is ordered on the bill, as amended.

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

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

MOTION TO RECOMMIT

Mrs. BEATTY. Mr. Speaker, I have a motion to recommit at the desk.

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

Mrs. BEATTY. Mr. Speaker, I am opposed to it in its present form.

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

The Clerk read as follows:

Mrs. Beatty moves to recommit the bill H.R. 4263 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

Page 3, line 10, strike ''$75,000,000'' and insert ''$50,000,000''.

Page 3, line 23, insert the following new section:

SEC. 3. EFFECT OF INCREASE IN OFFERING LIMIT.

The amendments made by this Act shall take effect on the date that the Securities and Exchange Commission revises regulations promulgated pursuant to subparagraphs (B) through (G) of paragraph (2) of subsection (b) of section 3 of the Securities Act of 1933 (15 U.S.C. 77c) as necessary to protect investors before increasing the aggregate offering amount described in subparagraph (A) of such paragraph to an amount that is greater than $50,000,000.

Mrs. BEATTY (during the reading). Mr. Speaker, I ask unanimous consent to dispense with the reading of the motion.

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

There was no objection.

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

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

Mr. Speaker, this motion to recommit is simple and should be able to garner the support of every Member of this body who seeks to enhance our robust public and private markets while, at the same time, ensuring there are adequate safeguards in place for the benefit of Main Street investors.

Specifically, this motion will accomplish two simple things: one, it will strike the increase in the offering limit to $75 million; and, two, it will require the SEC to review and revise their bad actor disqualification regulations prior to future increases in the offering threshold.

Unfortunately, as currently written, with all due respect to my Republican colleagues, raising the offering threshold is a solution in search of a problem. Congress designated the SEC with regulating the offering. Congress decided the SEC would administer the offering. The SEC is the expert on Regulation A+, and it should be the one to raise the offering threshold, assuming the data supports such an increase.

Under the law, the SEC will be reporting to Congress whether or not they will raise the threshold just next month. This bill is premature, and for the lawyers in the room, it is not ripe for review. So why wouldn't we wait?

Right now there is zero data to suggest Congress needs to raise the threshold, and it seems prudent to wait until next month to see what the SEC has to say before rushing to increase it.

The majority argues this bill will allow companies to raise more money. I say this bill is a solution in search of a problem because only less than a handful of companies have ever actually raised the current maximum amount of $50 million.

With regard to updating the bad actor disqualification regulation, Bloomberg recently published an article on Regulation A+ and the companies using the offering and found one executive of a company was convicted for filing false tax returns, another for obstructing justice, and another was accused of selling unregistered stock. For the sake of time, these are just a few examples. Are these really the types of individuals we want selling securities to Main Street mom-and-pop investors?

Another article, appearing in Barron's, studied the hundreds of companies that have used Regulation A+ to raise funds, and I quote them: ''We were supposed to get new jobs and new industries. Instead, we've gotten GoFundMe-style websites hawking penny stocks and professional wrestlers shilling shares on TV.''

They went on to highlight some of the companies and the products availing themselves of the lightly regulated Regulation A+ offering, which included companies trying to make cannabis paraphernalia, flying cars, guns, and my personal favorite, the founder of a rock band seeking to raise money to study UFOs and light-speed travel.

Now, I am not trying to persuade Members that all companies seeking to raise money through Regulation A+ are Wolf of Wall Street or UFO chasers, because back in my home district, a Scottish-based company successfully used Regulation A+ to open their first brewery and restaurant in the United States. That example is exactly what Congress had in mind when it called for the creation of Regulation A+, and it is precisely the type of opportunity for investors that the law was intended to create.

□ 1515

This is why we need to ensure that we maintain the integrity of the Regulation A+ offering and that we prevent bad actors from using it in a way to rip off and scam all of our constituents.

That is why I urge Congress to adopt this motion, to stand up for strong public and private markets, to wait the 30 days when the SEC can come back to us, and to stand up for strong protections for Main Street investors.

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

Mr. HENSARLING. Mr. Speaker, I rise in opposition to the motion to recommit.

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

Mr. HENSARLING. Mr. Speaker, when I have said something incorrect, I wish to correct myself in front of my colleagues in the public. I earlier said that my colleagues were trying to give us status quo. I wish to correct myself. This motion to recommit is worse than status quo. It would take us back even further.

The gentlewoman from Ohio should admit when she is wrong. She is wrong when she says this will not kill the bill. This will kill it. It will gut it. It will bury it 6 feet under. I think she knows that. So she is entitled to her opinion about what Reg. A+ should be, but she absolutely eviscerates the bipartisan bill that is before the House.

Because many who are watching this may somehow think, ''Oh, my Lord, there are no consumer protections for Reg. A+ offerings,'' the basic requirements that are applicable to both Tier 1 and tier offerings include company eligibility requirements, bad actor disqualification requirements, issuer disclosure requirements, ongoing reporting requirements.

And then for Tier 2 offerings, additional requirements: providing audited financial statements; requirement to file annual, semiannual, and current event reports; and limitation on the amount of security nonaccredited and accredited investors can purchase.

Then those that are offered on an exchange have to adhere to the exchange's listing standards, including corporate governance requirement, background checks on the management and board, shareholder approval of certain corporate actions, and the list goes on.

Mr. Speaker, I think there is a good case here. Anybody who picked up a newspaper recently would find out that, yesterday, the SEC charged Theranos with raising more than $700 million from investors through exaggerated and false statements about the company's technology.

Guess what. In announcing the enforcement decision, here is what the SEC noted:

The charges make clear that there is no exemption—no exemption—from the antifraud provisions of the Federal securities laws simply because a company is nonpublic, development-stage, or the subject of exuberant media attention.

In other words, the SEC was thoroughly able to do their job, and they were ready and willing to investigate and bring enforcement actions, as they well should. This is part of their job, investor protection. But guess what. So is capital formation. Capital formation is part of the mission of the SEC. That is why it is so important that we not protect our constituents against great investment opportunities, like Apple, like Uber, and like Spotify.

So when we have so many Americans who are still living paycheck to paycheck, when they finally get a little savings together, shouldn't they be able to invest in great opportunities of early growth companies? Shouldn't these early growth companies have access to capital?

I think so.

You can't have capitalism without capital. Let's get more capital circulating in the system. The Tax Cuts and Jobs Act has done so much good, but we need so much more. We need capital circulating the system, particularly for our startups and our early growth stage companies.

We need to reject the MTR, and we need to vote in support of H.R. 4263.

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

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

There was no objection.

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

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 and clause 9 of rule XX, and the order of the House of today, this 15-minute vote on the motion to recommit will be followed by 5-minute votes on:

Passage of H.R. 4263, if ordered;

Adoption of the amendment to H.R. 4545;

A motion to recommit on H.R. 4545, if ordered;

Passage of H.R. 4545, if ordered;

Ordering the previous question on House Resolution 780; and

Adoption of House Resolution 780, if ordered.

The vote was taken by electronic device, and there were—yeas 182, nays 235, not voting 13, as follows:

[Roll No. 109]

YEAS—182

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Courtney
Crist
Crowley
Cuellar
Davis (CA)
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Duncan (TN)
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NAYS—235

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Frelinghuysen
Gaetz
Gallagher
Garrett
Gianforte
Gibbs
Gohmert
Gonzalez (TX)
Goodlatte
Gosar
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Love
Lucas
Luetkemeyer
MacArthur
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perry
Peterson
Pittenger
Poe (TX)
Poliquin
Posey
Ratcliffe
Reed
Reichert
Renacci
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Rosen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Scalise
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Taylor
Tenney
Thompson (PA)
Thornberry
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NOT VOTING—13

Carter (TX)
Costa
Cummings
Davis, Danny
Ellison
Katko
Lipinski
Loudermilk
Rice (NY)
Ros-Lehtinen
Slaughter
Walz
Wilson (FL)

□ 1548

Messrs. OLSON, RUTHERFORD, ABRAHAM and STEWART changed their vote from ''yea'' to ''nay.''

Messrs. LARSEN of Washington, Mses. SHEA-PORTER and BLUNT ROCHESTER changed their vote from ''nay'' to ''yea.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

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

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

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

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 246, nays 170, not voting 14, as follows:

[Roll No. 110]

YEAS—246

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Correa
Costello (PA)
Cramer
Crawford
Cuellar
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Eshoo
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Frelinghuysen
Gaetz
Gallagher
Garamendi
Garrett
Gianforte
Gibbs
Gohmert
Goodlatte
Gosar
Gottheimer
Gowdy
Granger
Graves (GA)
Graves (LA)
Graves (MO)
Griffith
Grothman
Guthrie
Handel
Harper
Harris
Hartzler
Hensarling
Herrera Beutler
Hice, Jody B.
Higgins (LA)
Hill
Holding
Hollingsworth
Hudson
Huizenga
Hultgren
Hunter
Hurd
Issa
Jenkins (KS)
Jenkins (WV)
Johnson (LA)
Johnson (OH)
Johnson, Sam
Jordan
Joyce (OH)
Kelly (MS)
Kelly (PA)
King (IA)
King (NY)
Kinzinger
Knight
Kustoff (TN)
Labrador
LaHood
LaMalfa
Lamborn
Lance
Latta
Lewis (MN)
LoBiondo
Long
Loudermilk
Love
Lucas
Luetkemeyer
MacArthur
Maloney, Sean
Marchant
Marino
Marshall
Massie
Mast
McCarthy
McCaul
McClintock
McHenry
McKinley
McMorris Rodgers
McSally
Meadows
Meehan
Messer
Mitchell
Moolenaar
Mooney (WV)
Mullin
Newhouse
Noem
Norman
Nunes
Olson
Palazzo
Palmer
Paulsen
Pearce
Perlmutter
Perry
Peters
Peterson
Pittenger
Poe (TX)
Poliquin
Polis
Posey
Ratcliffe
Reed
Reichert
Renacci
Rice (SC)
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney, Francis
Rooney, Thomas J.
Rosen
Roskam
Ross
Rothfus
Rouzer
Royce (CA)
Russell
Rutherford
Sanford
Schneider
Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shimkus
Shuster
Simpson
Sinema
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Smucker
Stefanik
Stewart
Stivers
Suozzi
Taylor
Tenney
Thompson (PA)
Thornberry
Tipton
Trott
Turner
Upton
Valadao
Wagner
Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Zeldin

NAYS—170

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Courtney
Crist
Crowley
Davis (CA)
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Engel
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Gomez
Gonzalez (TX)
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Jones
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Pingree
Pocan
Price (NC)
Quigley
Raskin
Richmond
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sires
Smith (WA)
Soto
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NOT VOTING—14

Carter (TX)
Costa
Cummings
Davis, Danny
Ellison
Katko
Lipinski
Rice (NY)
Ros-Lehtinen
Scalise
Slaughter
Speier
Walz
Wilson (FL)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1555

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FINANCIAL INSTITUTIONS EXAMINATION FAIRNESS AND REFORM ACT

The SPEAKER pro tempore. The unfinished business is the question on agreeing to amendment No. 1 printed in part B of House Report 115–595, offered by the gentlewoman from California (Ms. MAXINE WATERS), to the bill (H.R. 4545) to amend the Federal Financial Institutions Examination Council Act of 1978 to improve the examination of depository institutions, and for other purposes, on which the yeas and nays were ordered.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 184, nays 233, not voting 13, as follows:

[Roll No. 111]

YEAS—184

Adams
Aguilar
Barragán
Bass
Beatty
Bera
Beyer
Bishop (GA)
Blumenauer
Blunt Rochester
Bonamici
Boyle, Brendan F.
Brady (PA)
Brown (MD)
Brownley (CA)
Bustos
Butterfield
Capuano
Carbajal
Cárdenas
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Cooper
Correa
Courtney
Crist
Crowley
Davis (CA)
DeFazio
DeGette
Delaney
DeLauro
DelBene
Demings
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael F.
Engel
Eshoo
Espaillat
Esty (CT)
Evans
Foster
Frankel (FL)
Fudge
Gabbard
Gallego
Garamendi
Gomez
Gonzalez (TX)
Gottheimer
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hanabusa
Hastings
Heck
Higgins (NY)
Himes
Hoyer
Huffman
Jackson Lee
Jayapal
Jeffries
Johnson (GA)
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Khanna
Kihuen
Kildee
Kilmer
Kind
Krishnamoorthi
Kuster (NH)
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lawson (FL)
Lee
Levin
Lewis (GA)
Lieu, Ted
Loebsack
Lofgren
Lowenthal
Lowey
Lujan Grisham, M.
Luján, Ben Ray
Lynch
Maloney, Carolyn B.
Maloney, Sean
Matsui
McCollum
McEachin
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano
Neal
Nolan
Norcross
O'Halleran
O'Rourke
Pallone
Panetta
Pascrell
Payne
Pelosi
Perlmutter
Peters
Peterson
Pingree
Pocan
Polis
Price (NC)
Quigley
Raskin
Richmond
Rooney, Thomas J.
Rosen
Roybal-Allard
Ruiz
Ruppersberger
Rush
Ryan (OH)
Sánchez
Sarbanes
Schakowsky
Schiff
Schneider
Schrader
Scott (VA)
Scott, David
Serrano
Sewell (AL)
Shea-Porter
Sherman
Sinema
Sires
Smith (WA)
Soto
Speier
Suozzi
Swalwell (CA)
Takano
Thompson (CA)
Thompson (MS)
Titus
Tonko
Torres
Tsongas
Vargas
Veasey
Vela
Velázquez
Visclosky
Wasserman Schultz
Waters, Maxine
Watson Coleman
Welch
Yarmuth

NAYS—233

Abraham
Aderholt
Allen
Amash
Amodei
Arrington
Babin
Bacon
Banks (IN)
Barletta
Barr
Barton
Bergman
Biggs
Bilirakis
Bishop (MI)
Bishop (UT)
Black
Blackburn
Blum
Bost
Brady (TX)
Brat
Bridenstine
Brooks (AL)
Brooks (IN)
Buchanan
Buck
Bucshon
Budd
Burgess
Byrne
Calvert
Carter (GA)
Chabot
Cheney
Coffman
Cole
Collins (GA)
Collins (NY)
Comer
Comstock
Conaway
Cook
Costello (PA)
Cramer
Crawford
Cuellar
Culberson
Curbelo (FL)
Curtis
Davidson
Davis, Rodney
Denham
Dent
DeSantis
DesJarlais
Diaz-Balart
Donovan
Duffy
Duncan (SC)
Duncan (TN)
Dunn
Emmer
Estes (KS)
Farenthold
Faso
Ferguson
Fitzpatrick
Fleischmann
Flores
Fortenberry
Foxx
Frelinghuysen
Gaetz