

IMPROVING STRATEGIES TO COUNTER WEAPONS PROLIFERATION ACT

Mr. TIPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6332) to require the Director of the Financial Crimes Enforcement Network to submit a report to Congress on the way in which data collected pursuant to title 31 is being used, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6332

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 “Improving Strategies to Counter Weapons Proliferation Act”.

SEC. 2. FINANCIAL CRIMES ENFORCEMENT NETWORK REPORTING REQUIREMENT.

Section 310 of title 31, United States Code, is amended by adding at the end the following:

“(e) REPORTS RELATING TO USE OF COLLECTED DATA.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection and every year thereafter, the Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on—

“(A) intelligence products created by FinCEN on finance transactions for the proliferation of weapons from filings submitted pursuant to subchapter II of chapter 53;

“(B) FinCEN’s efforts to collaborate with law enforcement agencies, the intelligence community, and foreign financial intelligence units to maximize the use of data that is collected pursuant to subchapter II of chapter 53; and

“(C) advisory notices issued to financial institutions (as defined under section 5312(a)) on financial activity related to the proliferation of weapons.

“(2) SEPARATE PRESENTATION OF CLASSIFIED MATERIAL.—Any part of the report under paragraph (1) that involves information that is properly classified under criteria established by the President shall be submitted to the Congress separately in a classified annex.

“(3) SUNSET.—No report is required under this subsection after the end of the 5-year period beginning on the date of enactment of this subsection.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. TIPTON) and the gentleman from Nevada (Mr. KIHUEN) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. TIPTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous materials on this bill.

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

There was no objection.

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

Mr. Speaker, I appreciate the consideration of this important measure on the floor here today. The work of the Terrorism and Illicit Finance Sub-

committee on Financial Services has uncovered time and again that the activities of terrorists and criminal organizations are powered through financing and that illicit operations cannot continue if the revenue streams that fund those operations are shut off.

The measure before the House today would provide greater clarity into how exactly the global financial system can cut off financial schemes that enable access to illicit nuclear, chemical, and biological weapons.

H.R. 6332, the Improving Strategies to Counter Weapons Proliferation Act, would study how our financial institutions, intelligence collecting agencies, and law enforcement share information regarding known weapons financing activities to better identify weapons financing schemes.

To effectively prevent the spread of dangerous weapons into the hands of bad actors like terrorists, we must close the gaps that allow those bad actors to take advantage of the global financial system. The ever-increasing number of threats posed by foreign adversaries and dangerous organizations make it all the more important to close those gaps now. By helping financial institutions and law enforcement better identify the signs of illicit proliferation financing through this bill, these institutions will be able to maximize the effectiveness of their information and more easily coordinate strategies that disrupt and ultimately prevent dangerous crime.

In the United States, we have robust protections in place to be able to prevent financing of weapons proliferation involving suspicious activity reports that go to the Financial Crimes Enforcement Network and get reported over to law enforcement. By requiring FinCEN to report yearly to Congress on intelligence products it generates from suspicious activity filings on weapons finance transactions as well as how those intelligence products have informed law enforcement action, we can learn the indicators for proliferation finance and move to more effectively combat those illicit financial activities.

The bill before the House of Representatives today is a good first step in making sure the financial institutions, law enforcement agencies, and Congress have the tools that they need to be able to combat financing for illicit weapons proliferation, and I urge its passage here today.

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

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

Mr. Speaker, I rise in support of H.R. 6332, the Improving Strategies to Counter Weapons Proliferation Act, which aims to better inform congressional oversight of FinCEN’s counter-proliferation finance efforts.

With proliferation threats growing from countries like North Korea and Iran, the reports prescribed by this bill will tell Congress more about the ter-

rorist financing and anti-money laundering work that FinCEN is doing to combat the financing of the manufacture and delivery of weapons of mass destruction.

This bill will require the director to report on the intelligence FinCEN generates from the Bank Secrecy Act filings on suspected proliferation finance transactions; the agency’s efforts to maximize the use of collected data; and the advisory notices issued to financial institutions related to the financing of chemical, nuclear, and biological weapons.

Prior to the Financial Services Committee vote, the ACLU expressed some concern, in part because the bill’s report doesn’t include details on the efficacy of FinCEN’s data collection or its impact on privacy and civil liberties.

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That said, I understand that the ACLU does not actively oppose the bill.

Given the legislation is focused on how FinCEN uses the data it currently collects, it does not expand the data collection. I think that that bill is appropriately scoped, and I support it.

Therefore, Mr. Speaker, I ask for a “yes” vote, and I urge my colleagues to support it as well.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. TIPTON) that the House suspend the rules and pass the bill, H.R. 6332.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FEDERAL RESERVE SUPERVISION TESTIMONY CLARIFICATION ACT

Mr. TIPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4753) to amend the Federal Reserve Act to require the Vice Chairman for Supervision of the Board of Governors of the Federal Reserve System to provide a written report, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4753

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 “Federal Reserve Supervision Testimony Clarification Act”.

SEC. 2. VICE CHAIRMAN FOR SUPERVISION REPORT REQUIREMENT.

Paragraph (12) of section 10 of the Federal Reserve Act (12 U.S.C. 247b) is amended—

(1) by redesignating such paragraph as paragraph (11); and

(2) in such paragraph—

(A) by striking “shall appear” and inserting “shall provide written testimony and appear”; and

(B) by adding at the end the following: "If, at the time of any appearance described in this paragraph, the position of Vice Chairman for Supervision is vacant, the Chairman or their designee shall appear instead and provide the required written testimony.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. TIPTON) and the gentleman from Nevada (Mr. KIHUEN) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. TIPTON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on this bill.

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

There was no objection.

Mr. TIPTON. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma (Mr. LUCAS).

Mr. LUCAS. Mr. Speaker, I rise today to tell my colleagues about H.R. 4753 and urge they pass it.

As this body knows, Congress gave the Federal Reserve much greater regulatory authority under Dodd-Frank. The bill established the Vice Chair for Supervision position to oversee those efforts. But the first confirmed appointee to that position took office only last year, a full 7 years since Dodd-Frank.

During that time, Congress received minimal testimony on regulatory issues from the Fed. Typically, other officials who didn't oversee regulatory efforts gave testimony in this regard. But the key point is, Dodd-Frank requires only the Vice Chair for Supervision to give that testimony. While we are grateful that other Fed officials decided to speak to Congress on regulatory issues, they didn't have to under the law.

My bill would prevent that situation from arising ever again. Under my bill, if there is no Vice Chair for Supervision, either the Fed Chair or their designee will be required to give annual testimony on regulatory matters.

It is that simple, and as a result, this bill passed unanimously out of the Financial Services Committee.

Despite the simplicity, this bill is about the oversight authority of Congress and the constituents we represent. It remains vitally important that we and our Senate friends hear from these agencies.

Not only that, we should hear from the officials who are very knowledgeable on the issues in their areas, particularly when these regulations have a large effect on capital and money markets. Otherwise, our constituents will become even more distrustful of government.

Transparency is key. In fact, it is one of our greatest responsibilities as Members of Congress.

My bill promotes that responsibility, and, thus, deserves to be passed. I

thank the chairman, the ranking member, and a unanimous Financial Services Committee for supporting this bill. I hope my colleagues will follow their example and vote for the bill.

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

Mr. Speaker, I rise today in support of H.R. 4753, the Federal Reserve Supervision Testimony Clarification Act. I thank Mr. LUCAS for this piece of legislation, which provides for the Chair of the Board or their designee to offer testimony in place of the Vice Chairman for Supervision, should the Vice Chair position be vacant.

It makes good sense to codify who at the Board will testify before Congress on the status of the Fed's supervisory efforts, regardless of whether there is a person confirmed for the Vice Chair for Supervision or not.

Until Randal Quarles was confirmed, the position was vacant since its creation in 2010, so this bill is a common-sense measure.

With that, I urge all my colleagues to support passage of this bill, and I yield back the balance of my time.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. TIPTON) that the House suspend the rules and pass the bill, H.R. 4753, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROTECT AFFORDABLE MORTGAGES FOR VETERANS ACT OF 2018

Mr. TIPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6737) to amend the Economic Growth, Regulatory Relief, and Consumer Protection Act to clarify seasoning requirements for certain refinanced mortgage loans, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6737

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 "Protect Affordable Mortgages for Veterans Act of 2018".

SEC. 2. REQUIREMENTS FOR GINNIE MAE GUARANTEE OF SECURITIES.

Paragraph (1) of section 306(g) of the National Housing Act (12 U.S.C. 1721(g)(1)) is amended by striking the second sentence (as added by section 309(b) of Public Law 115-174) and inserting the following: "The Association is authorized to take actions to protect the integrity of its securities from practices that it deems in good faith to represent abusive refinancing activities and nothing in the Protect Affordable Mortgages for Veterans Act of 2018, the amendment made by such Act, or this title may be construed to limit such authority.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. TIPTON) and the gentleman from Nevada (Mr. KIHUEN) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado.

GENERAL LEAVE

Mr. TIPTON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous materials on this bill.

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

There was no objection.

Mr. TIPTON. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. ZELDIN).

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

Mr. Speaker, I rise to urge passage of my bill, H.R. 6737, the Protect Affordable Mortgages for Veterans Act, which is bipartisan legislation that passed the committee with a unanimous vote of 49-0.

This legislation would provide a technical fix so that recently issued loans refinanced by the Department of Veterans Affairs can remain eligible for the secondary market.

This fix is essential to prevent a liquidity crisis in the veterans home loan market and ensure that the brave men and women who have served our Nation in uniform have access to affordable mortgages.

Through passage of this bill, we can ensure that VA home loans are not adversely impacted by issues in the veterans mortgage market created by the unintended consequences of S. 2155.

The Economic Growth, Regulatory Relief, and Consumer Protection Act, S. 2155, contained some very important bipartisan reforms to protect veterans from predatory lending and deceptive marketing. These provisions of S. 2155 are now the law of the land and essential to protect the VA home market. But unclear timelines laid out in the legislation and the way the Government National Mortgage Association, also known as Ginnie Mae, chose to implement the requirements of the new law have left an estimated 2,500 or more VA home loans boxed out of the secondary market.

These mortgages are now considered orphan loans, because they are no longer eligible for Ginnie Mae securitization, even though they met all Federal requirements and are backed by the VA.

My bill would prevent a government-triggered liquidity crisis in the VA mortgage market by fixing this problem and restoring eligibility for these orphan loans.

Addressing this ensures that veteran homeowners or prospective home buyers who have earned access to the VA home loan program through their military service aren't harmed by a fluke in S. 2155.

Without this bill, potential damage to the overall VA home loan market is