

(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

likely because VA lenders may have to sell or finance these orphan mortgages at a loss. This would have a negative impact on the brave men and women who have served our country and deserve a path to homeownership and the American Dream.

If lenders aren't able to securitize VA home loans through Ginnie Mae, closing costs and borrowing costs could go up and opportunities to borrow or refinance could go down.

Mr. Speaker, veterans have some of the lowest default and foreclosure rates in the Nation, and they have earned access to VA home loans through their selfless service to our country.

As I mentioned earlier, it is estimated that 2,500 or more VA home loans that were issued earlier in May or June of this year may now be boxed out of the market due to a minuscule legislative error. Even one VA home loan negatively impacted by a minor mistake is one too many when it comes to giving our veterans access to homeownership.

That is why we must pass this bipartisan bill. I thank my lead bipartisan cosponsors, CLAUDIA TENNEY of New York and KYRSTEN SINEMA of Arizona. I also thank Chairman HENSARLING, Ranking Member WATERS, and Housing and Insurance Subcommittee Chairman SEAN DUFFY for supporting this important bipartisan reform.

I also thank the great staff of the House Financial Services Committee for all their help throughout this process. They certainly have shown a tremendous amount of care and compassion for our Nation's veterans with this bill and so many others.

Mr. Speaker, I include in the RECORD a letter from Senator TILLIS and Senator WARREN expressing the need to address the issue of these orphan VA loans. I urge adoption of this important bipartisan bill.

U.S. SENATE,
Washington, DC, June 11, 2018.

J. PAUL COMPTON, JR.,
General Counsel, U.S. Department of Housing
and Urban Development, Washington, DC.

DEAR MR. COMPTON: As you know, S. 2304—the Protecting Veterans from Predatory Lending Act of 2018 (Act)—was introduced and subsequently included in S. 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, which President Trump signed into law on May 24, 2018. The Act was introduced to protect veterans from targeted predatory home loan practices by requiring lenders to demonstrate a material benefit to consumers when refinancing their mortgage. As such, the legislation included: (1) a fee recoupment requirement; (2) a net tangible benefit test; and (3) a loan seasoning requirement.

The aforementioned actions and subsequent signature of the president were taken after witnessing some bad actors in the U.S. Department of Veterans Affairs (VA) Home Loan space engage in the practice of “churning”—the refinancing of a home loan over and over again to generate fees and profits for lenders at the expense of the consumer and taxpayers. Upon enactment of the legislation, questions arose surrounding whether Ginnie Mae (Ginnie) is statutorily authorized to continue to accept previously guaranteed Ginnie Mortgage-Backed Securities

(MBS) as eligible multiclass securities collateral under its multiclass securities programs, given the requirements of the legislation—i.e. the MBS are backed by a refinanced loan that is guaranteed by the VA benefit program and do not meet the conditions required by the Act.

Specifically, the Act requires that to be included as eligible collateral for a Ginnie guaranteed MBS, a VA refinance loan must be refinanced after the later of: (1) the date that is 210 days after the date on which the first monthly payment is made on the mortgage being refinanced, and (2) the date on which six full monthly payments have been made on the mortgage being refinanced. To implement the Act, Ginnie revised its MBS pooling eligibility requirements and amended its MBS Guide to specify how Ginnie MBS are affected by this Act. Ginnie delineated that securities with an issuance date of May 1, 2018 or earlier are unaffected even if they do not meet the conditions of the Act, and that Ginnie securities with an issuance dated June 1, 2018 or later will comply with the new pooling requirements and conditions of the Act. Ginnie also determined that given the above-mentioned congressional reasons for enacting S. 2155, there was never an intent by Congress to impact Ginnie's ability to continue to guaranty multiclass securities that are collateralized by Ginnie MBS guaranteed prior to the enactment of the Act that may contain VA guaranteed refinanced loans that do not meet the requirements of the Act.

We recognize that there are a small number of loans that do not conform with the Act's requirements that were either originated or in the process of being originated before the May 31st date of Ginnie's APM regarding new seasoning requirements. It was not our intention to “orphan” those loans, and we urge Ginnie and the VA to work with lenders and other federal agencies to attempt to ensure that those loans are not adversely affected by the enactment of the Act.

We support the steps that Ginnie has taken, and look forward to working with Ginnie and the VA to further protect veterans from loan “churning.”

Sincerely,

THOM TILLIS,
United States Senate.
ELIZABETH WARREN,
United States Senate.

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

Mr. Speaker, earlier this year, when Congress passed S. 2155, it included a section 309, a bill sponsored by Senators TILLIS and WARREN, entitled the “Protecting Veterans from Predatory Lending Act of 2018.” That provision put new requirements in place to protect veteran borrowers from aggressive and deceptive marketing tactics of lenders pushing mortgage refinance deals.

One of the new requirements included was a loan seasoning requirement that mandated a certain period of time before a VA borrower could refinance their loan. This new requirement was very similar to the loan seasoning requirement that Ginnie Mae had already implemented administratively prior to the passage of this law.

However, slight differences between the old and new requirements, and the immediate ban on securitization of loans that did not meet the new requirements, resulted in an estimated 2,500 loans that were boxed out of

Ginnie Mae securitization simply because they were in the process of being refinanced or securitized when the law became effective.

The sponsors of the legislation, Senators WARREN and TILLIS, have weighed in with Ginnie Mae, stating that it was not their intention to orphan these loans, and they have urged Ginnie Mae to address the issue. However, Ginnie Mae believes legislation is needed.

I believe H.R. 6737 is a reasonable attempt to address what was clearly an unintended consequence of previous legislation, and I am pleased to support this bill.

Mr. Speaker, I ask for a “yes” vote. I support the bill and urge my colleagues to support it, 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. 6737, 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.

BANKING TRANSPARENCY FOR SANCTIONED PERSONS ACT OF 2018

Mr. TIPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6751) to increase transparency with respect to financial services benefiting state sponsors of terrorism, human rights abusers, and corrupt officials, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6751

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 “Banking Transparency for Sanctioned Persons Act of 2018”.

SEC. 2. REPORT ON FINANCIAL SERVICES BENEFITTING STATE SPONSORS OF TERRORISM, HUMAN RIGHTS ABUSERS, AND CORRUPT OFFICIALS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of the Treasury shall issue a report to the Committees on Financial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate that includes—

(1) a copy of any license issued by the Secretary in the preceding 180 days that authorizes a financial institution to provide financial services benefitting a state sponsor of terrorism; and

(2) a list of any foreign financial institutions that, in the preceding 180 days, knowingly conducted a significant transaction or transactions, directly or indirectly, for a sanctioned person included on the Department of the Treasury's Specially Designated Nationals And Blocked Persons List who—