

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—

(A) is owned or controlled by, or acts on behalf of, the government of a state sponsor of terrorism; or

(B) is designated pursuant to any of the following:

(i) Section 404 of the Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law Accountability Act of 2012 (Public Law 112-208).

(ii) Subtitle F of title XII of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328, the Global Magnitsky Human Rights Accountability Act).

(iii) Executive Order 13818.

(b) FORM OF REPORT.—The report required under subsection (a) shall be submitted in unclassified form but may contain a classified annex.

SEC. 3. WAIVER.

The Secretary of the Treasury may waive the requirements of section 2 with respect to a foreign financial institution described in paragraph (2) of such section—

(1) upon receiving credible assurances that the foreign financial institution has ceased, or will imminently cease, to knowingly conduct any significant transaction or transactions, directly or indirectly, for a person described in subparagraph (A) or (B) of such paragraph (2); or

(2) upon certifying 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 the waiver is important to the national interest of the United States, with an explanation of the reasons therefor.

SEC. 4. DEFINITIONS.

For purposes of this Act:

(1) FINANCIAL INSTITUTION.—The term “financial institution” means a United States financial institution or a foreign financial institution.

(2) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning given that term under section 561.308 of title 31, Code of Federal Regulations.

(3) KNOWINGLY.—The term “knowingly” with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(4) UNITED STATES FINANCIAL INSTITUTION.—The term “United States financial institution” has the meaning given the term “U.S. financial institution” under section 561.309 of title 31, Code of Federal Regulations.

SEC. 5. SUNSET.

The reporting requirement under this Act shall terminate on the date that is the end of the 7-year period beginning on the date of the enactment of this Act.

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 gentlewoman from Utah (Mrs. LOVE).

Mrs. LOVE. Mr. Speaker, I rise in support of H.R. 6751, the Banking Transparency for Sanctioned Persons Act, which is a commonsense reporting requirement that will allow our Congress to better oversee financial sanctions against state sponsors of terrorism, human rights abusers, and perpetrators of corruption around the world.

This bill is simple but important. Every 180 days, the Treasury Department would be required to send Congress a report with two sets of information. The first is a copy of any license issued by Treasury's Office of Foreign Assets Control that authorizes a financial institution to provide services benefiting a state sponsor of terrorism—such as Iran, North Korea, Syria, and Sudan—that would otherwise be prohibited.

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Second, Treasury would have to provide a list of any foreign banks that conduct significant transactions for persons we have sanctioned for serious human rights abuses and corruption, a group that includes Russian Government officials behind the imprisonment and death of Sergei Magnitsky, Burmese military officers responsible for ethnic cleansing, and individuals in Latin America responsible for beating and killing of peaceful protesters.

Such a report would be a tremendous asset for Congress, and sharing this kind of information with Congress should be automatic, because licenses represent exemptions to our sanction programs. Some of those exemptions may be controversial, while others may enjoy broad support. The point is that congressional oversight of sanctions is limited without visibility into transactions Treasury is authorizing.

As for foreign banks' dealings with perpetrators of corruption and human rights abuses, Congress can use this information not only to better oversee existing sanctions, but to design a more effective program in the future.

Some of the questions we can begin to answer by having greater awareness of sanctioned persons' access to foreign financial services include: Are foreign banks exposing themselves to money laundering risk or facilitating activities that run counter to our national interests? And should our diplomats be exerting stronger pressure on those banks' governments in order to cut off bad actors?

Finally, I would like to note that we have been very deliberate in ensuring that the reporting required by this bill is as easy to administer as possible because we don't want to impose reporting requirements that could keep Treasury from the day-to-day work of designating bad actors. Therefore, this is a twice-a-year submission that entails no analysis and no narrative. It is as straightforward as scanning licenses and assembling a list to Treasury that that they already have components of, after which we could then follow up

with questions in hearings, briefings, and the like.

I would like to thank the chairman for his support on this bill and thank all the members of the Financial Services Committee on both sides of the aisle for supporting this.

I urge my colleagues to support H.R. 6751.

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

Mr. Speaker, this legislation requires the Secretary of the Treasury to report to Congress every 6 months a list of the licenses it issues to financial institutions to provide services to countries and persons subject to certain U.S. sanctions. It also provides Congress with information about foreign financial firms that similarly provide support to those same countries and persons.

I very much support the goal of this bill because I believe it is a disclosure requirement that will serve as a useful oversight tool for Congress. For example, today, when the Office of Foreign Assets Control, OFAC, issues a specific license to a company or other entity that allows them to engage in activity that otherwise would be prohibited by the U.S. sanctions, those licenses are not currently disclosed by OFAC.

I also support the bill's other reporting requirement related to foreign financial firms. These lists of foreign financial institutions can provide a useful basis around which to discuss with the administration its overall strategy with respect to its sanctions programs; and these lists can also provide Members the opportunity to press the administration to impose restrictions on these institutions to change their behavior, if warranted.

The bill allows for the classification of these disclosures to Congress, which is important because I think it will be counterproductive to have this information revealed publicly. For example, OFAC licenses often contain commercially sensitive information, so if these licenses were publicly released, potential market competitors could gain an unfair competitive advantage; and if companies could no longer expect licenses to remain private, they would be less likely to apply for them, which, generally, would not be a good thing.

With respect to the lists of foreign financial institutions, it is important to remember that these institutions are not bound by U.S. sanctions or other designations, and they haven't necessarily violated any particular laws or prohibitions.

While Congress should know about how these sanctions are being implemented, including how effective they are at stopping the financing of activities, I don't think the public identification of these foreign firms would serve a useful policy purpose and could otherwise move legal activity into a shade of gray.

The bill does allow for a classified annex with the reporting requirements, and, as I said, I think this is a good bill

that will increase congressional oversight of U.S. sanction activities appropriately.

Mr. Speaker, I support the bill and urge my colleagues to support it.

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. 6751, 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.

9/11 HEROES MEDAL OF VALOR ACT OF 2017

Mr. TIPTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3834) to provide that members of public safety agencies who died of 9/11-related health conditions are eligible for the Presidential 9/11 Heroes Medal of Valor, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3834

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 “9/11 Heroes Medal of Valor Act of 2017”.

SEC. 2. MEMBERS OF PUBLIC SAFETY AGENCIES WHO SUBSEQUENTLY DIED OF 9/11- RELATED HEALTH CONDITIONS ELI- GIBLE FOR PRESIDENTIAL 9/11 HE- ROES MEDAL OF VALOR.

An individual who was a public safety officer (as defined in section 5 of the Public Safety Officer Medal of Valor Act of 2001) who—

(1) participated in the response at any point during the period beginning on September 11, 2001, and ending on July 31, 2002, to the terrorist attacks on the World Trade Center, the terrorist attack on the Pentagon, or the terrorist attack that resulted in the crash of the fourth airplane in Pennsylvania; and

(2) died as a result of such participation thereafter as a result of a WTC-related health condition (which term shall have the meaning given such term in section 3312 of the Public Health Service Act (42 U.S.C. 300mm–22) with respect to a WTC responder), shall be eligible for the 9/11 Heroes Medal of Valor referred to in subsection (a) of section 124 of the Consolidated Appropriations Act, 2005, in the same manner and to the same extent as any individual who is otherwise eligible under such section, except that no requirement under such section pertaining to the death of that individual shall apply.

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 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 myself such time as I may consume.

Mr. Speaker, today I rise in support of H.R. 3834, the 9/11 Heroes Medal of Valor Act of 2017, introduced by our colleague from New York, Representative CROWLEY.

Mr. Speaker, the terrible sights and sounds and memories of September 11, 2001, are seared into America’s memory, but none more so than the stories of incredibly brave police and fire officers who rushed into the Twin Towers and the Pentagon, ignoring danger to themselves, to help others escape. 442 of those brave public safety officers died, and in recognition of their bravery and sacrifice, in 2005, Congress created the 9/11 Heroes Medal of Valor awarded in their memory to their families.

Since then, as we now know, many more of those who rushed to help others to safety from the terrorist attacks on the World Trade Center, the Pentagon, or on the attack that resulted in the crash of the fourth airplane in Pennsylvania have died as a result of their heroism because of health conditions resulting from the attacks. Mr. Speaker, they were just as brave, and many suffered terribly. We can do no less than ensure that they are eligible to receive this medal as well.

Mr. Speaker, it is appropriate that we make all first responders who have died as a result of their heroism eligible for the medal, whether they died on that terrible day or at some later date. I support this bill, salute those brave souls, thank Representative CROWLEY for introducing this legislation, and urge its immediate passage.

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

Mr. KIHUEN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CROWLEY), the sponsor of this important legislation.

Mr. CROWLEY. Mr. Speaker, I thank the gentleman for yielding this time.

I want to thank Chairman HENSARLING and Ranking Member WATERS and all the members of the Financial Services Committee for working with me to pass this important legislation. It is something I began work on early in my tenure here in Congress, and it is important to me and to my fellow New Yorkers and, I think, our fellow Americans, as well, to see this legislation pass today.

Mr. Speaker, on September 11, 2001, our Nation was rocked by the most vicious terrorist attack in our Nation’s history. The devastation and the loss of life shook the American people to their core. It shook the entire world.

But that morning, we also witnessed the bright light of heroism. The world

saw and heard inspiring tales of rescue by public safety officers: our police officers, our firefighters, and our EMTs. They heard heartbreaking stories of many of those heroes, their injuries and their tragic deaths, people who risked their lives to save others.

There is something incredible about our public safety officers. Day in and day out, they put their lives on the line.

Growing up, most of us were taught to run out of burning buildings, but they do exactly the opposite. They are trained and they are devoted to responding to just that type of situation. They run into those buildings not to protect themselves or even the property, but primarily to save lives.

That is exactly what hundreds of first responders did on that fateful day in America. They ran in without pause. They climbed flights and flights of stairs, while an inferno raged above them. And as we remember all too well—the images are burned in our minds forever—those towers eventually fell, taking just about all who were living inside those towers with them.

This experience affected all of us, and it still affects us all today. It personally impacted thousands of people in New York and in the New York region, I would say the quad-State region and beyond. It affected people right here in our capital region and our Pentagon. It certainly affected the people in Pennsylvania and in Boston, and wherever those flights were heading that day.

It was a national attack against America. Every soul in America experienced that attack. And it impacted me, personally, as well, because my dear, good friend and first cousin, Battalion Chief John Moran, was one of those brave public safety officers inside the towers that morning. His last known words were as his truck pulled up to Tower 2. He said: “Let me off here. I’m going to try to make a difference.”

That is what all those who served that day tried to do: they tried to make a difference.

So, for me, as for thousands of Americans, the effort to honor these men and women is personal. After the attacks took place, I began working on legislation to do just that.

Earlier in 2001, just a few months before the attacks, Congress had created a Public Safety Officer Medal of Valor for those who went above and beyond the call of duty. But there wasn’t a way to give that award posthumously to the many who displayed extraordinary courage and who perished on September 11. But we needed to change that, and we did.

In 2004, Congress finally passed our legislation, the 9/11 Heroes Medal of Valor Act, which established a decoration, posthumously awarded by the President of the United States, to the public safety officers who died rescuing individuals at the World Trade Center, the Pentagon, and elsewhere on 9/11.

The following year, I attended the ceremony at the White House with