

for home buyers, staff, and volunteers of these charitable organizations.

To further complicate the matter, the new TRID disclosures were designed to be completed by computer software. However, these software applications are much too costly for many local Habitat affiliates and other nonprofits.

The vast majority of more than 1,200 Habitat groups nationwide are small, community-based organizations with very small mortgage portfolios. Few, if any, have full-time staff. These organizations have experienced challenges with the costs and the complexity of the TRID mortgage disclosure forms.

To remedy these problems, and to provide regulatory relief to these nonprofits, the BUILD Act exempts charities from the cost and complexity of the new TRID rule but still ensures that the terms of these mortgage loans are disclosed.

Mortgage lenders that make five or fewer loans a year are already exempt from TRID and are allowed to use the much simpler forms that were in place prior to Dodd-Frank. The BUILD Act simply extends this same exemption to nonprofits that are eligible for tax-exempt charitable donations and are making zero-interest mortgage loans, regardless of how many mortgage loans they are making per year.

The BUILD Act will allow local Habitat facilities, and other similar nonprofits, to choose whether they use these older but simpler forms or the new, more complicated TRID forms.

In closing, I want to reiterate that the purpose of this bill is to help charitable organizations spend more time fulfilling their mission, which is providing low-cost housing to needy families, and less time sitting in an office doing regulatory paperwork.

The bill recognizes that one size does not fit all, especially when it comes to regulating these charities, and it gives them the flexibility to choose which mortgage disclosure forms work best for them and for those they help.

As my colleague Mr. SHERMAN has already brought up, this bill passed the Financial Services Committee and the House unanimously last Congress. I hope that we can repeat that again today here in a few moments.

I urge all of my colleagues to join me in support of this important bill.

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

I would close by saying that the gentleman from Georgia and the gentleman from California have worked very hard on a bill that passed our committee unanimously and that helps nonprofits accomplish their mission of building capacity in housing, and I urge adoption.

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

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

Mr. Speaker, I want to reiterate my thanks to the members of our committee, Representatives LOUDERMILK

and SHERMAN, for working together to craft a narrow piece of legislation that will help nonprofit organizations like Habitat for Humanity have flexibility on which disclosure forms they use when they provide a zero-interest mortgage loan to a family getting a home of their own.

I urge my colleagues to support H.R. 1060, the BUILD Act, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 1060, 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 2019

Ms. WATERS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1037) to increase transparency with respect to financial services benefitting state sponsors of terrorism, human rights abusers, and corrupt officials, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1037

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 2019”.

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 gentlewoman from California (Ms. WATERS) and the gentleman from Ohio (Mr. STIVERS) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

GENERAL LEAVE

Ms. WATERS. Mr. Speaker, I ask unanimous consent that all Member may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 1037, the Banking Transparency for Sanctioned Persons Act.

This legislation requires the Secretary of the Treasury to report to Congress every 6 months a list of the licenses that 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 support this bill because I believe its disclosure requirements will serve as a useful oversight tool for Congress. Today, when the Office of Foreign Assets Control, or OFAC, issues a license to a company that allows them to engage in an activity that would otherwise be prohibited by U.S. sanctions, OFAC does not disclose those licenses.

I support the bill's other reporting requirement related to foreign financial firms. These lists of foreign financial institutions can provide a useful basis for Congress to review the administration's overall sanction strategy and to press the administration to impose restrictions on these institutions to change their behavior.

When a nearly identical version of this bill was considered by the Financial Services Committee last Congress, I supported the bill's disclosure requirements, but I thought it would be counterproductive to have the information revealed publicly.

For example, OFAC licenses often contain commercially sensitive information. If companies could no longer expect licenses to remain private, they would be less likely to apply for them, which would be detrimental to humanitarian efforts.

I didn't think the public identification of these foreign financial firms would serve a useful policy purpose and could otherwise move legal activity into a shade of gray. For these reasons, a Democratic amendment was adopted in committee by voice vote to allow for Congress to review the lists confidentially.

I believe H.R. 1037, which includes this critical change from last Congress, would increase congressional oversight of U.S. sanctions activity appropriately, and I urge my colleagues to support it.

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

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

I want to express my strong support for H.R. 1037, the Banking Transparency for Sanctioned Persons Act. The bill includes important provisions to strengthen our national security, and it passed unanimously last year in the full House.

I am pleased to see this legislation come to the floor under a new sponsor, the gentleman from Virginia (Mr. RIGGLEMAN). Although he is in his first term, Congressman RIGGLEMAN has already made significant contributions to the committee's work. His leadership on this bill is a case in point.

The gentleman's legislation would require the Treasury Department to provide Congress with a copy of licenses that authorize financial services for state sponsors of terrorism. These licenses are essentially waivers, and while sanctions laws often require congressional notification when formal waivers are issued, licenses can fall through the cracks.

To be clear, some licenses may be desirable, such as those allowing humanitarian relief or allowing for tailoring of sanctions in order to better advance our policy goals. In other cases, however, Congress may have legitimate concerns that a sanctioned entity is being licensed to carry out transactions with U.S. persons, including our country's financial institutions.

This bill simply ensures that Congress knows whether a license has been issued, which will allow us to have better oversight of the sanctions program.

In addition, Mr. Speaker, this bill requires Treasury to send Congress semi-annual reports that show which foreign financial institutions are providing support for sanctioned terrorists, corrupt officials, and human rights abusers. Although these bad actors are cut off from American banks, we should know whether they are evading our measures through the use of foreign entities. If Congress is made aware of these relationships, we can work to close those loopholes.

Again, the unanimous support these policies have garnered previously underscores their commonsense nature. Congressman RIGGLEMAN has spent much of his career before Congress devoted to protecting our national security, and his work on this bill, H.R. 1037, deserves our support.

I urge my colleagues to support this measure, and I reserve the balance of my time.

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

Mr. STIVERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. RIGGLEMAN), the sponsor of the bill. He has done great work here, and I will give him as much time as he may consume.

Mr. RIGGLEMAN. Mr. Speaker, I rise today in support of H.R. 1037, the Banking Transparency for Sanctioned Persons Act of 2019.

I thank the chairwoman of the committee, Ms. WATERS, as well as Ranking Member McHENRY for their support and willingness to bring this legislation to the House floor for a vote. I also thank my colleague JOSH GOTTHEIMER for cosponsoring this legislation.

This bill requires the Department of the Treasury to report on financial services provided to a state sponsor of terrorism or sanctioned person. This is a commonsense reporting requirement that will further assist Congress in its oversight functions, including financial sanctions against state sponsors of terrorism, human rights abusers, and other bad actors targeted with certain U.S. sanctions.

This legislation is simple yet essential. It requires the Secretary of the Treasury to submit to Congress every 180 days a report with two sets of information: first, a list of the licenses it issues to financial institutions to provide services to countries and persons subject to certain U.S. sanctions, and

this would include state sponsors of terrorism such as Iran, North Korea, or Syria; second, Treasury would have to provide a list of any foreign banks that conduct significant transactions for persons that have been sanctioned for human rights abuses or corruption. This report will support Congress by ensuring that sanctions are being legally and appropriately applied across the board.

The information in these reports will inform Congress about how sanctioned states and individuals engage in financial transactions. Additionally, the increased transparency will help us understand the impacts of sanctions on targeted individuals.

With a clear idea of how certain foreign countries are undermining U.S. efforts to combat corruption and human rights atrocities, we can adjust our sanctions policies so they have the intended effects.

Finally, this bill will aid Congress and the executive branch to tailor secondary sanctions on foreign financial institutions, as well as better determine how those sanctions should be effectively designed and what the unintended consequences might be, if any should exist.

This will be a useful oversight tool and a powerful disclosure requirement that can help Congress understand existing sanctions and design a more effective program for the future.

Mr. Speaker, this bill unanimously passed the House in the 115th Congress, and I invite all of my colleagues to join me today and pass H.R. 1037.

Mr. STIVERS. Mr. Speaker, I urge adoption of this bipartisan bill that passed unanimously in committee and in the House last year.

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

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

Mr. Speaker, H.R. 1037, the Banking Transparency for Sanctioned Persons Act of 2019, will help ensure that Members of Congress have the information they need to provide more effective oversight of the decisions made by Treasury and OFAC and the impact that those decisions have on sanctioned persons.

Mr. Speaker, I thank Mr. RIGGLEMAN for bringing this bill forward, and I urge my colleagues to join me in supporting this important piece of legislation.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 1037.

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.

