days in which to revise and extend their remarks on this legislation and to insert extraneous materials therein.

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

There was no objection.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I yield myself such time as I may consume.

First of all, Mr. Speaker, I would like to thank our ranking member of the Financial Services Committee, Representative MCHENRY, for his efforts in crafting this very important piece of legislation to help startups finance their operations while still protecting the investors who entrust their hard-earned funds to those companies.

Equity crowdfunding is a high-risk, high-reward investment that allows hundreds, or even thousands, of retail investors to invest in startup companies. But because of the unique and heightened risks posed by crowdfunding, Congress and the Securities and Exchange Commission have put in place guardrails to prevent these less-sophisticated investors from suffering financial ruin while still being able to access this area of the market.

Now, in 2012, Congress cautiously approached equity crowdfunding by creating a number of investor protections in the Jumpstart Our Business Startups Act, or the JOBS Act.

The SEC followed our directions and finalized a crowdfunding rule that protects investors by setting reasonable investment limits based on income and provides helpful disclosures for investors to weigh the risks.

This bill aims to enhance the investor and company experience in crowdfunding by authorizing crowdfunding vehicles to pool investors together, allowing them to make joint investments totaling $1 million in a single business.

These vehicles would be advised by a registered investment adviser with a fiduciary duty to act in the best interests of the fund. Importantly, the investors would have the same rights to sue companies as if they had directly invested in the company itself—a very, very important point, Mr. Speaker.

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This bill also clarifies that as long as a crowdfunding company continues to make ongoing disclosures to investors required under SEC's rule, it would not have to make the more detailed public reports until it had either a $75 million value or $50 million in revenue. This change is consistent with the levels set under Regulation A, another exempt offering sold to retail investors.

I am very pleased that the bill also incorporates targeted improvements to crowdfunding for all investors and start-ups and lacks problematic provisions that were opposed by consumer advocates like the Consumer Federation of America in previous Congresses, including additional changes that Chairwoman WATERS and our ranking member agreed on this Congress.

Although crowdfunding should be viewed as highly risky in terms of investment, especially for retail investors, this bill will ensure a larger choice of high-quality crowdfunding companies and a higher degree of finance savvy for investors. And, in addition, it may help to ensure compliance with regulation crowdfunding.

Mr. MCHENRY. Will the gentleman yield?

Mr. DAVID SCOTT of Georgia. I yield to the gentleman from North Carolina.

Mr. MCHENRY. Mr. Speaker, I want to thank the gentleman for his support, and I want to thank the chairwoman of the House Financial Services Committee for her support as well. I am grateful for the work of Chairwoman WATERS and her Financial Services Committee staff for the hard work they have put in to protect investors and help small businesses.

Mr. Speaker, I will include in the RECORD a letter from Republic in support of the bill.

Mr. MCHENRY. Mr. Speaker, I include the remainder of my statement in the RECORD.

I am pleased the House is taking up my legislation and I would like to thank the gentlewoman from California, the Chairwoman of the Financial Services Committee, for her co-sponsorship of this bill.

We have worked together on this bill for three Congresses now.

I appreciate all the hard work that she and her staff have done to make this a bill that works to protect investors and promote small businesses, particularly in communities that are being left behind.

We all agree small businesses and entrepreneurs are America's true job creators.

This is especially true in communities I represent in western North Carolina.

But today, America's small businesses are still struggling to find capital. Small business lending from traditional banks continues to decline, and small business loans in America's small towns are less than half it was merely fifteen years ago.

Investment crowdfunding is one way we can reverse this concerning trend.

In 2012, I wrote the original bill to legalize investment-based crowdfunding, making it easier for businesses to raise capital.

That bill became part of the JOBS Act. Unfortunately, the SEC's final rule contained serious structural flaws that require Congress's immediate attention.

In particular, crowdfunding is suffering from the so-called "12-g problem." The "12 g problem" refers to a section of the Securities Exchange Act of 1934, which subjects crowdfunded companies to requirements similar to a public company, but at a very low asset threshold.

Our proposed amendment fixes the "12-g problem" by raising the asset threshold for both small businesses that already have revenue, and for those startups that do not. This makes it more likely that high-growth companies will consider crowdfunding as an option for raising capital.

Another significant problem for crowdfunding is that, under the SEC rule, single purpose funds are not permitted.

Single purpose funds allow Main street investors to invest along with more sophisticated lead investors who have an obligation to advocate for their best interests.

That means better terms and greater transparency for the investors.

A single purpose fund also improves the capitalization table for companies that hope to attract venture capital in the future.

Although the bill does not include everything I would have hoped, we worked hard to find a compromise that addresses the most urgent problems with investment crowdfunding that need correcting now.

To that end, I want to thank Chairwoman WATERS again for her continued support on this important, bipartisan compromise.

This bill shows that we can work together in a bipartisan way to help American small businesses in seeking to raise capital by connecting folks not just in their local communities, but across America.

I am pleased that this legislation enjoys support from my colleagues on both sides of the aisle.

I urge my colleagues to join us in support of this bill.

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

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I urge all Members to vote for this bill, and I want to commend the ranking member for his excellent work.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. DAVID SCOTT) that the House suspend the rules and pass the bill, H.R. 4860, 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.

COORDINATING OVERSIGHT, UPGRADING AND INNOVATING TECHNOLOGY, AND EXAMINER REFORM ACT OF 2019

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2514) to make reforms to the Federal Bank Secrecy Act and anti-money laundering laws, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Coordinating Oversight, Upgrading and Innovating Technology, and Examiner Reform Act of 2019'' or the ''COUNTER Act of 2019''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. BANK SECRECY ACT DEFINITION.

Section 5312(a) of title 31, United States Code, is amended by adding at the end the following:

''(7) BANK SECRECY ACT.—The term 'Bank Secrecy act' means—

''(A) section 21 of the Federal Deposit Insurance Act;

''(B) chapter 2 of title I of Public Law 91–508; and

''(C) this subchapter.''.

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

TITLE I—STRENGTHENING TREASURY

SEC. 101. IMPROVING THE DEFINITION AND PURPOSE OF THE BANK SECRECY ACT.

Section 5311 of title 31, United States Code, is amended—

(1) by inserting ''to protect our national security, to safeguard the integrity of the international financial system, and'' before ''to require''; and

(2) by inserting ''to law enforcement and'' before ''in criminal''.

SEC. 102. SPECIAL HIRING AUTHORITY.

(a) IN GENERAL.—Section 310 of title 31, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (g); and

(2) by inserting after subsection (c) the following:

''(d) SPECIAL HIRING AUTHORITY.—

''(1) IN GENERAL.—The Secretary of the Treasury may appoint, without regard to the provisions of sections 3309 through 3318 of title 5, candidates directly to positions in the competitive service (as defined in section 2102 of that title) in FinCEN.

''(2) PRIMARY RESPONSIBILITIES.—The primary responsibility of candidates appointed pursuant to paragraph (1) shall be to provide substantive support in support of the duties described in subparagraphs (A), (B), (E), and (F) of subsection (b)(2).''.

(b) REPORT.—Not later than 360 days after the date of enactment of this Act, and every year thereafter for 7 years, the Director of the Financial Crimes Enforcement Network shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that includes—

(1) the number of new employees hired since the preceding report through the authorities described under section 310(d) of title 31, United States Code, along with position titles and associated pay grades for such hires; and

(2) a copy of any Federal Government survey of staff perspectives at the Office of Terrorism and Financial Intelligence, including findings regarding the Office and the Financial Crimes Enforcement Network from the most recently administered Federal Employee Viewpoint Survey.

SEC. 103. CIVIL LIBERTIES AND PRIVACY OFFICER.

(a) APPOINTMENT OF OFFICERS.—Not later than the end of the 3-month period beginning on the date of enactment of this Act, a Civil Liberties and Privacy Officer shall be appointed, from among individuals who are attorneys with expertise in data privacy laws—

(1) within each Federal functional regulator, by the head of the Federal functional regulator;

(2) within the Financial Crimes Enforcement Network, by the Secretary of the Treasury; and

(3) within the Internal Revenue Service Small Business and Self-Employed Tax Center, by the Secretary of the Treasury.

(b) DUTIES.—Each Civil Liberties and Privacy Officer shall, with respect to the applicable regulator, Network, or Center within which the Officer is located—

(1) be consulted each time Bank Secrecy Act or anti-money laundering regulations affecting civil liberties or privacy are developed or reviewed;

(2) be consulted on information-sharing programs, including those that provide access to personally identifiable information;

(3) ensure coordination and clarity between anti-money laundering, civil liberties, and privacy regulations;

(4) contribute to the evaluation and regulation of new technologies that may strengthen data privacy and the protection of personally identifiable information collected by each Federal functional regulator; and

(5) develop metrics of program success.

(c) DEFINITIONS.—For purposes of this section:

(1) BANK SECRECY ACT.—The term ''Bank Secrecy Act'' has the meaning given that term under section 5312 of title 31, United States Code.

(2) FEDERAL FUNCTIONAL REGULATOR.—The term ''Federal functional regulator'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Securities and Exchange Commission, and the Commodity Futures Trading Commission.

SEC. 104. CIVIL LIBERTIES AND PRIVACY COUNCIL.

(a) ESTABLISHMENT.—There is established the Civil Liberties and Privacy Council (hereinafter in this section referred to as the ''Council''), which shall consist of the Civil Liberties and Privacy Officers appointed pursuant to section 103.

(b) CHAIR.—The Director of the Financial Crimes Enforcement Network shall serve as the Chair of the Council.

(c) DUTY.—The members of the Council shall coordinate on activities related to their duties as Civil Liberties Privacy Officers, but may not supplant the individual agency determinations on civil liberties and privacy.

(d) MEETINGS.—The meetings of the Council—

(1) shall be at the call of the Chair, but in no case may the Council meet less than quarterly;

(2) may include open and partially closed sessions, as determined necessary by the Council; and

(3) shall include participation by public and private entities, law enforcement agencies, and a representative of State bank supervisors (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)).

(e) REPORT.—The Chair of the Council shall issue an annual report to the Congress on the program and policy activities, including the success of programs as measured by metrics of program success developed pursuant to section 103(b)(5), of the Council during the previous year and any legislative recommendations that the Council may have.

(f) NONAPPLICABILITY OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Council.

SEC. 105. INTERNATIONAL COORDINATION.

(a) IN GENERAL.—The Secretary of the Treasury shall work with the Secretary's foreign counterparts, including through the Financial Action Task Force, the International Monetary Fund, the World Bank, the Egmont Group of Financial Intelligence Units, the Organisation for Economic Co-operation and Development, and the United Nations, to promote stronger anti-money laundering frameworks and enforcement of anti-money laundering laws.

(b) COOPERATION GOAL.—In carrying out subsection (a), the Secretary of the Treasury may work directly with foreign counterparts and other organizations where the goal of cooperation can best be met.

(c) INTERNATIONAL MONETARY FUND.—

(1) SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.—Title XVI of the International Financial Institutions Act (22 U.S.C. 262p et seq.) is amended by adding at the end the following:

''SEC. 1629. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.

''The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to support the increased use of the administrative budget of the Fund for technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism.''.

(2) NATIONAL ADVISORY COUNCIL REPORT TO CONGRESS.—The Chairman of the National Advisory Council on International Monetary and Financial Policies shall include in the report required by section 1701 of the International Financial Institutions Act (22 U.S.C. 262r) a description of—

(A) the activities of the International Monetary Fund in the most recently completed fiscal year to provide technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism, and the effectiveness of the assistance; and

(B) the efficacy of efforts by the United States to support such technical assistance through the use of the Fund's administrative budget, and the level of such support.

(3) SUNSET.—Effective on the date that is the end of the 4-year period beginning on the date of enactment of this Act, section 1629 of the International Financial Institutions Act, as added by paragraph (1), is repealed.

SEC. 106. TREASURY ATTACHÉS PROGRAM.

(a) IN GENERAL.—Title 31, United States Code, is amended by inserting after section 315 the following:

"§ 316. Treasury Attachés Program

''(a) IN GENERAL.—There is established the Treasury Attachés Program, under which the Secretary of the Treasury shall appoint employees of the Department of the Treasury, after nomination by the Director of the Financial Crimes Enforcement Network ('FinCEN'), as a Treasury attaché, who shall—

''(1) be knowledgeable about the Bank Secrecy Act and anti-money laundering issues;

''(2) be co-located in a United States embassy;

''(3) perform outreach with respect to Bank Secrecy Act and anti-money laundering issues;

''(4) establish and maintain relationships with foreign counterparts, including employees of ministries of finance, central banks, and other relevant official entities;

''(5) conduct outreach to local and foreign financial institutions and other commercial actors, including—

''(A) information exchanges through FinCEN and FinCEN programs; and

''(B) soliciting buy-in and cooperation for the implementation of—

''(i) United States and multilateral sanctions; and

''(ii) international standards on anti-money laundering and the countering of the financing of terrorism; and

''(6) perform such other actions as the Secretary determines appropriate.

''(b) NUMBER OF ATTACHÉS.—The number of Treasury attachés appointed under this section at any one time shall be not fewer than 6 more employees than the number of employees of the Department of the Treasury serving as Treasury attachés on March 1, 2019.

''(c) COMPENSATION.—Each Treasury attaché appointed under this section and located at a United States embassy shall receive compensation at the higher of—

''(1) the rate of compensation provided to a Foreign Service officer at a comparable career level serving at the same embassy; or

''(2) the rate of compensation the Treasury attaché would otherwise have received, absent the application of this subsection.

''(d) BANK SECRECY ACT DEFINED.—In this section, the term 'Bank Secrecy Act' has the meaning given that term under section 5312.''.

(b) CLERICAL AMENDMENT.—The table of contents for chapter 3 of title 31, United States Code, is amended by inserting after the item relating to section 315 the following:

''316. Treasury Attachés Program.''.

SEC. 107. INCREASING TECHNICAL ASSISTANCE FOR INTERNATIONAL COOPERATION.

(a) IN GENERAL.—There is authorized to be appropriated for each of fiscal years 2020 through 2024 to the Secretary of the Treasury for purposes of providing technical assistance that promotes compliance with international standards and best practices, including in particular those aimed at the establishment of effective anti-money laundering and countering the financing of terrorism regimes, in an amount equal to twice the amount authorized for such purpose for fiscal year 2019.

(b) ACTIVITY AND EVALUATION REPORT.—Not later than 360 days after enactment of this Act, and every year thereafter for five years, the Secretary of the Treasury shall issue a report to the Congress on the assistance (as described under subsection (a)) of the Office of Technical Assistance of the Department of the Treasury containing—

(1) a narrative detailing the strategic goals of the Office in the previous year, with an explanation of how technical assistance provided in the previous year advances the goals;

(2) a description of technical assistance provided by the Office in the previous year, including the objectives and delivery methods of the assistance;

(3) a list of beneficiaries and providers (other than Office staff) of the technical assistance;

(4) a description of how technical assistance provided by the Office complements, duplicates, or otherwise affects or is affected by technical assistance provided by the international financial institutions (as defined under section 1701(c) of the International Financial Institutions Act); and

(5) a copy of any Federal Government survey of staff perspectives at the Office of Technical Assistance, including any findings regarding the Office from the most recently administered Federal Employee Viewpoint Survey.

SEC. 108. FINCEN DOMESTIC LIAISONS.

Section 310 of title 31, United States Code, as amended by section 102, is further amended by inserting after subsection (d) the following:

''(e) FINCEN DOMESTIC LIAISONS.—

''(1) IN GENERAL.—The Director of FinCEN shall appoint at least 6 senior FinCEN employees as FinCEN Domestic Liaisons, who shall—

''(A) each be assigned to focus on a specific region of the United States;

''(B) be located at an office in such region (or co-located at an office of the Board of Governors of the Federal Reserve System in such region); and

''(C) perform outreach to BSA officers at financial institutions (including non-bank financial institutions) and persons who are not financial institutions, especially with respect to actions taken by FinCEN that require specific actions by, or have specific effects on, such institutions or persons, as determined by the Director.

''(2) DEFINITIONS.—In this subsection:

''(A) BSA OFFICER.—The term 'BSA officer' means an employee of a financial institution whose primary job responsibility involves compliance with the Bank Secrecy Act, as such term is defined under section 5312.

''(B) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given that term under section 5312.''.

SEC. 109. FINCEN EXCHANGE.

Section 310 of title 31, United States Code, as amended by section 108, is further amended by inserting after subsection (e) the following:

''(f) FINCEN EXCHANGE.—

''(1) ESTABLISHMENT.—The FinCEN Exchange is hereby established within FinCEN, which shall consist of the FinCEN Exchange program of FinCEN in existence on the day before the date of enactment of this paragraph.

''(2) PURPOSE.—The FinCEN Exchange shall facilitate a voluntary public-private information sharing partnership among law enforcement, financial institutions, and FinCEN to—

''(A) effectively and efficiently combat money laundering, terrorism financing, organized crime, and other financial crimes;

''(B) protect the financial system from illicit use; and

''(C) promote national security.

''(3) REPORT.—

''(A) IN GENERAL.—Not later than one year after the date of enactment of this subsection, and annually thereafter for the next five years, the Secretary of the Treasury 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 containing—

''(i) an analysis of the efforts undertaken by the FinCEN Exchange and the results of such efforts;

''(ii) an analysis of the extent and effectiveness of the FinCEN Exchange, including any benefits realized by law enforcement from partnership with financial institutions; and

''(iii) any legislative, administrative, or other recommendations the Secretary may have to strengthen FinCEN Exchange efforts.

''(B) CLASSIFIED ANNEX.—Each report under subparagraph (A) may include a classified annex.

''(4) INFORMATION SHARING REQUIREMENT.—Information shared pursuant to this subsection shall be shared in compliance with all other applicable Federal laws and regulations.

''(5) RULE OF CONSTRUCTION.—Nothing under this subsection may be construed to create new information sharing authorities related to the Bank Secrecy Act (as such term is defined under section 5312 of title 31, United States Code).

''(6) FINANCIAL INSTITUTION DEFINED.—In this subsection, the term 'financial institution' has the meaning given that term under section 5312.''.

SEC. 110. STUDY AND STRATEGY ON TRADE-BASED MONEY LAUNDERING.

(a) STUDY.—The Secretary of the Treasury shall carry out a study, in consultation with appropriate private sector stakeholders and Federal departments and agencies, on trade-based money laundering.

(b) REPORT.—Not later than the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary shall issue a report to the Congress containing—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) proposed strategies to combat trade-based money laundering.

(c) CLASSIFIED ANNEX.—The report required under this section may include a classified annex.

(d) CONTRACTING AUTHORITY.—The Secretary may contract with a private third-party to carry out the study required under this section. The authority of the Secretary to enter into contracts under this subsection shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts.

SEC. 111. STUDY AND STRATEGY ON DE-RISKING.

(a) REVIEW.—The Secretary of the Treasury, in consultation with appropriate private

sector stakeholders, examiners, the Federal functional regulators (as defined under section 103), State bank supervisors, and other relevant stakeholders, shall undertake a formal review of—

(1) any adverse consequences of financial institutions de-risking entire categories of relationships, including charities, embassy accounts, money services businesses (as defined under section 1010.100(ff) of title 31, Code of Federal Regulations) and their agents, countries, international and domestic regions, and respondent banks;

(2) the reasons why financial institutions are engaging in de-risking;

(3) the association with and effects of de-risking on money laundering and financial crime actors and activities;

(4) the most appropriate ways to promote financial inclusion, particularly with respect to developing countries, while maintaining compliance with the Bank Secrecy Act, including an assessment of policy options to—

(A) more effectively tailor Federal actions and penalties to the size of foreign financial institutions and any capacity limitations of foreign governments; and

(B) reduce compliance costs that may lead to the adverse consequences described in paragraph (1);

(5) formal and informal feedback provided by examiners that may have led to de-risking;

(6) the relationship between resources dedicated to compliance and overall sophistication of compliance efforts at entities that may be experiencing de-risking versus those that have not experienced de-risking; and

(7) any best practices from the private sector that facilitate correspondent bank relationships.

(b) DE-RISKING STRATEGY.—The Secretary shall develop a strategy to reduce de-risking and adverse consequences related to de-risking.

(c) REPORT.—Not later than the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary, in consultation with the Federal functional regulators, State bank supervisors, and other relevant stakeholders, shall issue a report to the Congress containing—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) the strategy developed pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) DE-RISKING.—The term ''de-risking'' means the wholesale closing of accounts or limiting of financial services for a category of customer due to unsubstantiated risk as it relates to compliance with the Bank Secrecy Act.

(2) BSA TERMS.—The terms ''Bank Secrecy Act'' and ''financial institution'' have the meaning given those terms, respectively, under section 5312 off title 31, United States Code.

(3) STATE BANK SUPERVISOR.—The term ''State bank supervisor'' has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

SEC. 112. AML EXAMINATION AUTHORITY DELEGATION STUDY.

(a) STUDY.—The Secretary of the Treasury shall carry out a study, in consultation with State bank supervisors (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), and other relevant stakeholders, on the Secretary's delegation of examination authority under the Bank Secrecy Act, including—

(1) an evaluation of the efficacy of the delegation, especially with respect to the mission of the Bank Secrecy Act;

(2) whether the delegated agencies have appropriate resources to perform their delegated responsibilities; and

(3) whether the examiners in delegated agencies have sufficient training and support to perform their responsibilities.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary of the Treasury 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 containing—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) recommendations to improve the efficacy of delegation authority, including the potential for de-delegation of any or all such authority where it may be appropriate.

(c) BANK SECRECY ACT DEFINED.—The term ''Bank Secrecy Act'' has the meaning given that term under section 5312 off title 31, United States Code.

SEC. 113. STUDY AND STRATEGY ON CHINESE MONEY LAUNDERING.

(a) STUDY.—The Secretary of the Treasury shall carry out a study on the extent and effect of Chinese money laundering activities in the United States, including territories and possessions of the United States, and worldwide.

(b) STRATEGY TO COMBAT CHINESE MONEY LAUNDERING.—Upon the completion of the study required under subsection (a), the Secretary shall, in consultation with such other Federal departments and agencies as the Secretary determines appropriate, develop a strategy to combat Chinese money laundering activities.

(c) REPORT.—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Secretary of the Treasury shall issue a report to Congress containing—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) the strategy developed under subsection (b).

TITLE II—IMPROVING AML/CFT OVERSIGHT

SEC. 201. PILOT PROGRAM ON SHARING OF SUSPICIOUS ACTIVITY REPORTS WITHIN A FINANCIAL GROUP.

(a) IN GENERAL.—

(1) SHARING WITH FOREIGN BRANCHES AND AFFILIATES.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following:

''(5) PILOT PROGRAM ON SHARING WITH FOREIGN BRANCHES, SUBSIDIARIES, AND AFFILIATES.—

''(A) IN GENERAL.—The Secretary of the Treasury shall issue rules establishing the pilot program described under subparagraph (B), subject to such controls and restrictions as the Director of the Financial Crimes Enforcement Network determines appropriate, including controls and restrictions regarding participation by financial institutions and jurisdictions in the pilot program. In prescribing such rules, the Secretary shall ensure that the sharing of information described under such subparagraph (B) is subject to appropriate standards and requirements regarding data security and the confidentiality of personally identifiable information.

''(B) PILOT PROGRAM DESCRIBED.—The pilot program required under this paragraph shall—

''(i) permit a financial institution with a reporting obligation under this subsection to share reports (and information on such reports) under this subsection with the institution's foreign branches, subsidiaries, and affiliates for the purpose of combating illicit finance risks, notwithstanding any other provision of law except subparagraphs (A) and (C);

''(ii) terminate on the date that is five years after the date of enactment of this paragraph, except that the Secretary may extend the pilot program for up to two years upon submitting a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that includes—

''(I) a certification that the extension is in the national interest of the United States, with a detailed explanation of the reasons therefor;

''(II) an evaluation of the usefulness of the pilot program, including a detailed analysis of any illicit activity identified or prevented as a result of the program; and

''(III) a detailed legislative proposal providing for a long-term extension of the pilot program activities, including expected budgetary resources for the activities, if the Secretary determines that a long-term extension is appropriate.

''(C) PROHIBITION INVOLVING CERTAIN JURISDICTIONS.—In issuing the regulations required under subparagraph (A), the Secretary may not permit a financial institution to share information on reports under this subsection with a foreign branch, subsidiary, or affiliate located in—

''(i) the People's Republic of China;

''(ii) the Russian Federation; or

''(iii) a jurisdiction that—

''(I) is subject to countermeasures imposed by the Federal Government;

''(II) is a state sponsor of terrorism; or

''(III) the Secretary has determined cannot reasonably protect the privacy and confidentiality of such information or would otherwise use such information in a manner that is not consistent with the national interest of the United States.

''(D) IMPLEMENTATION UPDATES.—Not later than 360 days after the date rules are issued under subparagraph (A), and annually thereafter for three years, the Secretary, or the Secretary's designee, shall brief the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on—

''(i) the degree of any information sharing permitted under the pilot program, and a description of criteria used by the Secretary to evaluate the appropriateness of the information sharing;

''(ii) the effectiveness of the pilot program in identifying or preventing the violation of a United States law or regulation, and mechanisms that may improve such effectiveness; and

''(iii) any recommendations to amend the design of the pilot program.

''(E) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as limiting the Secretary's authority under provisions of law other than this paragraph to establish other permissible purposes or methods for a financial institution sharing reports (and information on such reports) under this subsection with the institution's foreign headquarters or with other branches of the same institution.

''(F) NOTICE OF USE OF OTHER AUTHORITY.—If the Secretary, pursuant to any authority other than that provided under this paragraph, permits a financial institution to share information on reports under this subsection with a foreign branch, subsidiary, or affiliate located in a foreign jurisdiction, the

Secretary shall notify the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of such permission and the applicable foreign jurisdiction.

''(6) TREATMENT OF FOREIGN JURISDICTION-ORIGINATED REPORTS.—A report received by a financial institution from a foreign affiliate with respect to a suspicious transaction relevant to a possible violation of law or regulation shall be subject to the same confidentiality requirements provided under this subsection for a report of a suspicious transaction described under paragraph (1).''.

(2) NOTIFICATION PROHIBITIONS.—Section 5318(g)(2)(A) of title 31, United States Code, is amended—

(A) in clause (i), by inserting after ''transaction has been reported'' the following: ''or otherwise reveal any information that would reveal that the transaction has been reported''; and

(B) in clause (ii), by inserting after ''transaction has been reported,'' the following: ''or otherwise reveal any information that would reveal that the transaction has been reported,''.

(b) RULEMAKING.—Not later than the end of the 360-day period beginning on the date of enactment of this Act, the Secretary of the Treasury shall issue regulations to carry out the amendments made by this section.

SEC. 202. SHARING OF COMPLIANCE RESOURCES.

(a) IN GENERAL.—Section 5318 of title 31, United States Code, is amended by adding at the end the following:

''(o) SHARING OF COMPLIANCE RESOURCES.—

''(1) SHARING PERMITTED.—Two or more financial institutions may enter into collaborative arrangements in order to more efficiently comply with the requirements of this subchapter.

''(2) OUTREACH.—The Secretary of the Treasury and the appropriate supervising agencies shall carry out an outreach program to provide financial institutions with information, including best practices, with respect to the sharing of resources described under paragraph (1).''.

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to require financial institutions to share resources.

SEC. 203. GAO STUDY ON FEEDBACK LOOPS.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on—

(1) best practices within the United States Government for providing feedback (''feedback loop'') to relevant parties (including regulated private entities) on the usage and usefulness of personally identifiable information (''PII''), sensitive-but-unclassified (''SBU'') data, or similar information provided by such parties to Government users of such information and data (including law enforcement or regulators); and

(2) any practices or standards inside or outside the United States for providing feedback through sensitive information and public-private partnership information sharing efforts, specifically related to efforts to combat money laundering and other forms of illicit finance.

(b) REPORT.—Not later than the end of the 18-month period beginning on the date of the enactment of this Act, the Comptroller General shall issue a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing—

(1) all findings and determinations made in carrying out the study required under subsection (a);

(2) with respect to each of paragraphs (1) and (2) of subsection (a), any best practices or significant concerns identified by the Comptroller General, and their applicability to public-private partnerships and feedback loops with respect to U.S. efforts to combat money laundering and other forms of illicit finance; and

(3) recommendations to reduce or eliminate any unnecessary Government collection of the information described under subsection (a)(1).

SEC. 204. FINCEN STUDY ON BSA VALUE.

(a) STUDY.—The Director of the Financial Crimes Enforcement Network shall carry out a study on Bank Secrecy Act value.

(b) REPORT.—Not later than the end of the 30-day period beginning on the date the study under subsection (a) is completed, the Director shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under this section.

(c) CLASSIFIED ANNEX.—The report required under this section may include a classified annex, if the Director determines it appropriate.

(d) BANK SECRECY ACT DEFINED.—For purposes of this section, the term ''Bank Secrecy Act'' has the meaning given that term under section 5312 of title 31, United States Code.

SEC. 205. SHARING OF THREAT PATTERN AND TREND INFORMATION.

Section 5318(g) of title 31, United States Code, as amended by section 201(a)(1), is further amended by adding at the end the following:

''(7) SHARING OF THREAT PATTERN AND TREND INFORMATION.—

''(A) SAR ACTIVITY REVIEW.—The Director of the Financial Crimes Enforcement Network shall restart publication of the 'SAR Activity Review – Trends, Tips & Issues', on not less than a semi-annual basis, to provide meaningful information about the preparation, use, and value of reports filed under this subsection by financial institutions, as well as other reports filed by financial institutions under the Bank Secrecy Act.

''(B) INCLUSION OF TYPOLOGIES.—In each publication described under subparagraph (A), the Director shall provide financial institutions with typologies, including data that can be adapted in algorithms (including for artificial intelligence and machine learning programs) where appropriate, on emerging money laundering and counter terror financing threat patterns and trends.

''(C) TYPOLOGY DEFINED.—For purposes of this paragraph, the term 'typology' means the various techniques used to launder money or finance terrorism.''.

SEC. 206. MODERNIZATION AND UPGRADING WHISTLEBLOWER PROTECTIONS.

(a) REWARDS.—Section 5323(d) of title 31, United States Code, is amended to read as follows:

''(d) SOURCE OF REWARDS.—For the purposes of paying a reward under this section, the Secretary may, subject to amounts made available in advance by appropriation Acts, use criminal fine, civil penalty, or forfeiture amounts recovered based on the original information with respect to which the reward is being paid.''.

(b) WHISTLEBLOWER INCENTIVES.—

Chapter 53 of title 31, United States Code, is amended—

(1) by inserting after section 5323 the following:

''§ 5323A. Whistleblower incentives

''(a) DEFINITIONS.—In this section:

''(1) COVERED JUDICIAL OR ADMINISTRATIVE ACTION.—The term 'covered judicial or administrative action' means any judicial or administrative action brought by FinCEN under the Bank Secrecy Act that results in monetary sanctions exceeding $1,000,000.

''(2) FINCEN.—The term 'FinCEN' means the Financial Crimes Enforcement Network.

''(3) MONETARY SANCTIONS.—The term 'monetary sanctions', when used with respect to any judicial or administrative action, means—

''(A) any monies, including penalties, disgorgement, and interest, ordered to be paid; and

''(B) any monies deposited into a disgorgement fund as a result of such action or any settlement of such action.

''(4) ORIGINAL INFORMATION.—The term 'original information' means information that—

''(A) is derived from the independent knowledge or analysis of a whistleblower;

''(B) is not known to FinCEN from any other source, unless the whistleblower is the original source of the information; and

''(C) is not exclusively derived from an allegation made in a judicial or administrative hearing, in a governmental report, hearing, audit, or investigation, or from the news media, unless the whistleblower is a source of the information.

''(5) RELATED ACTION.—The term 'related action', when used with respect to any judicial or administrative action brought by FinCEN, means any judicial or administrative action that is based upon original information provided by a whistleblower that led to the successful enforcement of the action.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(7) WHISTLEBLOWER.—The term 'whistleblower' means any individual who provides, or 2 or more individuals acting jointly who provide, information relating to a violation of laws enforced by FinCEN, in a manner established, by rule or regulation, by FinCEN.

''(b) AWARDS.—

''(1) IN GENERAL.—In any covered judicial or administrative action, or related action, the Secretary, under such rules as the Secretary may issue and subject to subsection (c), shall pay an award or awards to 1 or more whistleblowers who voluntarily provided original information to FinCEN that led to the successful enforcement of the covered judicial or administrative action, or related action, in an aggregate amount equal to not more than 30 percent, in total, of what has been collected of the monetary sanctions imposed in the action.

''(2) SOURCE OF AWARDS.—For the purposes of paying any award under paragraph (1), the Secretary may, subject to amounts made available in advance by appropriation Acts, use monetary sanction amounts recovered based on the original information with respect to which the award is being paid.

''(c) DETERMINATION OF AMOUNT OF AWARD; DENIAL OF AWARD.—

''(1) DETERMINATION OF AMOUNT OF AWARD.—

''(A) DISCRETION.—The determination of the amount of an award made under subsection (b) shall be in the discretion of the Secretary.

''(B) CRITERIA.—In responding to a disclosure and determining the amount of an award made, FinCEN staff shall meet with the whistleblower to discuss evidence disclosed and rebuttals to the disclosure, and shall take into consideration—

''(i) the significance of the information provided by the whistleblower to the success of the covered judicial or administrative action;

''(ii) the degree of assistance provided by the whistleblower and any legal representative of the whistleblower in a covered judicial or administrative action;

''(iii) the mission of FinCEN in deterring violations of the law by making awards to whistleblowers who provide information that lead to the successful enforcement of such laws; and

''(iv) such additional relevant factors as the Secretary may establish by rule.

''(2) DENIAL OF AWARD.—No award under subsection (b) shall be made—

''(A) to any whistleblower who is, or was at the time the whistleblower acquired the original information submitted to FinCEN, a member, officer, or employee of—

''(i) an appropriate regulatory agency;

''(ii) the Department of Justice;

''(iii) a self-regulatory organization; or

''(iv) a law enforcement organization;

''(B) to any whistleblower who is convicted of a criminal violation, or who the Secretary has a reasonable basis to believe committed a criminal violation, related to the judicial or administrative action for which the whistleblower otherwise could receive an award under this section;

''(C) to any whistleblower who gains the information through the performance of an audit of financial statements required under the Bank Secrecy Act and for whom such submission would be contrary to its requirements; or

''(D) to any whistleblower who fails to submit information to FinCEN in such form as the Secretary may, by rule, require.

''(3) STATEMENT OF REASONS.—For any decision granting or denying an award, the Secretary shall provide to the whistleblower a statement of reasons that includes findings of fact and conclusions of law for all material issues.

''(d) REPRESENTATION.—

''(1) PERMITTED REPRESENTATION.—Any whistleblower who makes a claim for an award under subsection (b) may be represented by counsel.

''(2) REQUIRED REPRESENTATION.—

''(A) IN GENERAL.—Any whistleblower who anonymously makes a claim for an award under subsection (b) shall be represented by counsel if the whistleblower anonymously submits the information upon which the claim is based.

''(B) DISCLOSURE OF IDENTITY.—Prior to the payment of an award, a whistleblower shall disclose their identity and provide such other information as the Secretary may require, directly or through counsel for the whistleblower.

''(e) APPEALS.—Any determination made under this section, including whether, to whom, or in what amount to make awards, shall be in the discretion of the Secretary. Any such determination, except the determination of the amount of an award if the award was made in accordance with subsection (b), may be appealed to the appropriate court of appeals of the United States not more than 30 days after the determination is issued by the Secretary. The court shall review the determination made by the Secretary in accordance with section 706 of title 5.

''(f) EMPLOYEE PROTECTIONS.—The Secretary of the Treasury shall issue regulations protecting a whistleblower from retaliation, which shall be as close as practicable to the employee protections provided for under section 1057 of the Consumer Financial Protection Act of 2010.''; and

(2) in the table of contents for such chapter, by inserting after the item relating to section 5323 the following new item:

''5323A. Whistleblower incentives.''.

SEC. 207. CERTAIN VIOLATORS BARRED FROM SERVING ON BOARDS OF UNITED STATES FINANCIAL INSTITUTIONS.

Section 5321 of title 31, United States Code, is amended by adding at the end the following:

''(f) CERTAIN VIOLATORS BARRED FROM SERVING ON BOARDS OF UNITED STATES FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—An individual found to have committed an egregious violation of a provision of (or rule issued under) the Bank Secrecy Act shall be barred from serving on the board of directors of a United States financial institution for a 10-year period beginning on the date of such finding.

''(2) EGREGIOUS VIOLATION DEFINED.—With respect to an individual, the term 'egregious violation' means—

''(A) a felony criminal violation for which the individual was convicted; and

''(B) a civil violation where the individual willfully committed such violation and the violation facilitated money laundering or the financing of terrorism.''.

SEC. 208. ADDITIONAL DAMAGES FOR REPEAT BANK SECRECY ACT VIOLATORS.

(a) IN GENERAL.—Section 5321 of title 31, United States Code, as amended by section 208, is further amended by adding at the end the following:

''(g) ADDITIONAL DAMAGES FOR REPEAT VIOLATORS.—In addition to any other fines permitted by this section and section 5322, with respect to a person who has previously been convicted of a criminal provision of (or rule issued under) the Bank Secrecy Act or who has admitted, as part of a deferred- or non-prosecution agreement, to having previously committed a violation of a criminal provision of (or rule issued under) the Bank Secrecy Act, the Secretary may impose an additional civil penalty against such person for each additional such violation in an amount equal to up three times the profit gained or loss avoided by such person as a result of the violation.''.

(b) PROSPECTIVE APPLICATION OF AMENDMENT.—For purposes of determining whether a person has committed a previous violation under section 5321(g) of title 31, United States Code, such determination shall only include violations occurring after the date of enactment of this Act.

SEC. 209. JUSTICE ANNUAL REPORT ON DEFERRED AND NON-PROSECUTION AGREEMENTS.

(a) ANNUAL REPORT.—The Attorney General shall issue an annual report, every year for the five years beginning on the date of enactment of this Act, to the Committees on Financial Services and the Judiciary of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and the Judiciary of the Senate containing—

(1) a list of deferred prosecution agreements and non-prosecution agreements that the Attorney General has entered into during the previous year with any person with respect to a violation or suspected violation of the Bank Secrecy Act;

(2) the justification for entering into each such agreement;

(3) the list of factors that were taken into account in determining that the Attorney General should enter into each such agreement; and

(4) the extent of coordination the Attorney General conducted with the Financial Crimes Enforcement Network prior to entering into each such agreement.

(b) CLASSIFIED ANNEX.—Each report under subsection (a) may include a classified annex.

(c) BANK SECRECY ACT DEFINED.—For purposes of this section, the term ''Bank Secrecy Act'' has the meaning given that term under section 5312 of title 31, United States Code.

SEC. 210. RETURN OF PROFITS AND BONUSES.

(a) IN GENERAL.—Section 5322 of title 31, United States Code, is amended by adding at the end the following:

''(e) RETURN OF PROFITS AND BONUSES.—A person convicted of violating a provision of (or rule issued under) the Bank Secrecy Act shall—

''(1) in addition to any other fine under this section, be fined in an amount equal to the profit gained by such person by reason of such violation, as determined by the court; and

''(2) if such person is an individual who was a partner, director, officer, or employee of a financial institution at the time the violation occurred, repay to such financial institution any bonus paid to such individual during the Federal fiscal year in which the violation occurred or the Federal fiscal year after which the violation occurred.''.

(b) RULE OF CONSTRUCTION.—The amendment made by subsection (a) may not be construed to prohibit a financial institution from requiring the repayment of a bonus paid to a partner, director, officer, or employee if the financial institution determines that the partner, director, officer, or employee engaged in unethical, but non-criminal, activities.

SEC. 211. APPLICATION OF BANK SECRECY ACT TO DEALERS IN ANTIQUITIES.

(a) IN GENERAL.—Section 5312(a)(2) of title 31, United States Code, is amended—

(1) in subparagraph (Y), by striking ''or'' at the end;

(2) by redesignating subparagraph (Z) as subparagraph (AA); and

(3) by inserting after subsection (Y) the following:

''(Z) a person trading or acting as an intermediary in the trade of antiquities, including an advisor, consultant or any other person who engages as a business in the solicitation of the sale of antiquities; or''.

(b) STUDY ON THE FACILITATION OF MONEY LAUNDERING AND TERROR FINANCE THROUGH THE TRADE OF WORKS OF ART OR ANTIQUITIES.—

(1) STUDY.—The Secretary of the Treasury, in coordination with Federal Bureau of Investigation, the Attorney General, and Homeland Security Investigations, shall perform a study on the facilitation of money laundering and terror finance through the trade of works of art or antiquities, including an analysis of—

(A) the extent to which the facilitation of money laundering and terror finance through the trade of works of art or antiquities may enter or affect the financial system of the United States, including any qualitative data or statistics;

(B) whether thresholds and definitions should apply in determining which entities to regulate;

(C) an evaluation of which markets, by size, entity type, domestic or international geographical locations, or otherwise, should be subject to regulations, but only to the extent such markets are not already required to report on the trade of works of art or antiquities to the Federal Government;

(D) an evaluation of whether certain exemptions should apply; and

(E) any other points of study or analysis the Secretary determines necessary or appropriate.

(2) REPORT.—Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Secretary of the Treasury shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

(c) RULEMAKING.—Not later than the end of the 180-day period beginning on the date the Secretary issues the report required under subsection (b)(2), the Secretary shall issue

regulations to carry out the amendments made by subsection (a).

SEC. 212. GEOGRAPHIC TARGETING ORDER.

The Secretary of the Treasury shall issue a geographic targeting order, similar to the order issued by the Financial Crimes Enforcement Network on November 15, 2018, that—

(1) applies to commercial real estate to the same extent, with the exception of having the same thresholds, as the order issued by FinCEN on November 15, 2018, applies to residential real estate; and

(2) establishes a specific threshold for commercial real estate.

SEC. 213. STUDY AND REVISIONS TO CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS.

(a) CURRENCY TRANSACTION REPORTS.—

(1) CTR INDEXED FOR INFLATION.—

(A) IN GENERAL.—Every 5 years after the date of enactment of this Act, the Secretary of the Treasury shall revise regulations issued with respect to section 5313 of title 31, United States Code, to update each $10,000 threshold amount in such regulation to reflect the change in the Consumer Price Index for All Urban Consumers published by the Department of Labor, rounded to the nearest $100. For purposes of calculating the change described in the previous sentence, the Secretary shall use $10,000 as the base amount and the date of enactment of this Act as the base date.

(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary may make appropriate adjustments to the threshold amounts described under subparagraph (A) in high-risk areas (e.g., High Intensity Financial Crime Areas or HIFCAs), if the Secretary has demonstrable evidence that shows a threshold raise would increase serious crimes, such as trafficking, or endanger national security.

(2) GAO CTR STUDY.—

(A) STUDY.—The Comptroller General of the United States shall carry out a study of currency transaction reports. Such study shall include—

(i) a review (carried out in consultation with the Secretary of the Treasury, the Financial Crimes Enforcement Network, the United States Attorney General, the State Attorneys General, and State, Tribal, and local law enforcement) of the effectiveness of the current currency transaction reporting regime;

(ii) an analysis of the importance of currency transaction reports to law enforcement; and

(iii) an analysis of the effects of raising the currency transaction report threshold.

(B) REPORT.—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Comptroller General shall issue a report to the Secretary of the Treasury and the Congress containing—

(i) all findings and determinations made in carrying out the study required under subparagraph (A); and

(ii) recommendations for improving the current currency transaction reporting regime.

(b) MODIFIED SARS STUDY AND DESIGN.—

(1) STUDY.—The Director of the Financial Crimes Enforcement Network shall carry out a study, in consultation with industry stakeholders (including money services businesses, community banks, and credit unions), the Federal functional regulators, State bank supervisors, and law enforcement, of the design of a modified suspicious activity report form for certain customers and activities. Such study shall include—

(A) an examination of appropriate optimal SARs thresholds to determine the level at which a modified SARs form could be employed;

(B) an evaluation of which customers or transactions would be appropriate for a modified SAR, including—

(i) seasoned business customers;

(ii) financial technology (Fintech) firms;

(iii) structuring transactions; and

(iv) any other customer or transaction that may be appropriate for a modified SAR; and

(C) an analysis of the most effective methods to reduce the regulatory burden imposed on financial institutions in complying with the Bank Secrecy Act, including an analysis of the effect of—

(i) modifying thresholds;

(ii) shortening forms;

(iii) combining Bank Secrecy Act forms;

(iv) filing reports in periodic batches; and

(v) any other method that may reduce the regulatory burden.

(2) STUDY CONSIDERATIONS.—In carrying out the study required under paragraph (1), the Director shall seek to balance law enforcement priorities, regulatory burdens experienced by financial institutions, and the requirement for reports to have a ''high degree of usefulness to law enforcement'' under the Bank Secrecy Act.

(3) REPORT.—Not later than the end of the 1-year period beginning on the date of enactment of this Act, the Director shall issue a report to Congress containing—

(A) all findings and determinations made in carrying out the study required under subsection (a); and

(B) sample designs of modified SARs forms based on the study results.

(4) CONTRACTING AUTHORITY.—The Director may contract with a private third-party to carry out the study required under this subsection. The authority of the Director to enter into contracts under this paragraph shall be in effect for each fiscal year only to the extent and in the amounts as are provided in advance in appropriations Acts.

(c) DEFINITIONS.—For purposes of this section:

(1) BANK SECRECY ACT.—The term ''Bank Secrecy Act'' has the meaning given that term under section 5312 of title 31, United States Code.

(2) FEDERAL FUNCTIONAL REGULATOR.—The term ''Federal functional regulator'' has the meaning given that term under section 103.

(3) REGULATORY BURDEN.—The term ''regulatory burden'' means the man-hours to complete filings, cost of data collection and analysis, and other considerations of chapter 35 of title 44, United States Code (commonly referred to as the Paperwork Reduction Act).

(4) SAR; SUSPICIOUS ACTIVITY REPORT.—The term ''SAR'' and ''suspicious activity report'' mean a report of a suspicious transaction under section 5318(g) of title 31, United States Code.

(5) SEASONED BUSINESS CUSTOMER.—The term ''seasoned business customer'', shall have such meaning as the Secretary of the Treasury shall prescribe, which shall include any person that—

(A) is incorporated or organized under the laws of the United States or any State, or is registered as, licensed by, or otherwise eligible to do business within the United States, a State, or political subdivision of a State;

(B) has maintained an account with a financial institution for a length of time as determined by the Secretary; and

(C) meet such other requirements as the Secretary may determine necessary or appropriate.

(6) STATE BANK SUPERVISOR.—The term ''State bank supervisor'' has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

SEC. 214. STREAMLINING REQUIREMENTS FOR CURRENCY TRANSACTION REPORTS AND SUSPICIOUS ACTIVITY REPORTS.

(a) REVIEW.—The Secretary of the Treasury (in consultation with Federal law enforcement agencies, the Director of National Intelligence, the Federal functional regulators, and State bank supervisors and in consultation with other relevant stakeholders) shall undertake a formal review of the current financial institution reporting requirements under the Bank Secrecy Act and its implementing regulations and propose changes to further reduce regulatory burdens, and ensure that the information provided is of a ''high degree of usefulness'' to law enforcement, as set forth under section 5311 of title 31, United States Code.

(b) CONTENTS.—The review required under subsection (a) shall include a study of—

(1) whether the timeframe for filing a suspicious activity report should be increased from 30 days;

(2) whether or not currency transaction report and suspicious activity report thresholds should be tied to inflation or otherwise periodically be adjusted;

(3) whether the circumstances under which a financial institution determines whether to file a ''continuing suspicious activity report'', or the processes followed by a financial institution in determining whether to file a ''continuing suspicious activity report'' (or both) can be narrowed;

(4) analyzing the fields designated as ''critical'' on the suspicious activity report form and whether the number of fields should be reduced;

(5) the increased use of exemption provisions to reduce currency transaction reports that are of little or no value to law enforcement efforts;

(6) the current financial institution reporting requirements under the Bank Secrecy Act and its implementing regulations and guidance; and

(7) such other items as the Secretary determines appropriate.

(c) REPORT.—Not later than the end of the one year period beginning on the date of the enactment of this Act, the Secretary of the Treasury, in consultation with law enforcement and persons subject to Bank Secrecy Act requirements, shall issue a report to the Congress containing all findings and determinations made in carrying out the review required under subsection (a).

(d) DEFINITIONS.—For purposes of this section:

(1) FEDERAL FUNCTIONAL REGULATOR.—The term ''Federal functional regulator'' has the meaning given that term under section 103.

(2) STATE BANK SUPERVISOR.—The term ''State bank supervisor'' has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(3) OTHER TERMS.—The terms ''Bank Secrecy Act'' and ''financial institution'' have the meaning given those terms, respectively, under section 5312 of title 31, United States Code.

TITLE III—MODERNIZING THE AML SYSTEM

SEC. 301. ENCOURAGING INNOVATION IN BSA COMPLIANCE.

Section 5318 of title 31, United States Code, as amended by section 202, is further amended by adding at the end the following:

''(p) ENCOURAGING INNOVATION IN COMPLIANCE.—

''(1) IN GENERAL.—The Federal functional regulators shall encourage financial institutions to consider, evaluate, and, where appropriate, responsibly implement innovative approaches to meet the requirements of this subchapter, including through the use of innovation pilot programs.

''(2) EXEMPTIVE RELIEF.—The Secretary, pursuant to subsection (a), may provide exemptions from the requirements of this subchapter if the Secretary determines such exemptions are necessary to facilitate the testing and potential use of new technologies and other innovations.

''(3) RULE OF CONSTRUCTION.—This subsection may not be construed to require financial institutions to consider, evaluate, or implement innovative approaches to meet the requirements of the Bank Secrecy Act.

''(4) FEDERAL FUNCTIONAL REGULATOR DEFINED.—In this subsection, the term 'Federal functional regulator' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Securities and Exchange Commission, and the Commodity Futures Trading Commission.''.

SEC. 302. INNOVATION LABS.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

''§ 5333. Innovation Labs

''(a) ESTABLISHMENT.—There is established within the Department of the Treasury and each Federal functional regulator an Innovation Lab.

''(b) DIRECTOR.—The head of each Innovation Lab shall be a Director, to be appointed by the Secretary of the Treasury or the head of the Federal functional regulator, as applicable.

''(c) DUTIES.—The duties of the Innovation Lab shall be—

''(1) to provide outreach to law enforcement agencies, State bank supervisors, financial institutions, and other persons (including vendors and technology companies) with respect to innovation and new technologies that may be used to comply with the requirements of the Bank Secrecy Act;

''(2) to support the implementation of responsible innovation and new technology, in a manner that complies with the requirements of the Bank Secrecy Act;

''(3) to explore opportunities for public-private partnerships; and

''(4) to develop metrics of success.

''(d) FINCEN LAB.—The Innovation Lab established under subsection (a) within the Department of the Treasury shall be a lab within the Financial Crimes Enforcement Network.

''(e) DEFINITIONS.—In this subsection:

''(1) FEDERAL FUNCTIONAL REGULATOR.—The term 'Federal functional regulator' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Securities and Exchange Commission, and the Commodity Futures Trading Commission.

''(2) STATE BANK SUPERVISOR.—The term 'State bank supervisor' has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).''.

(b) CLERICAL AMENDMENT.—The table of contents for subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following:

''5333. Innovation Labs.''.

SEC. 303. INNOVATION COUNCIL.

(a) IN GENERAL.—Subchapter II of chapter 53 of Title 31, United States Code, as amended by section 302, is further amended by adding at the end the following:

''§ 5334. Innovation Council

''(a) ESTABLISHMENT.—There is established the Innovation Council (hereinafter in this section referred to as the 'Council'), which shall consist of each Director of an Innovation Lab established under section 5334, a representative of State bank supervisors (as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), and the Director of the Financial Crimes Enforcement Network.

''(b) CHAIR.—The Director of the Innovation Lab of the Department of the Treasury shall serve as the Chair of the Council.

''(c) DUTY.—The members of the Council shall coordinate on activities related to innovation under the Bank Secrecy Act, but may not supplant individual agency determinations on innovation.

''(d) MEETINGS.—The meetings of the Council—

''(1) shall be at the call of the Chair, but in no case may the Council meet less than semi-annually;

''(2) may include open and closed sessions, as determined necessary by the Council; and

''(3) shall include participation by public and private entities and law enforcement agencies.

''(e) REPORT.—The Council shall issue an annual report, for each of the 7 years beginning on the date of enactment of this section, to the Secretary of the Treasury on the activities of the Council during the previous year, including the success of programs as measured by metrics of success developed pursuant to section 5334(c)(4), and any regulatory or legislative recommendations that the Council may have.''.

(b) CLERICAL AMENDMENT.—The table of contents for subchapter II of chapter 53 of title 31, United States Code, is amended by adding the end the following:

''5334. Innovation Council.''.

SEC. 304. TESTING METHODS RULEMAKING.

(a) IN GENERAL.—Section 5318 of title 31, United States Code, as amended by section 301, is further amended by adding at the end the following:

''(q) TESTING.—

''(1) IN GENERAL.—The Secretary of the Treasury, in consultation with the head of each agency to which the Secretary has delegated duties or powers under subsection (a), shall issue a rule to specify—

''(A) with respect to technology and related technology-internal processes ('new technology') designed to facilitate compliance with the Bank Secrecy Act requirements, the standards by which financial institutions are to test new technology; and

''(B) in what instances or under what circumstance and criteria a financial institution may replace or terminate legacy technology and processes for any examinable technology or process without the replacement or termination being determined an examination deficiency.

''(2) STANDARDS.—The standards described under paragraph (1) may include—

''(A) an emphasis on using innovative approaches, such as machine learning, rather than rules-based systems;

''(B) risk-based back-testing of the regime to facilitate calibration of relevant systems;

''(C) requirements for appropriate data privacy and security; and

''(D) a requirement that the algorithms used by the regime be disclosed to the Financial Crimes Enforcement Network, upon request.

''(3) CONFIDENTIALITY OF ALGORITHMS.—If a financial institution or any director, officer, employee, or agent of any financial institution, voluntarily or pursuant to this subsection or any other authority, discloses the institution's algorithms to a Government agency, such algorithms and any materials associated with the creation of such algorithms shall be considered confidential and not subject to public disclosure.''.

(b) UPDATE OF MANUAL.—The Financial Institutions Examination Council shall ensure—

(1) that any manual prepared by the Council is updated to reflect the rulemaking required by the amendment made by subsection (a); and

(2) that financial institutions are not penalized for the decisions based on such rulemaking to replace or terminate technology used for compliance with the Bank Secrecy Act (as defined under section 5312 of title 31, United States Code) or other anti-money laundering laws.

SEC. 305. FINCEN STUDY ON USE OF EMERGING TECHNOLOGIES.

(a) STUDY.—

(1) IN GENERAL.—The Director of the Financial Crimes Enforcement Network (''FinCEN'') shall carry out a study on—

(A) the status of implementation and internal use of emerging technologies, including artificial intelligence (''AI''), digital identity technologies, blockchain technologies, and other innovative technologies within FinCEN;

(B) whether AI, digital identity technologies, blockchain technologies, and other innovative technologies can be further leveraged to make FinCEN's data analysis more efficient and effective; and

(C) how FinCEN could better utilize AI, digital identity technologies, blockchain technologies, and other innovative technologies to more actively analyze and disseminate the information it collects and stores to provide investigative leads to Federal, State, Tribal, and local law enforcement, and other Federal agencies (collective, ''Agencies''), and better support its ongoing investigations when referring a case to the Agencies.

(2) INCLUSION OF GTO DATA.—The study required under this subsection shall include data collected through the Geographic Targeting Orders (''GTO'') program.

(3) CONSULTATION.—In conducting the study required under this subsection, FinCEN shall consult with the Directors of the Innovations Labs established in section 302.

(b) REPORT.—Not later than the end of the 6-month period beginning on the date of the enactment of this Act, the Director shall issue a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing—

(1) all findings and determinations made in carrying out the study required under subsection (a);

(2) with respect to each of subparagraphs (A), (B) and (C) of subsection (a)(1), any best practices or significant concerns identified by the Director, and their applicability to AI, digital identity technologies, blockchain technologies, and other innovative technologies with respect to U.S. efforts to combat money laundering and other forms of illicit finance; and

(3) any policy recommendations that could facilitate and improve communication and coordination between the private sector, FinCEN, and Agencies through the implementation of innovative approaches, in order to meet their Bank Secrecy Act (as defined under section 5312 of title 31, United States Code) and anti-money laundering compliance obligations.

SEC. 306. DISCRETIONARY SURPLUS FUNDS.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $27,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2029.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Georgia (Mr. DAVID SCOTT) and the gentlewoman from Missouri (Mrs. WAGNER) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

GENERAL LEAVE

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I ask unanimous consent that all Members 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 gentleman from Georgia?

There was no objection.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I yield myself such time as I may consume.

In recent weeks, we have had the opportunity to discuss the valuable anti-money laundering aspects of the COUNTER Act of 2019, H.R. 2514, introduced by the gentleman from Missouri (Mr. CLEAVER).

This important piece of legislation is the first major reform in the United States anti-money laundering regime since 2001 and makes critical changes to close loopholes and ensure better enforcement of this country's AML and Bank Secrecy Act laws.

Today, I would like to highlight how this bill also addresses the costs and burdens of the Bank Secrecy Act and anti-money laundering compliance for smaller financial institutions, including credit unions and community banks.

This bill includes multiple avenues to improve information-sharing and feedback loops, including new programs of domestic liaisons for the Financial Crime Enforcement Network of FinCEN, sending FinCEN officials to the field to connect directly with financial institutions.

It also makes permanent the FinCEN Exchange program, allowing for more robust exchange of threat information and analysis among participants. It revives the popular ''SAR Activity Review,'' which was a FinCEN publication that provided timely threat detection information, which will help banks to better direct their resources, and result in more efficient and effective collection of information from both banks and law enforcement.

The COUNTER Act also codifies the Federal financial regulators' guidance to encourage resource-sharing among similar institutions.

Mr. Speaker, we heard from many smaller institutions that they were more apt to invest in resource-sharing if they knew that the permission to do so wouldn't change with new directors or administrations.

The bill also raises the Currency Transaction Reports threshold, increasing it every 5 years, pegged to inflation. This is a key issue for smaller institutions and addresses their concerns, while balancing the investigative needs of law enforcement.

Further focused on the compliance burden, this bill requires FinCEN, working with industry and law enforcement, to consider the design of a shortened, modified Suspicious Activity Report, or SAR, form for certain customers and activities.

These reforms are among the reasons that the National Association of Federally Insured Credit Unions, the Independent Community Bankers of America, the Credit Union National Association, all of the State banking associations, and many, many others have expressed support for this important bill.

Overall, I believe that the COUNTER Act of 2019 is a significant step forward for small businesses, law enforcement, and other stakeholders.

I want to thank Mr. CLEAVER for introducing this bill, and I want to thank our Republican colleagues for working collaboratively with a team effort to refine this legislation, for this is truly a bipartisan bill, ensuring that this bill passed out of the Financial Services Committee with a unanimous 55–0 vote.

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

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

I appreciate the majority moving H.R. 2514, the COUNTER Act of 2019, again, this week, as a standalone piece of legislation.

Both Republicans and Democrats agree, protecting the financial system from bad actors is a priority. We must give financial institutions the tools and resources they need to fight these bad actors.

According to a 2016 report by the U.S. Government Accountability Office, from January 2009 to December 2015, Federal agencies assessed roughly $5.1 billion in fines, forfeitures, and penalties for violations of the Bank Secrecy Act and anti-money laundering regulations, often referred to as BSA/AML.

A separate 2016 analysis of anti-money laundering enforcement found that penalties and fines for BSA violations significantly increased since the 2008 financial crisis. This report concluded that regulators had become more aggressive in pursuing BSA violations in the wake of the crisis.

However, this data is from 2016. We know that the current enforcement regime is outdated. Technology has outpaced the tools and resources available to Federal agencies to pursue these bad actors.

H.R. 2514 makes important changes to strengthen BSA and AML enforcement. The bill includes key aspects of the BSA/AML reform package from last Congress, including a provision that allows for tailored information-sharing by financial institutions with their foreign branches to better identify suspicious activity.

The bill also includes important updates to the reporting thresholds for Suspicious Activities Reports, or SARs.

H.R. 2514 reforms the SAR framework by requiring the Financial Crimes Enforcement Network to carry out a study examining whether the current SAR thresholds are adequate.

This study will provide the necessary data to alter the current SAR filing regime in the future. There is clearly a recognition on both sides of the aisle that the status quo is unacceptable.

The bill also encourages greater innovation, ensures efficiency, and requires treasury to play a prominent role in coordinating AML policy. These measures will help ensure that the most effective AML policies are being used to stop terrorists and bad actors.

I want to thank the gentleman from Missouri (Mr. CLEAVER) and the gentleman from Ohio (Mr. STIVERS) for all their hard work and effort on this bill.

Additionally, I want to thank the gentleman from Missouri (Mr. LUETKEMEYER), the gentleman from Virginia (Mr. RIGGLEMAN), and the gentleman from Ohio (Mr. GONZALEZ).

Mr. Speaker, their priorities have made the bill stronger, and more focused, which will enable the Treasury Department and other Federal agencies to carry out critical anti-money laundering processes.

I encourage my colleagues to support H.R. 2514, and I yield back the balance of my time.

Mr. DAVID SCOTT of Georgia. Mr. Speaker, I yield myself the balance of my time.

This is a very critical piece of legislation for our financial services industry that will help close loopholes in existing law, and prevent criminals, prevent terrorists, and other bad state actors from escaping the United States Anti-Money Laundering and Counter-Threat Finance laws; it is badly needed, and that is why this is so important.

I am proud to stand up to support small businesses here today, while we are making important and necessary updates to these regimes.

I would especially like to congratulate my colleague from Missouri, Mr. CLEAVER, the chairman of the House Committee on Financial Services, National Security, International Development, and Monetary Policy Subcommittee for introducing this bill.

A champion of small business himself, Mr. CLEAVER has diligently engaged stakeholders, including government, industry, nongovernmental organizations, and Members from across the political spectrum on the text that we vote on here today. The result is this comprehensive bill with broad bipartisan support.

I urge my colleagues to join me in supporting this important piece of legislation.

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

□ 1700

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. DAVID SCOTT) that the House suspend the rules and pass the bill, H.R. 2514, 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.

FINANCIAL INCLUSION IN BANKING ACT OF 2019

Mr. DAVID SCOTT of Georgia. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4067) to amend the Consumer Financial Protection Act of 2010 to direct the Office of Community Affairs to identify causes leading to, and solutions for, underbanked, un-banked, and underserved consumers, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4067

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 ''Financial Inclusion in Banking Act of 2019''.

SEC. 2. OFFICE OF COMMUNITY AFFAIRS DUTIES WITH RESPECT TO UNDER-BANKED, UN-BANKED, AND UNDERSERVED CONSUMERS.

Section 1013(b)(2) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5493(b)(2)) is amended—

(1) by striking ''The Director shall establish a unit'' and inserting the following:

''(A) IN GENERAL.—The Director shall establish a unit to be known as the 'Office of Community Affairs' ''; and

(2) by adding at the end the following:

''(B) DUTIES RELATED TO UNDER-BANKED, UNBANKED, AND UNDERSERVED CONSUMERS.—

''(i) IN GENERAL.—The Office of Community Affairs shall—

''(I) lead coordination of research to identify any causes and challenges contributing to the decision of individuals who, and households that, do not initiate or maintain on-going and sustainable relationships with depository institutions, including consulting with trade associations representing depository institutions, trade associations representing minority depository institutions, organizations representing the interests of traditionally underserved consumers and communities, organizations representing the interests of consumers (particularly low- and moderate-income individuals), civil rights groups, community groups, consumer advocates, and the Consumer Advisory Board about this matter;

''(II) identify subject matter experts within the Bureau to work on the issues identified under subclause (I);

''(III) lead coordination efforts between other Federal departments and agencies to better assess the reasons for the lack of, and help increase the participation of, underbanked, un-banked, and underserved consumers in the banking system; and

''(IV) identify and develop strategies to increase financial education to under-banked, un-banked, and underserved consumers.

''(ii) COORDINATION WITH OTHER BUREAU OFFICES.—In carrying out this paragraph, the Office of Community Affairs shall consult with and coordinate with the research unit established under subsection (b)(1) and such other offices of the Bureau as the Director may determine appropriate.

''(iii) REPORTING.—

''(I) IN GENERAL.—The Office of Community Affairs shall submit a report to Congress, within two years of the date of enactment of this subparagraph and every 2 years thereafter, that identifies any factors impeding the ability of, or limiting the option for, individuals or households to have access to fair, on-going, and sustainable relationships with depository institutions to meet their financial needs, discusses any regulatory, legal, or structural barriers to enhancing participation of under-banked, un-banked, and underserved consumers with depository institutions, and contains recommendations to promote better participation for all consumers with the banking system.

''(II) TIMING OF REPORT.—To the extent possible, the Office shall submit each report required under subclause (I) during a year in which the Federal Deposit Insurance Corporation does not issue the report on encouraging use of depository institutions by the unbanked required under section 49 of the Federal Deposit Insurance Act.''.

SEC. 3. DISCRETIONARY SURPLUS FUNDS.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $10,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 30, 2029.

SEC. 4. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore (Mrs. LAWRENCE). Pursuant to the rule, the gentleman from Georgia (Mr. DAVID SCOTT) and the gentlewoman from Missouri (Mrs. WAGNER) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia.

GENERAL LEAVE

Mr. DAVID SCOTT of Georgia. Madam Speaker, I ask unanimous consent that all Members 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 gentleman from Georgia?

There was no objection.

Mr. DAVID SCOTT of Georgia. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, my bill, H.R. 4067, is a response to a national crisis that we have in terms of taking better financial care of the American people.

This bill is called the Financial Inclusion in Banking Act, and almost the entirety of what we are doing is included in those two words, ''financial inclusion.'' It truly reflects the key focus of this legislation, which is ensuring that, in this Nation, consumers of all backgrounds, of all races, of all income levels have access to our great financial system and our financial products that are affordable, that are safe, and that meet their needs.

The benefits of traditional banking and financial inclusion may not be immediately apparent, Madam Speaker, until one considers the cost and the long-term struggles of financial exclusion. Imagine, we have people, millions of households, without even a checking account. Simple tasks suddenly become more challenging without a checking account, more time-consuming, more expensive. Without a bank account, the simple act of accessing their own paychecks causes millions of consumers in this country to rely on costly check-cashing services or high-fee money orders.

Take paying a utility bill, just paying your light bill or your gas bill means a trip across town and a lengthy wait in line to pay your bill in cash if you find a place where you can even cash your paycheck without a bank account.

When the 31st or the 30th of each month arrives, and the financial ends don't meet, families are out there, millions of our families in America who are forced to payday lenders, to pawn shops for loans, to predatory bad actors, to loan sharks, just to make do. In the event of a tragedy, a hospital trip, a family emergency, these challenges are multiplied many times over.

The reality is that, in our increasingly highly technical electronic online banking system and broadband, and in an increasingly credit-based economy, unbanked and underbanked consumers are being left behind. They are being abandoned to the predators that are out there.

The FDIC gave some very valuable statistics from a report just a few months ago. It reported that 8.4 million American households—that is not the individuals; it is just the households. Nobody in these households is considered in a way that they have a checking or a savings account. 8.4 million American households, nobody in the house, not mama, not daddy, not grandmama, not uncle, not cousin, nobody in that household has even a bank account.

Then, according to the FDIC, an additional 24.2 million American households are underbanked, which means that that household has limited access to traditional banking but has to rely on the use of risky alternative financial services to manage just basic maneuvers in their financial lives.

I want to take a moment, Madam Speaker, to fully explain and describe the nature of this problem. I hope the American people who are listening will understand now why I say we have a national crisis and this is why we need my bill. The Financial Inclusion in Banking Act, a bill I was proud to introduce earlier this year, gets to the heart of this issue. This is what it does.

It directs the Consumer Financial Protection Bureau to: one, research factors standing in the way of financial inclusion of the American people so we can understand the hurdles that these individuals and our consumers face; two, the bill will also direct the CFPB to recommend best practices to increase participation in the formal