

As I have noted before, the small business advocate currently reports on the challenges faced by minority-owned, women-owned, and disaster-affected small businesses. This would add rural small businesses to the list.

This is a gap we need to fix. Small businesses in rural communities face unique hurdles in accessing capital, and they deserve the same attention as the other types of businesses that the advocate focuses on.

No matter where they are located and no matter who owns them, small businesses are the backbone of our economy. They should be and are a bipartisan priority, and this bill is a step in the right direction.

With the understanding that we will be able to deal with the other bills that are scheduled to come before us even after a short recess, I urge a "yes" vote on H.R. 1190, and I yield back the balance of my time.

Mrs. WAGNER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing, the Expanding Access to Capital for Rural Job Creators Act takes care of our hard-working small business owners who are ready to grow. They deserve a seat at the table, Mr. Speaker.

I urge all of my colleagues to support H.R. 1190. I commend the Representative from Montana (Mr. DOWNING) for introducing this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Missouri (Mrs. WAGNER) that the House suspend the rules and pass the bill, H.R. 1190, 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.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess for a period of less than 15 minutes.

Accordingly (at 5 o'clock and 24 minutes p.m.), the House stood in recess.

□ 1734

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. WILLIAMS of Texas) at 5 o'clock and 34 minutes p.m.

PROMOTING OPPORTUNITIES FOR NON-TRADITIONAL CAPITAL FORMATION ACT

Mr. DOWNING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3422) to amend the Securities Exchange Act of 1934 to require the Advocate for Small Business Capital Formation to provide educational resources

and host events to promote capital raising options for traditionally underrepresented small businesses, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3422

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 "Promoting Opportunities for Non-Traditional Capital Formation Act".

SEC. 2. PROMOTING CAPITAL RAISING OPTIONS FOR TRADITIONALLY UNDERREPRESENTED SMALL BUSINESSES.

Section 4(j)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(j)(4)) is amended—

(1) in subparagraph (G), by striking "and" at the end;

(2) in subparagraph (H), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(I) provide educational resources and host or participate in events for small businesses and small business investors, including to raise awareness of capital raising options for—

"(i) underrepresented small businesses, including women-owned small businesses and minority-owned small businesses;

"(ii) businesses located in rural areas; and

"(iii) small businesses affected by hurricanes or other natural disasters; and

"(J) at least annually, meet with representatives of State securities commissions to discuss opportunities for collaboration and coordination with respect to efforts to assist small businesses and small business investors.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Montana (Mr. DOWNING) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Montana.

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 3422, the Promoting Opportunities for Non-Traditional Capital Formation Act, and I thank Representative WATERS for her leadership on this bipartisan legislation.

Far too often, access to capital depends not on the quality of a business idea but on where that business is located. Data shows that the vast majority of venture capital investment flows to companies in just three States: California, Massachusetts, and New York, leaving entrepreneurs in other regions at a disadvantage.

This bill takes a targeted step to help address that imbalance. It directs the SEC's Office of the Advocate for Small Business Capital Formation to do more to support underserved entrepreneurs, particularly those in rural communities or outside of traditional investment hubs.

Specifically, the bill requires the advocate to provide educational resources and host public events that highlight the capital raising tools available under Federal securities laws. These tools exist, but many founders simply don't know how to use them or that they are even an option.

H.R. 3422 ensures that founders from all backgrounds and regions have the information they need to pursue the capital formation strategy that works best for their businesses.

Mr. Speaker, I urge my colleagues to support this bipartisan effort, and I reserve the balance of my time.

Mr. SHERMAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California (Ms. WATERS), the ranking member of our full committee.

Ms. WATERS. Mr. Speaker, I rise today in support of my bill, H.R. 3422, the Promoting Opportunities for Non-Traditional Capital Formation Act. This bill deals with the Office of the Advocate for Small Business Capital Formation, which is an independent SEC office that was established to advance the interests of small businesses.

The office proactively works to identify and address unique challenges faced by minority-owned, women-owned, and rural small businesses as well as businesses located in natural disaster areas.

My bill requires the SEC small business advocate to provide educational resources and host events to promote capital-raising options for these underrepresented small businesses. My bill would also require the Office to meet annually with representatives of State securities commissions to ensure that there is a whole-of-government approach to addressing the unique needs of underrepresented businesses.

The North American Securities Administrators Association, or NASAA, strongly supports this legislation, particularly as it would strengthen collaboration and coordination between regulators.

In a letter to my office, written in support of this bill when it was previously introduced, NASAA emphasized former Republican SEC Commissioner Michael Piwowar's comments that "for a capital formation agenda to succeed, it is essential that State and Federal regulators work together to support the businesses that seek to engage in these offerings while also protecting investors."

Indeed, my bill makes sure that Federal regulators and State regulators do just that, while at the same time advancing the cause of small business capital formation across the spectrum.

Mr. Speaker, I thank my colleague (Mrs. WAGNER) for cosponsoring my bill, and I urge my colleagues to join us in passing this bill into law.

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

Mr. Speaker, I rise in strong support of the bill of my good friend and ranking member of the Financial Services

Committee (Ms. WATERS), which requires the SEC's Office of Small Business Advocate to provide educational resources and host events to promote capital-raising options for small businesses.

Her bill would also require the Small Business Office to coordinate on an annual basis with State securities commissions to ensure both Federal and State regulators are working as effectively and efficiently as possible to address the needs of small businesses.

Mr. Speaker, I urge my colleagues to support Ms. WATERS' bill, and I yield back the balance of my time.

Mr. DOWNING. Mr. Speaker, for the reasons I explained earlier, I urge my colleagues to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana (Mr. DOWNING) that the House suspend the rules and pass the bill, H.R. 3422, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the yeas have it.

Mr. DOWNING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

HOMEBUYERS PRIVACY PROTECTION ACT

Mr. ROSE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2808) to amend the Fair Credit Reporting Act to prevent consumer reporting agencies from furnishing consumer reports under certain circumstances, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2808

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

SEC. 1. SHORT TITLE.

This Act may be cited as the "Homebuyers Privacy Protection Act".

SEC. 2. TREATMENT OF PRESCREENING REPORT REQUESTS.

(a) IN GENERAL.—Section 604(c) of the Fair Credit Reporting Act (15 U.S.C. 1681b(c)) is amended by adding at the end the following:

"(4) TREATMENT OF PRESCREENING REPORT REQUESTS.—

"(A) DEFINITIONS.—In this paragraph:

"(i) CREDIT UNION.—The term 'credit union' means a Federal credit union or a State credit union, as those terms are defined, respectively, in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

"(ii) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)).

"(iii) RESIDENTIAL MORTGAGE LOAN.—The term 'residential mortgage loan' has the meaning given the term in section 1503 of the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5102).

"(iv) SERVICER.—The term 'servicer' has the meaning given the term in section 6(i) of the

Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605(i)).

"(B) LIMITATION.—If a person requests a consumer report from a consumer reporting agency in connection with a credit transaction involving a residential mortgage loan, that agency may not, based in whole or in part on that request, furnish a consumer report to another person under this subsection unless—

"(i) the transaction consists of a firm offer of credit or insurance; and

"(ii) that other person—

"(I) has submitted documentation to that agency certifying that such other person has, pursuant to paragraph (1)(A), the authorization of the consumer to whom the consumer report relates; or

"(II)(aa) has originated a current residential mortgage loan of the consumer to whom the consumer report relates;

"(bb) is the servicer of a current residential mortgage loan of the consumer to whom the consumer report relates; or

"(cc)(AA) is an insured depository institution or credit union; and

"(BB) holds a current account for the consumer to whom the consumer report relates.".

SEC. 3. EFFECTIVE DATE.

This Act, and the amendments made by this Act, shall take effect on the date that is 180 days after the date of enactment of this Act.

SEC. 4. GAO STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall carry out a study on the value of trigger leads received by text message that includes input from State regulatory agencies, mortgage lenders, depository institutions (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), consumer reporting agencies (as defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)), and consumers.

(b) REPORT.—Not later than the end of the 12-month period beginning on the date of enactment of this Act, the Comptroller General shall submit to Congress a report containing any findings and determinations made in the study required by subsection (a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee (Mr. ROSE) and the gentleman from California (Mr. SHERMAN) each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee.

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, before I get to the specifics of this bill, I extend my heartfelt gratitude to Congressman RITCHIE TORRES who has been an outstanding co-lead and steadfast advocate for the Homebuyers Privacy Protection Act.

This has been a long journey leading up to today's vote, and I thank Representative TORRES for his unyielding desire to put a stop to the scourge of abusive mortgage trigger leads.

Mr. Speaker, H.R. 2808, the Homebuyers Privacy Protection Act will literally impact each and every consumer that applies for a mortgage in this country.

Currently, credit bureaus are notified when a consumer applies for mortgage financing. That information, which is referred to as a trigger lead, is then often sold by the credit bureaus to data brokers and other lenders without the consumer's knowledge or approval. Consumers are then often bombarded with hundreds of unwanted solicitations.

The Homebuyers Privacy Protection Act would dramatically reduce the number of unwanted calls and messages that millions endure during the home-buying process.

□ 1745

The bill prohibits a consumer reporting agency from furnishing a trigger lead to a third party unless the consumer has opted in. The third party must be a federally insured depository institution, a federally insured credit union, or an originator or servicer of a consumer's existing mortgage. Agencies can also furnish a trigger lead if a consumer has a preexisting relationship with a covered entity.

Over the years, I have heard from individuals from all walks of life about their deep-seated frustrations when it comes to being inundated by abusive mortgage credit trigger leads. Being contacted dozens to hundreds of times a day after applying for a mortgage is simply unacceptable. Many abusive trigger leads occur at nearly all hours of the day and night. This is especially true if the trigger lead user resides in a different time zone than the individual that they are contacting.

It is also important to note that many of these merciless trigger leads come from unscrupulous companies that misrepresent the important fact that they are not affiliated with the mortgage company the individual initially applied with.

Another important factor to consider is that when consumers get flooded with trigger leads, they often blame their mortgage originator, despite that mortgage originator having no role in selling their information.

Just this weekend, my own sister-in-law, who applied for a mortgage last week, was inundated with literally hundreds of these contacts, so this is very personal to me and my family.

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

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

I rise in support of H.R. 2808, the Homebuyers Privacy Protection Act, and I commend Representatives ROSE and TORRES for introducing it. I thank the sponsors for their good work on this bipartisan bill, and I appreciate that the House is taking action to improve data privacy, in this case with respect to the mortgage market.

First, let's discuss, as I think the gentleman has, what a trigger lead is. You go to a particular lender or mortgage broker, and you apply for a mortgage. You want to deal with that mortgage broker or that financial institution. If you wanted to deal with others,