

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

Mr. Speaker, given the human rights violations committed by the Burmese leadership, we must ensure that no new funds are disbursed to the government. In line with longstanding U.S. policy, America should urge multilateral institutions like the World Bank to avoid rewarding those who breach international laws and the norms that they should be respecting.

Mr. Speaker, I again urge my colleagues to support this bill, and I yield back the balance of my time.

Mr. DAVIDSON. Mr. Speaker, for the reasons I explained earlier, I urge all of our colleagues to support this bill.

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

The SPEAKER pro tempore (Mr. GOLDMAN of Texas). The question is on the motion offered by the gentleman from Ohio (Mr. DAVIDSON) that the House suspend the rules and pass the bill, H.R. 4423, 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. DAVIDSON. 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.

SYSTEMIC RISK AUTHORITY TRANSPARENCY ACT

Mr. DAVIDSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3716) to amend the Federal Deposit Insurance Act to require reports on the use of the systemic risk authority applicable to winding up a failed insured depository institution, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3716

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 "Systemic Risk Authority Transparency Act".

SEC. 2. BANK FAILURE TRANSPARENCY RELATED TO SYSTEMIC RISK EXCEPTION.

(a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(iv)) is amended to read as follows:

“(iv) GAO REVIEW.—

“(I) IN GENERAL.—The Comptroller General of the United States shall, not later than 60 days after a determination is made under clause (i), and again 180 days thereafter, review and report to the Congress on the determination under clause (i), including—

“(aa) the basis for the determination;

“(bb) the purpose for which any action was taken pursuant to such clause;

“(cc) the likely effect of the determination and such action on the incentives and conduct of insured depository institutions and uninsured depositors;

“(dd) any mismanagement by the executives and board of the insured depository institution that contributed to the failure of the insured depository institution;

“(ee) a review of the compensation practices of the insured depository institution;

“(ff) any supervisory or regulatory shortcomings with respect to the appropriate Federal banking agency of the insured depository institution;

“(gg) any actions taken by the Federal banking regulators, Financial Stability Oversight Council, Department of the Treasury, and other relevant financial regulators in relation to the failure of the insured depository institution; and

“(hh) any additional relevant entities or activities that may have contributed to the failure of the insured depository institution, including with respect to auditing, accounting, credit rating agencies, investment bank underwriters, and emergency liquidity options such as loans from the Federal reserve banks or advances through the Federal Home Loan Bank system.

“(II) RULE OF CONSTRUCTION.—Nothing in this clause or a report issued pursuant to this clause may be construed to limit the authority of a Federal agency to enforce violations of Federal statutes, rules, or orders.”.

(b) APPROPRIATE FEDERAL BANKING AGENCY REPORT.—Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended by adding at the end the following:

“(12) APPROPRIATE FEDERAL BANKING AGENCY REPORT.—

“(A) IN GENERAL.—The appropriate Federal banking agency of an insured depository institution about which a determination is made under paragraph (4)(G)(i) shall, not later than 90 days after the date of such determination, and again 210 days thereafter, submit a report to the Congress that discloses the following:

“(i) Subject to such redactions as the appropriate Federal banking agency determines appropriate of personally identifiable information about customers and other financial institutions (as such term is defined under section 11(e)(9)(D)), all—

“(I) reports of examination and inspection that relate to the failed insured depository institution in the previous 3-year period;

“(II) formal communications of a material supervisory determination conveyed to the failed insured depository institution in the previous 3-year period; and

“(III) any additional exam reports and correspondence that the appropriate Federal banking agency determines may be relevant to the failure of the insured depository institution.

“(ii) An examination of any mismanagement by the executives and board of the insured depository institution that contributed to the failure of the insured depository institution.

“(iii) Any supervisory or regulatory shortcomings by such appropriate Federal banking agency with respect to the insured depository institution.

“(iv) Any dynamics that the appropriate Federal banking agency determines may have contributed to the failure of the insured depository institution.

“(v) Any supervisory, regulatory, or legislative recommendations such appropriate Federal banking agency may have to improve the safety and soundness of similarly situated insured depository institutions, the banking system, and financial stability.

“(B) PROTECTION OF SENSITIVE INFORMATION.—

“(i) EFFECT ON PRIVILEGE.—The provision of any information by a Federal banking agency under this paragraph may not be construed as—

“(I) waiving, destroying, or otherwise affecting any privilege applicable to the information; or

“(II) waiving any exemption applicable to the information under section 552 of title 5, United States Code (commonly known as the ‘Freedom of Information Act’).

“(ii) TRANSPARENCY.—

“(I) IN GENERAL.—A Federal banking agency shall publish materials contained in a report required under subparagraph (A) to the fullest extent possible to promote transparency.

“(II) CONSULTATION ON OMITTING MATERIALS.—If a Federal banking agency determines particular materials described under subclause (I) should not be published, the Federal banking agency shall consult with the chair and ranking member of the Committee on Financial Services of the House of Representatives and the chair and ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

“(III) OMITTING MATERIALS.—If, after the consultation required under subclause (II), the Federal banking agency determines there is a substantial public interest in not publishing such materials, the Federal banking agency shall provide those materials to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with a written explanation describing the reasons for not publishing those materials.

“(iii) PRIVILEGE.—For purposes of this subparagraph, the term ‘privilege’ includes any work-product, attorney-client, or other privilege recognized under Federal or State law.

“(C) REPORT EXTENSION.—A Federal banking agency may extend a deadline described under subparagraph (A) for an additional 60 days, if the Federal banking agency—

“(i) faces ongoing circumstances that require the Federal banking agency to prioritize activities to promote stability of the U.S. banking system; and

“(ii) notifies the Congress of such extension and the reasons for such extension.

“(D) CONSOLIDATED REPORTS.—A Federal banking agency may consolidate multiple reports required under this paragraph so long as the individual reports being consolidated all meet the timing requirements under this paragraph.

“(E) RULE OF CONSTRUCTION.—Nothing in this paragraph or reports or materials provided pursuant to this paragraph may be construed to limit the authority of a Federal agency to enforce violations of Federal statutes, rules, or orders.”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. DAVIDSON) and the gentleman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

GENERAL LEAVE

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

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 3716, the Systemic Risk Authority Transparency Act.

Mr. Speaker, I thank the gentleman from Texas (Mr. GREEN) for offering this bill. I am pleased to note that this legislation earned unanimous support of the House Financial Services Committee in June, passing 51–0. I thank Mr. GREEN for offering this bill.

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

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GREEN). He is also the ranking member of the Subcommittee on Oversight and Investigations.

Mr. GREEN of Texas. Mr. Speaker, and still I rise.

Mr. Speaker, I thank Chairman HILL; the gentleman from Ohio (Mr. DAVIDSON); and the ranking member for allowing me to carry and present the Systemic Risk Authority Transparency Act.

Mr. Speaker, following the failures of Silicon Valley Bank and Signature Bank in 2023, the Federal Deposit Insurance Corporation invoked the systemic risk exception to guarantee uninsured deposits at those banks. Before 2023, the systemic risk exception was invoked but five times, all occurring between September 2008 and March 2009.

Mr. Speaker, it is important to note at this point the importance of the knowledge of what has occurred in Congress. We call it institutional knowledge. Institutional knowledge is important because this legislation gives us the opportunity to explain why institutional knowledge can make a difference.

Because the Honorable MAXINE WATERS was present in 2008 and saw what occurred when banks were afraid to lend to each other, she was able to give the necessary input when we had the Silicon Valley and Signature Bank failures. She was able to give the necessary input to prevent a further run on banks in this country. Institutional knowledge should never be undervalued. We must maintain and keep our institutional knowledge.

To prevent further panic in the financial system following the collapse of Silicon Valley Bank and Signature Bank, the FDIC chose not to follow the typical resolution process for failed banks, in which a failed bank is immediately sold to a competitor.

□ 1810

The Systemic Risk Authority Transparency Act would continue this practice, requiring that for any use of a systemic risk exception, the Government Accountability Office would have to produce the same post-failure report within 60 days of invocation of a systemic risk exception and a more comprehensive report in 180 days.

We deserve transparency—we, the Members of Congress—but the people in this country deserve transparency also. It is this transparency that helps people to have the confidence in the system necessary to prevent runs on banks.

Again, I would want people to understand that institutional knowledge is a supreme exemplar of what can occur when we have these circumstances that require bold action, but you can't have bold action, Mr. Speaker, without bold people. I thank the ranking member for her bold action.

Ms. WATERS. Mr. Speaker, I have no further speakers, and I yield myself the balance of my time.

Mr. Speaker, I thank my friend and colleague, Ranking Member GREEN, for his good work on this bill.

H.R. 3716 will ensure that if we have another banking emergency, as we did

2 years ago with several regional banks, and regulators respond by using systemic risk tools, that Congress and the American people promptly receive detailed information from GAO and others on what went wrong and what should be done to promptly fix it.

This bill is supported by Americans for Financial Reform and Public Citizen.

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

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

Mr. Speaker, I include in the RECORD the CBO cost estimate for this bill.

H.R. 3716, SYSTEMIC RISK AUTHORITY TRANSPARENCY ACT, AS REPORTED BY THE HOUSE COMMITTEE ON FINANCIAL SERVICES ON JULY 15, 2025

	By fiscal year, millions of dollars—		
	2025	2025–2030	2025–2035
Direct Spending (Outlays)	0	*	*
Revenues	0	*	*
Increase or Decrease (–) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	0	*	*

* = between –\$500,000 and \$500,000.

Increases net direct spending in any of the four consecutive 10-year periods beginning in 2036? *

Increases on-budget deficits on any of the four consecutive 10-year periods beginning in 2036? *

Statutory pay-as-you-go procedures apply? Yes

Mandate Effects:
Contains intergovernmental mandate? No
Contains private-sector mandate? Yes,
Under Threshold

H.R. 3716 would require several federal agencies to report to the Congress if federal banking regulators invoke an emergency determination known as the systemic risk exception. Systemic risk is the possibility that the failure of a financial business, market, or product could trigger severe financial instability in the economy. The bill would require the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve, the Government Accountability Office (GAO), and the Office of the Comptroller of the Currency (OCC) to submit information about bank supervision, regulation, management, and recommendations to improve the safety and soundness of the industry.

Enacting H.R. 3716 would increase administrative costs for those agencies to meet the additional reporting requirements. CBO estimates that the total cost across all four agencies would be less than \$500,000 over the 2025–2035 period. The budgetary treatment for those four agencies is described below:

The operating costs for the FDIC and the OCC are classified as direct spending. The OCC collects fees from financial institutions to offset its operating costs; those fees are recorded as offsetting receipts, that is, as reductions in direct spending. CBO estimates that enacting the bill would, on net, increase direct spending by less than \$500,000 over the 2025–2035 period.

Costs incurred by the Federal Reserve reduce remittances to the Treasury, which are recorded in the budget as revenues. CBO estimates that enacting H.R. 3716 would decrease revenues by less than \$500,000 over the 2025–2035 period.

GAO's funding is provided in annual appropriation acts. CBO estimates that imple-

menting the bill would cost less than \$500,000 over the 2025–2030 period; any related spending would be subject to the availability of appropriated funds.

If federal financial regulators increase annual fees to offset the costs of implementing the bill, H.R. 3716 would increase the costs of an existing private-sector mandate on entities required to pay those fees. CBO estimates that the incremental cost of the mandate would be small and would fall well below the annual threshold established in the Unfunded Mandates Reform Act (UMRA) for private-sector mandates (\$206 million in 2025, adjusted annually for inflation).

The bill contains no intergovernmental mandates as defined in UMRA.

The CBO staff contacts for this estimate are Julia Aman (for federal costs), Nate Frentz (for revenues), and Rachel Austin (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

MARK P. HADLEY
(For Phillip L. Swagel, Director,
Congressional Budget Office).

Legislation Considered Under Suspension of the Rules

The Majority Leader of the House of Representatives announces bills that will be considered under suspension of the rules in that chamber. Under suspension, floor debate is limited, all floor amendments are prohibited, points of order against the bill are waived, and final passage requires a two-thirds majority vote.

At the request of the Majority Leader and the House Committee on the Budget, CBO estimates the effects of those bills on direct spending and revenues. CBO has limited time to review the legislation before consideration. Although it is possible in most cases to determine whether the legislation would affect direct spending or revenues, time may be insufficient to estimate the magnitude of those effects. If CBO has prepared estimates for similar or identical legislation, a more detailed assessment of budgetary effects, including effects on spending subject to appropriation, may be included.

Mr. DAVIDSON. For the reasons I explained earlier, Mr. Speaker, I urge all of 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 Ohio (Mr. DAVIDSON) that the House suspend the rules and pass the bill, H.R. 3716, 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.

DEVELOPING AND EMPOWERING OUR ASPIRING LEADERS ACT OF 2025

Mr. DAVIDSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4429) to require the Securities and Exchange Commission to revise the definition of a qualifying investment, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, to include an equity security issued by a qualifying portfolio company and to include an investment in another venture capital fund, and for other purposes, as amended.