

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.

The Clerk read the title of the bill.
The text of the bill is as follows:

H.R. 4429

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 “Developing and Empowering our Aspiring Leaders Act of 2025”.

SEC. 2. DEFINITIONS.

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, the Securities and Exchange Commission shall—

(1) revise the definition of a qualifying investment under paragraph (c) of section 275.203(l)-1 of title 17, Code of Federal Regulations—

(A) to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition; and

(B) to specify that an investment in another venture capital fund (as defined in paragraph (a) section 275.203(l)-1 of title 17, Code of Federal Regulations) is a qualifying investment under such definition; and

(2) revise paragraph (a) of such section to require, as a condition of a private fund qualifying as a venture capital fund under such paragraph, that, immediately after the acquisition of any asset, such fund holds no more than 49 percent of the amount of the fund’s aggregate capital contributions and uncalled committed capital (excluding short-term holdings) in—

(A) one or more venture capital funds; or

(B) qualifying investments acquired in a secondary acquisition, valued at cost or fair value, consistently applied by the fund.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. DAVIDSON) and the gentlewoman 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 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 5 minutes to gentlewoman from Missouri (Mrs. WAGNER).

Mrs. WAGNER. Mr. Speaker, I thank my friend from Ohio for yielding.

Mr. Speaker, I am proud to sponsor H.R. 4429, the Developing and Empowering our Aspiring Leaders, or DEAL, Act.

This bill, which passed with almost unanimous support out of the Financial Services Committee, seeks to ensure the United States remains the most entrepreneurial country in the world, where the next great companies are founded and funded.

It is often said that small businesses are the engine of the American economy, and that is an absolute truth. Small businesses make up 99 percent of U.S. employers, and they are the driving force behind the creation of a majority of new jobs.

The entrepreneurs leading these companies are building something new, taking real risks, and driving growth in communities across the Nation, but too often, they can’t get a fair shot at investment.

Right now, our capital markets suffer from an extreme geographic imbalance. The data is stark. Nearly 70 percent of venture capital flows to three States, Mr. Speaker: California, New York, and Massachusetts.

This leaves entire regions of the country struggling to access funding. It leaves communities in the Midwest and the South without the capital they need to build and scale businesses. Access to capital is not just a coastal issue. It is a national economic necessity.

This capital divide is why the DEAL Act is so critically important. This bill is a targeted, forward-looking effort to modernize outdated rules and channel investment to where it is needed most.

The DEAL Act fundamentally strengthens the ability of capital to reach more founders and more communities. It achieves this by allowing larger venture funds to invest directly in smaller, regional funds, a fund-of-funds investment.

This mechanism is a game changer, Mr. Speaker. It means more funding for startups, more opportunities for businesses that might otherwise be overlooked, and more innovation happening everywhere, not just in a handful of elite ZIP Codes.

Newer, regional venture funds are often best positioned to back the entrepreneurs who are building businesses on Main Street. The DEAL Act ensures that these funds can expand that important work, giving them the flexibility to partner with larger institutions to reach a wider base of early-stage companies.

H.R. 4429 ensures our policies are helping capital move efficiently and effectively, empowering those taking risks to build something new, and helping good ideas grow into great companies.

I thank Chairman HILL for his support, and also I thank Congressman CASTEN for joining me and co-leading this commonsense and bipartisan piece of legislation.

Ms. WATERS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CASTEN), who is also the vice ranking member of the Committee on Financial Services.

Mr. CASTEN. Mr. Speaker, I also rise in support of H.R. 4429, the Developing and Empowering our Aspiring Leaders Act, or DEAL Act, which is a critical bill to support innovation, entrepreneurship, and capital formation.

The venture capital industry provides vital funding for early-stage startups at points in their life cycle when they are generally deemed to be too risky for traditional bank financing or for raising money on the public market. This basically means that if we are going to have a growing and in-

novative economy, then we have to have a healthy venture capital sector.

Historically, venture capital earns investor returns and frees up more capital to recycle in other companies by selling their mature portfolio companies to strategic investors or taking them public on public markets.

For a variety of reasons, including public company reporting obligations, economic uncertainty, and the rise of private equity, U.S. companies today are staying private much longer, which has reduced the opportunities for venture capital firms to recycle their investment dollars.

Some venture capital firms have sought to create new liquidity options through secondary acquisitions and investments in other VC funds. This is what Congresswoman WAGNER was referring to, but that option right now is constrained by provisions in the Dodd-Frank Act of 2010 that limit venture capital funds’ ability to invest in these so-called fund of funds to only 20 percent of their commitments.

That rule was very well-intentioned when passed, and the intent was to ensure that VC firms remained focused on direct investments in early-stage startups. However, it was crafted for a very different financial market than we have today.

I would also note that that constraint is irrelevant to the larger, more well-known VC funds who have the resources to shoulder the compliance burdens associated with registering with the SEC as registered investment advisers. They can already do this, but they are the big ones. They are the ones based in San Francisco and New York. That option isn’t available for these emerging regional fund managers located in the middle of the country. Many of those funds increasingly depend on that fund-of-funds model.

What the DEAL Act does is just provides greater flexibility to those smaller VC funds while still ensuring that investors are protected and that fund managers continue to prioritize direct funding in small businesses. It does this by revising the existing rules to raise the cap from 20 percent in fund of funds up to 49 percent but still requiring that the majority of their investments are directly in portfolio companies.

In other words, the DEAL Act supports growth in the startup economy and ensures that capital reaches the communities and innovators who need it most.

I thank my fellow Midwesterner and friend, Congresswoman WAGNER, for her leadership on this. I am proud to lead this important legislation, and I urge all my colleagues to support it.

□ 1820

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

Our economy is struggling. People cannot afford groceries and gas. Every day, it seems more and more people are getting laid off. The American Dream is increasingly out of reach.

A core engine of our economy has always been the entrepreneurs who take the risk of starting their own company. By implementing key changes to the legal definition of a venture capital fund, H.R. 4429 will make it easier for capital to flow into American small businesses.

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

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

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.

EFFECTS ON DIRECT SPENDING AND REVENUES OF LEGISLATION CONSIDERED UNDER SUSPENSION OF THE RULES IN THE HOUSE OF REPRESENTATIVES WEEK OF DECEMBER 1, 2025

Bill number	Title	Effect on direct spending	Effect on revenues	Additional information on direct spending and revenue effects
H.R. 176	No Immigration Benefits for Hamas Terrorists Act of 2025, as amended.	Reduce by Less Than \$500K.	None	
H.R. 225	HUD Transparency Act, as amended	None	None	
H.R. 1262	Mikaela Naylor Give Kids a Chance Act, as amended	Increase by at Least \$500K.	Increase by at Least \$500K.	Section 3 would increase revenues by an insignificant amount. Section 10 would reduce direct spending and increase revenues for a net \$1.219 billion reduction in the deficit. Section 11 would appropriate \$1.219 billion to the Medicare Improvement Fund. On net, the bill would reduce the deficit by an insignificant amount over the 2026–2035 period.
H.R. 2066	Investing in All of America Act of 2025, as amended	None	None	
H.R. 2159	Count the Crimes to Cut Act, as amended	Increase by Less Than \$500K.	None	Includes insignificant costs for Postal Service Fund, which are classified as off-budget direct spending.
H.R. 3174	Made in America Manufacturing Finance Act, as amended.	None	None	
H.R. 3716	Systemic Risk Authority Transparency Act	Increase by Less Than \$500K.	Reduce by Less Than \$500K.	
H.R. 4313	Hospital Inpatient Services Modernization Act, as amended.	Change by Less Than \$500K, Direction Unknown.	None	
H.R. 4323	Trafficking Survivors Relief Act, as amended	None	None	
H.R. 4423	No New Burma Funds Act, as amended	None	None	
H.R. 4429	Developing and Empowering our Aspiring Leaders Act of 2025, as amended.	None	None	
H.R. 4430	Expanding WKSI Eligibility Act, as amended	None	None	
H.R. 4431	Improving Capital Allocation for Newcomers Act of 2025, as amended.	None	None	
H.R. 4491	SBA IT Modernization Reporting Act	None	None	
H.R. 4495	SBA Fraud Enforcement Extension Act	Reduce by at Least \$500K	Increase by Less Than \$500K.	
H.R. 4549	Office of Rural Affairs Enhancement Act	None	None	
H.R. 5284	Claiming Age Clarity Act, as amended	None	None	
H.R. 5345	Improving Social Security's Service to Victims of Identity Theft Act, as amended.	None	None	
H.R. 5346	Fair and Accountable IRS Reviews Act, as amended	None	Increase by at Least \$500K.	Would increase revenues by \$117 million over 2026–2036.
H.R. 5348	Social Security Child Protection Act of 2025, as amended.	None	None	
H.R. 5349	Tax Court Improvement Act, as amended	None	Increase by at Least \$500K.	Would increase revenues by \$6 million over 2026–2036.
S. 616	Foundation of the Federal Bar Association Charter Amendments Act of 2025.	None	None	

Source: Congressional Budget Office; Joint Committee on Taxation

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

For reasons I explained earlier, 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. 4429, 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.

IMPROVING CAPITAL ALLOCATION FOR NEWCOMERS ACT OF 2025

Mr. DAVIDSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4431) to amend the Investment Company Act of 1940 with respect to the definition of qualifying venture

capital funds, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4431

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 “Improving Capital Allocation for Newcomers Act of 2025”.

SEC. 2. QUALIFYING VENTURE CAPITAL FUNDS.

Section 3(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking “250 persons” and inserting “500 persons”; and

(2) in subparagraph (C)(i)—

(A) by striking “\$10,000,000” and inserting “\$50,000,000”; and

(B) by striking “beginning from a measurement made by the Commission on a date selected by the Commission” and inserting “beginning from a measurement made on the date of the enactment of the Improving Capital Allocation for Newcomers Act of 2025”.

SEC. 3. STUDY AND RULEMAKING.

(a) STUDY REQUIRED.—

(1) IN GENERAL.—Beginning 5 years after the date of enactment of this Act, the Advocate for Small Business Capital Formation, in consultation with the Investor Advocate, shall conduct a study on the effect of the amendments made by section 2 on the businesses and startup entities in which qualifying venture capital funds invest, specifically including, with respect to such businesses and startup entities, changes or trends relating to—

(A) the geographic distribution of capital to portfolio companies;

(B) the socio-economic characteristics of founders or controlling persons;

(C) the veteran status of founders or controlling persons;

(D) the industry sector, size, stage of development, and related details; and

(E) other factors or metrics determined by the Advocate for Small Business Capital Formation.

(2) AUTHORITIES RELATED TO REQUIRED STUDY.—For purposes of conducting the study required by paragraph (1), the Advocate for Small Business Capital Formation and the Investor Advocate shall have authority to—

(A) obtain from the Securities and Exchange Commission (in this section referred to as the “Commission”) and utilize any