

## **TITLE I IMPROVING CONSUMER ACCESS TO MORTGAGE CREDIT**

### **Section 101. Minimum Standards for Residential Mortgage Loans.**

This section provides that certain mortgage loans that are originated and retained in portfolio by an insured depository institution or an insured credit union with less than \$10 billion in total consolidated assets will be deemed qualified mortgages under the Truth in Lending Act (TILA), while maintaining consumer protections.

### **Section 102. Safeguarding Access to Habitat for Humanity Homes.**

This section provides that appraisal services donated voluntarily by a fee appraiser to an organization eligible to receive tax-deductible charitable contributions will be considered “customary and reasonable” under TILA.

### **Section 103. Access to Affordable Mortgages.**

This section provides a tailored exemption from appraisal requirements under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 for certain mortgage loans located in rural areas with a transaction value of less than \$400,000 if the originator is unable to find a state-certified or state-licensed appraiser under certain conditions.

### **Section 104. Home Mortgage Disclosure Act Adjustment and Study.**

This section provides regulatory relief to small depository institutions that have originated less than 500 closed-end mortgage loans or less than 500 open-end lines of credit in each of the two preceding calendar years by exempting them from certain disclosure requirements under the Home Mortgage Disclosure Act. An institution does not receive the exemption if it received a rating of “needs to improve” in each of its last two examinations or “substantial noncompliance” in its most recent examination under the Community Reinvestment Act. It also directs the Comptroller General to conduct a study examining the impact on the amount of data available.

### **Section 105. Credit Union Residential Loans.**

This section provides that a 1- to 4-family dwelling that is not the primary residence of a member will not be considered a member business loan under the Federal Credit Union Act.

### **Section 106. Eliminating Barriers to Jobs for Loan Originators.**

This section provides that an individual will be deemed to have temporary authority to act as a loan originator for 120 days under the S.A.F.E. Mortgage Licensing Act of 2008 if such person is (1) a registered loan originator who becomes employed by a state-licensed mortgage company or (2) a state-licensed loan originator who becomes employed by a state-licensed mortgage company in a different state. It also extends civil liability protection to government officials who make good faith errors related to the collection, furnishing, or dissemination of information with respect to people registered with the Nationwide Mortgage Licensing System and Registry.

### **Section 107. Protecting Access to Manufactured Homes.**

This section amends TILA to exclude from the definition of “mortgage originator” an employee of a retailer of manufactured or modular homes who does not receive compensation or gain for taking residential mortgage loan applications, while maintaining consumer protections.

**Section 108. Escrow Requirements Relating to Certain Consumer Credit Transactions.**

This section provides an exemption from escrow requirements under TILA for certain loans made by an insured depository institution or an insured credit union with less than \$10 billion in total consolidated assets.

**Section 109. No Wait for Lower Mortgage Rates.**

This section (1) removes the three-day wait period required for the combined TILA/RESPA mortgage disclosure if a creditor extends to a consumer a second offer of credit with a lower annual percentage rate, and (2) expresses the sense of Congress that the CFPB should endeavor to provide clearer, authoritative guidance with respect to certain issues.

**TITLE II REGULATORY RELIEF AND PROTECTING CONSUMER ACCESS TO CREDIT**

**Section 201. Capital Simplification for Qualifying Community Banks.**

This section requires that the Federal banking agencies establish a community bank leverage ratio of tangible equity to average total consolidated assets of not less than eight percent and not more than 10 percent. Banks with less than \$10 billion in total consolidated assets who maintain tangible equity in an amount that exceeds the community bank leverage ratio will be deemed to be in compliance with capital and leverage requirements.

**Section 202. Limited Exception for Reciprocal Deposits.**

This section provides that certain reciprocal deposits will not be considered to be funds obtained, directly or indirectly, by or through a deposit broker under the Federal Deposit Insurance Act.

**Section 203. Community Bank Relief.**

This section provides that banking entities will be exempt from Section 13 of the Bank Holding Company Act if they have (1) less than \$10 billion in total consolidated assets, and (2) total trading assets and trading liabilities that are not more than five percent of total consolidated assets.

**Section 204. Removing Naming Restrictions.**

This section permits certain funds to share the same name or variation of the same name as their bank-affiliated investment adviser.

**Section 205. Short Form Call Reports.**

This section requires the Federal banking agencies to reduce reporting requirements for depository institutions with less than \$5 billion in total consolidated assets that satisfy other criteria the Federal banking agencies deem appropriate.

**Section 206. Option for Federal Savings Associations to Operate as Covered Savings Associations.**

This section permits Federal savings associations with less than \$20 billion in total consolidated assets to elect to operate with the same powers and duties as national banks without being required to convert their charters.

**Section 207. Small Bank Holding Company Policy Statement.**

This section raises the consolidated asset threshold of the Federal Reserve’s Small Bank Holding Company Policy Statement from \$1 billion to \$3 billion.

**Section 208. Application of the Expedited Funds Availability Act.**

This section applies the Expedited Funds Availability Act, which governs bank deposit holds, to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam.

**Section 209. Small Public Housing Agencies.**

This section streamlines certain requirements for small public housing agencies operating in rural areas, facilitates consolidated reporting by public housing agencies electing to operate in consortia, and facilitates the voluntary use of shared waiting lists by multiple public housing agencies.

**Section 210. Examination Cycle.**

This section raises the consolidated asset threshold from \$1 billion to \$3 billion for well managed and well capitalized banks to qualify for an 18-month examination cycle.

**Section 211. International Insurance Capital Standards Accountability.**

This section establishes an insurance advisory committee at the Federal Reserve Board; requires annual reports and testimony on global insurance regulatory and supervisory forum discussions, including how any proposals would affect U.S. consumers and insurance markets, through December 31, 2024; and requires the Treasury Secretary, Federal Reserve Board Chairman and Federal Insurance Office Director to issue a joint report on how any final international insurance capital standards would impact consumers and U.S. markets prior to agreeing to such standards.

**Section 212. Budget Transparency for the NCUA.**

This section requires the National Credit Union Association to publish and hold a hearing on a draft budget prior to submitting the budget.

**Section 213. Making Online Banking Initiation Legal and Easy.**

This section permits an insured depository institution or insured credit union to record personal information from, and make a copy of, a driver’s license or personal identification card for purposes of opening an account or obtaining a financial product or service through an online service.

**Section 214. Promoting Construction and Development on Main Street.**

This section requires that certain credit facilities that finance the acquisition, development, and construction of real property that meet certain criteria shall not be subject to a heightened risk weighting under risk-based capital rules.

**Section 215. Reducing Identity Fraud.**

This section directs the Social Security Administration (SSA) to accept electronic signatures as consumer consent for financial institutions trying to verify customer identity and root out synthetic identity fraud.

**Section 216. Treasury Report on Risks of Cyber Threats.**

This section requires the Treasury Department to submit a report to Congress on the risks of cyber threats to financial institutions and the U.S. capital markets.

**Section 217. Discretionary Surplus Funds.**

This section amends the Federal Reserve Act to decrease the aggregate amount of discretionary surplus funds that may be held at Federal Reserve banks.

**TITLE III PROTECTIONS FOR VETERANS, CONSUMERS, AND HOMEOWNERS****Section 301. Protecting Consumers' Credit.**

This section provides that credit bureaus will be required to include in the file of a consumer fraud alerts for at least a year under certain circumstances and provide a consumer unlimited free security freezes and removals of security freezes. When a security freeze is placed, the consumer will be notified of the right to opt out of personal information being sent to others for marketing purposes. The section preempts a patchwork of state laws to provide specific timelines for placing and removing security freezes, including a requirement that electronic or telephonic requests to remove a security freeze must be fulfilled within one hour of receiving the request. The section requires the Federal Trade Commission to set up a central webpage with links to the webpage at each credit bureau where a consumer may request a security freeze, a fraud alert, or opt out of personal information being sent to others for marketing purposes. The section also provides further protections for minors and individuals who are incapacitated.

**Section 302. Protecting Veterans' Credit.**

This section amends the Fair Credit Reporting Act to exclude from consumer report information: (1) certain medical debt incurred by a veteran if the hospital care or medical services relating to the debt predates the credit report by less than one year; and (2) a fully paid or settled veteran's medical debt that had been characterized as delinquent, charged off, or in collection. It also establishes a dispute process for consumer reporting agencies with respect to such veterans' medical debt, and requires the Department of Veterans Affairs to establish a database for purposes of verifying medical debt. This section provides free credit monitoring for active duty military consumers and requires the FTC to promulgate a rule setting forth what such credit monitoring shall entail.

**Section 303. Aiding Senior Protection.**

This section extends protections to certain individuals who, in good faith and with reasonable care, disclose the suspected exploitation of a senior citizen to a regulatory or law-enforcement agency.

**Section 304. Restoration of the Protecting Tenants at Foreclosure Act of 2009.**

This section permanently restores the Protecting Tenants at Foreclosure Act, which was repealed as a result of a sunset provision that took effect on December 31, 2014.

**Section 305. Remediating Lead and Asbestos Hazards.**

This section authorizes the Department of Treasury to use loan guarantees and credit enhancements as part of the Hardest Hit Fund to remediate lead and asbestos hazards in

residential properties.

**Section 306. Family Self-Sufficiency Program.**

This section streamlines administration of the Department of Housing and Urban Development’s Family Self-Sufficiency Program (FSS) by allowing participating public housing authorities to combine their public housing and Housing Choice Voucher FSS accounts, broadening the services that can be provided to FSS participants, and extending the program to tenants who live in privately-owned properties backed by project-based rental assistance.

**Section 307. Property Assessed Clean Energy Financing.**

This section applies consumer protections to real property retrofit loans.

**Section 308. GAO Report on Consumer Reporting Agencies.**

This section requires the GAO to study various aspects of the consumer reporting industry.

**Section 309. Protecting Veterans from Predatory Lending.**

This section requires lenders to demonstrate a material benefit to consumers when refinancing a mortgage insured by the Department of Veterans Affairs.

**Section 310. Credit Score Competition.**

This section requires Fannie Mae and Freddie Mac to each establish a process for validating and approving credit score models, and requires FHFA to establish standards and criteria for such processes.

**Section 311. GAO Report on Puerto Rico Foreclosures.**

This section requires the GAO to report on Puerto Rico foreclosures, delinquencies, homeownership and other topics before and after Hurricane Maria.

**Section 312. Report on Children’s Lead-Based Paint Hazard Prevention and Abatement.**

This section requires HUD to report on its policies and enforcement relating to lead-based paint hazard prevention and abatement, including recommendations and best practices.

**Section 313. Foreclosure Relief and Extension for Servicemembers.**

This section makes permanent certain protections for servicemembers under the Servicemembers Civil Relief Act, including extending to one year the amount of time after a servicemember’s military service ends that a foreclosure is not valid, subject to certain exceptions.

**TITLE IV TAILORING REGULATIONS FOR CERTAIN BANK HOLDING COMPANIES**

**Section 401 – Enhanced Prudential Standards for Certain Bank Holding Companies.**

This section raises the threshold for applying enhanced prudential standards from \$50 billion to \$250 billion. Bank holding companies with total consolidated assets between \$50 billion and \$100 billion will be exempt from enhanced prudential standards immediately, and bank holding companies with total consolidated assets between \$100 billion and \$250 billion will be exempt 18 months after the date of enactment (“effective date”). For bank holding companies with total consolidated assets between \$100 billion and \$250 billion, the Federal Reserve will (1) have the

authority to apply enhanced prudential standards after the effective date, (2) be required to conduct a periodic supervisory stress test after the effective date, and (3) have the authority to exempt firms from enhanced prudential standards prior to the effective date. This section also raises the threshold for company run stress tests from \$50 billion to \$250 billion and requires the tests be conducted periodically.

**Section 402. Supplementary Leverage Ratio for Custodial Banks.**

This section requires the Federal banking agencies to amend the supplementary leverage ratio final rule (SLR) to specify that funds of a custodial bank that are deposited with a central bank will not be taken into account when calculating the SLR, subject to limitations.

**Section 403. Treatment of Certain Municipal Obligations.**

This section directs the FDIC, the Federal Reserve, and the OCC to classify qualifying investment-grade, liquid and readily-marketable municipal securities as level 2B liquid assets under the agencies' Liquidity Coverage Ratio final rule.

**TITLE V      ENCOURAGING CAPITAL FORMATION**

**Section 501. National Securities Exchange Parity.**

This section would amend Section 18 of the Securities Act of 1933 to apply the exemption from State regulation of securities offerings to securities listed or authorized for listing on "a national securities exchange" rather than naming specific securities exchanges.

**Section 502. SEC Study on Algorithmic Trading.**

This section requires the SEC to report to Congress on the risks and benefits of algorithmic trading in the U.S. capital markets.

**Section 503. Annual Review of Government-Business Forum on Capital Formation.**

This section amends the Small Business Investment Incentive Act of 1980 with respect to the annual government-business forum of the SEC to review the current status of problems and programs relating to small business capital formation. Specifically, this section requires the SEC to review each of the forum's findings and recommendations and issue a public statement promptly assessing them and disclosing what action, if any, the SEC intends to take with respect to them.

**Section 504. Supporting America's Innovators Act.**

This section increases the limit on the number of individuals who can invest in certain venture capital funds before those funds must register as "investment companies" with the SEC. Currently, the Investment Company Act limits the number of investors in the fund to 100 for the fund to be exempt from SEC registration. This would amend this cap to allow 250 investors in a "qualified venture capital fund" to be exempt from SEC registration.

**Section 505. Securities and Exchange Commission Overpayment Credit.**

This section requires the SEC to offset future fees and assessments due from a national securities exchange or association that: (1) has previously overpaid such fees and assessments, and (2) informs the SEC of the overpayment within 10 years.

**Section 506. U.S. Territories Investor Protection.**

This section amends the Investment Company Act of 1940 to apply the Act to investment companies incorporated in U.S. territories such as Puerto Rico, the Virgin Islands, and Guam. Previously exempt companies have three years to comply.

**Section 507. Encouraging Employee Ownership.**

This section requires the SEC to increase, from \$5 million to \$10 million, the 12-month sales threshold beyond which an issuer is required to provide investors with additional disclosures related to compensatory benefit plans. This section also requires the SEC to index the sales threshold every five years based on the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics and rounded to the nearest \$1 million.

**Section 508. Improving Access to Capital.**

This section directs the SEC to expand its Regulation A+ rules to include companies that are “fully reporting” companies under the Securities Exchange Act of 1934. Regulation A+ implemented Title IV of the JOBS Act by exempting from registration certain securities offerings by smaller issuers.

**Section 509. Parity for Closed-End Companies Regarding Offering and Proxy Rules.**

A closed-end company is a publicly traded investment management company that sells a limited number of shares to investors in an initial public offering. This section directs the SEC to revise registration rules to allow a closed-end company to use offering and proxy rules currently available to other issuers of securities, thereby reducing filing requirements and restrictions on communications with investors in certain circumstances.

**TITLE VI PROTECTIONS FOR STUDENT BORROWERS****Section 601. Protections in the Event of Death or Bankruptcy.**

This section (1) prohibits private student lenders from declaring a default or accelerating a debt against a student borrower on the sole basis of bankruptcy or death of a co-signer and (2) releases co-signers of private student loans from their obligations following the death of a student borrower.

**Section 602. Rehabilitation of Private Education Loans.**

This section allows a private student loan borrower to request that a reported default be removed from a credit report if the borrower successfully participates in a rehabilitation program that a financial institution chooses to offer. This section also requires a GAO study on the costs, effectiveness, and impacts of such a provision.

**Section 603. Best Practices for Higher Education Financial Literacy.**

This section requires the Treasury Financial Literacy and Education Commission to establish non-binding best practices for institutions of higher education regarding methods to (1) teach financial literacy skills and (2) inform and assist students when making financial decisions related to student borrowing.