



**Legislative Bulletin.....May 6, 2014**

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**H.R. 3584 - The Capital Access for Small Community Financial Institutions Act of 2013, as amended (Stivers, R-OH)**

**Order of Business:** The bill is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** [H.R. 3584](#) opens membership eligibility into the Federal Home Loan Bank System (FHLB) to privately insured credit unions. These credit unions have to meet certain criteria such as being certified by its state supervisor stating that it is eligible to apply for Federal deposit insurance. In order to be eligible a credit union would also have to provide the Federal Housing Finance Agency and the national Credit Union Administration (NCUA) with an annual audit report. In addition, the NCUA can request any reports or examinations conducted by a state supervisor of the private insurer of credit unions in the state.

**Additional Information:** The Federal Home Loan Bank System (FHLB) currently only allows members from federally- insured banks and savings associations, savings and loan associations, cooperative banks, homestead associations, savings banks, insurance companies, building and loan associations, community development financial institutions, and federally-insured credit unions. The 130 privately insured, state-chartered credit unions which hold over \$13 billion in assets are currently excluded from FHLB membership. More information is available [here](#).

**Committee Action:** H.R. 3584 was introduced on November 21, 2013, and referred to the House Committee on Financial Services. On March 14, 2014, the Committee favorably reported the bill by a [vote](#) of 55-0.

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** No Congressional Budget Office cost estimate is available.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3 of the United States Constitution.” Congressman Stivers’ statement in the Congressional Record can be viewed [here](#).

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## **H.R. 2672 - CFPB Rural Designation Petition and Correction, as amended (Barr, R-KY)**

**Order of Business:** The bill is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** [H.R. 2672](#) amends section 1022 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) (12 U.S.C. 5512) to require the Consumer Financial Protection Bureau (CFPB) to create an application process by which a person who lives or does business in a State may apply for counties that do not fit the Urban Influence Code definition of “rural” to ask that they be designated “rural” for purposes of federal consumer financial law. The CFPB is required to create this process within 90 days after enactment of the bill. The CFPB must publish an application for a designation change within 60 days of receipt and must make it available for public comment within 90 days. No later than 90 days after the end of the public comment period the CFPB is required to grant or deny the application and publish in the Federal Register an explanation of the factors that determined the decision.

**Additional Information:** Dodd-Frank imposed new legal requirements on lenders to determine the ability of borrowers to repay mortgages. The CFPB established criteria for certain types of loans to be granted safe harbor from this statutory requirement. These types of mortgage loans are called “Qualified Mortgages.” Mortgages with balloon payments, a large one-time payment due at the end of the loan, usually do not qualify as “Qualified Mortgages.” More info on balloon loans is available on the CFPB website [here](#). However, Dodd-Frank allowed for the CFPB to grant exceptions for rural or underserved areas so that balloon loans could be treated as

“Qualified Mortgages” and the lender to receive safe harbor protection for these loans. [Testimony](#) submitted to the House Committee on Financial Services stated that the current use of the “rural” designation limits the number of mortgages that can be offered in rural and underserved areas. Additional information can be found on the House Committee on Financial Services website [here](#).

**Committee Action:** H.R. 2672 was introduced on July 11, 2013, and referred to the House Committee on Financial Services. On March 14, 2014, the Committee favorably reported the bill by a [vote](#) of 55-1.

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** No Congressional Budget office cost estimate is available.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8, Clause 3.” Congressman Barr’s statement in the Congressional Record can be viewed [here](#).

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## **H.R. 4386 - Money Remittance Improvement Act of 2013 (*Ellison, D-MN*)**

**Order of Business:** The bill is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** [H.R. 4386](#) allows the Secretary of the Treasury to rely on state examinations of certain a certain of financial institution if the category of financial institution is required to comply with federal reporting or the state regulator examinations them for compliance with requirements of the Federal Deposit Insurance Act.

**Committee Action:** [H.R. 4386](#) was introduced on March 3, 2014, and referred to the House Committee on Financial Services. No further Committee action was taken on the bill.

**Administration Po sition:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** No Congressional Budget Office cost estimate is available.

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: Congress has the power to enact this legislation pursuant to Article I, Section 8, Clauses 1 and 3.” Congressman Ellison’s statement in the Congressional Record can be viewed [here](#).

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**H.R. 3329 - To enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, and for other purposes (Luetkemeyer, R-MO)**

**Order of Business:** [H.R. 3329](#) is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** This bill requires the Federal Reserve to change regulations pertaining to Business Holding Companies (BHCs) to allow those with assets of less than \$1 billion to assume more debt in order to expand and acquire banks. It also allows savings and loan holding companies with assets of less than \$1 billion to qualify for the same special debt standards.

**Additional Information:** Current law only allows Business Holding Companies with less than \$500 billion to assume larger amounts of debt than larger institutions in order to acquire other banks. This legislation raises the qualifying asset limit from \$500 million to \$1 billion. In order to qualify for the less stringent debt requirements the bank holding companies and savings and loan holding companies may not be engaged in any nonbanking activities involving significant leverage and may not have significant outstanding debt that is held by the general public. The Federal Reserve Board allows smaller BHCs to maintain higher levels of debt in order to expand. This less stringent debt requirement is based, in part, on the fact that smaller BHCs have more difficulty accessing equity financing than larger BHCs. The smaller BHCs that assume additional debt cannot take on undue risk that could affect their subsidiary banks. Additional information is available on the House Committee on Financial Services website [here](#).

**Committee Action:** H.R. 3329 was introduced on October 23, 2013, and referred to the House Committee on Financial Services. On November 14, 2013, the Committee favorably reported the bill by [voice vote](#).

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** According to the Congressional Budget Office [cost estimate](#) “H.R. 3329 would have no significant budgetary effect because the agency expects that workloads for affected financial regulators (the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency among others) would not be significantly affected by the new requirements.”

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, Congress has the power to enact this legislation pursuant to the following: The constitutional authority on which this bill rests is the explicit power of Congress to regulate commerce in and among the states, as enumerated in Article 1, Section 8, Clause 3, the Commerce Clause, of the United States Constitution.” Congressman Luetkemeyer’s statement in the Congressional Record can be found [here](#).

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## **H.R. 3468 - The Credit Union Share Fund Insurance Parity Act, as amended (Royce, R-CA)**

**Order of Business:** The bill is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** [H.R. 3468](#) allows Interest on Lawyers Trust Accounts (IOLTA) and other similar accounts in credit unions to receive federal deposit insurance coverage.

**Additional Information:** IOLTA are often used when the amount of money is too small or the duration of the account too short for an individual account to be used. They are used by law firms and lawyers to pool client funds into single accounts. The interest earned on these accounts is used to fund justice-related programs and provide for legal expenses for low-income individuals. Similar types of pooled accounts in banks are currently eligible for federal deposit

insurance. This bill offers the same coverage for accounts in credit unions. More information is available on the House Committee on Financial Services website [here](#).

**Committee Action:** [H.R. 3468](#) was introduced on November 13, 2013, and referred to the House Committee on Financial Services. On November 14, 2013, the bill was favorably reported by [voice vote](#).

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** According to the Congressional Budget Office [cost estimate](#), “Enacting this legislation would increase the cost to the government of resolving some future credit union failures; CBO estimates those costs would be minimal and would generally be offset by other collections, resulting in no significant net impact on direct spending over the next 10 years.”

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Under Article I, Section 8, Clause 3 of the U.S. Constitution to regulate commerce.” Congressman Royce’s statement in the Congressional Record can be viewed [here](#).

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## **H.R. 2919 - The Open Book on Equal Access to Justice Act (Lummis, R-WY)**

**Order of Business:** The bill is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** [H.R. 2919](#) requires the Administrative Conference of the United States (ACUS) to publish an annual report that details the amount of fees and expenses awarded by federal courts when the United States loses a case or settles with a nonfederal entity. The information must include the nature of the controversy and the reason that the U.S. government agency lost the dispute. In addition, ACUS is required to post information about these cases in an online searchable database.

**Additional Information:** ACUS is an independent federal agency that provides recommendations to other federal agencies on ways to improve agency procedures. More information can be found on the ACUS website [here](#).

**Committee Action:** [H.R. 2919](#) was introduced on August 1, 2013, and referred to the House Committee on the Judiciary. On February 5, 2014, the Committee favorably reported the bill by voice vote.

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** According to the Congressional Budget office cost [estimate](#), “implementing H.R. 2919 would cost about \$1 million in fiscal year 2015 and less than \$500,000 each year thereafter, assuming appropriation of the necessary amounts.”

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article 1, Section 9: No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.” Rep. Lummis’ statement in the Congressional Record can be viewed [here](#).

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## **H H.R. 4292 - The Foreign Cultural Exchange Jurisdictional Immunity Clarification Act (Chabot, R-OH)**

**Order of Business:** The bill is scheduled to be considered on May 6, 2014, under a motion to suspend the rules and pass the bill, which requires a two-thirds majority for passage.

**Summary:** [H.R. 4292](#) clarifies that works of art that are loaned by foreign governments are immune from decisions by federal courts and cannot be seized if the President of the United States determines that it is in the national interest to display the works of art. The prohibition from seizure does not apply to works of art taken in violation of international law between January 30, 1933, and May 8, 1945, during the time of Nazi rule.

**Committee Action:** The legislation was introduced on March 25, 2013, and referred to the House Committee on the Judiciary. On April 2, 2014, the Committee favorably reported the bill by voice vote.

**Administration Position:** No Statement of Administration Policy is available.

**Cost to Taxpayers:** According to the Congressional Budget Office [cost estimate](#), “implementing H.R. 4292 would have no significant effect on the federal budget.”

**Does the Bill Expand the Size and Scope of the Federal Government?:** No.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** No.

**Does the Bill Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** No.

**Constitutional Authority:** According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: The constitutional authority on which this legislation is based is found in article I, section 8, clause 9; article III, section 1, clause 1; and article III, section 2, clause 2, of the Constitution, which grant Congress authority over federal courts.” Congressman Chabot’s statement in the Congressional Record can be viewed [here](#).

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