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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R.

To provide sensible relief to community financial institutions, to protect consumers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. MAXINE WATERS of California (for herself, Mr. CARNEY, Mr. AL GREEN of Texas, Mr. FOSTER, Mr. SHERMAN, Mrs. CAROLYN B. MALONEY of New York, Mr. KILDEE, Mr. DAVID SCOTT of Georgia, Mr. HECK of Washington, Mr. PERLMUTTER, Mr. CLEAVER, Mr. MEEKS, Ms. MOORE, Mr. HIMES, Mr. DELANEY, Mrs. BEATTY, Mr. VARGAS, Mr. ELLISON, Ms. SINEMA, Mr. CAPUANO, Ms. VELÁZQUEZ, Mr. MURPHY of Florida, Mr. HINOJOSA, Mr. LYNCH, Ms. SEWELL of Alabama, and Mr. CLAY) introduced the following bill; which was referred to the Committee on

A BILL

To provide sensible relief to community financial institutions, to protect consumers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “Community Lender Regulatory Relief and Consumer
4 Protection Act of 2015”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
6 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HELPING COMMUNITY LENDERS

Sec. 101. Community bank and credit union portfolio lending.

Sec. 102. Exception to annual written privacy notice requirement under the
Gramm-Leach-Bliley Act.

Sec. 103. Expansion of threshold for 18-month on-site examination cycle.

Sec. 104. Privately insured credit unions authorized to become members of a
Federal home loan bank.

Sec. 105. Registration threshold for savings and loan holding companies.

Sec. 106. Transitional license authority.

TITLE II—PROTECTING CONSUMERS

Sec. 201. Protecting servicemembers.

Sec. 202. Restoration of the Protecting Tenants at Foreclosure Act of 2009.

Sec. 203. Confidentiality of information shared between State and Federal fi-
nancial services regulators.

7 **TITLE I—HELPING COMMUNITY**
8 **LENDERS**

9 **SEC. 101. COMMUNITY BANK AND CREDIT UNION PORT-**
10 **FOLIO LENDING.**

11 Section 129C(b)(2) of the Truth in Lending Act (15
12 U.S.C. 1639c(b)(2)) is amended by adding at the end the
13 following:

14 “(F) **SAFE HARBOR.**—

15 “(i) **IN GENERAL.**—In this section—

16 “(I) the term ‘qualified mort-
17 gage’, as defined in subparagraph (A),

1 includes any residential mortgage
2 loan—

3 “(aa) that is originated by a
4 covered institution and continu-
5 ously retained in portfolio by the
6 covered institution;

7 “(bb) that, except as pro-
8 vided in subparagraph (E), fully
9 amortizes over a term of not
10 longer than 30 years;

11 “(cc) that complies with—

12 “(AA) the requirements
13 of clauses (i), (ii), (iii), (iv),
14 (v), and (vii) of subpara-
15 graph (A); and

16 “(BB) any require-
17 ments consistent with the
18 purposes described in para-
19 graph (3)(B)(i);

20 “(dd) for which the covered
21 institution, at or before con-
22 summation of the residential
23 mortgage loan, takes into ac-
24 count and verifies the monthly

1 debt and income of the consumer;
2 and

3 “(ee) that is not considered
4 a high-cost mortgage; and

5 “(II) a residential mortgage loan
6 that meets the requirements of sub-
7 clause (I) shall be deemed to meet the
8 requirements of subsection (a) until
9 the residential mortgage loan no
10 longer meets the requirements of sub-
11 clause (I).

12 “(ii) DEFINITION.—In this subpara-
13 graph, the term ‘covered institution’
14 means—

15 “(I) an insured depository insti-
16 tution or insured credit union that—

17 “(aa) at the time of origina-
18 tion of the residential mortgage
19 loan, together with its affiliates,
20 has less than \$2,000,000,000 in
21 total consolidated assets; and

22 “(bb) during the calendar
23 year preceding the time of origi-
24 nation of the residential mort-
25 gage loan, originated not more

1 than 2,000 residential mortgage
2 loans that were—

3 “(AA) sold, assigned, or
4 otherwise transferred to an-
5 other person; or

6 “(BB) subject to, at
7 the time of consummation, a
8 commitment to be acquired
9 by another person; or

10 “(II) an insured depository insti-
11 tution or insured credit union that, at
12 the time of origination of the residen-
13 tial mortgage loan—

14 “(aa) together with its affili-
15 ates, has more than
16 \$2,000,000,000 and less than
17 \$10,000,000,000 in total consoli-
18 dated assets;

19 “(bb) is not considered a
20 specialty bank, such as a bank
21 that offers only a narrow product
22 line (including credit card or
23 motor vehicle loans) to a regional
24 or broader market;

1 “(cc) engages in the basic
2 activities of lending and deposit
3 taking as a significant percentage
4 of total assets;

5 “(dd) has a limited geo-
6 graphic scope; and

7 “(ee) meets any other cri-
8 teria as determined by the Bu-
9 reau, including restrictions on
10 the volume of residential mort-
11 gage loans—

12 “(AA) sold, assigned, or
13 otherwise transferred to an-
14 other person; or

15 “(BB) subject to, at
16 the time of consummation, a
17 commitment to be acquired
18 by another person.”.

19 **SEC. 102. EXCEPTION TO ANNUAL WRITTEN PRIVACY NO-**
20 **TICE REQUIREMENT UNDER THE GRAMM-**
21 **LEACH-BLILEY ACT.**

22 Section 503 of the Gramm-Leach-Bliley Act (15
23 U.S.C. 6803) is amended by adding at the end the fol-
24 lowing:

1 “(f) EXCEPTION TO ANNUAL WRITTEN NOTICE RE-
2 QUIREMENT.—

3 “(1) IN GENERAL.—A financial institution de-
4 scribed in paragraph (2) shall not be required to
5 provide an annual written disclosure under this sec-
6 tion until such time as the financial institution fails
7 to comply with subparagraph (A), (B), or (C) of
8 paragraph (2).

9 “(2) COVERED INSTITUTIONS.—A financial in-
10 stitution described in this paragraph is a financial
11 institution that—

12 “(A) provides nonpublic personal informa-
13 tion only in accordance with the provisions of
14 subsection (b)(2) or (e) of section 502 or regu-
15 lations prescribed under section 504(b);

16 “(B) has not changed its policies and prac-
17 tices with respect to disclosing nonpublic per-
18 sonal information from the policies and prac-
19 tices that were disclosed in the most recent dis-
20 closure sent to consumers in accordance with
21 this section; and

22 “(C) otherwise provides customers access
23 to such most recent disclosure in electronic or
24 other form permitted by regulations prescribed
25 under section 504.”.

1 **SEC. 103. EXPANSION OF THRESHOLD FOR 18-MONTH ON-**
2 **SITE EXAMINATION CYCLE.**

3 Section 10(d) of the Federal Deposit Insurance Act
4 (12 U.S.C. 1820(d)) is amended—

5 (1) in paragraph (4)(A), by striking
6 “\$500,000,000” and inserting “\$1,000,000,000”;
7 and

8 (2) in paragraph (10), by striking
9 “\$500,000,000” and inserting “\$1,000,000,000”.

10 **SEC. 104. PRIVATELY INSURED CREDIT UNIONS AUTHOR-**
11 **IZED TO BECOME MEMBERS OF A FEDERAL**
12 **HOME LOAN BANK.**

13 (a) IN GENERAL.—Section 4(a) of the Federal Home
14 Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding
15 at the end the following:

16 “(5) CERTAIN PRIVATELY INSURED CREDIT
17 UNIONS.—

18 “(A) IN GENERAL.—Subject to the re-
19 quirements of subparagraph (B), a credit union
20 that lacks insurance of its member accounts
21 under Federal law shall be treated as an in-
22 sured depository institution for purposes of this
23 Act.

24 “(B) CERTIFICATION BY APPROPRIATE
25 STATE SUPERVISOR.—For purposes of this
26 paragraph, a credit union that lacks insurance

1 of its member accounts under Federal law and
2 that has applied for membership in a Federal
3 home loan bank shall be treated as an insured
4 depository institution if the following has oc-
5 curred:

6 “(i) DETERMINATION BY STATE SU-
7 PERVISOR OF THE CREDIT UNION.—

8 “(I) IN GENERAL.—Subject to
9 subclause (II), the appropriate super-
10 visor of the State in which the credit
11 union is chartered has determined
12 that the credit union meets all the eli-
13 gibility requirements under section
14 201(a) of the Federal Credit Union
15 Act (12 U.S.C. 1781(a)) to apply for
16 insurance of its member accounts as
17 of the date of the application for
18 membership.

19 “(II) CERTIFICATION DEEMED
20 VALID.—In the case of any credit
21 union to which subclause (I) applies,
22 if the appropriate supervisor of the
23 State in which such credit union is
24 chartered fails to make the determina-
25 tion required pursuant to such sub-

1 clause by the end of the 12-month pe-
2 riod beginning on the date on which
3 the application is submitted to the su-
4 pervisor, the credit union shall be
5 deemed to have met the requirements
6 of subclause (I).

7 “(ii) DETERMINATION BY STATE SU-
8 PERVISOR OF THE PRIVATE DEPOSIT IN-
9 SURER.—The licensing entity of the pri-
10 vate deposit insurer that is insuring the
11 member accounts of the credit union—

12 “(I) receives, on an annual basis,
13 an independent actuarial opinion that
14 the private insurer has set aside suffi-
15 cient reserves for losses; and

16 “(II) obtains, as frequently as
17 appropriate, but not less frequently
18 than every 36 months, an independent
19 actuary’s study of the capital ade-
20 quacy of the private insurer.

21 “(iii) SUBMISSION OF FINANCIAL IN-
22 FORMATION.—The credit union or the ap-
23 propriate supervisor of the State in which
24 such credit union is chartered makes avail-
25 able, and continues to make available for

1 such time as the credit union is a member
2 of a Federal home loan bank, to the Fed-
3 eral Housing Finance Agency or to the
4 Federal home loan bank all reports,
5 records, and other information related to
6 any examinations or inquiries performed
7 by the supervisor concerning the financial
8 condition of the credit union, as soon as is
9 practicable.

10 “(C) SECURITY INTERESTS OF FEDERAL
11 HOME LOAN BANK NOT AVOIDABLE.—Notwith-
12 standing any provision of State law authorizing
13 a conservator or liquidating agent of a credit
14 union to repudiate contracts, no such provision
15 shall apply with respect to—

16 “(i) any extension of credit from any
17 Federal home loan bank to any credit
18 union that is a member of any such bank
19 pursuant to this paragraph; or

20 “(ii) any security interest in the as-
21 sets of such a credit union securing any
22 such extension of credit.

23 “(D) PROTECTION FOR CERTAIN FEDERAL
24 HOME LOAN BANK ADVANCES.—Notwith-
25 standing any State law to the contrary, if a

1 Bank makes an advance under section 10 to a
2 State-chartered credit union that is not feder-
3 ally insured—

4 “(i) the Bank’s interest in any collat-
5 eral securing the advance has the same
6 priority and is afforded the same standing
7 and rights that the security interest would
8 have had if the advance had been made to
9 a federally-insured credit union; and

10 “(ii) the Bank has the same right to
11 access such collateral that the Bank would
12 have had if the advance had been made to
13 a federally-insured credit union.”.

14 (b) COPIES OF AUDITS OF PRIVATE INSURERS OF
15 CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE
16 PROVIDED TO SUPERVISORY AGENCIES.—Section
17 43(a)(2)(A) of the Federal Deposit Insurance Act (12
18 U.S.C. 1831t(a)(2)(A)) is amended—

19 (1) in clause (i), by striking “and” at the end;

20 (2) in clause (ii), by striking the period at the
21 end and inserting a semicolon; and

22 (3) by inserting at the end the following:

23 “(iii) in the case of depository institu-
24 tions described in subsection (e)(2)(A), the
25 member accounts of which are insured by

1 the private deposit insurer, which are
2 members of a Federal home loan bank, to
3 the Federal Housing Finance Agency, not
4 later than 7 days after the audit is com-
5 pleted.”.

6 (c) GAO REPORT.—Not later than 18 months after
7 the date of enactment of this Act, the Comptroller General
8 of the United States shall conduct a study and submit a
9 report to Congress—

10 (1) on the adequacy of insurance reserves held
11 by a private deposit insurer that insures the member
12 accounts of an entity described in section
13 43(e)(2)(A) of the Federal Deposit Insurance Act
14 (12 U.S.C. 1831t(e)(2)(A)); and

15 (2) for an entity described in paragraph (1),
16 the member accounts of which are insured by a pri-
17 vate deposit insurer, information on the level of com-
18 pliance with Federal regulations relating to the dis-
19 closure of a lack of Federal deposit insurance.

20 **SEC. 105. REGISTRATION THRESHOLD FOR SAVINGS AND**
21 **LOAN HOLDING COMPANIES.**

22 The Securities Exchange Act of 1934 (15 U.S.C. 78a
23 et seq.) is amended—

24 (1) in section 12(g)—

1 (A) in paragraph (1)(B), by inserting after
2 “is a bank” the following: “, a savings and loan
3 holding company (as such term is defined in
4 section 10 of the Home Owners’ Loan Act (12
5 U.S.C. 1467a(a)),”;

6 (B) in paragraph (4), by inserting after
7 “case of a bank” the following: “, a savings and
8 loan holding company (as such term is defined
9 in section 10 of the Home Owners’ Loan Act
10 (12 U.S.C. 1467a(a)),”;

11 (2) in section 15(d)(1), by striking “case of
12 bank” and inserting the following: “case of a bank,
13 a savings and loan holding company (as such term
14 is defined in section 10 of the Home Owners’ Loan
15 Act (12 U.S.C. 1467a(a)),”.

16 **SEC. 106. TRANSITIONAL LICENSE AUTHORITY.**

17 Section 1504 of the S.A.F.E. Mortgage Licensing Act
18 of 2008 (12 U.S.C. 5103) is amended—

19 (1) in subsection (a), by inserting after “as the
20 case may be,” the following: “and except as provided
21 in subsection (c),”;

22 (2) by adding at the end the following:

23 “(c) TRANSITIONAL AUTHORITY.—

1 “(1) DEFINITION.—In this subsection, the term
2 ‘covered registered loan originator’ means a reg-
3 istered loan originator who—

4 “(A) submits the information required
5 under section 1505(a); and

6 “(B) during the 30-day period preceding
7 the date of such submission, met the standard
8 of being qualified under section 129B(b)(1)(A)
9 of the Truth in Lending Act (15 U.S.C.
10 1639b(b)(1)(A)).

11 “(2) AUTHORITY.—Notwithstanding the re-
12 quirements of subsections (b) through (e) of section
13 1505, a State may permit a covered registered loan
14 originator to act as a loan originator, under the su-
15 pervision of a non-depository firm that engages in
16 loan origination in that State, for the 120-day pe-
17 riod beginning on the date on which the covered reg-
18 istered loan originator submits the information re-
19 quired under section 1505(a).

20 “(3) LIMITATION.—A covered registered loan
21 originator may not act as a loan originator under
22 paragraph (2) after the date on which the 120-day
23 period described in that paragraph expires.”.

1 **TITLE II—PROTECTING**
2 **CONSUMERS**

3 **SEC. 201. PROTECTING SERVICEMEMBERS.**

4 Section 1002(12) of the Consumer Financial Protec-
5 tion Act of 2010 (12 U.S.C. 5481(12)) is amended—

6 (1) in subparagraph (Q), by striking “; and”
7 and inserting a semicolon;

8 (2) in subparagraph (R), by striking the period
9 at the end and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(S) sections 101, 107 (except with respect
12 to bailments), 108 (except with respect to in-
13 surance), 201 (except with respect to child cus-
14 tody proceedings), 207, 301, 302, 303, 305,
15 and 305A of the Servicemembers Civil Relief
16 Act (50 U.S.C. App. 511, 517, 518, 521, 527,
17 531, 532, 533, 535, and 535a).”.

18 **SEC. 202. RESTORATION OF THE PROTECTING TENANTS AT**
19 **FORECLOSURE ACT OF 2009.**

20 (a) **REPEAL OF SUNSET PROVISION.**—Section 704 of
21 the Protecting Tenants at Foreclosure Act of 2009 (12
22 U.S.C. 5201 note; 12 U.S.C. 5220 note; 42 U.S.C. 1437f
23 note) is repealed.

24 (b) **RESTORATION.**—Sections 701 through 703 of
25 such Act, the provisions of law amended or repealed by

1 such sections, and any regulations promulgated pursuant
2 to such sections, as were in effect on December 31, 2014,
3 are restored and revived as if the sunset provision in sec-
4 tion 704 had not taken effect.

5 **SEC. 203. CONFIDENTIALITY OF INFORMATION SHARED BE-**
6 **TWEEN STATE AND FEDERAL FINANCIAL**
7 **SERVICES REGULATORS.**

8 Section 1512(a) of the S.A.F.E. Mortgage Licensing
9 Act of 2008 (12 U.S.C. 5111(a)) is amended by inserting
10 “or financial services” before “industry”.