



**Legislative Bulletin.....April 6, 2005**

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**Summary of the Bills Under Consideration Today:**

**Total Number of New Government Programs:** 0

**Total Cost of Discretionary Authorizations:** \$0

**Effect on Revenue:** \$0

**Total Change in Mandatory Spending:** \$0

**Total New State & Local Government Mandates:** 0

**Total New Private Sector Mandates:** H.R. 1077 contains private-sector mandates

**Number of Bills Without Committee Reports:** 5

**Number of Reported Bills that Don't Cite Specific Clauses of Constitutional Authority:** 0

**H.R. 1077—Realtime Investor Protection Act (Shadegg)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, April 6<sup>th</sup>, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 1077 would require a registered securities association (under the Securities Exchange Act of 1934) to:

- establish and maintain a system for collecting and retaining registration information;
- establish and maintain a toll-free telephone listing and a readily accessible electronic or other process (such as a website) to receive and promptly respond to inquiries regarding registration information on its members and their associated persons and on the members and associated persons of any registered national securities exchange that uses the information system described above; and
- adopt rules (including those regarding disputes) governing the process for people to make inquiries (which could be subject to fees, in some instances) and the type, scope, and presentation of information to be provided in response to such inquiries.

The bill would shield from any liability an association, or exchange reporting information to such an association, that takes or omits actions in good faith under this legislation.

The bill explicitly defines “registration information” as “the information reported in connection with the registration or licensing of brokers and dealers and their associated persons, including disciplinary actions, regulatory, judicial, and arbitration proceedings, and other information required by law, or exchange or association rule, and the source and status of such information.”

The Securities and Exchange Commission (SEC) would be required to review and approve the scope, presentation, and procedures of the information system above.

**Additional Background:** Most of what is described above is already in practice and/or in current law. That is, the National Association of Securities Dealers (NASD) already operates the BrokerCheck system, by which investors could access the administrative information and disciplinary history that securities firms and brokers must provide to state and federal regulators. However, such access comes in the form of written or phoned requests and subsequent MAILED responses. H.R. 1077 would update current law so that more information could be provided (while still maintaining identity and liability protections) and to give NASD greater flexibility to provide such information in real-time through the Internet and any future technology.

**Committee Action:** On March 3, 2005, the bill was referred to the Financial Services Committee, which took no official action on it.

**Cost to Taxpayers:** Although an official CBO cost estimate is unavailable, the costs of the information-check system are borne by NASD, a private organization that does not receive federal funds. Any costs to the SEC would be insignificant and likely covered by existing funds.

**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?:** Yes, the bill contains private-sector mandates (since NASD is a private organization) but no state- or local-government mandates.

**Constitutional Authority:** Section 2 of H.R. 1077 explicitly cites constitutional authority in Article I, Section 8, Clause 1 (the congressional power to regulate interstate commerce).

**Outside Organizations:** Known supporters of the bill include NASD, the New York Stock Exchange, the SEC, and the North American Securities Administrators Association.

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## **H.R. 1025—Mortgage Servicing Clarification Act (Royce)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, April 6<sup>th</sup>, under a motion to suspend the rules and pass the bill. This identical bill passed the House last Congress by a vote of 424-0 (H.R. 314). The Senate did not consider the bill.

**Summary:** H.R. 1025 would exempt a servicer of federally related mortgage loans secured by first liens from certain debt collection disclosures (i.e. the requirement that a debt collector explain that he is attempting to collect a debt and that any information obtained will be used for that purpose), if such servicer is a debt collector whose *primary* function is servicing such loans and whose debt collection is only incidental.

**Additional Background:** The following is background information provided by the bill sponsor's office:

Under current law, when a residential loan servicer acquires the right to service a loan portfolio, that company is generally exempt from complying with the Fair Debt Collection Practices Act (FDCPA) under the exemption for creditors. In a typical loan servicing transfer, however, a certain percentage of loans will be delinquent or in default at the time of the transfer. These loans are technically covered by the FDCPA even though the new servicer has a fundamentally different relationship with the borrower than a true third-party debt collector.

Because these selected loans are covered by the FDCPA, certain procedures apply, including the issuance of a warning at the beginning of every interaction with the customer. We believe that these notices -- while appropriate for true third-party debt collectors -- cause numerous problems in the context of a mortgage servicing transfer. For example, they can mislead the borrower about the true nature of the new servicer's relationship. In fact, this harshly worded warning may actually discourage delinquent borrowers from contacting their new servicer out of fear that the company is simply another debt collector.

**Committee Action:** On March 1, 2005, the bill was referred to the Financial Services Committee, which took no official action on it.

**Cost to Taxpayers:** Though no official cost estimate is available, nothing in the legislation suggests any cost to the taxpayer.

**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, the bill would provide for an exemption from a federal mandate.

**Constitutional Authority:** A committee report citing constitutional authority is unavailable.

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## **H.R. 436–Increased Capital Access for Growing Business Act (Kelly)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, April 6th, under a motion to suspend the rules and pass the bill. This identical bill passed the House last year by voice vote (H.R. 3170). The Senate did not consider the bill.

**Summary:** H.R. 436 would amend the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(46)(C)) to expand the definition (and thereby increase the number) of small, publicly traded companies in which business development companies (BDCs) could invest. The aggregate value of an eligible company’s outstanding publicly traded equity securities could not exceed \$250 million (subject to revision by the Securities and Exchange Commission and to extension to \$500 million under certain circumstances). In short, this bill would offer more investment opportunities in small businesses.

**Committee Action:** On February 1, 2005, the bill was referred to the Financial Services Committee, which took no official action on it.

**Cost to Taxpayers:** The Budget Committee reports that this bill might insignificantly reduce federal revenues, since “certain provisions of the tax code key off definitions in securities law that the bill modifies.”

**Does the Bill Create New Federal Programs or Rules?:** No, it would adjust existing investment rules.

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

**Constitutional Authority:** A committee report citing constitutional authority is unavailable.

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## **H.R. 797—Native American Housing Enhancement Act (Renzi)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, April 6<sup>th</sup>, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 797 would clarify the Native American Housing Assistance and Self-Determination Act so that tribes may receive new grant funding, even if all “program income” (for example, rental income from units built with grant funding) collected has yet to be expended on housing costs. In addition, the bill would exempt Indian tribes from the Civil Rights Act of 1964 so that they can give preferences to Native Americans for USDA housing programs as they do with HUD programs. The tribes would have to comply with the Indian Civil Rights Act. Finally, the bill would restore tribes’ eligibility for grant funding under the Youthbuild program.

**Committee Action:** On February 14, 2005, the bill was referred to the Financial Services Committee, which took no official action on it.

**Cost to Taxpayers:** A cost estimate remains unavailable.

**Does the Bill Expand the Size and Scope of the Federal Government?:** Yes, the bill expands eligibility for current federal programs.

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

**Constitutional Authority:** A committee report citing constitutional authority is unavailable.

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## **H.Res. 148—Supporting the Goals and Ideals of Financial Literacy Month (Biggert)**

**Order of Business:** The resolution is scheduled to be considered on Tuesday, April 6<sup>th</sup>, under a motion to suspend the rules and pass the bill. The House passed essentially the same resolution last year (H.Res. 578) by a vote of 391-0:  
<http://clerk.house.gov/evs/2004/roll133.xml>

**Summary:** H.Res. 148 would resolve that the House:

- “supports the goals and ideals of Financial Literacy Month; and
- “requests that the President issue a proclamation calling on the Federal Government, States, localities, schools, nonprofit organizations, businesses, other entities, and the

people of the United States to observe the month with appropriate programs and activities.”

**Additional Background:** According to the resolution’s findings, April has been designated as “Financial Literacy Month” to educate the public on the need to increase financial literacy throughout the nation by the National Council on Economic Education and the Jump\$tart Coalition for Personal Financial Literacy.

Congress established the Financial Literacy and Education Commission in Section 513 of Public Law 108-159.

For more information on the Jump\$tart Coalition, visit this website:  
<http://www.jumpstart.org/>

For more information on the National Council on Economic Education, visit this website:  
<http://www.ncee.net/>

According to GuideStar, neither the Jump\$tart Coalition nor the National Council on Economic Education receives government funds. For more information, visit this webpage:  
<http://www.guidestar.org>

**Committee Action:** On March 16, 2005, the Government Reform Committee marked up the resolution and forwarded it to the full House for consideration.

**Cost to Taxpayers:** The resolution would authorize no expenditure.

**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.

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## **H.R. 1460—Captain Mark Stubenhofer Post Office Building Designation Act (Davis, Tom)**

**Order of Business:** The bill is scheduled to be considered on Wednesday, April 6<sup>th</sup>, under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 1460 would designate the postal facility located at 6200 Rolling Road in Springfield, Virginia, as the “Captain Mark Stubenhofer Post Office Building.”

**Additional Background:** Captain Mark N. Stubenhofer, 30, of Springfield, VA, died on December 7, 2004, in Baghdad, Iraq, when his unit was attacked by small arms fire.

Stubenhofer was assigned to the 1<sup>st</sup> Battalion, 41st Infantry Regiment, 1st Armored Division, Fort Riley, Kansas.

**Committee Action:** The bill was referred to the Government Reform Committee on April 5<sup>th</sup>, but no official action was taken.

**Cost to Taxpayers:** The only costs associated with a postal facility renaming are those for sign and map changes, none of which significantly affect 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.

**Constitutional Authority:** Although no committee report citing constitutional authority is available, Article I, Section 8, Clause 7 of the Constitution grants Congress the authority to “establish Post Offices and post Roads.”

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### **H.Res. 188—Recognizing and honoring firefighters for their many contributions throughout the history of the Nation (*Thompson of MS*)**

**Order of Business:** The resolution is scheduled to be considered on Wednesday, April 6<sup>th</sup>, under a motion to suspend the rules and pass the bill.

**Summary:** H.Res. 188 would resolve that the House “honors and recognizes the more than 1,100,000 firefighters in the United States for their contributions to and sacrifice for the Nation.”

**Additional Background:** The resolution notes that there are more than 30,000 fire departments in the United States, staffed primarily by volunteers “who receive little or no compensation for their heroic work.” The resolution reports that more than 100 firefighters die in the line of duty each year, and more than triple that number died while responding to the September 11<sup>th</sup> terrorist attacks in 2001.

More than 2,000 firefighters are in Washington, DC this week to attend the 17th Annual National Fire and Emergency Services Dinner and Seminars.

**Committee Action:** On April 5, 2005, the resolution was referred to the Government Reform Committee, which took no official action on it.

**Cost to Taxpayers:** The resolution would authorize no expenditure.

**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.

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**H.Res. \_\_—Honoring the life and achievements of His Holiness Pope John Paul II and expressing profound sorrow on his death (Hyde)**

**Order of Business:** The resolution is scheduled to be considered on Wednesday, April 6<sup>th</sup>, under a unanimous consent agreement providing one hour of debate (equally divided) and no amendments allowed.

**Summary:** H.Res. \_\_ would resolve that the House:

- “has learned with profound sorrow of the death of His Holiness Pope John Paul II;
- “expresses gratitude for the life of Pope John Paul II and the innumerable blessings manifested through his service;
- “commends the life’s work of Pope John Paul II, recognizing his enduring and historic contributions to the causes of freedom, human dignity, and peace in the world;
- “expresses condolences to the people of Poland for the loss of such an inspirational figure in Poland’s transformation from a totalitarian regime to democratic government;
- “extends its heartfelt sympathy to the more than one billion Catholics around the world, including more than sixty-six million Catholics in the United States, who looked to Pope John Paul II as Supreme Pontiff; and
- “calls upon the people of the United States to reflect on the life of Pope John Paul II during the worldwide period of remembrance following his death.”

The resolution notes that “up until the moment of his death on April 2, 2005, Pope John Paul II remained faithful and principled, inspiring a continuing defense of the unique dignity of every human life.”

The resolution highlights the Pope’s lifetime of service to mankind, including his defiance of Nazism, his wartime protection of oppressed Jews, his work against communism, and his articulation of the need to foster God-given human rights. Further, the resolution emphasizes the Pope’s extensive worldwide travels and his awards and accolades received from all corners of the planet—including the United States Congress.



The resolution directs the Clerk of the House of Representatives to transmit an enrolled copy of this resolution to the Secretary of State with a request that the Secretary transmit it to the Papal Secretary of State at the Vatican.

**Additional Background:** As the resolution highlights, Pope John Paul II was born Karol Jozef Wojtyla in Wadowice, Poland, on May 18, 1920, and on October 16, 1978, was elected the 264th Pope of the Catholic Church. He died on April 2, 2005.

**Committee Action:** On April 5<sup>th</sup>, the resolution was referred to the International Relations Committee, which took no official action on it.

**Cost to Taxpayers:** The resolution would authorize insignificant costs (for the transmittal of an enrolled copy of the resolution to the Papal Secretary of State at the Vatican.

**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.

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