

111TH CONGRESS
1ST SESSION

H. R. 111

To amend the Bank Holding Company Act of 1956 and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging, directly or indirectly, in real estate brokerage or real estate management activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 2009

Mr. KANJORSKI (for himself, Mr. CALVERT, Mr. BERMAN, Mr. HIGGINS, Mr. DEFAZIO, Mr. OLVER, Mr. HOLDEN, Ms. BORDALLO, Mr. WU, Mr. HINOJOSA, Mr. ROSKAM, Mr. CLEAVER, Mr. HOLT, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. SCHWARTZ, Mr. ROTHMAN of New Jersey, Mr. BROWN of South Carolina, Mr. PAUL, Mr. ENGEL, Mr. DOGGETT, Mr. LEWIS of Georgia, Mr. McCOTTER, Mr. LEVIN, Mr. TIERNEY, Mr. POE of Texas, Mr. EDWARDS of Texas, Mr. MCHUGH, Ms. WOOLSEY, Mr. AL GREEN of Texas, Ms. SCHAKOWSKY, Mr. DINGELL, Mr. CARNAHAN, Mr. LIPINSKI, Mr. CULBERSON, Mr. KAGEN, Mr. MATHESON, Mr. PALLONE, Mr. MICHAUD, Mr. BISHOP of New York, Mr. MEEKS of New York, Mr. PASCARELL, Mr. LAMBORN, and Mr. GRIJALVA) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Bank Holding Company Act of 1956 and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging, directly or indirectly, in real estate brokerage or real estate management activities, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Choice in
 5 Real Estate Act”.

6 **SEC. 2. CLARIFICATION THAT REAL ESTATE BROKERAGE**
 7 **AND MANAGEMENT ACTIVITIES ARE NOT**
 8 **BANKING OR FINANCIAL ACTIVITIES.**

9 (a) BANK HOLDING COMPANY ACT OF 1956.—Sec-
 10 tion 4(k) of the Bank Holding Company Act of 1956 (12
 11 U.S.C. 1843(k)) is amended by adding at the end the fol-
 12 lowing new paragraph:

13 “(8) REAL ESTATE BROKERAGE AND REAL ES-
 14 TATE MANAGEMENT ACTIVITIES.—

15 “(A) IN GENERAL.—The Board may not
 16 determine that real estate brokerage activity or
 17 real estate management activity is an activity
 18 that is financial in nature, is incidental to any
 19 financial activity, or is complementary to a fi-
 20 nancial activity.

21 “(B) REAL ESTATE BROKERAGE ACTIVITY
 22 DEFINED.—For purposes of this paragraph, the
 23 term ‘real estate brokerage activity’ means any
 24 activity that involves offering or providing real

1 estate brokerage services to the public, includ-
2 ing—

3 “(i) acting as an agent for a buyer,
4 seller, lessor, or lessee of real property;

5 “(ii) listing or advertising real prop-
6 erty for sale, purchase, lease, rental, or ex-
7 change;

8 “(iii) providing advice in connection
9 with sale, purchase, lease, rental, or ex-
10 change of real property;

11 “(iv) bringing together parties inter-
12 ested in the sale, purchase, lease, rental, or
13 exchange of real property;

14 “(v) negotiating, on behalf of any
15 party, any portion of a contract relating to
16 the sale, purchase, lease, rental, or ex-
17 change of real property (other than in con-
18 nection with providing financing with re-
19 spect to any such transaction);

20 “(vi) engaging in any activity for
21 which a person engaged in the activity is
22 required to be registered or licensed as a
23 real estate agent or broker under any ap-
24 plicable law; and

1 “(vii) offering to engage in any activ-
2 ity, or act in any capacity, described in
3 clause (i), (ii), (iii), (iv), (v), or (vi).

4 “(C) REAL ESTATE MANAGEMENT ACTIV-
5 ITY DEFINED.—For purposes of this paragraph,
6 the term ‘real estate management activity’
7 means any activity that involves offering or pro-
8 viding real estate management services to the
9 public, including—

10 “(i) procuring any tenant or lessee for
11 any real property;

12 “(ii) negotiating leases of real prop-
13 erty;

14 “(iii) maintaining security deposits on
15 behalf of any tenant or lessor of real prop-
16 erty (other than as a depository institution
17 for any person providing real estate man-
18 agement services for any tenant or lessor
19 of real property);

20 “(iv) billing and collecting rental pay-
21 ments with respect to real property or pro-
22 viding periodic accounting for such pay-
23 ments;

24 “(v) making principal, interest, insur-
25 ance, tax, or utility payments with respect

1 to real property (other than as a deposi-
2 tory institution or other financial institu-
3 tion on behalf of, and at the direction of,
4 an account holder at the institution);

5 “(vi) overseeing the inspection, main-
6 tenance, and upkeep of real property, gen-
7 erally; and

8 “(vii) offering to engage in any activ-
9 ity, or act in any capacity, described in
10 clause (i), (ii), (iii), (iv), (v), or (vi).

11 “(D) EXCEPTION FOR COMPANY PROP-
12 ERTY.—This paragraph shall not apply to an
13 activity of a bank holding company or any affil-
14 iate of such company that directly relates to
15 managing any real property owned by such
16 company or affiliate, or the purchase, sale, or
17 lease of property owned, or to be used or occu-
18 pied, by such company or affiliate.

19 “(E) CURRENT ACTIVITIES NOT AF-
20 FECTED.—No provision of this paragraph, or
21 any determination made pursuant to any such
22 provision, may be construed as prohibiting, re-
23 stricting, altering, or otherwise affecting, the
24 right, power, or ability of any financial holding
25 company to engage in any activity, or acquire

1 or retain the shares of any company engaged in
2 an activity, if engaging in such activity, or ac-
3 quiring or retaining such shares, was author-
4 ized for financial holding companies on Decem-
5 ber 6, 2001.”.

6 (b) REVISED STATUTES OF THE UNITED STATES.—
7 Section 5136A(b) of the Revised Statutes of the United
8 States (12 U.S.C. 24a(b)) is amended by adding at the
9 end the following new paragraph:

10 “(4) REAL ESTATE BROKERAGE AND REAL ES-
11 TATE MANAGEMENT ACTIVITIES.—

12 “(A) IN GENERAL.—The Secretary may
13 not determine that real estate brokerage activ-
14 ity or real estate management activity is an ac-
15 tivity that is financial in nature, is incidental to
16 any financial activity, or is complementary to a
17 financial activity.

18 “(B) DEFINITIONS.—For purposes of this
19 paragraph, the terms ‘real estate brokerage ac-
20 tivity’ and ‘real estate management activity’
21 have the same meanings as in section 4(k)(8) of
22 the Bank Holding Company Act of 1956.

23 “(C) EXCEPTION FOR COMPANY PROP-
24 erty.—This paragraph shall not apply to an
25 activity of a national bank, or a subsidiary of

1 a national bank, that directly relates to man-
2 aging any real property owned by such bank or
3 subsidiary, or the purchase, sale, or lease of
4 property owned, or to be owned, by such bank
5 or subsidiary.

6 “(D) CURRENT ACTIVITIES NOT AF-
7 FECTED.—No provision of this paragraph, or
8 any determination made pursuant to any such
9 provision, may be construed as prohibiting, re-
10 stricting, altering, or otherwise affecting, the
11 right, power, or ability of any national bank, or
12 a subsidiary of a national bank, to engage in
13 any activity, or acquire or retain the shares of
14 any company engaged in an activity, if engag-
15 ing in such activity, or acquiring or retaining
16 such shares, was authorized for national banks,
17 or subsidiaries of national banks, on December
18 6, 2001.”

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