THE REPUBLICAN STUDY COMMITTEE
Rep. Bill Flores, Chairman
Freedom ★ Liberty ★ Opportunity ★ Security
202.225.6105
rsc.flores.house.gov

H.R. 2722— Breast Cancer Awareness Commemorative Coin Act (Maloney, D-NY)

CONTACT: MATT DICKERSON, MATTHEW.DICKERSON@MAIL.HOUSE.GOV, 6-9718

FLOOR SCHEDULE: H. R. 2722 IS EXPECTED TO BE CONSIDERED ON JULY 14, 2015, UNDER A MOTION TO SUSPEND THE RULES AND PASS THE BILL, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: The bill would require the Treasury to produce commemorative coins to be sold for the benefit of Susan G. Komen for the Cure and the Breast Cancer Research Foundation.

COST: A Congressional Budget Office (CBO) estimate is not available at this time.

CONSERVATIVE CONCERNS: Some conservatives have expressed concerns regarding the federal government producing commemorative coins. Some conservatives also may be concerned that Komen for the Cure provides funding to Planned Parenthood.

- **Expand** the Size and Scope of the Federal Government?: Yes.
- **Encroach** into State or Local Authority? No.
- **Delegate** Any Legislative Authority to the Executive Branch? No.
- **Contain** Earmarks/Limited Tax Benefits/Limited Tariff Benefits? An earmark statement is not available, but the bill would direct all surcharges derived from the sale of the coins to be paid to the two non-profit foundations specifically identified by the bill.

DETAILED SUMMARY AND ANALYSIS: The bill would require the Treasury to produce and sell 50,000 $5 gold coins, 400,000 $1 coins, and 750,000 half-dollar coins. The Treasury would be required to charge a surcharge of $35 for the $5 coin, $10 for the $1 coin, and $5 for the half-dollar coin. Half of the surcharges are directed to go to Susan G. Komen for the Cure and half is directed to go to Breast Cancer Research Foundation.

OUTSIDE GROUPS:
Opposition: Heritage Action will be Key-Voting

Support: Breast Cancer Research Foundation

COMMITTEE ACTION: H.R. 2722 was introduced on June 10, 2015, and referred to the House Financial Services Committee. The committee took no further action on the bill.

ADMINISTRATION POSITION: A Statement of Administration Policy is not available at this time.

CONSTITUTIONAL AUTHORITY: "Congress has the power to enact this legislation pursuant to the following: Article I, Section 8. ``The Congress shall have Power . . . to coin Money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;''

H.R. 251—Homes for Heroes Act (Rep. Green, D-TX)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

FLOOR SCHEDULE: SCHEDULED FOR CONSIDERATION ON JULY 14, 2015, UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: H.R. 251 would create a position within the Department of Housing and Urban Development (HUD) and eliminate a position within HUD.

CONSERVATIVE CONCERNS: There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

COST: A Congressional Budget Office (CBO) cost estimate is not currently available.

DETAILED SUMMARY AND ANALYSIS: H.R. 251 would amend the Department of Housing and Urban Development Act to establish in the Office of the Secretary of the HUD a Special Assistant for Veterans Affairs. This position would be responsible for ensuring veterans fair access to HUD housing and homeless assistance programs; (2) coordinate all HUD programs and activities relating to veterans; and (3) serve as a HUD liaison with the Department of Veterans Affairs (VA). This bill would also terminate position of Special Assistant for Veterans Programs in the Office of the Deputy Assistant Secretary for Special Needs. In addition, this bill would direct the secretaries of HUD and VA to report annually to Congress with respect to veterans homelessness and housing assistance.

COMMITTEE ACTION: This bill was introduced in the House on January 9, 2015, by Representative Al Green (D-TX) and referred to House Committee on Financial Services. An identical bill (H.R. 384) passed in 113th Congress by a vote of 420-3.

ADMINISTRATION POSITION: There is no statement of administration policy available.

CONSTITUTIONAL AUTHORITY: According to the sponsor of the legislation: The Constitutional authority to enact this legislation can be found in: General Welfare Clause (Art. 1 Sec. 8 Cl. 1) Commerce Clause (Art. 1 Sec. 8 Cl. 3).

H.R. 1047—Housing Assistance Efficiency Act (Peters, D-CA)

CONTACT: JENNIFER WEINHART, JENNIFER.WEINHART@MAIL.HOUSE.GOV, 202-226-0706

FLOOR SCHEDULE: JULY 13, 2015 UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: H.R. 1047 would permit rental assistance payments as part of the Continuum of Care Program under the McKinney-Vento Homeless Assistance Act to be administered by a private, non-profit organization. Under current law, a "State, unit of general local government, or public housing agency" may administer permanent housing assistance payments. This law also requires the Secretary of the Department of Housing and Urban Development (HUD) to reallocate assistance from the Emergency Solutions Grants (ESG) program at least once a year.

CONSERVATIVE CONCERNS: There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No
- **Encroach into State or Local Authority?** No
- **Delegate Any Legislative Authority to the Executive Branch?** No
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No

DETAILED SUMMARY AND ANALYSIS: The Continuum of Care Program is administered by the Department of Housing and Urban Development (HUD) and "promotes community-wide commitment to the goal of ending homelessness; provides funding . . . to quickly re-house homeless individuals and families to minimize trauma and dislocation; promotes access to and effective utilization of mainstream programs; and optimizes self-sufficiency among individuals and families experiencing homelessness."

COST: A Congressional Budget Office (CBO) estimate is not currently available.

H.R. 1047 would amend existing law to add private, non-profit organizations to the list of entities eligible to administer permanent housing assistance payments as part of the Continuum of Care program. Previously, private, non-profits were permitted to administer rental assistance under the Continuum of Care program. A 2009 change precluded these organizations from continuing this process. This bill would permanently allow non-profits to provide this assistance.

This bill would also require reallocation of ESG assistance at least once a fiscal year rather than twice per year as is currently required. The ESG program distributes formula grants to state and local governments, who in turn distribute the funds to private nonprofit organizations assisting the homeless.

COMMITTEE ACTION: This legislation was introduced on February 24, 2015 and was referred to the House Committee on Financial Services.

ADMINISTRATION POSITION: No statement of administration policy is available at this time.

CONSTITUTIONAL AUTHORITY: According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8, Clause 18 of the United States Constitution.

H.R. 2482—Preservation Enhancement and Savings Opportunity Act of 2015 (Paulsen, R-MN)

CONTACT: JENNIFER WEINHART, JENNIFER.WEINHART@MAIL.HOUSE.GOV, 202-226-0706

FLOOR SCHEDULE: JULY 13, 2015 UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: H.R. 2482 would amend the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) as it relates to how the Secretary of Housing and Urban Development (HUD) can approve extension on low-income affordability restrictions on eligible low-income housing.

CONSERVATIVE CONCERNS: There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No
- **Encroach into State or Local Authority?** No
- **Delegate Any Legislative Authority to the Executive Branch?** No
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No

DETAILED SUMMARY AND ANALYSIS: Under current law, owners of HUD properties receive a certain amount of the cash generated by the properties each year. The rest goes into an account at HUD that they can access after their agreements have expired (generally 50 years). However, over time, owners tax liabilities are often larger than their allowable cash distributions. The legislation fixes this by lifting the caps on the distributions.

For the past 15 years, through administrative action, HUD has removed limitations on rental profit distributions. This legislation would prevent LIHPRHA, or any other use agreement implementing LIHPRHA, from removing the limitation on rental profit distributions, to allow owners, including nonprofits, to access surplus cash generated by the property and funds accumulated in a residual receipts account.

COST: A Congressional Budget Office (CBO) estimate is not currently available.

Section 2 would entitle the owner of a property with a HUD insured, multi-family mortgage to distribute all surplus cash generated by the property, in order to address tax liabilities and other expenses, if they are in compliance with physical condition standards and use agreements.

This legislation would require an owner distributing any amount to continue or renew project-based rental assistance for a minimum of 20 years and have the option to extend the contract to a 20-year term if he has a contract for less than 20 years. It would also require an owner to continue to operate the property within its affordability structure for the remainder of its useful existence.

Section 3 specifies that LIHPRHA would not restrict an owner from obtaining a new loan, or refinancing an existing loan. In conjunction with refinancing, the owner must provide rehabilitation pursuant to a capital needs assessment to guarantee the long-term stability of the property. Any budget-based rent increase must include debt service, debt service coverage, and replacement reserves required by the lender. For tenants not in rent-subsidized housing programs, rent increases from refinancing are prohibited from exceeding ten percent per year. An exception would apply to those tenants occupying a unit at the time of refinancing, who, for the duration of their tenancy are not required to pay for rent and utilities the greater of, thirty percent of their income or the amount paid by the tenant for rent and utilities prior to the refinancing. Tenants would be required to provide proof of income. This would not limit rent increases from increased operating costs for a project.

Section 4 would require the Secretary of HUD to issue any necessary guidance to carry out by new provisions no later than 120 days after the enactment of this act.

COMMITTEE ACTION: This legislation was introduced on May 20, 2015 and was referred to the House Committee on Financial Services.

ADMINISTRATION POSITION: No statement of administration policy is available at this time.

CONSTITUTIONAL AUTHORITY: According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8 of the United States Constitution.

H.R. 2997—Private Investment in Housing Act of 2015 (Ross, R-FL)

CONTACT: JENNIFER WEINHART, JENNIFER.WEINHART@MAIL.HOUSE.GOV, 202-226-0706

FLOOR SCHEDULE: JULY 13, 2015 UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: H.R. 2997 would authorize the Secretary of Housing and Urban Development (HUD) to establish a demonstration program under which the secretary can enter into performance-based, budget-neutral contracts for energy and water conservation improvements for multi-family residential units from FY16 through FY19.

CONSERVATIVE CONCERNS: There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** Yes. The bill would establish a new program within HUD. However, this program is intended to be budget-neutral and to result in increased energy savings and energy efficiency.
- **Encroach into State or Local Authority?** No
- **Delegate Any Legislative Authority to the Executive Branch?** No
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No

COST: A Congressional Budget Office (CBO) estimate is not currently available.

DETAILED SUMMARY AND ANALYSIS: This legislation would allow the Secretary of HUD to enter into budget-neutral, performance-based agreements with private sector companies that would result in energy and water savings for up to 20,000 residential units in multi-family buildings. These buildings would be required to participate in Section 8 rental assistance, supportive housing for elderly individuals, or supported housing for the disabled.

The secretary would only provide a payment to an entity, which may not exceed the utility savings achieved, if an energy or water cost savings is achieved with respect to the multi-family portfolio of properties. Under this legislation, the term for the agreement would be subject to an audit protocol. Entrance into an agreement would be competitive and available only to geographically diverse entities with experience in financing or operating properties receiving assistance under the above programs, oversight over energy and water conservation programs, and experience raising capital for energy and water conservation improvements. This agreement would allow for HUD and the approved entity to share a portion of the savings achieved through the demonstration, at an amount determined by a third party. Eligible multi-family properties must be subject to affordability restrictions for a minimum of 15 years. Payments made to approved-entities through sharing cannot exceed 12 years.

This legislation would require a report to Congress, detailing the implementation of the agreements.

COMMITTEE ACTION: This legislation was introduced on July 9, 2015 and was referred to the House Committee on Financial Services.

ADMINISTRATION POSITION: No statement of administration policy is available at this time.

CONSTITUTIONAL AUTHORITY: According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8, Clause 1 and Article 1, Section 8, Clause 3 of the United States Constitution.

H.R. 1408—Mortgage Servicing Asset Capital Requirements Study Act (Rep. Perlmutter, D-CO)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

FLOOR SCHEDULE: **SCHEDULED FOR CONSIDERATION ON JULY 14, 2015, UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.**

TOPLINE SUMMARY: H.R. 1408 would require the Federal Reserve, the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) to conduct a study on appropriate capital requirements for mortgage servicing for non-global systemically important banks.

COST: The Congressional Budget Office (CBO) estimates that H.R. 1408 would affect direct spending and revenues, and pay-as-you-go procedures apply. However, CBO estimates that the net effect on the budget would not be significant.

CONSERVATIVE CONCERNS: H.R. 1408 contains no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS: H.R. 1408 would require the Federal Reserve, OCC, FDIC, and NCUA to conduct a study to determine the appropriate capital requirements for mortgage servicing assets for any non-global systemically important banks. The bill would require that these federal banking agencies report the results of the joint study to Congress within six months of enactment. In addition, this bill would mandate that no rules implementing Basel III capital requirements on NCUA capital requirements, as the rules relate to mortgage servicing assets, may take effect for three months after the issuance of the joint report.

On July 2, 2013, the banking regulators approved the final Basel III capital requirements to establish capital requirements for U.S. banking institutions. On January 15, 2015, the NCUA released a revised version of its Risk-Based Capital Proposal for credit unions. Both the Basel III and NCUA frameworks would require financial institutions to hold higher levels of capital for mortgage servicing assets. The term "mortgage servicing asset" includes assets that result from contracts to service loans secured by real estate, where such loans are owned by third parties. The Consumer Financial Protection Bureau (CFPB) also made significant changes to the mortgage servicing market with new rules that went into effect on January 10, 2014.

These increased regulatory burdens have diverted financial activity from the regulated sector of insured depositories and community banks to nonbank financial firms. In response to this shift in financial activity, regulators are now forcing banks to keep these riskier assets on their books. However, this comes at a cost, as riskier mortgage assets require banks to hold increased capital due to the risk. H.R. 1408 would require

regulators to "take a step back" to study the issue, and temporarily delay the issuance of new capital requirements for mortgage servicing assets.

COMMITTEE ACTION: This bill was introduced in the House on March 17, 2015, by Representative Earl Perlmutter (D-CO) and referred to House Committee on Financial Services. On March 25, 2015, the House Committee on Financial Services reported the bill by a vote of 49 – 9.

ADMINISTRATION POSITION: There is no statement of administration policy available.

CONSTITUTIONAL AUTHORITY: According to the sponsor of the legislation, "Congress has the power to enact this legislation pursuant to the following: Article 1, Section 1"

H.R. 432—SBIC Advisers Relief Act of 2015 (Luetkemeyer, R-MO)

CONTACT: JENNIFER WEINHART, JENNIFER.WEINHART@MAIL.HOUSE.GOV, 202-226-0706

FLOOR SCHEDULE: JULY 13, 2015 UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: H.R. 432 would amend the Investment Advisers Act of 1940 to reduce some regulatory costs and eliminate duplicative regulation of advisers to Small Business Investment Companies (SBICs) by the Securities and Exchange Commission (SEC).

CONSERVATIVE CONCERNS: There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No
- **Encroach into State or Local Authority?** Yes- it preempts state registration requirements of SBIC advisers who solely manage SBIC funds.
- **Delegate Any Legislative Authority to the Executive Branch?** No
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No

DETAILED SUMMARY AND ANALYSIS: The Small Business Administration's (SBA's) Small Business Investment Company was created in 1958 to enable the flow of long-term capital to small businesses. SBA partners with private investors to capitalize SBICs that finance small businesses. Under Dodd-Frank, certain advisers are exempt from SEC registration, including those that solely advise SBIC funds and those solely advise venture capital funds. The law does not address those advisers that advise both venture capital and SBIC funds.

This bill would reduce regulatory burdens and duplicative regulation by preempting the application of state registration requirements to advisers who solely advise SBIC funds and would allow advisers to venture capital funds who also advise an SBIC fund to remain "exempt reporting advisers."

COST: The Congressional Budget Office (CBO) estimates that H.R. 432 would not significantly affect discretionary spending. Further, under current law, the SEC is authorized to collect fees sufficient to offset its appropriation each year. CBO estimates the net cost to the SEC would not be significant. H.R. 432 would not affect direct spending or revenues, and, pay-as-you-go procedures do not apply.

This bill would also prohibit SBIC fund assets from inclusion in the SEC registration calculation of "assets under management" for advisers that advise both SBIC funds and private funds. These provisions are designed to reduce regulatory burdens.

A similar bill, H.R. 4200 passed the House by voice vote in the 113th Congress. The legislative bulletin can be found here.

OUTSIDE GROUPS SUPPORT:
Small Business Investor Alliance

COMMITTEE ACTION: This legislation was introduced on January 21, 2015 and referred to the House Committee on Small Business. It was ordered to be reported by the yeas and nays 53-0 on May 20, 2015.

ADMINISTRATION POSITION: No statement of administration policy is available at this time.

CONSTITUTIONAL AUTHORITY: According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8, Clause 3 of the United States Constitution. Additionally, Article 1, Section 7, Clause 2 of the Constitution allows for every bill passed by the House of Representatives and the Senate and signed by the President to be codified into law; and therefore implicitly allows Congress to amend any bill that has been passed by both chambers and signed into law by the President.

H.R. 1334—Holding Company Registration Threshold Equalization Act (Rep. Womack, R-AR)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

FLOOR SCHEDULE: **SCHEDULED FOR CONSIDERATION ON JULY 14, 2015, UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.**

TOPLINE SUMMARY: H.R. 1334 would raise the threshold under which a savings and loan holding company (SLHC) must register with the Securities and Exchange Commission (SEC).

CONSERVATIVE CONCERNS: H.R. 1334 contains no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

COST: The Congressional Budget Office (CBO) estimates that H.R. 1334 would not significantly affect discretionary spending. Under current law, the SEC is authorized to collect fees sufficient to offset its appropriation each year, and the next cost of this bill would not be significant. CBO estimates that the bill would not affect direct spending or revenues, and pay-as-you-go procedures do not apply.

DETAILED SUMMARY AND ANALYSIS: This bill would raise the thresholds under which a savings and loan holding company must register with the SEC. Title IV of the JOBS Act raised the shareholder registration threshold with the SEC from 500 to 2,000 shareholders for companies with total assets more than $10 million. In addition, Title IV also raised the deregistration threshold from 300 to 1,200 shareholders for banks and bank holding companies.

However, Title IV did not explicitly extend these revised thresholds to SLHCs. It should be noted that Congress never intended to treat SLHCs differently from banks and bank holding companies.

In terms of SEC registration requirements, putting SLHCs on the same playing field as banks and bank holding companies would allow SLHCs to reduce SEC-related registration and compliance costs. The SEC registration process is burdensome and costly.

On December 18, 2014, the SEC issued a proposed revision so that SLHCs are treated in a similar manner to banks and bank holding companies for the purposes of registration and other reporting requirements. The comment period on this proposed revision expired on March 2, 2015, and the SEC has yet to issue a final rule.

COMMITTEE ACTION: This bill was introduced in the House on March 4, 2015, by Representative Steve Womack (R-AR) and referred to House Committee on Financial Services. On May 20, 2015, the House Committee on Financial Services reported the bill by a vote of 60 – 0.

ADMINISTRATION POSITION: There is no statement of administration policy available.

CONSTITUTIONAL AUTHORITY: According to the sponsor of the legislation, "Congress has the power to enact this legislation pursuant to the following: Article One, Section Eight of the United States Constitution"

H.R. 1723—Small Company Simple Registration Act (Rep. Wagner, R-MO)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

FLOOR SCHEDULE: **SCHEDULED FOR CONSIDERATION ON JULY 14, 2015, UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.**

TOPLINE SUMMARY: H.R. 1723 would streamline Securities and Exchange Commission's (SEC) Form S-1.

CONSERVATIVE CONCERNS: H.R. 1723 contains no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

COST: The Congressional Budget Office (CBO) estimates that implementing this bill would cost about $1 million in Fiscal Year 2016. Under current law, the SEC is authorized to collect fees sufficient to offset its annual appropriation. CBO estimates that the net budgetary effect of the SEC's activities would be insignificant. This legislation would not affect direct spending or revenues, and pay-as-you-go procedures do not apply.

DETAILED SUMMARY AND ANALYSIS: H.R. 1723 would make changes to the SEC's Form S-1 registration process. Form S-1 is the basic registration form for new securities offerings. In addition, Form S-1 is used as part of the "forward incorporation by reference," which allows smaller companies to reduce their registration paper burdens on subsequent securities filings. Specifically, this bill would reduce redundant disclosure

requirements and streamline registration statement by permitting forward incorporation by reference in Form S-1 registration statements.

The SEC's Government-Business Forum on Small Business Capital Formation Final Report 2012 contains recommendations that serve as the basis for H.R. 1723.

COMMITTEE ACTION: This bill was introduced in the House on March 26, 2015, by Representative Ann Wagner (R-MO) and referred to House Committee on Financial Services. On May 20, 2015, the House Committee on Financial Services reported the bill by a vote of 60 – 0.

ADMINISTRATION POSITION: There is no statement of administration policy available.

CONSTITUTIONAL AUTHORITY: According to the sponsor of the legislation: The Congress shall have Power To regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.

H.R. 1847—SWAP Data Repository and Clearinghouse Indemnification Correction Act (Rep. Crawford, R-AR)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

FLOOR SCHEDULE: **SCHEDULED FOR CONSIDERATION ON JULY 14, 2015, UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.**

TOPLINE SUMMARY: H.R. 1847 would repeal certain Dodd-Frank indemnification provisions to increase market transparency and ensure U.S. regulators have necessary information from foreign regulators.

CONSERVATIVE CONCERNS: H.R. 1847 contains no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

COST: The Congressional Budget Office (CBO) estimates that any change in discretionary spending to implement this legislation would be insignificant. Under current law, the SEC is authorized to collect fees sufficient to offset the cost of its annual appropriation. CBO estimates that this bill would have an insignificant effect direct spending, and pay-as-you-go procedures apply.

DETAILED SUMMARY AND ANALYSIS: Under Sections 728 and 763 of Dodd-Frank, swap data repositories and security-based swap data repositories are required to make data available to non-U.S. financial regulators. Under these data sharing arrangements, foreign regulators must agree to abide by confidentiality requirements and will indemnify U.S. data repositories, the Securities and Exchange Commission (SEC), and Commodity Futures Trading Commission (CFTC)—or compensate for harm or loss—against any litigation expenses that many result when a U.S. data repository shares data with a foreign regulator. Similar to this, Section 725 of Dodd-Frank imposes similar data sharing requirements between derivatives clearing organizations and U.S. regulators in the process of sharing data with foreign regulators.

Given the risks imposed on foreign regulators by Dodd-Frank indemnification requirements, foreign regulators will simply refuse to indemnify U.S.-based financial services entities, and potentially establish their own data repositories and clearing organizations. These actions could lead to the creation of multiple data collection

efforts and databases. In addition, foreign regulators have considered adopting similar indemnification requirements to be placed upon U.S. regulators.

In 2012, both the SEC and CFTC acknowledged problems with the Sections 728, 762, and 725 indemnification requirements. In May 2013, SEC Chair White expressed support for repeal of the indemnification requirements.

H.R. 1847 would repeal the indemnification provisions contained in Sections 728, 762, and 725 to facilitate data sharing between U.S. and foreign financial regulators.

COMMITTEE ACTION: This bill was introduced in the House on April 16, 2015, by Representative Rick Crawford (R-AR) and referred to House Committee on Financial Services. On May 20, 2015, the House Committee on Financial Services reported the bill by a vote of 60 – 0.

ADMINISTRATION POSITION: There is no statement of administration policy available.

CONSTITUTIONAL AUTHORITY: According to the sponsor of the legislation: Congress has the power to enact this legislation pursuant to the enumerated powers listed in Article I, Section 8, which include the power to "regulate commerce . . . among the several States . . .

H.R. 2064—Improving Access to Capital For Emerging Growth Companies Act (Rep. Fincher, R-TN)

CONTACT: ANDREW SHAW, ANDREW.SHAW@MAIL.HOUSE.GOV, 6-9143

FLOOR SCHEDULE: SCHEDULED FOR CONSIDERATION ON JULY 14, 2015, UNDER A SUSPENSION OF THE RULES, WHICH REQUIRES A TWO-THIRDS MAJORITY FOR PASSAGE.

TOPLINE SUMMARY: H.R. 2064 would make certain changes to requirements governing emerging growth companies (ECGs).

CONSERVATIVE CONCERNS: H.R. 2064 contains no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

COST: The Congressional Budget Office (CBO) estimates that this bill would not affect direct spending or revenues, as pay-as-you-go procedures do not apply. Since the SEC is authorized to collect fees sufficient to offset the cost of its annual appropriation, CBO estimates that the net budgetary effect would be negligible.

DETAILED SUMMARY AND ANALYSIS: The Jumpstart Our Business Startups (JOBS) Act created ECGs as a new category of issuers to encourage capital formation. Specifically, an "emerging growth company" is defined in the Securities Act and the Exchange Act as an issuer with "total annual gross revenues" of less than $1 billion during its most recently completed fiscal year. ECGs were created to make initial public offerings (IPOs) more appealing to small issuers by reducing regulatory costs and burdens. H.R. 2064 would make a number of changes to the requirements governing ECGs.

This bill would reduce the number of days, from 21 to 15, that an EGC must have a confidential registration statement on file with the Securities and Exchange Commission (SEC) before conducting a "road show" to pitch the pitch the public offering. This bill would also clarify that an issuer that was an EGC at the time it filed a confidential registration statement—but is no longer an EGC—will continue to be treated an EGC through the

date of its IPO. H.R. 2064 would also require the SEC to revise Form S-1 instructions regarding the financial information an issuer must disclose prior to an IPO.

COMMITTEE ACTION: This bill was introduced in the House on April 28, 2015, by Representative Stephen Fincher (R-TN) and referred to House Committee on Financial Services. On May 20, 2015, the House Committee on Financial Services reported the bill by a vote of 57 – 0.

ADMINISTRATION POSITION: There is no statement of administration policy available.

CONSTITUTIONAL AUTHORITY: According to the sponsor of the legislation: Congress has the power to enact this legislation pursuant to U.S. Constitution, Article I, Section VIII.

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

###