CURRENT LEGISLATIVE AND REGULATORY ACTIVITY

October 30, 2017

For the week ending October 28, 2017

SELECTED NEW PUBLIC LAWS ENACTED:


SELECTED FLOOR/CHAMBER ACTIONS:

ON THE FLOOR OF THE SENATE: On October 24, 2017, by 51 yeas to 50 nays, Vice President voting yea (Vote No. 249), the Senate passed H.J. Res. 111, providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by Bureau of Consumer Financial Protection relating to "Arbitration Agreements", after agreeing to the motion to proceed. See v. 163 Cong. Record, page S6760, October 24, 2017.


ON THE FLOOR OF THE HOUSE: On October 26, 2017, the House passed the Sunshine for Regulations and Regulatory Decrees and Settlements Act of 2017, H.R. 469, to impose certain limitations on consent decrees and settlement agreements by agencies that require the agencies to take regulatory action in accordance with the terms thereof, by a recorded vote of 234 ayes to 187 noes, Roll No. 588. See v. 163 Cong. Record, pages H8194–H8204, H8204–09, October 26, 2017.


SELECTED COMMITTEE ACTIONS/HEARINGS:

HOUSE COMMITTEE ON FINANCIAL SERVICES: On October 25, 2017, the Subcommittee on Housing and Insurance held a hearing entitled "Sustainable Housing Finance: Private Sector Perspectives on Housing Finance Reform". Testimony was heard from public witnesses.

HOUSE COMMITTEE ON FINANCIAL SERVICES: On October 25, 2017, the Committee held a hearing entitled "Examining the Equifax Data Breach". Testimony was heard from Sara Cable, Director, Data Privacy and Security, Assistant Attorney General, Consumer Protection Division, Office of Attorney General, Massachusetts; and public witnesses.

HOUSE COMMITTEE ON FINANCIAL SERVICES: On October 24, 2017, the Subcommittee on Housing and Insurance held a hearing entitled "The Federal Government's Role in the Insurance Industry". Testimony was heard from public witnesses.

HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM: On October 25, 2017, the Subcommittee on Government Operations; and Subcommittee on Healthcare, Benefits, and Administrative Rules held a joint hearing entitled "Regulatory Reform Task Forces Check-In". Testimony was heard from James Owens, Acting General Counsel, Department of Transportation; Joo Chung, Director of the Oversight and Compliance Directorate, Office of the Deputy Chief Management Officer, Department of Defense; Giancarlo Brizzi, Principal Deputy Associate Administrator, Office of Government-Wide Policy, General Services Administration; and public witnesses.

JOINT ECONOMIC COMMITTEE: On October 25, 2017, the Committee held and concluded a hearing to examine the economic outlook, after receiving testimony from Kevin Hassett, Chairman, Council of Economic Advisers.
HOUSE COMMITTEE ON THE JUDICIARY: October 25, 2017, the Committee began a markup on H.R. 4092, the "AG Act"; and H.R. 3711, the "Legal Workforce Act".

SENATE COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS: On October 26, 2017, the Subcommittee on Regulatory Affairs and Federal Management concluded a hearing to examine improving oversight of the regulatory process, focusing on lessons from state legislatures, after receiving testimony from Scott Bedke, Idaho House of Representatives, Oakley; Joshua A. Boschee, North Dakota Legislative Assembly, Fargo; and Arthur J. O'Neill, Connecticut General Assembly, Southbury.

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES: On October 26, 2017, the Committee held and concluded a hearing to examine advanced cyber technologies that could be used to help protect electric grids and other energy infrastructure from cyberattacks, after receiving testimony from Carl Imhoff, Manager, Electricity Market Sector, Pacific Northwest National Laboratory, Richard Raines, Director of Electrical and Electronics Systems Research, Oak Ridge National Laboratory, and Zachary D. Tudor, Associate Laboratory Director, National and Homeland Security, Idaho National Laboratory, all of the Department of Energy; Duncan Earl, Qubitekk, Inc., Vista, California; and Daniel Riedel, New Context Services, Inc., San Francisco, California.

HOUSE COMMITTEE ON SMALL BUSINESS: On October 26, 2017, the Subcommittee on Economic Growth, Tax, and Capital Access held a hearing entitled "Financing Through Fintech: Online Lending's Role in Improving Small Business Capital Access". Testimony was heard from public witnesses.

SELECTED MEASURES INTRODUCED IN THE HOUSE:

By Ms. LOFGREN, D-CA (for herself and six cosponsors):
H.R. 4124. A bill to amend the Foreign Intelligence Surveillance Act of 1978 to protect privacy rights and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Intelligence (Permanent Select), Oversight and Government Reform, and Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. Introduced October 25, 2017.

By Mr. O'ROURKE, D-TX:
H.R. 4130. A bill to amend title 9, United States Code, with respect to arbitration; to the House Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. Introduced October 25.

By Mr. POCAN, D-WI (for himself and eight cosponsors):
H.R. 4139. A bill to provide incentives for businesses to keep jobs in America; to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, Armed
Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. Introduced October 26, 2017.

By Mr. THOMPSON, D-CA (for himself and seven cosponsors):
H.R. 4148. A bill to provide disaster relief to small businesses, and for other purposes; to the Committee on Small Business, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. Introduced October 26, 2017.

By Ms. MAXINE WATERS, D-CA:
H.R. 4159. A bill to limit the collection of annual premiums under the FHA program for mortgage insurance for single family housing, and for other purposes; to the Committee on Financial Services. Introduced October 26, 2017.

By Ms. MAXINE WATERS, D-CA (for herself and Mr. Heck, D-WA):
H.R. 4160. A bill to revise the FHA program for home equity conversion mortgages for elderly homeowners to add safeguards to prevent the displacement of homeowners, and for other purposes; to the Committee on Financial Services. Introduced October 26, 2017.

SELECTED MEASURES INTRODUCED IN THE SENATE:

By Mr. RUBIO, R-FL:
S. 1995. A bill to amend the Small Business Investment Act of 1958 to improve the number of small business investment companies in underlicensed States, and for other purposes; to the Committee on Small Business and Entrepreneurship. Introduced October 24, 2017.

By Mr. PERDUE, R-GA:
S. 2013. A bill to amend the Truth in Lending Act to provide a safe harbor from certain requirements related to qualified mortgages for residential mortgage loans held on an originating depository institution's portfolio, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs. Introduced October 26, 2017.

By Mrs. ERNST, R-IA (for herself and Ms. Heitkamp, D-ND):

By Ms. BALDWIN, D-WI (for herself and four cosponsors):
By Mr. MARKEY, D-MA:


**SELECTED STUDIES/REPORTS PRESENTED TO CONGRESS**

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM: See the Board’s Annual Report to Congress and other reports presented to Congress on the Board’s Publications website such as the Availability of Credit to Small Business and the Presidential $1 Coin Program. See also periodic required reports to Congress by the Board (Intranet site).


CONGRESSIONAL BUDGET OFFICE: The CBO produces dozens of publications and legislative cost estimates every year on a variety of topics including those on the Budget, on the Economy, on Employment and Labor Markets, on Finance, on Housing, on
SELECTED FEDERAL REGULATORY ACTIONS:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE COMPTROLLER OF THE CURRENCY: In March 2017, the above agencies submitted a report to Congress pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996, in which they committed to meaningfully reduce regulatory burden, especially on community banking organizations. Consistent with that commitment, the agencies are inviting public comment on a notice of proposed rulemaking that would simplify compliance with certain aspects of the capital rule. A majority of the proposed simplifications would apply solely to banking organizations that are not subject to the advanced approaches capital rule (non-advanced approaches banking organizations). Specifically, the agencies are proposing that non-advanced approaches banking organizations apply a simpler regulatory capital treatment for: Mortgage servicing assets; certain deferred tax assets arising from temporary differences; investments in the capital of unconsolidated financial institutions; and capital issued by a consolidated subsidiary of a banking organization and held by third parties (minority interest). More generally, the proposal also includes revisions to the treatment of certain acquisition, development, or construction exposures that are designed to address comments regarding the current definition of high volatility commercial real estate exposure under the capital rule's standardized approach. Under the standardized approach, the proposed revisions to the treatment of acquisition, development, or construction exposures would not apply to existing exposures that are outstanding or committed prior to any final rule's effective date. In addition to the proposed simplifications, the agencies also are proposing various additional clarifications and technical amendments to the agencies' capital rule, which would apply to both non-advanced approaches banking organizations and advanced approaches banking organizations. Comments must be received by December 26, 2017. See v. 82 Fed. Register, pages 49984-50044, October 27, 2017 (FR Doc No 2017-22093).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE COMPTROLLER OF THE CURRENCY: On October 23, 2017, the above agencies, released a guidance entitled Interagency Frequently Asked Questions on Implementation the Liquidity Coverage Ratio (LCR) Rule. The LCR rule applies to bank holding companies, savings and loan holding companies without significant insurance or commercial operations, and state member banks with $250 billion or more in total assets or $10 billion or more in on-balance sheet foreign exposure and to these holding companies' subsidiary depository institutions that have total consolidated assets of $10 billion or more. The modified LCR rule applies to bank holding companies and savings and loan holding companies without significant insurance or commercial operations that, in each case, have $50 billion or more in total consolidated assets but do not meet the thresholds stated above to be covered by the LCR rule. The purpose of the FAQs is to clarify certain aspects of the existing LCR and modified LCR rules for supervised institutions and supervisory staff based on questions that the agencies have received since the rules were published. As the agencies issue additional FAQs in response to questions received, the Federal Reserve will periodically update
the FAQ document that is attached to this SR letter. These and any subsequent FAQs also will be maintained on the Board's public website. See SR 17-11 and its 32 page attachment of FAQs.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM: On October 26, 2017, the Board released a guidance entitled Timing Expectations for the Completion of Safety-and-Soundness Examination and Inspection Reports for Regional Banking Organizations. The guidance only applies to domestic financial institutions supervised by the Federal Reserve with greater than $10 billion and less than $50 billion in total consolidated assets. See SR 17-12.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE COMPTROLLER OF THE CURRENCY, NATIONAL CREDIT UNION ADMINISTRATION: Section 2 of the Depository Institutions Disaster Relief Act of 1992 (DIDRA) authorizes the agencies to make exceptions to statutory and regulatory appraisal requirements under Title XI of FIRREA. The exceptions are available for transactions involving real property located within an area in a state or territory declared to be a major disaster by the President if the agencies determine, and describe by publication of a regulation or order, that the exceptions would facilitate recovery from the disaster and would be consistent with safety and soundness. In this statement and order, the agencies exercise their authority to grant temporary exceptions to the FIRREA appraisal requirements for real estate-related financial transactions, provided certain criteria are met, in areas of Florida, Georgia, Puerto Rico, Texas, and the U.S. Virgin Islands that have been declared major disasters by President Trump as a result of the severe storms and flooding caused by Hurricanes Harvey, Irma, and Maria. The expiration date for the exceptions in each area is three years after the date the President declared the state or territory a major disaster. The order is applicable on October 24, 2017 and expires three years after the date the President declared the relevant state or territory a major disaster. See v. 82 Fed. Register, pages 49089-49091, October 24, 2017 (FR Doc No 2017-22957).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM: The Board is finalizing its interim final rule amending its regulations for processing requests under the Freedom of Information Act ("FOIA") pursuant to the FOIA Improvement Act of 2016 (the amendments clarify and update procedures for requesting information from the Board, extend the deadline for administrative appeals, and add information on dispute resolution services. The interim final rule became effective on December 27, 2016. This rulemaking finalizes the interim rule with minor edits. The final rule is effective on November 24, 2017. See v. 82 Fed. Register, pages 49286-40287, October 25, 2017 (FR Doc No 2017-23095).

BUREAU OF FISCAL SERVICE – DEPARTMENT OF THE TREASURY: The Secretary of the Treasury is responsible for computing and publishing the percentage rate that is used in assessing interest charges for outstanding debts owed to the Government. This rate is also used by agencies as a comparison point in evaluating the cost-effectiveness of a cash discount. In addition, this rate is used in determining when agencies should pay purchase card invoices when the card issuer offers a rebate. Notice is hereby given that the applicable rate for calendar year 2018 is 1.00 percent. The effective date is January 1, 2018 through December 31, 2018. See v. 82 Fed. Register, page 49934, October 27, 2017 (FR Doc No 2017-23419).
OFFICE OF THE COMPTROLLER OF THE CURRENCY: The OCC is inviting comment on a proposed rule that would make several revisions to its stress testing rule. The proposed rule would change the range of possible “as-of” dates used in the global market shock component to conform to changes recently made by the Board of Governors of the Federal Reserve System (Board) to its stress testing regulations. The proposed rule would also change the transition process for covered institutions with $50 billion or more in assets. Under the proposed rule, a covered institution that becomes an over $50 billion covered institution, as that term is defined in the OCC stress testing regulation, before September 30 would become subject to the requirements applicable to an over $50 billion covered institution beginning on January 1 of the second calendar year after the covered institution becomes an over $50 billion covered institution, and a covered institution that becomes an over $50 billion covered institution after September 30 would become subject to the requirements applicable to an over $50 billion covered institution beginning on January 1 of the third calendar year after the covered institution becomes an over $50 billion covered institution. The proposed rule would also make certain technical changes to clarify the requirements of the OCC's stress testing regulation. Comments must be received on or before December 26, 2017. See v. 82 Fed. Register, pages 49764-49767, October 27, 2017 (FR Doc No 2017-23353).

FEDERAL BANKING AGENCIES: A website of the Federal Reserve Bank of St. Louis lays out recent updates to Federal Banking Regulations. See also the news releases from the public websites of the FRB, the OCC, the FDIC, the CFPB, the CFTC and the SEC.

HOW TO OBTAIN DOCUMENTS:

Most of the legislative and regulatory material noted above can be obtained on the Internet (see links within each item) through Congress.gov, the legislative database of the Library of Congress, or through the United States Government Publishing Office via FDsys and GovInfo.gov. Congressional hearings are normally published several months after a hearing occurs, but prepared statements of witnesses, as well as archived webcasts, can be obtained on most Congressional committee websites. Board prepared statements before Congress and press releases on its regulatory actions are available on the Board's public Web site. Selected unofficial transcripts of congressional hearings may also be available on certain commercial databases.

This document is for information purposes only, and Federal Reserve staff members are not necessarily following any item listed.