



Current Legislative and Regulatory Activity



United States
of America

September 11, 2017

No. 115-27

For the period ending September 9, 2017

Note: The House and Senate met only in pro forma sessions through most of August and did not meet again until Tuesday, September 5, 2017.

SELECTED NEW PUBLIC LAWS ENACTED:

PUBLIC LAW 115-54: The President signed into law H.J. Res. 76, granting the consent and approval of Congress for the Commonwealth of Virginia, the State of Maryland, and the District of Columbia to enter into a compact relating to the establishment of the Washington Metrorail Safety Commission. (Aug. 22, 2017; 131 Stat. 1093; 12 pages)

SELECTED FLOOR/CHAMBER ACTIONS:

ON THE FLOOR OF THE HOUSE: On September 5, 2017, the House passed the Financial Stability Oversight Council Insurance Member Continuity Act, [H.R. 3110](#), to amend the Financial Stability Act of 2010 to modify the term of the independent member of the Financial Stability Oversight Council, by a 2/3 yea-and-nay vote of 407 yeas to 1 nay, [Roll No. 439](#). See v. 163 Cong. Record, [pages H6637–38, H6643](#), September 5, 2017.

ON THE FLOOR OF THE HOUSE: On September 5, 2017, the House passed the Improving Access to Capital Act, [H.R. 2864](#), amended, to direct the Securities and Exchange Commission to allow certain issuers to be exempt from registration requirements, by a 2/3 yea-and-nay vote of 403 yeas to 3 nays, [Roll No. 440](#). See v. 163 Cong. Record, [pages H6641–43, H6644](#), September 5, 2017.

ON THE FLOOR OF THE SENATE: On September 6, 2017, the Senate passed the Social Security Fraud Prevention Act, [H.R. 624](#), to restrict the inclusion of social security account numbers on Federal documents sent by mail – clearing the measure for the President. See v. 163 Cong. Record, [page S5020](#), September 6, 2017.

ON THE FLOOR OF THE SENATE: On September 6, 2017, the Senate passed the Bankruptcy Judgeship Act of 2017, [S. 1107](#), to amend title 28, United States Code, to authorize the appointment of additional bankruptcy judges, and the bill was then passed, after agreeing to the following amendment proposed thereto: McConnell (for Grassley) Amendment No. 787, in the nature of a substitute. See v. 163 Cong. Record, [page S4956](#), September 5, 2017.

ON THE FLOOR OF THE SENATE AND HOUSE: On September 6, 2017, the Senate by 80 yeas to 17 nays (Vote No. 192), concurred in the House amendment to the Senate amendment (No. 6) to [H.R. 601](#), to Reinforcing Education Accountability in Development Act, to enhance the transparency and accelerate the impact of assistance provided under the Foreign Assistance Act of 1961 to promote quality basic education in developing countries, to better enable such countries to achieve universal access to quality basic education and improved learning outcomes, to eliminate duplication and waste, with McConnell Amendment No. 808 (to the House amendment to the Senate amendment (No. 6) to the bill), in the nature of a substitute. The next day the House concurred in the Senate amendment by a yeay-nay vote 316 to 90 nays – clearing the measure for the President. See v. 163 Cong. Record, [pages S5031–39](#) and [pages H7191–97](#), September 7 and 8, 2017.

SELECTED MEASURES REPORTED FROM COMMITTEE

SENATE COMMITTEE ON APPROPRIATIONS: On September 7, 2017, Subcommittee Chairman Blunt, R-MO, filed a report to accompany, without amendment, [S. 1771](#), an original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2018, and for other purposes (Rept. No. 115-150).

SENATE COMMITTEE ON APPROPRIATIONS: On September 7, 2017, Subcommittee Chairman Burr, R-NC, filed a report to accompany [S. 1761](#), an original bill to authorize appropriations for fiscal year 2018 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (S. Rept. No. 115-151).

SENATE COMMITTEE ON APPROPRIATIONS: On September 7, 2017, Subcommittee Chairman Graham, R-SC, filed a report to accompany [S. 1780](#), an original bill making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2018, and for other purposes (S. Rept. No. 115-152).

SELECTED COMMITTEE ACTIONS/HEARINGS:

SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS: On September 7, 2017, the Committee [ordered favorably reported](#) the following business items: [S. 1463](#), to amend the Financial Stability Act of 2010 to modify the term of the independent member of the Financial Stability Oversight Council; and the nominations of Joseph Otting, of Nevada, to be Comptroller of the Currency, Department of the Treasury, and Randal Quarles, of Colorado, to be a Member of the Board of Governors of the Federal Reserve System, to be a Member of the Board of Governors of the Federal Reserve System (Reappointment), and to be Vice Chairman for Supervision of the Board of Governors of the Federal Reserve System.

HOUSE COMMITTEE ON FINANCIAL SERVICES: On September 7, 2017, the Subcommittee on Financial Institutions and Consumer Credit held a [hearing](#) entitled "Legislative Proposals for a More Efficient Federal Financial Regulatory Regime". Testimony was heard from public witnesses.

HOUSE COMMITTEE ON FINANCIAL SERVICES: On September 7, 2017, the Subcommittee on Capital Markets, Securities, and Investment held a [hearing](#) entitled "Oversight of the Financial Industry Regulatory Authority". Testimony was heard from Robert W. Cook, President and Chief Executive Officer, Financial Industry Regulatory Authority.^{9/7}

HOUSE COMMITTEE ON FINANCIAL SERVICES: On September 6, 2017, the Subcommittee on Terrorism and Illicit Finance held a [hearing](#) entitled "Low Cost, High Impact: Combatting the Financing of Lone-Wolf and Small-Scale Terrorist Attacks". Testimony was heard from public witnesses.

HOUSE COMMITTEE ON SMALL BUSINES: On September 6, 2017, the full Committee held a [hearing](#) entitled "Expediting Economic Growth: How Streamlining Federal Permitting Can Cut Red Tape for Small Businesses". Testimony was heard from public witnesses.

HOUSE COMMITTEE ON WAYS AND MEANS: On September 6, 2017, the Subcommittee on Human Resources held a [hearing](#) entitled "Missing from the Labor Force: Examining Declining Employment among Working-Age Men". Testimony was heard from public witnesses.

HOUSE COMMITTEE ON WAYS AND MEANS: On September 6, 2017, the Subcommittee on Social Security held a [hearing](#) entitled "Determining Eligibility for Disability Benefits: Challenges Facing the Social Security Administration". Testimony was heard from Bea Disman, Acting Chief of Staff, Social Security Administration; Kathryn Larin, Director, Education, Workforce, and Income Security Issues, Government Accountability Office; and public witnesses.

HOUSE COMMITTEE ON EDUCATION AND THE WORKFORCE: On September 6, 2017, the full Committee held a [hearing](#) entitled "The Sharing Economy: Creating Opportunities for Innovation and Flexibility". Testimony was heard from public witnesses.

SENATE COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS: On September 7, 2017, the Committee held and concluded a [hearing](#) to examine stabilizing premiums and helping individuals in the individual insurance market for 2018, focusing on governors, after receiving testimony from Massachusetts Governor Charles D. Baker, Boston; Montana Governor Steve Bullock, Helena; Tennessee Governor Bill Haslam, Nashville; Utah Governor Gary R. Herbert, Salt Lake City; and Colorado Governor John W. Hickenlooper, Denver.

SELECTED MEASURES INTRODUCED IN THE HOUSE:

By Mr. POSEY, R-FL (for himself and Mr. Heck, D-WA):

[H.R. 3736](#). A bill to require the National Credit Union Administration to conduct a study of the appropriate capital requirements for credit unions, and for other purposes; to the Committee on Financial Services. Introduced September 5, 2017.

By Mr. SCHWEIKERT, R-AZ (for himself and Mr. Polis, D-CO):

[H.R. 3708](#). A bill to amend the Internal Revenue Code of 1986 to exclude from gross income de minimus gains from certain sales or exchanges of virtual currency, and for other purposes; to the Committee on Ways and Means. Introduced September 7, 2017.

By Mr. SMITH, R-TX (for himself and 19 cosponsors):

[H.R. 3711](#). A bill to amend the Immigration and Nationality Act to make mandatory and permanent requirements relating to use of an electronic employment eligibility verification system, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Ways and Means, and Education and the Workforce, 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 September 8, 2017.

By Mr. KATKO, R-NY (for himself and Mr. Cummings, D-VA):

[H.R. 3714](#). A bill to require the Secretary of the Treasury to redesign \$20 Federal reserve notes so as to include a likeness of Harriet Tubman, and for other purposes; to the Committee on Financial Services. Introduced September 8, 2017.

By Mr. PALAZZO, R-MS:

[H.R. 3723](#). A bill to extend the National Flood Insurance Program; to the Committee on Financial Services. Introduced September 8, 2017.

SELECTED MEASURES INTRODUCED IN THE SENATE:

By Ms. HASSAN, D-NH (for herself and Mr. Gardner, R-CO):

[S. 1769](#). A bill to require a new or updated Federal website that is intended for use by the public to be mobile friendly, and for other purposes; to the Committee on Homeland Security and Governmental Affairs. Introduced September 7, 2017.

By Mr. BLUNT, R-MO:

[S. 1771](#). An original bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2018, and for other purposes; from the Committee on Appropriations; placed on the calendar. Introduced September 7, 2017.

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. See also [periodic required reports](#) to Congress by the Board (Intranet site).

OFFICE OF INSPECTOR GENERAL - BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM and the CONSUMER FINANCIAL PROTECTION BUREAU: See latest OIG activity by agency at <https://oig.federalreserve.gov/>.

GOVERNMENT ACCOUNTABILITY OFFICE: The GAO released a report entitled [Anti-Money Laundering: U.S. Efforts to Combat Narcotics-Related Money Laundering in the Western Hemisphere](#) [GAO-17-684](#), August 22, 2017. 67 pages:

GOVERNMENT ACCOUNTABILITY OFFICE: The GAO released a report entitled [Civil Penalties: Certain Federal Agencies Need to Improve Efforts to Comply with Inflation Adjustment Requirements](#) [GAO-17-634](#), August 31, 2017. 39 pages.

CONGRESSIONAL RESEARCH SERVICE – LIBRARY OF CONGRESS: The CRS released a report by Julie M. Whitaker entitled [Disaster Unemployment Assistance \(DUA\)](#) [RS22022](#). Updated August 24, 2017. 10 pages.

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 [Income Distribution](#), on [Taxes](#), and on other topics. See especially its analysis of the [American Health Care Act](#), H.R. 1628 as well as a [CRS report](#) on H.R. 1628.

SELECTED FEDERAL REGULATORY ACTIONS:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM: The Board has issued [Final Guidelines for Evaluating Joint Account Requests](#). Under the Federal Reserve Act, the Federal Reserve Banks (Reserve Banks) have the authority to open accounts for member banks and other eligible depository institutions (collectively, depository institutions). The Reserve Banks routinely open and maintain individual Federal Reserve accounts for eligible institutions. Joint accounts--those where the rights and liabilities are shared among multiple depository institution account-holders--have not in the past been available as a standard account option, but in limited cases the Reserve Banks have opened such accounts for specific purposes. The Board of Governors of the Federal Reserve System (Board) has approved final guidelines for evaluating requests for joint accounts at Reserve Banks intended to facilitate settlement between and among depository institutions participating in private-sector payment systems (private-sector arrangements). The guidelines broadly outline factors that will be considered in evaluating such requests, but are not intended to provide assurance that any specific arrangement would be granted a joint account. Requests will be evaluated on a case-by-case basis, with the type and extent of information necessary to evaluate a particular request likely dependent on the

complexity of the arrangement. The effective date is September 5, 2017. See v. 82 Fed. Register, pages 41951-41959, September 5, 2017 ([FR Doc No 2017-18705](#)).

OFFICE OF THE COMPTROLLER OF THE CURRENCY, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FEDERAL DEPOSIT INSURANCE CORPORATION: The above agencies have proposed joint new Regulatory Capital Rules: Retention of Certain Existing Transition Provisions for Banking Organizations That Are Not Subject to the Advanced Approaches Capital Rules. The rule would extend the current treatment under the regulatory capital rules (capital rules) for certain regulatory capital deductions and risk weights and certain minority interest requirements, as they apply to banking organizations that are not subject to the advanced approaches capital rules (non-advanced approaches banking organizations). Specifically, for non-advanced approaches banking organizations, the agencies propose to extend the current regulatory capital treatment of: Mortgage servicing assets; deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks; significant investments in the capital of unconsolidated financial institutions in the form of common stock; non-significant investments in the capital of unconsolidated financial institutions; significant investments in the capital of unconsolidated financial institutions that are not in the form of common stock; and common equity tier 1 minority interest, tier 1 minority interest, and total capital minority interest exceeding the capital rules' minority interest limitations. Comments must be received by September 25, 2017. See v. 82 Fed. Register, pages 40495-40503, August 25, 2017 ([FR Doc No 2017-17822](#)).

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM: The Board is seeking comment on a proposed new rating system for its supervision of large financial institutions. The proposed "Large Financial Institution Rating System" is closely aligned with the Federal Reserve's new supervisory program for large financial institutions. The proposed rating system would apply to all bank holding companies with total consolidated assets of \$50 billion or more; all non-insurance, non-commercial savings and loan holding companies with total consolidated assets of \$50 billion or more; and U.S. intermediate holding companies of foreign banking organizations established pursuant to the Federal Reserve's Regulation YY. The proposed rating system includes a new rating scale under which component ratings would be assigned for capital planning and positions, liquidity risk management and positions, and governance and controls; however, a standalone composite rating would not be assigned. The Federal Reserve proposes to assign initial ratings under the new rating system during 2018. The Federal Reserve is also seeking comment on proposed revisions to existing provisions in Regulations K and LL so they would remain consistent with certain features of the proposed rating system. Comments must be received no later than October 16, 2017. See v. 82 Fed. Register, pages 39049-39062, August 17, 2017 ([FR Doc No 2017-16736](#)).

BUREAU OF CONSUMER FINANCIAL PROTECTION: The Bureau has issued a final rule amending the official interpretations for Regulation Z, which implements the Truth in Lending Act (TILA). The Bureau is required to calculate annually the dollar amounts for several provisions in Regulation Z; this final rule revises, as applicable, the dollar amounts for provisions implementing TILA and amendments to TILA, including under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act), the Home Ownership and Equity Protection Act of 1994 (HOEPA), and the Dodd-Frank Wall Street Reform and

Consumer Protection Act (Dodd-Frank Act). The Bureau is adjusting these amounts, where appropriate, based on the annual percentage change reflected in the Consumer Price Index (CPI) in effect on June 1, 2017. The final rule is effective January 1, 2018. See v. 82 Fed. Register, pages 41158-41160, August 30, 2017 ([FR Doc No 2017-18003](#)).

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 informational purposes only, and Federal Reserve staff members are not necessarily following any particular item noted.