

**Rep Cmte Financial Services
Contact:**

Hensarling & Waters Unveil Bipartisan Capital Markets Reform Legislation

Washington, Jul 16 -

WASHINGTON – House Financial Services Committee Chairman Jeb Hensarling (R-TX) and Ranking Member Maxine Waters (D-CA) announced today that they have reached an agreement on a package of strong, bipartisan capital-formation legislation to help America’s small businesses and entrepreneurs and to protect investors. The package, known as the “JOBS and Investor Confidence Act of 2018,” is comprised of 32 individual pieces of legislation that have passed the Committee or House this Congress with broad bipartisan support.

“Over the last several months, our Committee has been working hard to put forth a number of capital-formation bills that are designed to breathe new life into markets that are suffocating under aging regulations,” said Hensarling. “Thanks to the efforts of the Ranking Member and Members of the Committee on both sides of the aisle, we have a strong bipartisan package that will play an important role in sustaining long-term economic growth and global competitiveness.”

“A stronger economy, more jobs for America’s families, and strong investor protections are top priorities for Committee Democrats,” Waters said. “I want to thank the Chairman and the staff of the Committee on both sides of the aisle for the work that they have been doing, working together to live up to what we always say—that we all support small businesses, their access to capital and protecting investors. This is true bipartisanship we are witnessing today.”

The bipartisan bills that comprise the package are:

H.R. 79, Helping Angels Lead Our Startups (HALOS) Act – Sponsored by Rep. Steve Chabot (R-OH) and cosponsored by Rep. Kyrsten Sinema (D-AZ), this bill defines an “angel investor group” and clarifies a regulation issued by the Securities and Exchange Commission (SEC) to ensure that startups have the opportunity to make a presentation to interested parties without running afoul of the securities laws.

It passed the House on January 10, 2017 with strong bipartisan support, 344-73.

H.R. 435, The Credit Access and Inclusion Act of 2017 – Sponsored by Rep. Keith Ellison (D-MN) and cosponsored by Rep. Robert Pittenger (R-NC), the bill amends the Fair Credit Reporting Act (FCRA) to authorize an entity, including the Department of Housing and Urban Development (HUD) to furnish data to consumer reporting agencies regarding an individual’s history of on-time payments with respect to a lease, or contracts for utilities and telecommunications services.

The bill passed the House by voice vote on June 25, 2018.

H.R. 477, Small Business Mergers, Acquisitions, Sales & Brokerage Simplification Act of 2017 – Sponsored by Rep. Bill Huizenga (R-MI) and cosponsored by Rep. Brian Higgins (D-NY), the bill alleviates costs to small business owners by simplifying the securities registration system for mergers and acquisition brokers who help transfer the ownership of small, privately held companies. It also

disqualifies “bad actors” from utilizing the simplified process and does not allow transactions involving shell companies.

H.R. 477 passed the House with unanimous bipartisan support, 426-0, on December 7, 2017.

H.R. 1585, Fair Investment Opportunities for Professional Experts Act – Sponsored by Reps. David Schweikert (R-AZ) and cosponsored by Reps. French Hill (R-AR), Carolyn Maloney (D-NY) and Kyrsten Sinema (D-AZ), H.R. 1585 modernizes the definition of accredited investor so those who do not have a high income or high net worth but do have the education and job experience to evaluate investment risks and merits can participate in the growth of promising companies. This change will provide more Americans with greater investment opportunities and enable the businesses they invest in to create more jobs.

It passed the house by voice vote on November 1, 2017.

H.R. 1645, Fostering Innovation Act – Sponsored by Rep. Kyrsten Sinema (D-AZ) and cosponsored by Rep. Trey Hollingsworth (R-IN), the “Fostering Innovation Act of 2017” amends Section 404(b) of the Sarbanes-Oxley Act (SOX) to extend the exemption to comply with the law for certain low-revenue emerging growth companies (EGCs) that would otherwise lose their exempt status at the end of the five-year period that applies under current law.

The bill passed the Financial Services Committee with a bipartisan vote of 48-12 on October 12, 2017.

H.R. 2219, End Banking for Human Traffickers Act of 2018 – Sponsored by Rep. Ed Royce (R-CA) and cosponsored by Rep. Carolyn Maloney (D-NY), H.R. 2219 amends the Victims of Trafficking and Violence Protection Act of 2000 to add the Treasury Secretary to the President’s Interagency Task Force to Monitor and Combat Trafficking, requires the task force to submit to Congress an analysis of anti-money laundering (AML) efforts of the U.S. government and financial institutions relating to severe forms of trafficking in persons, and requires the Treasury Secretary to designate an office within the Office of Terrorism and Financial Intelligence to coordinate efforts to combat the illicit financing of human trafficking.

It passed the House with overwhelming bipartisan support, 408-2, on April 10, 2018.

H.R. 2364, Investing in Main Street Act – Sponsored by Rep. Judy Chu (D-CA) and cosponsored by Rep. Stephen Knight (R-CA), the bill amends the Small Business Investment Act by increasing the percentage a financial institution or federal savings association can invest in a small business investment company (SBIC) to 15 percent and require the financial institution or the federal savings association to be approved by their federal regulator prior to investing more than five percent.

H.R. 2364 passed the House by voice vote on July 24, 2017.

H.R. 3555, Exchange Regulatory Improvement Act – Sponsored by Rep. Barry Loudermilk (R-GA) and cosponsored by Reps. Lee Zeldin (R-NY), Gregory Meeks (D-NY) and David Scott (D-GA), the “Exchange Regulatory Improvement Act,” as amended, requires the SEC to set forth the facts and circumstances it considers in determining what is a “facility” of an exchange.

The bill passed the Financial Services Committee on July 11, 2018 by voice vote.

H.R. 3903, Encouraging Public Offerings Act of 2017 – Sponsored by Rep. Ted Budd (R-NC) and cosponsored by Rep. Gregory Meeks (D-NY), the “Encouraging Public Offerings Act of 2017” amends the Securities Act of 1933 to expand to all public companies certain provisions of Title I of the Jumpstart

Our Business Startups (JOBS) Act, which previously applied only to an EGC. Specifically, the legislation allows issuers to submit to the SEC for confidential review, before publicly filing, draft registration statements for Initial Public Offerings (IPOs) and for follow-on offerings within one year of an IPO. Additionally, this bill allows all companies to “test-the-waters” before filing an IPO, which means they may meet with qualified institutional buyers and other institutional accredited investors to gauge those investors’ interest in the offering.

It passed the House with unanimous bipartisan support, 419-0, on November 1, 2017.

H.R. 3972, Family Office Technical Correction Act – Sponsored by Rep. Carolyn Maloney (D-NY), H.R. 3972 clarifies that family offices and family clients, as defined in section 275.202(a)(11)(G)-1 of title 17, Code of Federal Regulations, are accredited investors under Regulation D of the SEC.

H.R. 3972 passed the House by voice vote on October 24, 2017.

H.R. 4281, Expanding Access to Capital for Job Creators Act – Sponsored by Rep. Ruben Kihuen (D-NV) and cosponsored by Rep. Alex Mooney (R-WV), the “Expanding Access to Capital for Rural Job Creators Act” amends the Securities Exchange Act of 1934 to have the SEC’s Advocate for Small Business Capital Formation identify any unique challenges to rural area small businesses when identifying problems that small businesses have with securing access to capital. H.R. 4281 also requires that the annual report made by the SEC’s Small Business Advocate include a summary of any unique issues encountered by rural area small businesses.

The bill passed the Financial Services Committee with unanimous bipartisan support, 60-0, on November 15, 2017.

H.R. 4292, Financial Institution Living Will Improvement Act of 2017 – Sponsored by Rep. Lee Zeldin (R-NY) and cosponsored by Rep. Carolyn Maloney (D-NY), the bill amends the “Dodd-Frank Wall Street Reform and Consumer Protection Act” to reform the resolution plan submission “living will” process by requiring bank holding companies to submit to the Federal Reserve Board (Federal Reserve) and the Federal Deposit Insurance Corporation (FDIC) resolution plans every two years. This bill requires the Federal Reserve and FDIC to provide feedback regarding a resolution plan within six months after a bank holding company submission. This bill also requires the Federal Reserve and FDIC to publicly disclose the assessment framework used to review the adequacy of resolution plans.

It passed the House on January 30, 2018 with unanimous support, 414-0.

H.R. 4294, Prevention of Private Information Dissemination Act of 2017 – Sponsored by Rep. David Kustoff (R-TN), the “Prevention of Private Information Dissemination Act of 2017” establishes criminal penalties for the unauthorized disclosure of living will and stress test determinations and other individually identifiable information by federal officials, consistent with existing penalties for other unauthorized disclosure of confidential records by federal officials.

It passed the House on June 26, 2018 with overwhelming bipartisan support, 392-2.

H.R. 4537, International Insurance Standards Act – Sponsored by Rep. Sean Duffy (R-WI) and cosponsored by Rep. Denny Heck (D-WA), the bill ensures that international insurance standards and agreements are consistent with our domestic insurance system and provides greater Congressional oversight and transparency on international insurance standard negotiations.

The bill passed the House by voice vote on July 10, 2018.

H.R. 4566, Alleviating Stress Test Burdens to Help Investors Act (Secs. 2 and 3) – Sponsored by Rep. Bruce Poliquin (R-ME), the section of this legislation to be included in JOBS Act 3.0 amends the Dodd-Frank Wall Street Reform and Consumer Protection Act to exempt nonbank financial institutions not primarily regulated by either a federal banking agency or the Federal Housing Finance Agency from the Dodd-Frank Act's mandatory company-run stress-testing requirements. Additionally, the bill clarifies that the SEC and the Commodity Futures Trading Commission retain their authority to issue regulations to require nonbank financial companies to conduct periodic analysis of the financial condition of such companies under adverse economic conditions.

The full bill previously passed the House on March 20, 2018 with a strong bipartisan vote of 395-19.

H.R. 4768, National Strategy for Combating the Financing of Transnational Criminal Organizations Act – Sponsored by Rep. David Kustoff (R-TN) and cosponsored by Rep. Kyrsten Sinema (D-AZ), H.R. 4768 requires the President, through the Secretary of the Treasury, to develop a national strategy to combat the financial networks of transnational criminal organizations (TCOs) not later than one year after the enactment of this Act and every two years thereafter. In particular, the strategy will assess the most significant TCO threats and the individuals, entities, and networks that provide financial support or facilitation to those TCOs. It also reviews current goals, priorities, and actions against TCOs' financial support networks and will recommend new ways to deter and prosecute those who financially enable TCOs.

H.R. 4768 passed the House by voice vote on March 6, 2018.

H.R. 5288, Common Sense Credit Union Capital Relief Act – Sponsored by Rep. Bill Posey (R-FL) and cosponsored by Rep. Denny Heck (D-WA), the bill delays the effective date of the rule used by the National Credit Union Administration titled "Risk-Based Capital" from 2019 to 2021.

H.R. 5749, Options Markets Stability Act – Sponsored by Rep. Randy Hultgren (R-IL) and cosponsored by Rep. Bill Foster (D-IL), the legislation requires the prudential regulators to implement a risk-adjusted approach to value centrally-cleared exchange-listed derivatives as it relates to capital rules to better and more accurately reflect exposure and to promote market-making activity.

On July 10, 2018, the bill passed the House with a unanimous vote of 385-0.

H.R. 5783, Cooperate with Law Enforcement Agencies and Watch Act of 2018 – Sponsored by Rep. French Hill (R-AR) and cosponsored by Rep. Bill Foster (D-IL), the "Cooperate with Law Enforcement Agencies and Watch Act of 2018" provides a safe harbor for financial institutions that maintain a customer account at the request of a Federal, State, tribal or local law enforcement agency.

The bill passed the House with overwhelming bipartisan support, 379-4, on June 25, 2018.

H.R. 5877, Main Street Growth Act – Sponsored by Rep. Tom Emmer (R-MN), the "Main Street Growth Act" amends the Securities Exchange Act of 1934 to allow for the registration of venture exchanges with the SEC to provide a venue that is tailored to the needs of small and emerging companies and offers qualifying companies one venue in which their securities can trade.

It passed the House by voice vote on July 10, 2018.

H.R. 5953, Building Up Independent Lives and Dreams (BUILD) Act – Sponsored by Rep. Barry Loudermilk (R-GA) and Rep. Brad Sherman (D-CA), H.R. 5953 allows certain non-profits that are conducting charitable mortgage loan transactions to use either the truth in lending (TIL), good faith

estimate (GFE), and HUD-1 forms, or those required under the TILA-RESPA Integrated Disclosure (TRID) rule.

H.R. 5953 passed the House by voice vote on July 10, 2018.

H.R. 5970, Modernizing Disclosures for Investors Act – Sponsored by Rep. Ann Wagner (R-MO), the “Modernizing Disclosures for Investors Act” requires the SEC to provide a report to Congress with a cost-benefit analysis of EGCs’ use of SEC Form 10-Q, including the costs and benefits to investors and other market participants of the current requirements for reporting on-Form 10-Q, as well as the expected impact of the use of alternative formats of quarterly reporting for EGCs. The bill also directs the SEC to report to Congress with recommendations for decreasing costs, increasing transparency, and increasing efficiency of quarterly financial reporting by EGCs.

The House passed H.R. 5970 by voice vote on July 10, 2018.

H.R. 6069, Fight Illicit Networks and Detect (FIND) Trafficking Act – Sponsored by Rep. Juan Vargas (D-CA) and cosponsored by Rep. Keith Rothfus (R-PA), the “FIND Trafficking Act” requires the Comptroller General of the United States to carry out a study on how virtual currencies and online marketplaces are used to buy, sell, or facilitate the financing of goods or services associated with sex trafficking or drug trafficking, and for other purposes.

The bill passed the House on June 25, 2018 by voice vote.

H.R. 6139, Improving Investment Research for Small and Emerging Issuers Act – Sponsored by Rep. Bill Huizenga (R-MI) and cosponsored by Rep. Maxine Waters (D-CA), the bill requires the SEC to carry out a study to evaluate the issues affecting the provision of and reliance upon investment research into small issuers and pre-IPO companies, including EGCs and other small issuers.

It passed the House by voice vote on July 10, 2018.

H.R. 6177, Developing and Empowering our Aspiring Leaders (DEAL) Act – Sponsored by Rep. Trey Hollingsworth (R-IN), the “DEAL Act” requires the SEC to revise the definition of a qualifying investment to include equity securities acquired in a secondary transaction.

The bill passed the Financial Services Committee on July 11, 2018 on voice vote.

H.R. 6319, Expanding Investment in Small Businesses Act – Sponsored by Rep. Randy Hultgren (R-IL), the “Expanding Investment in Small Businesses Act” requires the SEC to study whether the current diversified fund limit threshold for mutual funds constrains their ability to take meaningful positions in small-cap companies.

The Financial Services Committee passed the bill by voice vote on July 11, 2018.

H.R. 6320, Promoting Transparent Standards for Corporate Insiders Act – Sponsored by Rep. Maxine Waters (D-CA), the “Promoting Transparent Standards for Corporate Insiders Act” requires the SEC to consider certain types of amendments to Rule 10b5-1 to ensure that corporate insiders are not able to indirectly engage in illegal insider trading through changes to their trading plans.

The bill passed the Financial Services Committee on July 11, 2018 by voice vote.

H.R. 6321, Investment Adviser Regulatory Flexibility Improvement Act – Sponsored by Rep. Gwen Moore (D-WI) and cosponsored by Rep. Bill Huizenga (R-MI), the “Investment Adviser Regulatory

Flexibility Improvement Act” directs the SEC to consider alternative methods for businesses or organizations to qualify as a “small business” or “small organization” for the purposes of assessing the regulatory impact on investment advisers.

H.R. 6321 passed the Financial Services Committee by voice vote on July 11, 2018.

H.R. 6322, Enhancing Multi-Class Share Disclosures Act -- Sponsored by Rep. Gregory Meeks (D-NY), the “Enhancing Multi-Class Share Disclosures Act” requires issuers with a multi-class share structure to make certain disclosures in any proxy or consent solicitation material that provide enhanced transparency regarding certain shareholders’ voting power.

It passed the Financial Services Committee by voice vote on July 11, 2018.

H.R. 6323, National Senior Investor Initiative Act of 2018 – Sponsored by Rep. Josh Gottheimer (D-NJ) and cosponsored by Rep. Trey Hollingsworth (R-IN), the “National Senior Investor Initiative Act of 2018” or the “Senior Security Act of 2018” creates an interdivisional task force at the SEC, to examine and identify challenges facing senior investors and requires the Government Accountability Office to study the economic costs of the exploitation of senior citizens.

The Financial Services Committee passed the bill by voice vote on July 11, 2018.

H.R. 6324, Middle Market IPO Underwriting Cost Act – Sponsored by Rep. Jim Himes (D-CT), the “Middle Market IPO Underwriting Cost Act” requires the SEC, in consultation with the Financial Industry Regulatory Authority, to study the direct and indirect costs associated with small and medium-sized companies to undertake initial public offerings.

The bill passed the Financial Services Committee on July 11, 2018 by voice vote.

H.R. 6380, Crowdfunding Amendments Act – Sponsored by Reps. Patrick McHenry (R-NC) and Maxine Waters (D-CA), the “Crowdfunding Amendments Act” allows crowdfunding investors to pool their money together into a fund that is advised by a registered investment advisor.