

Union Calendar No. 487

108TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REPORT
108-802

REPORT ON THE ACTIVITY
OF THE
COMMITTEE ON FINANCIAL SERVICES
FOR THE
ONE HUNDRED EIGHTH CONGRESS



JANUARY 3, 2005.—Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

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LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, January 3, 2005.

Hon. JEFF TRANDAHL,
Clerk, United States House of Representatives,
Washington, DC.

DEAR MR. TRANDAHL: Pursuant to clause 1(d) of rule XI of the Rules of the House of Representatives for the 108th Congress, I present herewith a report on the activity of the Committee on Financial Services for the 108th Congress, including the Committee's review and study of legislation within its jurisdiction, and the oversight activities undertaken by the Committee.

Sincerely,

MICHAEL G. OXLEY,
Chairman.

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Mr. OXLEY, from the Committee on Financial Services,
submitted the following

R E P O R T

Clause 1(d) of rule XI of the Rules of the House of Representatives for the 108th Congress requires that each standing committee, not later than January 2 of each odd-numbered year, submit to the House a report on the activities of that committee, including separate sections summarizing the legislative and oversight activities of that committee during that Congress.

JURISDICTION

RULES OF THE HOUSE

Clause 1(g) of rule X of the Rules of the House of Representatives for the 108th Congress sets forth the jurisdiction of the Committee on Financial Services as follows—

- (1) Banks and banking, including deposit insurance and Federal monetary policy.
- (2) Economic stabilization, defense production, renegotiation, and control of the price of commodities, rents, and services.
- (3) Financial aid to commerce and industry (other than transportation).
- (4) Insurance generally.
- (5) International finance.
- (6) International financial and monetary organization.
- (7) Money and credit, including currency and the issuance of notes and redemption thereof; gold and silver, including the coinage thereof; valuation and revaluation of the dollar.
- (8) Public and private housing.
- (9) Securities and exchanges.

(10) Urban development.

MEMORANDUM OF UNDERSTANDING

The Committee on Financial Services was established when the House agreed to H. Res. 5, establishing the Rules of the House of Representatives for the 107th Congress, on January 3, 2001. The jurisdiction of the Committee on Financial Services consists of the jurisdiction granted the Committee on Banking and Financial Services in the 106th Congress, along with jurisdiction over insurance generally and securities and exchanges, matters which had previously been within the jurisdiction of the Committee on Commerce in the 106th and previous Congresses. On January 20, 2001,¹ the Speaker inserted the following memorandum of understanding between the chairmen of the Committee on Financial Services and the Committee on Energy and Commerce further clarifying these jurisdictional changes—

JANUARY 20, 2001.

On January 3, 2001, the House agreed to H. Res. 5, establishing the rules of the House for the 107th Congress. Section 2(d) of H. Res. 5 contained a provision renaming the Banking Committee as the Financial Services Committee and transferring jurisdiction over securities and exchanges and insurance from the Commerce Committee to the Financial Services Committee. The Commerce Committee was also renamed the Energy and Commerce Committee.

The Committee on Energy and Commerce and the Committee on Financial Services jointly acknowledge as the authoritative source of legislative history concerning section 2(d) of H. Res. 5 the following statement of Rules Committee Chairman David Dreier during floor consideration of the resolution:

In what is obviously one of our most significant changes, Mr. Speaker, section 2(d) of the resolution establishes a new Committee on Financial Services, which will have jurisdiction over the following matters:

- (1) banks and banking, including deposit insurance and Federal monetary policy;
- (2) economic stabilization, defense production, renegotiation, and control of the price of commodities, rents, and services;
- (3) financial aid to commerce and industry (other than transportation);
- (4) insurance generally;
- (5) international finance;
- (6) international financial and monetary organizations;
- (7) money and credit, including currency and the issuance of notes and redemption thereof; gold and silver, including the coinage thereof; valuation and revaluation of the dollar;
- (8) public and private housing;
- (9) securities and exchanges; and
- (10) urban development.

¹The version of the memorandum printed in the January 20, 2001 Congressional Record contained a typographic error. A corrected version of the memorandum, which appears below, was printed in the January 30, 2001 edition of the Congressional Record.

Mr. Speaker, jurisdiction over matters relating to securities and exchanges is transferred in its entirety from the Committee on Commerce, which will be redesignated under this rules change to the Committee on Energy and Commerce, and it will now be transferred from the new Committee on Energy and Commerce to this new Committee on Financial Services. This transfer is not intended to convey to the Committee on Financial Services jurisdiction currently in the Committee on Agriculture regarding commodity exchanges.

Furthermore, this change is not intended to convey to the Committee on Financial Services jurisdiction over matters relating to regulation and SEC oversight of multi-State public utility holding companies and their subsidiaries, which remain essentially matters of energy policy.

Mr. Speaker, as a result of the transfer of jurisdiction over matters relating to securities and exchanges, redundant jurisdiction over matters relating to bank capital markets activities generally and depository institutions securities activities, which were formerly matters in the jurisdiction of the Committee on Banking and Financial Services, have been removed from clause 1 of rule X.

Matters relating to insurance generally, formerly within the jurisdiction of the redesignated Committee on Energy and Commerce, are transferred to the jurisdiction of the Committee on Financial Services.

The transfer of any jurisdiction to the Committee on Financial Services is not intended to limit the Committee on Energy and Commerce's jurisdiction over consumer affairs and consumer protection matters.

Likewise, existing health insurance jurisdiction is not transferred as a result of this change.

Furthermore, the existing jurisdictions of other committees with respect to matters relating to crop insurance, Workers' Compensation, insurance anti-trust matters, disaster insurance, veterans' life and health insurance, and national social security policy are not affected by this change.

Finally, Mr. Speaker, the changes and legislative history involving the Committee on Financial Services and the Committee on Energy and Commerce do not preclude future memorandum of understanding between the chairmen of these respective committees."

By this memorandum the two committees undertake to record their further mutual understandings in this matter, which will supplement the statement quoted above.

It is agreed that the Committee on Energy and Commerce will retain jurisdiction over bills dealing broadly with electronic commerce, including electronic communications networks (ECNs). However, a bill amending the securities laws to address the specific type of electronic securities transaction currently governed by a special SEC regulation as an Alternative Trading System (ATS) would be referred to the Committee on Financial Services.

While it is agreed that the jurisdiction of the Committee on Financial Services over securities and exchanges includes anti-fraud

authorities under the securities laws, the Committee on Energy and Commerce will retain jurisdiction only over the issue of setting of accounting standards by the Financial Accounting Standards Board.

W.J. "BILLY" TAUZIN,
Chairman, Committee on Energy and Commerce.

MICHAEL G. OXLEY,
Chairman, Committee on Financial Services.

RULES OF THE COMMITTEE ON FINANCIAL SERVICES FOR
THE ONE HUNDRED EIGHTH CONGRESS

RULE 1

GENERAL PROVISIONS

(a) The rules of the House are the rules of the Committee on Financial Services (hereinafter in these rules referred to as the "Committee") and its subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are privileged motions in the Committee and shall be considered without debate. A proposed investigative or oversight report shall be considered as read if it has been available to the members of the Committee for at least 24 hours (excluding Saturdays, Sundays, or legal holidays except when the House is in session on such day).

(b) Each subcommittee is a part of the Committee, and is subject to the authority and direction of the Committee and to its rules so far as applicable.

(c) The provisions of clause 2 of rule XI of the Rules of the House are incorporated by reference as the rules of the Committee to the extent applicable.

RULE 2

MEETINGS

Calling of Meetings

(a)(1) The Committee shall regularly meet on the first Tuesday of each month when the House is in session.

(2) A regular meeting of the Committee may be dispensed with if, in the judgment of the Chairman of the Committee (hereinafter in these rules referred to as the "Chair"), there is no need for the meeting.

(3) Additional regular meetings and hearings of the Committee may be called by the Chair, in accordance with clause 2(g)(3) of rule XI of the rules of the House.

(4) Special meetings shall be called and convened by the Chair as provided in clause 2(c)(2) of rule XI of the Rules of the House.

Notice for Meetings

(b)(1) The Chair shall notify each member of the Committee of the agenda of each regular meeting of the Committee at least two calendar days before the time of the meeting.

(2) The Chair shall provide to each member of the Committee, at least two calendar days before the time of each regular meeting for each measure or matter on the agenda a copy of—

(A) the measure or materials relating to the matter in question; and

(B) an explanation of the measure or matter to be considered, which, in the case of an explanation of a bill, resolution, or similar measure, shall include a summary of the major provisions of the legislation, an explanation of the relationship of the measure to present law, and a summary of the need for the legislation.

(3) The agenda and materials required under this subsection shall be provided to each member of the Committee at least three calendar days before the time of the meeting where the measure or matter to be considered was not approved for full Committee consideration by a subcommittee of jurisdiction.

(4) The provisions of this subsection may be waived by a two-thirds vote of the Committee or by the Chair with the concurrence of the ranking minority member.

RULE 3

MEETING AND HEARING PROCEDURES

In General

(a)(1) Meetings and hearings of the Committee shall be called to order and presided over by the Chair or, in the Chair's absence, by the member designated by the Chair as the Vice Chair of the Committee, or by the ranking majority member of the Committee present as Acting Chair.

(2) Meetings and hearings of the committee shall be open to the public unless closed in accordance with clause 2(g) of rule XI of the Rules of the House.

(3) Any meeting or hearing of the Committee that is open to the public shall be open to coverage by television broadcast, radio broadcast, and still photography in accordance with the provisions of clause 4 of rule XI of the Rules of the House (which are incorporated by reference as part of these rules). Operation and use of any Committee operated broadcast system shall be fair and non-partisan and in accordance with clause 4(b) of rule XI and all other applicable rules of the Committee and the House.

(4) Opening statements by members at the beginning of any hearing or meeting of the Committee shall be limited to 5 minutes each for the Chair or ranking minority member, or their respective designee, and 3 minutes each for all other members.

(5) No person, other than a Member of Congress, Committee staff, or an employee of a Member when that Member has an amendment under consideration, may stand in or be seated at the rostrum area of the Committee rooms unless the Chair determines otherwise.

Quorum

(b)(1) For the purpose of taking testimony and receiving evidence, two members of the Committee shall constitute a quorum.

(2) A majority of the members of the Committee shall constitute a quorum for the purposes of reporting any measure or matter, of authorizing a subpoena, of closing a meeting or hearing pursuant to clause 2(g) of rule XI of the rules of the House (except as provided in clause 2(g)(2)(A) and (B)) or of releasing executive session material pursuant to clause 2(k)(7) of rule XI of the rules of the House.

(3) For the purpose of taking any action other than those specified in paragraph (2) one-third of the members of the Committee shall constitute a quorum.

Voting

(c)(1) No vote may be conducted on any measure or matter pending before the Committee unless the requisite number of members of the Committee is actually present for such purpose.

(2) A record vote of the Committee shall be provided on any question before the Committee upon the request of one-fifth of the members present.

(3) No vote by any member of the Committee on any measure or matter may be cast by proxy.

(4) In accordance with clause 2(e)(1)(B) of rule XI, a record of the vote of each member of the Committee on each record vote on any measure or matter before the Committee shall be available for public inspection at the offices of the Committee, and, with respect to any record vote on any motion to report or on any amendment, shall be included in the report of the Committee showing the total number of votes cast for and against and the names of those members voting for and against.

(5) POSTPONED RECORD VOTES.—(A) Subject to subparagraph (B), the Chairman may postpone further proceedings when a record vote is ordered on the question of approving any measure or matter or adopting an amendment. The Chairman may resume proceedings on a postponed request at any time, but no later than the next meeting day.

(B) In exercising postponement authority under subparagraph (A), the Chairman shall take all reasonable steps necessary to notify members on the resumption of proceedings on any postponed record vote;

(C) When proceedings resume on a postponed question, notwithstanding any intervening order for the previous question, an underlying proposition shall remain subject to further debate or amendment to the same extent as when the question was postponed.

Hearing Procedures

(d)(1)(A) The Chair shall make public announcement of the date, place, and subject matter of any committee hearing at least one week before the commencement of the hearing, unless the Chair, with the concurrence of the ranking minority member, or the Committee by majority vote with a quorum present for the transaction of business, determines there is good cause to begin the hearing sooner, in which case the Chair shall make the announcement at the earliest possible date.

(B) Not less than three days before the commencement of a hearing announced under this paragraph, the Chair shall provide to the

members of the Committee a concise summary of the subject of the hearing, or, in the case of a hearing on a measure or matter, a copy of the measure or materials relating to the matter in question and a concise explanation of the measure or matter to be considered.

(2) To the greatest extent practicable—

(A) each witness who is to appear before the Committee shall file with the Committee two business days in advance of the appearance sufficient copies (including a copy in electronic form), as determined by the Chair, of a written statement of proposed testimony and shall limit the oral presentation to the Committee to brief summary thereof; and

(B) each witness appearing in a non-governmental capacity shall include with the written statement of proposed testimony a curriculum vitae and a disclosure of the amount and source (by agency and program) of any Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two preceding fiscal years.

(3) The requirements of paragraph (2)(A) may be modified or waived by the Chair when the Chair determines it to be in the best interest of the Committee.

(4) The five-minute rule shall be observed in the interrogation of witnesses before the Committee until each member of the Committee has had an opportunity to question the witnesses. No member shall be recognized for a second period of 5 minutes to interrogate witnesses until each member of the Committee present has been recognized once for that purpose.

(5) Whenever any hearing is conducted by the Committee on any measure or matter, the minority party members of the Committee shall be entitled, upon the request of a majority of them before the completion of the hearing, to call witnesses with respect to that measure or matter during at least one day of hearing thereon.

Subpoenas and Oaths

(e)(1) Pursuant to clause 2(m) of rule XI of the Rules of the House, a subpoena may be authorized and issued by the Committee or a subcommittee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present, or pursuant to paragraph (2).

(2) The Chair, with the concurrence of the ranking minority member, may authorize and issue subpoenas under such clause during any period for which the House has adjourned for a period in excess of 3 days when, in the opinion of the Chair, authorization and issuance of the subpoena is necessary to obtain the material or testimony set forth in the subpoena. The Chair shall report to the members of the Committee on the authorization and issuance of a subpoena during the recess period as soon as practicable, but in no event later than one week after service of such subpoena.

(3) Authorized subpoenas shall be signed by the Chair or by any member designated by the Committee, and may be served by any person designated by the Chair or such member.

(4) The Chair, or any member of the Committee designated by the Chair, may administer oaths to witnesses before the Committee.

Special Procedures

(f)(1)(A) **COMMEMORATIVE MEDALS AND COINS.**—It shall not be in order for the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology to hold a hearing on any commemorative medal or commemorative coin legislation unless the legislation is cosponsored by at least two-thirds of the members of the House and has been recommended by the U.S. Mint’s Citizens Commemorative Coin Advisory Committee in the case of a commemorative coin.

(B) It shall not be in order for the subcommittee to approve a bill or measure authorizing commemorative coins for consideration by the full Committee which does not conform with the mintage restrictions established by section 5112 of title 31, United States Code.

(C) In considering legislation authorizing Congressional gold medals, the subcommittee shall apply the following standards—

(i) the recipient shall be a natural person;

(ii) the recipient shall have performed an achievement that has an impact on American history and culture that is likely to be recognized as a major achievement in the recipient’s field long after the achievement;

(iii) the recipient shall not have received a medal previously for the same or substantially the same achievement;

(iv) the recipient shall be living or, if deceased, shall have been deceased for not less than 5 years and not more than 25 years;

(v) the achievements were performed in the recipient’s field of endeavor, and represent either a lifetime of continuous superior achievements or a single achievement so significant that the recipient is recognized and acclaimed by others in the same field, as evidenced by the recipient having received the highest honors in the field.

(2) **TESTIMONY OF CERTAIN OFFICIALS.**—

(A) Notwithstanding subsection (a)(4), when the Chair announces a hearing of the Committee for the purpose of receiving—

(i) testimony from the Chairman of the Federal Reserve Board pursuant to section 2B of the Federal Reserve Act (12 U.S.C. 221 et seq.), or

(ii) testimony from the Chairman of the Federal Reserve Board or a member of the President’s cabinet at the invitation of the Chair, the Chair may, in consultation with the ranking minority member, limit the number and duration of opening statements to be delivered at such hearing. The limitation shall be included in the announcement made pursuant to subsection (d)(1)(A), and shall provide that the opening statements of all members of the Committee shall be made a part of the hearing record.

RULE 4**PROCEDURES FOR REPORTING MEASURES OR MATTERS**

(a) No measure or matter shall be reported from the Committee unless a majority of the Committee is actually present.

(b) The Chair of the Committee shall report or cause to be reported promptly to the House any measure approved by the Committee and take necessary steps to bring a matter to a vote.

(c) The report of the Committee on a measure which has been approved by the Committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the Committee a written request, signed by a majority of the members of the Committee, for the reporting of that measure pursuant to the provisions of clause 2(b)(2) of rule XIII of the Rules of the House.

(d) All reports printed by the Committee pursuant to a legislative study or investigation and not approved by a majority vote of the Committee shall contain the following disclaimer on the cover of such report: "This report has not been officially adopted by the Committee on Financial Services and may not necessarily reflect the views of its Members."

RULE 5

SUBCOMMITTEES

Establishment and Responsibilities of Subcommittees

(a)(1) There shall be 5 subcommittees of the Committee as follows:

(A) SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND GOVERNMENT SPONSORED ENTERPRISES.—The jurisdiction of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises includes—

- (i) securities, exchanges, and finance;
- (ii) capital markets activities;
- (iii) activities involving futures, forwards, options, and other types of derivative instruments;
- (iv) secondary market organizations for home mortgages including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation;
- (v) the Office of Federal Housing Enterprise Oversight;
- (vi) the Federal Home Loan Banks; and
- (vii) insurance generally.

(B) SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL MONETARY POLICY, TRADE, AND TECHNOLOGY.—The jurisdiction of the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology includes—

- (i) financial aid to all sectors and elements within the economy;
- (ii) economic growth and stabilization;
- (iii) defense production matters as contained in the Defense Production Act of 1950, as amended;
- (iv) domestic monetary policy, and agencies which directly or indirectly affect domestic monetary policy, including the effect of such policy and other financial actions on interest rates, the allocation of credit, and the structure and functioning of domestic financial institutions;
- (v) coins, coinage, currency, and medals, including commemorative coins and medals, proof and mint sets and

other special coins, the Coinage Act of 1965, gold and silver, including the coinage thereof (but not the par value of gold), gold medals, counterfeiting, currency denominations and design, the distribution of coins, and the operations of the Bureau of the Mint and the Bureau of Engraving and Printing;

(vi) development of new or alternative forms of currency;

(vii) multilateral development lending institutions, including activities of the National Advisory Council on International Monetary and Financial Policies as related thereto, and monetary and financial developments as they relate to the activities and objectives of such institutions;

(viii) international trade, including but not limited to the activities of the Export-Import Bank;

(ix) the International Monetary Fund, its permanent and temporary agencies, and all matters related thereto; and

(x) international investment policies, both as they relate to United States investments for trade purposes by citizens of the United States and investments made by all foreign entities in the United States.

(C) Subcommittee on financial institutions and consumer credit.—The jurisdiction of the Subcommittee on Financial Institutions and Consumer Credit includes—

(i) all agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System and the Federal Reserve System, the Office of Thrift Supervision, and the National Credit Union Administration, which directly or indirectly exercise supervisory or regulatory authority in connection with, or provide deposit insurance for, financial institutions, and the establishment of interest rate ceilings on deposits;

(ii) the chartering, branching, merger, acquisition, consolidation, or conversion of financial institutions;

(iii) consumer credit, including the provision of consumer credit by insurance companies, and further including those matters in the Consumer Credit Protection Act dealing with truth in lending, extortionate credit transactions, restrictions on garnishments, fair credit reporting and the use of credit information by credit bureaus and credit providers, equal credit opportunity, debt collection practices, and electronic funds transfers;

(iv) creditor remedies and debtor defenses, Federal aspects of the Uniform Consumer Credit Code, credit and debit cards, and the preemption of State usury laws;

(v) consumer access to financial services, including the Home Mortgage Disclosure Act and the Community Reinvestment Act;

(vi) the terms and rules of disclosure of financial services, including the advertisement, promotion and pricing of financial services, and availability of government check cashing services;

(vii) deposit insurance; and

(viii) consumer access to savings accounts and checking accounts in financial institutions, including lifeline banking and other consumer accounts.

(D) SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY.—The jurisdiction of the Subcommittee on Housing and Community Opportunity includes—

(i) housing (except programs administered by the Department of Veterans Affairs), including mortgage and loan insurance pursuant to the National Housing Act; rural housing; housing and homeless assistance programs; all activities of the Government National Mortgage Association; private mortgage insurance; housing construction and design and safety standards; housing-related energy conservation; housing research and demonstration programs; financial and technical assistance for nonprofit housing sponsors; housing counseling and technical assistance; regulation of the housing industry (including landlord/tenant relations); and real estate lending including regulation of settlement procedures;

(ii) community development and community and neighborhood planning, training and research; national urban growth policies; urban/rural research and technologies; and regulation of interstate land sales;

(iii) government sponsored insurance programs, including those offering protection against crime, fire, flood (and related land use controls), earthquake and other natural hazards; and

(iv) the qualifications for and designation of Empowerment Zones and Enterprise Communities (other than matters relating to tax benefits).

(E) SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS.—The jurisdiction of the Subcommittee on Oversight and Investigations includes—

(i) the oversight of all agencies, departments, programs, and matters within the jurisdiction of the Committee, including the development of recommendations with regard to the necessity or desirability of enacting, changing, or repealing any legislation within the jurisdiction of the Committee, and for conducting investigations within such jurisdiction; and

(ii) research and analysis regarding matters within the jurisdiction of the Committee, including the impact or probable impact of tax policies affecting matters within the jurisdiction of the Committee.

(2) In addition, each such subcommittee shall have specific responsibility for such other measures or matters as the Chair refers to it.

(3) Each subcommittee of the Committee shall review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within its general responsibility.

Referral of Measures and Matters to Subcommittees

(b)(1) The Chair shall regularly refer to one or more subcommittees such measures and matters as the Chair deems appropriate

given its jurisdiction and responsibilities. In making such a referral, the Chair may designate a subcommittee of primary jurisdiction and subcommittees of additional or sequential jurisdiction.

(2) All other measures or matters shall be subject to consideration by the full Committee.

(3) In referring any measure or matter to a subcommittee, the Chair may specify a date by which the subcommittee shall report thereon to the Committee.

(4) The Committee by motion may discharge a subcommittee from consideration of any measure or matter referred to a subcommittee of the Committee.

Composition of Subcommittees

(c)(1) Members shall be elected to each subcommittee and to the positions of chair and ranking minority member thereof, in accordance with the rules of the respective party caucuses. The Chair of the Committee shall designate a member of the majority party on each subcommittee as its vice chair.

(2) The Chair and ranking minority member of the Committee shall be ex officio members with voting privileges of each subcommittee of which they are not assigned as members and may be counted for purposes of establishing a quorum in such subcommittees.

(3) The subcommittees shall be comprised as follows:

(A) The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises shall be comprised of 49 members, 26 elected by the majority caucus and 23 elected by the minority caucus.

(B) The Subcommittee on Domestic and International Monetary Policy, Trade, and Technology shall be comprised of 26 members, 14 elected by the majority caucus and 12 elected by the minority caucus.

(C) The Subcommittee on Financial Institutions and Commercial Credit shall be comprised of 47 members, 25 elected by the majority caucus and 22 elected by the minority caucus.

(D) The Subcommittee on Housing and Community Opportunity shall be comprised of 26 members, 14 elected by the majority caucus and 12 elected by the minority caucus.

(E) The Subcommittee on Oversight and Investigations shall be comprised of 20 members, 11 elected by the majority caucus and 9 elected by the minority caucus.

Subcommittee Meetings and Hearings

(d)(1) Each subcommittee of the Committee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the full Committee on any measure or matter referred to it, consistent with subsection (a).

(2) No subcommittee of the Committee may meet or hold a hearing at the same time as a meeting or hearing of the Committee.

(3) The chair of each subcommittee shall set hearing and meeting dates only with the approval of the Chair with a view toward assuring the availability of meeting rooms and avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings.

Effect of a Vacancy

(e) Any vacancy in the membership of a subcommittee shall not affect the power of the remaining members to execute the functions of the subcommittee as long as the required quorum is present.

Records

(f) Each subcommittee of the Committee shall provide the full Committee with copies of such records of votes taken in the subcommittee and such other records with respect to the subcommittee as the Chair deems necessary for the Committee to comply with all rules and regulations of the House.

RULE 6

STAFF

In General

(a)(1) Except as provided in paragraph (2), the professional and other staff of the Committee shall be appointed, and may be removed by the Chair, and shall work under the general supervision and direction of the Chair.

(2) All professional and other staff provided to the minority party members of the Committee shall be appointed, and may be removed, by the ranking minority member of the Committee, and shall work under the general supervision and direction of such member.

(3) It is intended that the skills and experience of all members of the Committee staff be available to all members of the Committee.

Subcommittee Staff

(b) From funds made available for the appointment of staff, the Chair of the Committee shall, pursuant to clause 6(d) of rule X of the Rules of the House, ensure that sufficient staff is made available so that each subcommittee can carry out its responsibilities under the rules of the Committee and that the minority party is treated fairly in the appointment of such staff.

Compensation of Staff

(c)(1) Except as provided in paragraph (2), the Chair shall fix the compensation of all professional and other staff of the Committee.

(2) The ranking minority member shall fix the compensation of all professional and other staff provided to the minority party members of the Committee.

RULE 7

BUDGET AND TRAVEL

Budget

(a)(1) The Chair, in consultation with other members of the Committee, shall prepare for each Congress a budget providing amounts for staff, necessary travel, investigation, and other expenses of the Committee and its subcommittees.

(2) From the amount provided to the Committee in the primary expense resolution adopted by the House of Representatives, the Chair, after consultation with the ranking minority member, shall designate an amount to be under the direction of the ranking minority member for the compensation of the minority staff, travel expenses of minority members and staff, and minority office expenses. All expenses of minority members and staff shall be paid for out of the amount so set aside.

Travel

(b)(1) The Chair may authorize travel for any member and any staff member of the Committee in connection with activities or subject matters under the general jurisdiction of the Committee. Before such authorization is granted, there shall be submitted to the Chair in writing the following:

(A) The purpose of the travel.

(B) The dates during which the travel is to occur.

(C) The names of the States or countries to be visited and the length of time to be spent in each.

(D) The names of members and staff of the Committee for whom the authorization is sought.

(2) Members and staff of the Committee shall make a written report to the Chair on any travel they have conducted under this subsection, including a description of their itinerary, expenses, and activities, and of pertinent information gained as a result of such travel.

(3) Members and staff of the Committee performing authorized travel on official business shall be governed by applicable laws, resolutions, and regulations of the House and of the Committee on House Administration.

RULE 8

COMMITTEE ADMINISTRATION

Records

(a)(1) There shall be a transcript made of each regular meeting and hearing of the Committee, and the transcript may be printed if the Chair decides it is appropriate or if a majority of the members of the Committee requests such printing. Any such transcripts shall be a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks. Nothing in this paragraph shall be construed to require that all such transcripts be subject to correction and publication.

(2) The Committee shall keep a record of all actions of the Committee and of its subcommittees. The record shall contain all information required by clause 2(e)(1) of rule XI of the Rules of the House and shall be available for public inspection at reasonable times in the offices of the Committee.

(3) All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Chair, shall be the property of the House, and all Members of the House shall have access thereto as provided in clause 2(e)(2) of rule XI of the Rules of the House.

(4) The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with rule VII of the Rules of the House of Representatives. The Chair shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on written request of any member of the Committee.

Committee Publications on the Internet

(b) To the maximum extent feasible, the Committee shall make its publications available in electronic form.

MEMBERSHIP AND ORGANIZATION OF THE COMMITTEE ON FINANCIAL SERVICES

ONE HUNDRED EIGHTH CONGRESS
COMMITTEE ON FINANCIAL SERVICES

(Ratio: 37-32-1)

MICHAEL G. OXLEY, Ohio, *Chairman*

JAMES A. LEACH, Iowa [†]	BARNEY FRANK, Massachusetts
RICHARD H. BAKER, Louisiana [†]	PAUL E. KANJORSKI, Pennsylvania
SPENCER BACHUS, Alabama	MAXINE WATERS, California
MICHAEL N. CASTLE, Delaware	CAROLYN B. MALONEY, New York
PETER T. KING, New York	LUIS V. GUTIERREZ, Illinois
EDWARD R. ROYCE, California	NYDIA M. VELAZQUEZ, New York
FRANK D. LUCAS, Oklahoma	MELVIN L. WATT, North Carolina
ROBERT W. NEY, Ohio	GARY L. ACKERMAN, New York
SUE W. KELLY, New York	DARLENE HOOLEY, Oregon
<i>Vice Chair</i>	JULIA CARSON, Indiana
RON PAUL, Texas [†]	BRAD SHERMAN, California
PAUL E. GILLMOR, Ohio	GREGORY W. MEEKS, New York
JIM RYUN, Kansas [†]	BARBARA LEE, California
STEVEN C. LATOURETTE, Ohio	JAY INSLEE, Washington
DONALD A. MANZULLO, Illinois	DENNIS MOORE, Kansas
WALTER B. JONES, Jr., North Carolina	MICHAEL E. CAPUANO, Massachusetts
DOUG OSE, California	HAROLD E. FORD, Jr., Tennessee
JUDY BIGGERT, Illinois	RUBÉN HINOJOSA, Texas
MARK GREEN, Wisconsin	KEN LUCAS, Kentucky
PATRICK J. TOOMEY, Pennsylvania	JOSEPH CROWLEY, New York
CHRISTOPHER SHAYS, Connecticut	WM. LACY CLAY, Missouri
JOHN B. SHADEGG, Arizona	STEVE ISRAEL, New York
VITO FOSSELLA, New York	MIKE ROSS, Arkansas
GARY G. MILLER, California	CAROLYN MCCARTHY, New York
MELISSA A. HART, Pennsylvania	JOE BACA, California
SHELLEY MOORE CAPITO, West Virginia	JIM MATHESON, Utah
PATRICK J. TIBERI, Ohio	STEPHEN F. LYNCH, Massachusetts
MARK R. KENNEDY, Minnesota	BRAD MILLER, North Carolina
TOM FEENEY, Florida	RAHM EMANUEL, Illinois
JEB HENSARLING, Texas	DAVID SCOTT, Georgia
SCOTT GARRETT, New Jersey	ARTUR DAVIS, Alabama
TIM MURPHY, Pennsylvania	CHRIS BELL, Texas ¹
GINNY BROWN-WAITE, Florida	BERNARD SANDERS, Vermont*
J. GRESHAM BARRETT, South Carolina	
KATHERINE HARRIS, Florida	
RICK RENZI, Arizona	
JIM GERLACH, Pennsylvania ⁴	

*Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

SUBCOMMITTEE MEMBERSHIPS

SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND GOVERNMENT SPONSORED ENTERPRISES

(Ratio: 26–23)

RICHARD H. BAKER, Louisiana, *Chairman*

DOUG OSE, California <i>Vice Chairman</i>	PAUL E. KANJORSKI, Pennsylvania
CHRISTOPHER SHAYS, Connecticut	GARY L. ACKERMAN, New York
PAUL E. GILLMOR, Ohio	DARLENE HOOLEY, Oregon
SPENCER BACHUS, Alabama	BRAD SHERMAN, California
MICHAEL N. CASTLE, Delaware	GREGORY W. MEEKS, New York
PETER T. KING, New York	JAY INSLEE, Washington
FRANK D. LUCAS, Oklahoma	DENNIS MOORE, Kansas
EDWARD R. ROYCE, California	MICHAEL E. CAPUANO, Massachusetts
DONALD A. MANZULLO, Illinois	HAROLD E. FORD, JR., Tennessee
SUE W. KELLY, New York	RUBEN HINOJOSA, Texas
ROBERT W. NEY, Ohio	KEN LUCAS, Kentucky
JOHN B. SHADEGG, Arizona	JOSEPH CROWLEY, New York
JIM RYUN, Kansas	STEVE ISRAEL, New York
VITO FOSSELLA, New York	MIKE ROSS, Arkansas
JUDY BIGGERT, Illinois	WM. LACY CLAY, Missouri
MARK GREEN, Wisconsin	CAROLYN McCARTHY, New York
GARY G. MILLER, California	JOE BACA, California
PATRICK J. TOOMEY, Pennsylvania	JIM MATHESON, Utah
SHELLEY MOORE CAPITO, West Virginia	STEPHEN F. LYNCH, Massachusetts
MELISSA A. HART, Pennsylvania	BRAD MILLER, North Carolina
MARK R. KENNEDY, Minnesota	RAHM EMANUEL, Illinois
PATRICK J. TIBERI, Ohio	DAVID SCOTT, Georgia
GINNY BROWN-WAITE, Florida	NYDIA M. VELÁZQUEZ, New York ³
KATHERINE HARRIS, Florida	BARNEY FRANK, Massachusetts
RICK RENZI, Arizona	<i>ex officio</i>
MICHAEL G. OXLEY, Ohio	
<i>ex officio</i>	

SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL MONETARY POLICY, TRADE, AND TECHNOLOGY

(Ratio: 14–12)

PETER T. KING, New York, *Chairman*

JUDY BIGGERT, Illinois <i>Vice Chair</i>	CAROLYN B. MALONEY, New York
JAMES A. LEACH, Iowa	BERNARD SANDERS, Vermont*
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RON PAUL, Texas	MAXINE WATERS, California
DONALD A. MANZULLO, Illinois	BARBARA LEE, California
DOUG OSE, California	PAUL E. KANJORSKI, Pennsylvania
JOHN B. SHADEGG, Arizona	BRAD SHERMAN, California
MARK R. KENNEDY, Minnesota	DARLENE HOOLEY, Oregon
TOM FEENEY, Florida	LUIS V. GUTIERREZ, Illinois
JEB HENSARLING, Texas	NYDIA M. VELÁZQUEZ, New York ³
TIM MURPHY, Pennsylvania	RAHM EMANUEL, Illinois
J. GRESHAM BARRETT, South Carolina	CHRIS BELL, Texas ¹
KATHERINE HARRIS, Florida	BARNEY FRANK, Massachusetts
MICHAEL G. OXLEY, Ohio	<i>ex officio</i>
<i>ex officio</i>	

*Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

(Ratio: 25-22)

SPENCER BACHUS, Alabama, *Chairman*

STEVEN C. LATOURETTE, Ohio <i>Vice Chairman</i>	BERNARD SANDERS, Vermont*
RICHARD H. BAKER, Louisiana	CAROLYN B. MALONEY, New York
MICHAEL N. CASTLE, Delaware	MELVIN L. WATT, North Carolina
EDWARD R. ROYCE, California	GARY L. ACKERMAN, New York
FRANK D. LUCAS, Oklahoma	BRAD SHERMAN, California
SUE W. KELLY, New York	GREGORY W. MEEKS, New York
PAUL E. GILLMOR, Ohio	LUIS V. GUTIERREZ, Illinois
JIM RYUN, Kansas	DENNIS MOORE, Kansas
WALTER B. JONES, North Carolina	PAUL E. KANJORSKI, Pennsylvania
JUDY BIGGERT, Illinois	MAXINE WATERS, California ³
PATRICK J. TOOMEY, Pennsylvania	DARLENE HOOLEY, Oregon
VITO FOSSELLA, New York	JULIA CARSON, Indiana
MELISSA A. HART, Pennsylvania	HAROLD E. FORD, Jr., Tennessee
SHELLEY MOORE CAPITO, West Virginia	RUBÉN HINOJOSA, Texas
PATRICK J. TIBERI, Ohio	KEN LUCAS, Kentucky
MARK R. KENNEDY, Minnesota	JOSEPH CROWLEY, New York
TOM FEENEY, Florida	STEVE ISRAEL, New York
JEB HENSARLING, Texas	MIKE ROSS, Arkansas
SCOTT GARRETT, New Jersey	CAROLYN MCCARTHY, New York
TIM MURPHY, Pennsylvania	ARTUR DAVIS, Alabama
GINNY BROWN-WAITE, Florida	JOE BACA, California ³
J. GRESHAM BARRETT, South Carolina	CHRIS BELL, Texas ¹
RICK RENZI, Arizona	BARNEY FRANK, Massachusetts
(<i>Vacancy</i>) ⁴	<i>ex officio</i>
MICHAEL G. OXLEY, Ohio	
<i>ex officio</i>	

*Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

(Ratio: 14-12)

ROBERT W. NEY, Ohio, *Chairman*

MARK GREEN, Wisconsin <i>Vice Chairman</i>	MAXINE WATERS, California
RICHARD H. BAKER, Louisiana	NYDIA M. VELÁZQUEZ, New York
PETER T. KING, New York	JULIA CARSON, Indiana
WALTER B. JONES, Jr. North Carolina	BARBARA LEE, California
DOUG OSE, California	MICHAEL E. CAPUANO, Massachusetts
PATRICK J. TOOMEY, Pennsylvania	BERNARD SANDERS, Vermont*
CHRISTOPHER SHAYS, Connecticut	MELVIN L. WATT, North Carolina
GARY G. MILLER, California	WM. LACY CLAY, Missouri
MELISSA A. HART, Pennsylvania	STEPHEN F. LYNCH, Massachusetts
PATRICK J. TIBERI, Ohio	BRAD MILLER, North Carolina
KATHERINE HARRIS, Florida	DAVID SCOTT, Georgia
RICK RENZI, Arizona	ARTUR DAVIS, Alabama
(<i>Vacancy</i>) ⁴	BARNEY FRANK, Massachusetts
MICHAEL G. OXLEY, Ohio	<i>ex officio</i>
<i>ex officio</i>	

*Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

(Ratio: 11–9)

SUE W. KELLY, New York, *Chair*

RON PAUL, Texas <i>Vice Chairman</i>	LUIS V. GUTIERREZ, Illinois
STEVEN C. LATOURETTE, Ohio	JAY INSLEE, Washington
MARK GREEN, Wisconsin	DENNIS MOORE, Kansas
JOHN B. SHADEGG, Arizona	JOSEPH CROWLEY, New York
VITO FOSSELLA, New York	CAROLYN B. MALONEY, New York
JEB HENSARLING, Texas	JIM MATHESON, Utah
SCOTT GARRETT, New Jersey	STEPHEN F. LYNCH, Massachusetts
TIM MURPHY, Pennsylvania	ARTUR DAVIS, Alabama ²
GINNY BROWN-WAITE, Florida	CHRIS BELL, Texas ¹
J. GRESHAM BARRETT, South Carolina	BARNEY FRANK, Massachusetts
MICHAEL G. OXLEY, Ohio <i>ex officio</i>	<i>ex officio</i>

MEMBERSHIP NOTES

[†]The following members are on leave from the Committee on Financial Services: Mr. Dreier, ranking immediately after Mr. Leach; Ms. Pryce and Mr. Linder, ranking immediately after Mr. Baker; Ms. Myrick, ranking immediately after Mr. Paul; and Mr. Sessions, ranking immediately after Mr. Ryun.

¹Mr. Bell was elected to the Committee on January 28, 2004, filling a vacancy created by the resignation of Mr. Gonzalez on January 20, 2004, who ranked immediately after Mr. Moore. On February 25, 2004, Mr. Bell was elected to the Subcommittees on Domestic and International Monetary Policy, Trade, and Technology; Financial Institutions and Consumer Credit; and Oversight and Investigations to fill vacancies on those subcommittees.

²Mr. Hinojosa was elected to the Subcommittee on Oversight and Investigations on February 5, 2003, and ranked immediately after Mr. Gonzalez (who at that time ranked immediately after Mrs. Maloney). On May 5, 2003, Mr. Hinojosa resigned from the Subcommittee on Oversight and Investigations. Mr. Davis of Alabama was elected to fill the vacancy on May 20, 2003.

³Ms. Velázquez resigned her seat on the Subcommittee on Financial Institutions and Consumer Credit (where she ranked immediately after Ms. Waters), and Mr. Baca resigned his seat on the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology (where he ranked immediately after Ms. Velázquez), both effective February 18, 2004. On February 25, 2004, Ms. Velázquez was elected to fill the vacancy on the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises created by the resignation of Mr. Gonzalez, and Mr. Baca was elected to fill the vacancy on the Subcommittee on Financial Institutions and Consumer Credit created by the resignation of Ms. Velázquez.

⁴Mr. Bereuter (who ranked immediately after Mr. Leach) resigned from Congress effective September 1, 2004. Mr. Gerlach was elected to the Committee on Financial Services to fill the vacancy created by Mr. Bereuter's resignation on September 23, 2004. The vacancies on the Subcommittee on Financial Institutions and Consumer Credit and the Subcommittee on Housing and Community Opportunity created by Mr. Bereuter's resignation remained unfilled for the duration of the 108th Congress.

COMMITTEE STAFF

MAJORITY STAFF

ROBERT U. FOSTER, III
Staff Director
 PEGGY A. PETERSON
Communications Director and Deputy Staff Director
 CARTER K. MCDOWELL
Chief Counsel
 HUGH NATHANIAL HALPERN
General Counsel
 JAMES K. CONZELMAN
Counselor to the Chairman

PETER BARRETT, *Counsel*
 DIRK BARTLETT, *Professional Staff Member*
 SINDEY J. BLACKMER, *Special Counsel*
 CINDY VOSPER CHETTI, *Senior Professional Staff Member*
 JAMES H. CLINGER, *Senior Counsel*
 JUSTIN D. DALY, *Senior Counsel*
 DALE MICHELE DORR, *Executive Assisstant*
 DAVID M. EPPSTEIN, *Counsel*
 DINA ELLIS, *Senior Counsel*
 GEORGE M. FOOTE, *Staff Assistant*
 ANGELA S. GAMBO, *Administrative Assistant*
 ROBERT GORDON, *Senior Counsel*
 KRISTEN JACONI, *Counsel*
 TALLMAN JOHNSON, *Professional Staff Member*
 CLINTON COLUMBUS JONES, III, *Senior Counsel*
 PAUL M. KANGAS, *Senior Professional Staff Member*
 ROSEMARY ELIZABETH KEECH, *Executive Staff Assistant*
 KEVIN MACMILLAN, *Senior Counsel*
 BARBARA MATTHEWS, *Senior Counsel*
 SARAH MORGAN, *Assistant Communications Director*
 DAVID OXNER, *Staff Assistant*
 JOE PINDER, *Senior Professional Staff*
 BEVERLY B. PRICE, *Staff Assistant*
 BRENDAN REILLY, *Professional Staff Member*
 LOIS RICHERSON, *Clerk*
 CHRISTOPHER ROSELLO, *Professional Staff Member*
 FRANK A. TILLOTSON, *Senior Counsel*
 HOWARD TRAU, *Staff Assistant*
 KIM TRIMBLE, *Calendar, Documents, and Systems Administrator*
 GLENN WESTRICK, *Counsel*
 HEATHER C. WHEELER, *Staff Assistant*
 W. SCOTT WILBER, *Senior Counsel*
 EARNESTINE B. WORELDS, *Staff Assistant*
 JANICE MARIE ZANARDI, *Executive Staff Assistant*

MINORITY STAFF

JEANNE ROSLANOWICK
Staff Director and General Counsel

ELENI CONSTANTINE, *Professional Staff Member*
TODD CRANFORD, *Senior Counsel*
RICARDO DELFIN, *Counsel*
S. KAY GIBBS, *Communications Director*
GARY GOLDBERG, *Professional Staff Member*
WARREN GUNNELS, *Professional Staff Member*
JENNIFER PORTER GORE, *Press Secretary*
TODD HARPER, *Professional Staff Member*
ERIKA JEFFERS, *Counsel*
KELLIE LARKIN, *Professional Staff Member*
JAIME E. LIZARRAGA, *Senior Professional Staff Member*
PATTY LORD, *Professional Staff Member*
DOMINIQUE MCCOY, *Counsel*
DAN MCGLINCHAY, *Professional Staff Member*
SCOTT MORRIS, *Chief Economist*
JONATHAN OBEE, *Legislative Assistant*
SCOTT OLSON, *Professional Staff Member*
JEFF RILEY, *Counsel*
DEAN SAGAR, *Senior Policy Analyst*
LAWRANNE STEWART, *Senior Counsel*
KEN SWAB, *Counsel*

LEGISLATIVE AND OVERSIGHT ACTIVITIES

During the 108th Congress, 362 bills were referred to the Committee on Financial Services. The full Committee reported to the House or was discharged from the further consideration of 45 measures, not including conference reports. Thirty-two measures regarding matters within the Committee's jurisdiction were enacted into law.

The following is a summary of the legislative and oversight activities of the Committee on Financial Services during the 108th Congress, including a summary of the activities taken by the Committee to implement its Oversight Plan for the 108th Congress.

COMMITTEE ON FINANCIAL SERVICES

(Ratio: 37–32–1)

MICHAEL G. OXLEY, Ohio, *Chairman*

JAMES A. LEACH, Iowa †	BARNEY FRANK, Massachusetts
RICHARD H. BAKER, Louisiana †	PAUL E. KANJORSKI, Pennsylvania
SPENCER BACHUS, Alabama	MAXINE WATERS, California
MICHAEL N. CASTLE, Delaware	CAROLYN B. MALONEY, New York
PETER T. KING, New York	LUIS V. GUTIERREZ, Illinois
EDWARD R. ROYCE, California	NYDIA M. VELÁZQUEZ, New York
FRANK D. LUCAS, Oklahoma	MELVIN L. WATT, North Carolina
ROBERT W. NEY, Ohio	GARY L. ACKERMAN, New York
SUE W. KELLY, New York	DARLENE HOOLEY, Oregon
<i>Vice Chair</i>	JULIA CARSON, Indiana
RON PAUL, Texas †	BRAD SHERMAN, California
PAUL E. GILLMOR, Ohio	GREGORY W. MEEKS, New York
JIM RYUN, Kansas †	BARBARA LEE, California
STEVEN C. LATOURETTE, Ohio	JAY INSLEE, Washington
DONALD A. MANZULLO, Illinois	DENNIS MOORE, Kansas
WALTER B. JONES, Jr. North Carolina	MICHAEL E. CAPUANO, Massachusetts
DOUG OSE, California	HAROLD E. FORD, JR., Tennessee
JUDY BIGGERT, Illinois	RUBEN HINOJOSA, Texas
MARK GREEN, Wisconsin	KEN LUCAS, Kentucky
PATRICK J. TOOMEY, Pennsylvania	JOSEPH CROWLEY, New York
CHRISTOPHER SHAYS, Connecticut	WM. LACY CLAY, Missouri
JOHN B. SHADEGG, Arizona	STEVE ISRAEL, New York
VITO FOSSELLA, New York	MIKE ROSS, Arkansas
GARY G. MILLER, California	CAROLYN MCCARTHY, New York
MELISSA A. HART, Pennsylvania	JOE BACA, California
SHELLEY MOORE CAPITO, West Virginia	JIM MATHESON, Utah
PATRICK J. TIBERI, Ohio	STEPHEN F. LYNCH, Massachusetts
MARK R. KENNEDY, Minnesota	BRAD MILLER, North Carolina
TOM FEENEY, Florida	RAHM EMANUEL, Illinois
JEB HENSARLING, Texas	DAVID SCOTT, Georgia
SCOTT GARRETT, New Jersey	ARTUR DAVIS, Alabama
TIM MURPHY, Pennsylvania	CHRIS BELL, Texas †
GINNY BROWN-WAITE, Florida	BERNARD SANDERS, Vermont *
J. GRESHAM BARRETT, South Carolina	
KATHERINE HARRIS, Florida	
RICK RENZI, Arizona	
JIM GERLACH, Pennsylvania	

*Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

LEGISLATIVE ACTIVITIES

UNLAWFUL INTERNET GAMBLING FUNDING PROHIBITION ACT

(H.R. 21; H.R. 2143; H.R. 10; S. 627)

To prevent the use of certain bank instruments for unlawful Internet gambling, and for other purposes.

Summary

H.R. 2143, the Unlawful Internet Gambling Funding Prohibition Act, directs the Federal functional regulators to prescribe regulations limiting the acceptance of any bank instrument for unlawful

Internet gambling. It defines certain terms and establishes regulatory enforcement authorities. Its primary purpose is to give the Federal functional regulators a new, more effective tool for combating offshore Internet gambling sites that illegally extend their services to U.S. residents.

Legislative History

On January 7, 2003, Mr. Leach introduced H.R. 21, the Unlawful Internet Gambling Funding Prohibition Act, with 13 original cosponsors. H.R. 21 was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary. On March 13, 2003, the Committee on Financial Services met in open session and ordered H.R. 21 favorably reported to the House by a voice vote. On March 27, 2003, the Committee on Financial Services reported H.R. 21 to the House (H. Rept. 108–51, Part I).

On April 29, 2003, the Subcommittee on Crime, Terrorism and Homeland Security of the Committee on the Judiciary held a hearing on H.R. 21. On May 6, 2003, the Subcommittee met in open session and approved H.R. 21 for consideration by the Committee on the Judiciary by a voice vote. On May 14, 2003, the Committee on the Judiciary met in open session and ordered H.R. 21 reported to the House, as amended, by a record vote of 16 yeas and 15 nays. On May 22, 2003, the Committee on the Judiciary reported H.R. 21 to the House with an amendment (H. Rept. 108–51, Part II).

On May 19, 2003, Mr. Bachus introduced similar legislation, H.R. 2143, the Unlawful Internet Gambling Funding Prohibition Act, with two original cosponsors. H.R. 2143 was referred to the Committee on Financial Services, which met in open session on May 21, 2003, and ordered the bill reported to the House by a voice vote. On June 2, 2003, the Committee on Financial Services reported H.R. 2143 to the House (H. Rept. 108–133, Part I). On June 3, 2003, the Committee on Financial Services filed a supplemental report to the House on H.R. 2143 (H. Rept. 108–133, Part II), correcting an error in the original report.

On June 9, 2003, the Committee on Rules met and reported a structured rule providing for consideration of H.R. 2143 (H. Res. 263). The rule provided for one hour of general debate and consideration of three specified amendments. On June 10, 2003, H. Res. 263 passed the House. The House then considered and approved H.R. 2143 by a record vote of 319 yeas and 104 nays. On June 11, 2003, H.R. 2143 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

On March 13, 2003, Senator Kyl introduced S. 627, companion legislation to H.R. 2143. On July 31, 2003, the Senate Committee on Banking, Housing, and Urban Affairs met in open session and ordered S. 627, as amended, reported to the Senate. On October 27, 2003, the Senate Committee on Banking, Housing, and Urban Affairs reported S. 627 to the Senate (S. Rept. 108–173). S. 627 was placed on the Senate Legislative Calendar under General Orders on October 27, 2003.

The text of H.R. 2143, as passed by the House, was also included in the Committee's amendment to H.R. 10, the 9/11 Recommendations Implementation Act, although it was not included in the text ultimately considered by the House.

No further action was taken on this measure during the 108th Congress.

FINANCIAL CONTRACTS BANKRUPTCY REFORM ACT OF 2003

(H.R. 2120; H.R. 10)

To revise the banking and bankruptcy insolvency laws with respect to the termination and netting of financial contracts, and for other purposes.

Summary

H.R. 2120, the Financial Contracts Bankruptcy Reform Act of 2003, amends the banking and bankruptcy insolvency laws with respect to the netting of financial contracts. Specifically, the bill amends the U.S. Bankruptcy Code, the Federal Deposit Insurance Act (FDIA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the payment system risk reduction and netting provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), and the Securities Investor Protection Act of 1970 (SIPA). These amendments address the treatment of certain financial transactions following the insolvency of a party to those transactions. The amendments are designed to clarify and improve the consistency between the applicable statutes and to minimize the risk of a disruption within or between financial markets upon the insolvency of a market participant.

Legislative History

H.R. 2120 was introduced by Mr. Toomey on May 15, 2003, with 19 original cosponsors, and was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary. On May 21, 2003, the Committee on Financial Services met in open session and ordered H.R. 2120 reported to the House by a voice vote. On September 18, 2003, the Committee on Financial Services reported H.R. 2120 to the House (H. Rept. 108–277, Part I). The Committee on the Judiciary was granted a series of extensions for further consideration of matters within its jurisdiction through June 21, 2004, after which it was discharged from the further consideration of the bill.

The text of H.R. 2120 as reported by the Committee was included in the Committee's amendment to H.R. 10, the 9/11 Recommendations Implementation Act, although it was not included in the text ultimately considered by the House.

No further action was taken on this measure during the 108th Congress.

COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2003

Public Law 108–188 (H.J. Res. 63)

A joint resolution to approve the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia, and the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the

Republic of the Marshall Islands, and to appropriate funds to carry out the amended Compacts.

Summary

H.J. Res. 63, the Compact of Free Association Amendments Act of 2003, is the authorizing and implementing legislation for the amended Compacts of Free Association that the United States recently has renegotiated with the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI). The Committee has jurisdiction over section 108 of H.J. Res. 63, as reported by the Committee on Resources, which contained language addressing the eligibility of banks chartered in the Republic of the Marshall Islands and the Federated States of Micronesia for Federal deposit insurance.

Legislative History

H.J. Res. 63 was introduced by Mr. Leach (by request) on July 8, 2003, with 5 original cosponsors, and was referred to the Committee on International Relations, and in addition to the Committee on Resources. On July 23, 2003, the Committee on International Relations met in open session to consider H.J. Res. 63, and ordered the resolution reported, as amended, to the House by a voice vote. On September 4, 2003, the Committee on Resources met in open session to consider H.J. Res. 63, and ordered the resolution reported, as amended, to the House by a voice vote. On September 4, 2003, the Committee on International Relations reported H.J. Res. 63 to the House (H. Rept. 108–262, Part I).

On September 4, 2003, H.J. Res. 63 was sequentially referred to the Committee on the Judiciary, which met in open session on September 10, 2003, to consider the resolution, and ordered it reported to the House, as amended, by a voice vote. On September 15, 2003, the Committee on the Judiciary reported H.J. Res. 63 to the House (H. Rept. 108–262, Part III).

On September 15, 2003, the Committee on Resources reported H.J. Res. 63 to the House (H. Rept. 108–262, Part II). Pursuant to an exchange of letters between the Committee on Resources and the Committee on Financial Services, this provision was not included in the legislation considered by the House.

On October 28, 2003, the House considered H.J. Res. 63 under suspension of the rules, and passed the resolution, as amended, by a voice vote. On October 29, 2003, H.J. Res. 63 was received in the Senate, read twice, and placed on the Senate Legislative Calendar under General Orders. On November 6, 2003, the Senate passed the resolution with amendments by unanimous consent. On November 20, 2003, the House considered the Senate amendments under suspension of the rules, and voted to agree to the Senate amendments by a record vote of 417 yeas and 2 nays, clearing the resolution for the White House.

H.J. Res. 63 was presented to the White House on December 5, 2003, and signed into law by the President on December 17, 2003, becoming Public Law 108–188.

BANKRUPTCY ABUSE AND PREVENTION ACT OF 2003

(H.R. 975)

To amend title 11 of the United States Code, and for other purposes.

Summary

H.R. 975, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2003, is a comprehensive package of reform measures pertaining to both consumer and business bankruptcy cases. The purpose of the bill is to improve bankruptcy law and practice by restoring personal responsibility and integrity in the bankruptcy system and by ensuring that the system is fair for both debtors and creditors.

Legislative History

H.R. 975 was introduced by Mr. Sensenbrenner on February 27, 2003, with 50 original cosponsors, and referred to the Committee on the Judiciary, and in addition, to the Committee on Financial Services. On February 28, 2003, H.R. 975 was referred to the Judiciary Subcommittee on Commercial and Administrative Law. On March 12, 2003, the Committee on the Judiciary met in open session and ordered H.R. 975 reported to the House, as amended, by a record vote of 18 yeas and 11 nays. On March 18, 2003, the Committee on the Judiciary reported H.R. 975 to the House (H. Rept. 108–40, Part I). On March 18, 2003, the Committee on Financial Services was discharged from the further consideration of H.R. 975, pursuant to an exchange of letters.

On March 18, 2003, the Committee on Rules met and reported a rule providing for consideration of H.R. 975 (H. Res. 147). On March 19, 2003, the House agreed to H. Res. 147, and then considered and passed H.R. 975 by a record vote of 315 yeas and 113 nays, with one Member voting present.

On March 20, 2003, H.R. 975 was received in the Senate, read the first time, and placed on the Senate Legislative Calendar. On March 21, 2003, H.R. 975 was read the second time, and placed on the Senate Legislative Calendar under General Orders.

No further action was taken on this measure in the 108th Congress.

SERVICEMEMBERS CIVIL RELIEF ACT OF 2003

Public Law 108–189 (H.R. 100)

To restate, clarify, and revise the Soldiers' and Sailors' Civil Relief Act of 1940.

Summary

H.R. 100, the Servicemembers Civil Relief Act, is a comprehensive restatement of the Soldiers' and Sailors' Civil Relief Act of 1940 that would clarify and strengthen the rights and protections it provides to persons in military service. The legislation covers service members' financial obligations and liabilities, such as rent, mortgages, installment contracts and leases; civil (but not criminal) legal proceedings; life insurance; taxes; and rights in public lands.

Legislative History

H.R. 100 was introduced in the House on January 7, 2003, by Mr. Smith and one original cosponsor, and was referred to the House Committee on Veterans' Affairs. On February 20, 2003, the bill was referred to the Subcommittee on Benefits. On April 3, 2003, the Committee on Veterans' Affairs met in open session and ordered H.R. 100 to be reported to the House, as amended, by a voice vote. On April 30, 2003, the Committee on Veterans' Affairs reported H.R. 100 to the House (H. Rept. 108–81).

As reported by the Committee on Veterans' Affairs, H.R. 100 included provisions that fell within the jurisdiction of the Committee on Financial Services. Pursuant to an exchange of correspondence, the Committee on Veterans' Affairs agreed to make substantive changes to the relevant provisions sought by the Committee on Financial Services, and the Committee on Financial Services agreed not to seek a sequential referral of H.R. 100.

On May 7, 2003, the House considered H.R. 100 under suspension of the rules, and passed the bill by a record vote of 425 yeas and no nays.

The bill was received in the Senate on May 8, 2003, read twice and referred to the Committee on Veterans' Affairs. On November 21, 2003, the Senate Committee on Veterans' Affairs was discharged from further consideration of H.R. 100 by unanimous consent, and the bill was laid before the Senate. The Senate struck all after the enacting clause and substituted the text of S. 1136. On November 21, 2003, the bill passed the Senate with an amendment by unanimous consent.

On December 8, 2003, the House agreed to the Senate amendment by unanimous consent, clearing the bill for the White House. On December 12, 2003, the bill was presented to the President. The bill was signed into law on December 19, 2003, becoming Public Law 108–189.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2004

Public Law 108–77 (H.R. 2417; S. 1025)

To authorize appropriations for fiscal year 2004 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.

Summary

H.R. 2417, the Intelligence Authorization Act for Fiscal Year 2004, authorized activities of the intelligence services for fiscal year 2004. Several of the provisions of the bill contained matters which fell within the jurisdiction of the Committee on Financial Services. Section 105 authorizes the establishment of an Office of Intelligence and Analysis within the Department of the Treasury to be headed by a presidentially appointed and Senate-confirmed Assistant Secretary. Section 374 provides enhanced authority for authorized intelligence community collection activities designed to prevent, deter, and disrupt terrorism and espionage directed against the U.S., by expanding the definition of "financial institution" for purposes of section 1114 of the Right to Financial Privacy Act (12

U.S.C. 3414 (RFPA)). Section 376 amends a provision of the USA PATRIOT Act (31 U.S.C. 5318A) to authorize the Secretary of the Treasury, in judicial proceedings related to a finding that a country, financial institution, transaction, or type of account is of “primary money laundering concern,” to submit any classified information on which such a finding is based to the court *ex parte* and in camera.

Legislative History

H.R. 2417 was introduced by Mr. Goss on June 11, 2003, and referred to the Permanent Select Committee on Intelligence. On June 18, 2003, the Permanent Select Committee on Intelligence reported H.R. 2417, as amended, to the House (H. Rept. 108–163).

On June 24, 2003, the Committee on Rules reported a modified closed rule providing for the consideration of H.R. 2417 (H. Res. 295). The House passed H. Res. 295 on June 25, 2003. The House considered H.R. 2417 on June 25, 26, and 27, and passed the bill on June 27, 2003, by a record vote of 410 yeas and 9 nays.

On June 27, 2003, H.R. 2417 was received in the Senate, read twice, and placed on the Senate Legislative Calendar under General Orders. The measure was laid before the Senate, amended with the text of S. 1025, as amended, and passed by unanimous consent on July 31, 2003. The Senate insisted on its amendment and appointed conferees from the Select Committee on Intelligence and the Senate Committee on Armed Services on August 1, 2003.

On November 18, 2003, the House disagreed to the Senate amendment and agreed to the conference requested by the Senate by a voice vote. A motion to instruct the conferees by Ms. Harman was agreed to by a record vote of 404 yeas and 12 nays. The Speaker appointed conferees from the Permanent Select Committee on Intelligence and the House Committee on Armed Services. As memorialized in a series of letters between the Chairman of the Permanent Select Committee on Intelligence and the Chairman of the Committee on Financial Services, the Committee on Financial Services did not insist on representation on the conference committee based upon an agreement by the Permanent Select Committee on Intelligence to make changes to the provisions within the Financial Services Committee’s jurisdiction.

On November 19, 2003, the conference report to accompany H.R. 2417 (H. Rept. 108–381) was filed in the House, and the Committee on Rules reported a modified closed rule providing for the consideration of the conference report by the House (H. Res. 451). On November 20, 2003, H. Res. 451 passed the House, and the House then passed the Conference Report by a record vote of 264 yeas and 163 nays.

On November 21, 2003, the Senate agreed to the conference report by a voice vote, clearing the measure for the White House. The bill was presented to the President on December 2, 2003, and signed on December 13, 2003, becoming Public Law 108–177.

TEMPORARY REAUTHORIZATION OF THE NATIONAL FLOOD INSURANCE PROGRAM

Public Law Nos. 108–3, 108–171, and 108–199 (H.R. 11, H.R. 2673, and S. 1768)

To extend the National Flood Insurance Program through 2003.

Summary

H.R. 11 reauthorized the NFIP retroactively from January 1, 2003, through December 31, 2003. S. 1768 extended the authorization of the National Flood Insurance Program from December 31, 2003, to March 31, 2004, and section 136 of H.R. 2673 further extended the program through June 30, 2004. For further information regarding the permanent reauthorization, see H.R. 253 in the legislative activities of the Subcommittee on Housing and Community Opportunity.

Legislative History

On January 7, 2003, Chairman Oxley introduced H.R. 11 to extend the National Flood Insurance Program. The bill was referred to the House Committee on Financial Services and considered and passed by the House under suspension of the rules on January 8, 2003, by a voice vote. The bill was received in the Senate and read three times. The Senate considered and passed the bill without amendment by unanimous consent on January 9, 2003, clearing the bill for the White House. The bill was signed into law on January 13, 2003, becoming Public Law 108–3.

S. 1768 was introduced by Senator Bunning on October 21, 2003, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On October 27, 2003, the Senate Banking Committee was discharged from the further consideration of the bill and the Senate passed the bill without amendment by unanimous consent. On October 28, 2003, the bill was referred to the House Committee on Financial Services. On November 21, 2003, the Committee on Financial Services was discharged from the further consideration of the bill, and the House passed the bill with an amendment by unanimous consent. On November 24, 2003, the Senate agreed to the House amendment by unanimous consent, clearing the bill for the White House. On November 25, 2003, S. 1768 was presented to the President and signed into law on December 6, 2003, becoming Public Law 108–171.

H.R. 2673, the Consolidated Appropriations Act, 2004, was reported as an original measure by the Committee on Appropriations on July 9, 2003, as the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2004. During the conference on that legislation, the conferees added section 136, extending the effective date of the National Flood Insurance Program through June 30, 2004. The conference report was filed in the House on November 25, 2003 (H. Rept. 108–401). The House agreed to the conference report to accompany H.R. 2673 on December 8, 2003, by a record vote of 242 yeas and 176 nays. On January 22, 2004, the Senate agreed to the conference report by a roll call vote of 65 yeas and 28 nays, clearing the bill for the White House. It was presented to the President on the same

day, and signed into law on January 23, 2004, becoming Public Law 108–199.

HOSPITAL MORTGAGE INSURANCE

Public Law 108–91 (H.R. 659)

To amend section 242 of the National Housing Act (12 U.S.C. 1715z–7) to ensure that hospitals will not be automatically prevented from applying for FHA mortgage insurance.

Summary

H.R. 659, the Hospital Mortgage Insurance Act of 2003, amends section 242 of the National Housing Act to revise hospital need and feasibility standards for purposes of hospital mortgage insurance eligibility. The law directs the Secretary of the Department of Housing and Urban Development to (1) require satisfactory evidence that the hospital will be located in a State or political subdivision with reasonable minimum licensure and operating standards, and (2) establish the means for determining hospital need and feasibility, including following State procedures in States that have such official procedures and (3) eliminates the State certificate of need or feasibility study requirement.

Legislative History

H.R. 659 was introduced on February 11, 2003, by Mr. Ney and two original cosponsors and the bill was referred to the Committee on Financial Services. On February 13, 2003, the Committee ordered the bill reported to the House by a voice vote. On March 6, 2003, the Committee reported the bill to the House, without amendment (H. Rept. 108–27).

On March 12, 2003, the House considered H.R. 659 under suspension of the rules, and passed the bill by a record vote of 419 yeas and no nays. On March 13, 2003, H.R. 659 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

The bill was referred to the Senate Banking, Housing, and Urban Affairs Committee on March 13, 2003. On July 31, 2003, the Senate Banking Committee favorably reported the bill with an amendment in the nature of a substitute. The bill was considered and passed with an amendment by the Senate on September 2, 2003, by unanimous consent.

On September 17, 2003, the House concurred with the Senate amendment under suspension of the rules by a voice vote, clearing the bill for the White House. On September 22, 2003, this bill was presented to the President for his signature and signed into law on October 3, 2003, becoming Public Law 108–91.

BROWNFIELDS REDEVELOPMENT ENHANCEMENT ACT

(H.R. 239)

To facilitate the provision of assistance by the Department of Housing and Urban Development for the cleanup and economic redevelopment of brownfields.

Summary

H.R. 239, the Brownfields Redevelopment Enhancement Act, increased access to brownfields redevelopment funds for America's small communities by de-linking Section 108 loan guarantees from HUD's Brownfields Economic Development Initiative (BEDI) grants. The bill focused on providing access to capital for local entities that traditionally have had trouble obtaining financing for brownfields redevelopment activities. The bill also authorized HUD to establish a pilot program for a common brownfields redevelopment loan pool.

Legislative History

H.R. 239 was introduced by Mr. Gary G. Miller of California with 10 original co-sponsors and referred to the Committee on Financial Services on January 8, 2003. On February 13, 2003, the Committee met in open session and ordered H.R. 239 to be reported to the House, by a voice vote. On March 5, 2003, the Committee reported H.R. 239 to the House (H. Rept. 108-22).

No further action was taken on the bill in the 108th Congress.

EMERGENCY SECURITIES RESPONSE ACT OF 2003

(H.R. 657; H.R. 10)

To amend the Securities and Exchange Act of 1934 to augment the emergency authority of the Securities and Exchange Commission.

Summary

H.R. 657, the Emergency Securities Response Act of 2003, provides the Securities and Exchange Commission (SEC) with enhanced authority to respond to extraordinary market disturbances. The bill extends the duration of an SEC emergency order from ten to thirty business days, and under certain circumstances, up to a total of ninety calendar days.

LEGISLATIVE HISTORY

H.R. 657 was introduced in the House by Mr. Garrett and five original cosponsors on February 11, 2003. The bill was referred to the Committee on Financial Services. The Committee met in open session on February 13, 2003 and ordered H.R. 657 reported to the House with a favorable recommendation, with an amendment, by a voice vote.

On February 25, 2003, the Committee on Financial Services reported H.R. 657 to the House (H. Rept. 108-19). On February 26, 2003, the House considered the bill under suspension of the rules, and the House passed H.R. 657, with an amendment, by a voice vote.

On February 27, 2003, the bill was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

The legislation was also included as sections 5084-5086 of H.R. 10, the 9/11 Recommendations Implementation Act, as passed by

the House. For further information regarding action on this measure, please see H.R. 10 in this report.

AMERICAN 5-CENT COIN DESIGN CONTINUITY ACT OF 2003

Public Law 108–15 (H.R. 258)

To ensure continuity for the design of the 5-cent coin, establish the Citizens Coinage Advisory Committee, and for other purposes.

Summary

The American 5-Cent Coin Design Continuity Act of 2003 authorizes the Secretary of the Treasury to change the design on the obverse and reverse sides of five-cent coins issued in 2003, 2004, and 2005, in recognition of the bicentennial of the Louisiana Purchase and the expedition of Meriwether Lewis and William Clark.

The bill also establishes a Citizens Coinage Advisory Committee to advise the Secretary on coin designs proposed by the U.S. Mint. The panel membership is to include several different specialties to ensure that the advice to the Secretary is given independently of design input from the Mint. Further, it abolishes the Citizens Commemorative Coin Advisory Committee and provides for an orderly transition.

Finally, the bill clarifies the requirements for payment of commemorative coin surcharge revenues to beneficiary organizations.

Legislative History

H.R. 258 was introduced by Mr. Cantor on January 8, 2003, with 10 original cosponsors and referred to the House Committee on Financial Services. On February 13, 2003, the Committee met to consider the bill and ordered the bill to be favorably reported, with an amendment, by a voice vote. On February 26, 2003, the Committee reported the bill to the House (H. Rept. 108–20) and the House passed the bill under suspension of the rules by a record vote of 412 yeas and 5 nays.

On February 27, 2003, H.R. 258 was received in the Senate and read twice and referred to the Committee on Banking, Housing, and Urban Affairs. On April 11, 2003, the Committee was discharged from the further consideration of the bill and the Senate passed the bill by unanimous consent, clearing the bill for the White House.

H.R. 258 was presented to the President on April 15, 2003, and signed into law on April 23, 2003, becoming Public Law 108–15.

DEPOSITARY SERVICES EFFICIENCY AND COST REDUCTION ACT

Public Law 108–100 (H.R. 3183; H.R. 1474)

To provide for direct and accurate compensation to financial institutions for providing various critical depository and financial agency services for or on behalf of the United States, and for other purposes.

Summary

H.R. 3183, the Depository Services Efficiency and Cost Reduction Act, virtually eliminates the Department of Treasury's program to

place Federal funds on deposit with certain financial institutions, in order to allow the imputed interest to offset fees that otherwise would be charged for depository services rendered to the Federal government. The result is to provide a more cost effective and transparent system for compensating financial institutions for their services. This legislation provides for an orderly transition between the old method and the new and provides for the return to the old method only in extraordinary circumstances. Further, the bill also makes technical changes in the way the Federal Reserve collateralizes currency put into circulation, a move designed to allow more liquidity in the case of another terror attack or disaster.

Legislative History

Mr. Oxley introduced H.R. 3183 on September 25, 2003, with one original cosponsor, and it was referred to the House Committee on Financial Services. The text of the measure was included as section 19 of the conference report to accompany H.R. 1474. For further action on this measure, see the entry for H.R. 1474 in the Financial Institutions Subcommittee section of this report.

NORTH AMERICAN DEVELOPMENT BANK

Public Law 108–215 (H.R. 254)

To authorize the President of the United States to agree to certain amendments to the Agreement between the Government of the United States of America and the Government of the United Mexican States concerning the establishment of a Border Environment Cooperation Commission and a North American Development Bank, and for other purposes.

Summary

H.R. 254 makes two changes to the congressional charter of the North American Development Bank (NADBank). First, it authorizes the NADBank to make grants and non-market rate loans out of its paid-in capital resources with the approval of its Board of Directors, rather than only the market rate loans permitted under current law. Second, the bill expands the region that the NADBank serves on only the Mexican side from 100 kilometers of the international boundary line to within 300 kilometers of the international boundary line.

H.R. 254 also requires the Department of the Treasury to submit an annual report on certain enumerated issues relating to the NADBank. Currently, no annual report is required from the Department of the Treasury on these subjects. Finally, the bill expresses the sense of Congress on four items related to the equitable distribution of the Water Conservation Fund.

Legislative History

On January 8, 2003, Mr. Bereuter introduced H.R. 254 with nine original cosponsors. On February 13, 2003, the Committee on Financial Services met in open session to consider H.R. 254 and ordered it reported to the House with a favorable recommendation, by a voice vote. The Committee on Financial Services reported H.R. 254 to the House on February 25, 2003 (H. Rept. 108–17).

On February 26, 2003, the House considered H.R. 254 under suspension of the rules, passing the bill by a voice vote. On February 27, 2003, H.R. 254 was received in the Senate and read twice and referred to the Senate Committee on Foreign Relations.

On March 12, 2004, the Senate Committee on Foreign Relations was discharged and the bill passed, with an amendment, by unanimous consent. On March 24, 2004, the House considered the Senate amendment under suspension of the rules. On March 25, 2004, the House concurred in the Senate amendment by a record vote of 377 yeas and 48 nays, clearing the bill for the White House.

The bill was presented to the President on March 30, 2004, and signed into law on April 5, 2004, becoming Public Law 108–215.

2004 DISTRICT OF COLUMBIA OMNIBUS AUTHORIZATION ACT

Public Law 108–386 (H.R. 3797)

To authorize improvements in the operations of the government of the District of Columbia, and for other purposes.

Summary

H.R. 3797, the first annual omnibus authorization bill for the District of Columbia, authorizes improvements in the operations of the government of the District of Columbia. Section 8 of the bill, transferring oversight of banks chartered by the District of Columbia from the Office of the Comptroller of the Currency to the Federal Deposit Insurance Corporation, is a matter within the jurisdiction of the Committee on Financial Services.

Legislative History

H.R. 3797 was introduced by Mr. Davis of Virginia on February 11, 2004, with one original cosponsor, and was referred to the Committee on Government Reform and, in addition, to the Committees on Financial Services and Education and the Workforce. On June 17, 2004, the Committee on Government Reform reported H.R. 3797, as amended, to the House (H. Rept. 108–551), and the Committee on Financial Services and the Committee on Education and the Workforce were discharged from further consideration of H.R. 3797.

In exchange for the Committee on Government Reform's agreement to make technical changes to section 8 requested by the Committee on Financial Services, the Committee agreed to waive consideration of H.R. 3797 in a March 9, 2004, exchange of letters between the Chairman of the Committee on Financial Services and the Chairman of the Committee on Government Reform. On June 21, 2004, the House considered H.R. 3797 under suspension of the rules, and passed the bill by a voice vote.

The bill was received in the Senate on June 22, 2004, read twice, and referred to the Senate Committee on Governmental Affairs. On July 21, 2004, the Senate Committee on Governmental Affairs ordered the bill to be reported favorably, without amendment.

On October 11, 2004, the Senate Committee on Governmental Affairs was discharged from the further consideration of H.R. 3797 by unanimous consent, and on that same date, the bill passed the Senate without amendment by unanimous consent. The bill was pre-

sent to the President on October 19, 2004, and signed into law on October 30, 2004, becoming Public Law 108–386.

CONSOLIDATED APPROPRIATIONS ACT, 2005

Public Law 108–447 (H.R. 4818)

Summary

The following legislative provisions within the jurisdiction of the Committee on Financial Services were included in H.R. 4818, the Consolidated Appropriations Act, 2005:

In division B, section 124 (relating to a 9/11 Medal of Valor), and a provision under the Securities and Exchange Commission paragraph in title V (relating to a report on the final rule requiring an independent chairman for mutual funds);

In division E, section 138 (relating to the eligibility of certain property for flood insurance), section 531 (relating to opposition to aid from the international financial institutions to Burma), section 565 (relating to the authority of the President to reduce certain debt), and section 593 (relating to certain administrative provisions related to the multilateral development banks); and,

In division H, section 223 (relating to the Office of Terrorism and Financial Intelligence).

Legislative History

On July 13, 2004, the Committee on Appropriations reported H.R. 4818, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2005, to the House as an original measure (H. Rept. 108–599). The House passed the measure on July 15, 2004, by a record vote of 365 yeas and 41 nays.

On September 23, 2004, the Senate passed H.R. 4818 with an amendment by a voice vote. The conference report to accompany H.R. 4818 (H. Rept. 108–792), which was the vehicle for the Consolidated Appropriations Act, 2005, was filed in the House on November 20, 2004, and agreed to on the same day by a record vote of 344 yeas and 51 nays, 1 Member voting present.

On November 20, 2004, the Senate agreed to the conference report by a roll call vote of 65 yeas and 30 nays.

Pursuant to the provisions of H. Res. 866, the House was considered to have passed H. Con. Res. 528, correcting the enrollment of H.R. 4818 on November 20, 2004. That same day, the Senate passed H. Con. Res. 528, with an amendment by unanimous consent.

On December 6, 2004, the House concurred in the Senate amendment to H. Con. Res. 528 by a record vote of 381 yeas and no nays, clearing H.R. 4818 for the White House.

H.R. 4818 was presented to the President on December 7, 2004, and signed into law on December 8, 2004, becoming Public Law 108–447.

COMMUNITY BANKING MONTH

(H. Res. 591)

Expressing the gratitude of the House of Representatives for the contributions made by America's community banks to the Nation's

economic well-being and prosperity and the sense of the House of Representatives that a month should be designated as “Community Banking Month”.

Summary

H. Res. 591 expresses the House of Representatives’ gratitude for the contributions made by America’s community banks to the Nation’s economic well-being and prosperity, and expresses the sense of the House that a “Community Banking Month” should be designated to raise public awareness of, and public appreciation for, the contributions of the helpful institutions that are our Nation’s community banks.

Legislative History

H. Res. 591 was introduced by Mr. Bachus on March 31, 2004, and was referred to the Committee on Financial Services. Pursuant to an exchange of letters between the Chairman of the Committee on Financial Services and the Chairman of the Committee on Government Reform and Oversight, the Chairman of the Committee on Government Reform and Oversight agreed not to seek a sequential referral of the resolution. On June 21, 2004, the House considered H. Res. 591 under suspension of the rules, and agreed to the resolution by a record vote of 364 yeas and no nays.

MORTGAGE SERVICING CLARIFICATION ACT

(H.R. 314)

To amend the Fair Debt Collection Practices Act to exempt mortgage servicers from certain requirements of the Act with respect to Federally related mortgage loans secured by a first lien, and for other purposes.

Summary

H.R. 314, the Mortgage Servicing Clarification Act, amends the Fair Debt Collection Practices Act to exempt servicers of Federally related first lien mortgages from certain notice requirements that apply to third-party debt collectors.

Legislative History

H.R. 314 was introduced on January 8, 2003, by Mr. Royce and seven original cosponsors, and referred to the Committee on Financial Services. On February 27, 2003, H.R. 314 was referred to the Subcommittee on Financial Institutions and Consumer Credit.

On March 18, 2003, the House considered H.R. 314 under suspension of the rules. On March 19, 2003, the House passed the bill by a record vote of 424 yeas and no nays. On March 20, 2003, H.R. 314 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

No further action was taken on this measure in the 108th Congress.

SECONDARY MORTGAGE MARKET ENTERPRISES REGULATORY
IMPROVEMENT ACT

(H.R. 2575)

To reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes.

Summary

H.R. 2575 creates a new regulatory agency charged with oversight of government sponsored enterprises (GSEs), Fannie Mae and Freddie Mac. The bill abolishes the current GSE regulator, the Office of Federal Housing Enterprise Oversight, and merges its duties with those of the Office of Thrift Supervision. The newly formed agency is renamed the Office of Housing Finance Supervision. H.R. 2575 grants the new GSE regulator authorities similar to banking regulators. These authorities include: the ability to set minimum and risk based capital levels; the power to take prompt corrective action against a troubled enterprise; and the ability to bring both civil and criminal penalties against the enterprises for violations of the law. The Secretary of HUD is granted prior approval of new activities as well as the ability to set and adjust the GSE housing goals.

Legislative History

On June 24, 2003, Mr. Baker introduced H.R. 2575 with twenty original cosponsors. On September 25, 2003, the full Committee held a hearing on the bill and on the Administration's proposal for improved GSE regulation. No further action was taken on this measure during the 108th Congress.

9/11 RECOMMENDATIONS IMPLEMENTATION ACT

(H.R. 10; S. 2845)

To provide for reform of the intelligence community, terrorism prevention and prosecution, border security, and international cooperation and coordination, and for other purposes.

Summary

The portions of H.R. 10 within the jurisdiction of the Committee on Financial Services authorize new funding for the fight against the financing of terror, give the government new tools to fight the funding of terrorism, take steps both to help prevent an attack on the financial system and to make the system and markets more resilient in case of another attack, and establish tools to improve international cooperation in the fight against terror funding. Among the major elements of the legislation are: additional authorizations for the Treasury Department's Financial Crimes Enforcement Network (FinCEN), to reduce the Bank Secrecy Act compliance burden on financial institutions while significantly increasing the usefulness of FinCEN's data to law enforcement; a reauthorization of appropriations for 2 additional fiscal years of the Money Laundering and Financial Crimes Strategy Act of 1998, as well as a two-year reauthorization of the National Strategy required under that Act; a series of purely technical corrections to the anti-terror fi-

nance title of the USA PATRIOT Act; authority for the Treasury Department to help countries strengthen their own currencies against counterfeiting; provisions providing for post-employment restrictions for certain bank, thrift, and credit union examiners to avoid conflicts of interests in the event these examiners are subsequently employed by a financial institution they oversaw as examiners; and language aimed at improving international cooperation to combat the financing of terror, including a requirement for the Treasury Secretary to report annually on anti-terrorist financing initiatives and language supporting codification of interagency cooperation before international sessions held to set standards for anti-terrorist financing.

Legislative History

On September 24, 2004, the Speaker introduced H.R. 10, with 16 original cosponsors. The bill was referred to the House Permanent Select Committee on Intelligence, and in addition to the Committees on Armed Services, Education and the Workforce, Energy and Commerce, Financial Services, Government Reform, International Relations, the Judiciary, Rules, Science, Transportation and Infrastructure, Ways and Means, and the Select Committee on Homeland Security.

On September 22, 2004, the Committee on Financial Services held a legislative hearing on proposals to implement those recommendations of the National Commission on Terrorist Attacks Upon the United States that fell within the Committee's jurisdiction. On September 29, 2004, the Committee on Financial Services met in open session, and ordered H.R. 10 reported to the House, with an amendment, by a voice vote.

On October 4, 2004, the Committee on Financial Services reported H.R. 10 to the House (H. Rept. 108-724, Part III), as did the House Permanent Select Committee on Intelligence (H. Rept. 108-724, Part I) and the Committee on Armed Services (H. Rept. 108-724, Part II). On October 5, 2004, reports on H.R. 10 were filed by the Committee on Government Reform (H. Rept. 108-724, Part IV) and the Committee on the Judiciary (H. Rept. 108-724, Part V). On the same date, the Committees on Education and the Workforce, Energy and Commerce, International Relations, Rules, Science, Transportation and Infrastructure, Ways and Means, and Homeland Security (Select) were discharged from further consideration of H.R. 10.

On October 7, 2004, the Committee on Rules reported a rule providing for the consideration of H.R. 10 (H. Res. 827). The House agreed to H. Res. 827 on October 7, 2004, by a voice vote. On October 7 and 8, 2004, the House considered H.R. 10 pursuant to the provisions of H. Res. 827. The legislation passed the House on October 8, 2004, by a record vote of 282 yeas and 134 nays.

S. 2845, the National Intelligence Reform Act of 2004, was introduced by Senator Collins on September 23, 2004, and considered by the Senate on September 27 through October 4, 2004. The Senate agreed to invoke cloture on the measure on October 5, 2004, by a roll call vote of 85 yeas and 10 nays. On October 6, 2004, the Senate passed S. 2845 by a roll call vote of 95 yeas and 2 nays.

On October 16, 2004, S. 2845 was received in the House, and pursuant to H. Res. 287, the House was considered to have passed S. 2845 with an amendment in the nature of a substitute consisting of the text of H.R. 10 as passed by the House, insisted on its amendment, and asked for a conference. The Speaker appointed Messrs. Hoekstra, Dreier, Hyde, Hunter, Sensenbrenner, Harman, Menendez, and Skelton as conferees on the part of the House. That day the Senate disagreed to House amendment, agreed to the request for a conference, and appointed conferees: Senators Collins, Lott, DeWine, Roberts, Voinovich, Sununu, Coleman, Lieberman, Levin, Durbin, Rockefeller, Graham of Florida, and Lautenberg.

On October 17, 2004 the conferees met, the House chairing.

On December 7, 2004, the conference report to accompany S. 2845 was received in the House (H. Rept. 108-796). That day, the House passed H. Res. 870, a rule providing for the consideration of the conference report, by a voice vote. The House agreed to the conference report to accompany S. 2845 by a record vote of 336 yeas and 75 nays. On December 8, 2004, the conference report was agreed to by the Senate by a record vote of 89 yeas and 2 nays, clearing S. 2845 for the White House.

On December 15, 2004, the bill was presented to the President, and signed into law on December 17, 2004, becoming Public Law 108-458.

FULL COMMITTEE OVERSIGHT ACTIVITIES

MONETARY AND ECONOMIC POLICY

On February 12 and July 15, 2003, and February 11 and July 21, 2004, the Committee received testimony from the Chairman of the Federal Reserve Board, the Honorable Alan Greenspan, on the conduct of monetary policy. The report continued a tradition of twice-yearly reports by the Fed Chairman to the committees of jurisdiction in the House and Senate that formerly were referred to as "Humphrey-Hawkins" hearings after the act that required the testimony.

Additionally, on April 30, 2003, the Committee held an additional hearing to hear Chairman Greenspan's testimony on United States' monetary and economic policy. In addition to Chairman Greenspan's testimony, the Committee heard testimony from several other economists regarding the state of the economy.

REMITTANCES: REDUCING COSTS, INCREASING COMPETITION, AND BROADENING ACCESS TO THE MARKET

On October 1, 2003, the Committee on Financial Services held a hearing to review developments in the market for international remittances. The United States has become the largest source of remittances in the world, with over \$28 billion in payments originating within its borders annually. This hearing examined the trends toward greater competition and lower costs for consumers in the remittances market, and highlighted innovative products that may help to expand consumers' access to low-cost remittance services. The hearing featured testimony from a senior Treasury Department official, and representatives of financial institutions and

organizations dedicated to promoting stronger U.S.-Latin American ties.

HUD PROPOSED BUDGET FOR FISCAL YEAR 2004

The Committee on Financial Services held a hearing on Wednesday, March 5, 2003, to review housing programs under its jurisdiction, which includes the Department of Housing and Urban Development (HUD), the National Flood Insurance Program, the Rural Housing Service, and the Neighborhood Reinvestment Corporation.

The Administration proposed \$31.3 billion in FY 2004 budget authority for the Department of Housing and Urban Development (HUD). In releasing the President's budget, the Secretary of Housing and Urban Development stated that the budget request builds upon the Administration's commitment to address the minority homeownership gap, the availability and affordability of housing, and the need of the homeless. The Secretary of Housing and Urban Development was the only witness.

STATE OF THE INTERNATIONAL FINANCIAL SYSTEM

On May 13, 2003, the House Financial Services Committee held a hearing on the annual report by the Secretary of the Treasury on the International Monetary Fund Reform and the state of the International Financial System. The Secretary of the Treasury was the only witness.

At this hearing, the Committee heard testimony from Secretary Snow on the following issues, among others: (1) the importance of promoting global growth through trade liberalization; (2) rebuilding Iraq and Afghanistan; (3) progress made in reforming the IMF; (4) the President's proposed Millennium Challenge Account; (5) the requests to authorize the U.S. participation of the United States in the thirteenth replenishment of the IDA, the seventh replenishment of the Asian Development Fund and the ninth replenishment of the African Development Fund; (6) the request to authorize additional funds to the Highly Indebted Poor Country Trust Fund; and (7) the current Department of the Treasury legislative mandates and reports.

On Thursday, March 24, 2003, the Committee on Financial Services held a hearing titled "The State of the International Financial System." It focused on progress in reforming the International Monetary Fund (IMF) and the broader international financial system. The only hearing witness was the Secretary of the Treasury.

Pursuant to Public Law 105-277, the Secretary of Treasury appears annually before the Committee to report on progress in reforming the International Monetary Fund (IMF) and the broader international financial system, as well as country compliance with IMF conditions for assistance. During the hearing, the Secretary stressed the Treasury Department's efforts to promote economic growth and international trade. He noted that U.S. leadership of the G-7 has accelerated efforts to spur structural reforms and global economic growth through the "Agenda for Growth." This is the first time that G-7 countries will identify specific initiatives to spur growth and then report on progress made on these initiatives.

U.S.-E.U. REGULATORY DIALOGUE

On Thursday, May 13, 2004, the Committee on Financial Services held a full Committee hearing entitled, "The U.S.-E.U. Regulatory Dialogue and Its Future." The Committee heard testimony from representatives from the Department of the Treasury, the European Union, and the functional regulators. Building on the Committee's May 2002 hearing on the European Union's Financial Services Action Plan (FSAP), the hearing focused on how the regulatory dialogue is evolving.

OVERSIGHT OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY

On April 1, 2004, the Committee on Financial Services held an oversight hearing on the operations of the Office of the Comptroller of the Currency (OCC). The hearing focused on the state of the national banking industry; the effects of industry consolidation on the OCC's regulatory oversight of national banks; the OCC's efforts to maintain a qualified examination force; regulations issued by the OCC governing the extent to which State laws apply to the activities of banks chartered by the Federal government; and concerns about the impact of the proposed Basel capital accord on the U.S. banking system. The Comptroller of the Currency, was the sole witness.

SARBANES-OXLEY IMPLEMENTATION

On September 17, 2003, the Committee on Financial Services held a hearing entitled "Accounting under Sarbanes-Oxley: Are Financial Statements More Reliable?" The hearing focused on the Public Company Accounting Oversight Board (PCAOB), created under Sarbanes-Oxley to serve as the primary regulator for auditors of public companies. Under Sarbanes-Oxley, the PCAOB is required to (1) register public accounting firms; (2) establish auditing, quality control and ethics standards proposed by a designated professional group of accountants; (3) inspect registered accounting firms; and (4) conduct investigations and disciplinary proceedings and impose sanctions upon registered firms and accountants.

The Securities and Exchange Commission (SEC) has oversight and enforcement authority over the PCAOB. No rule of the PCAOB can take effect until approved by the SEC. Providing testimony to the Committee on the role and operations of the PCAOB were SEC Chairman William H. Donaldson and PCAOB Chairman William J. McDonough.

On July 22, 2004, the Committee on Financial Services held a hearing entitled "Sarbanes-Oxley: Two Years of Market and Investor Recovery." The focus of the hearing was on the impact of Sarbanes-Oxley upon public companies and auditing firms. Testimony revealed that companies are taking much more care in preparing their financial statements and that the audit, much neglected in the 1990s, has regained its place as the central focus for accounting firms. In addition, corporate directors, particularly those on the audit, nominating, and governance committees, are now more engaged.

Testimony also disclosed complaints about the increased costs associated with compliance. The most frequent criticism involved the

internal control standard of section 404 of the Sarbanes-Oxley Act and the increased auditing and legal costs resulting from this provision. The Committee heard testimony from a number of private-sector experts on the benefits of the provisions of Sarbanes-Oxley.

ACCOUNTING AT SHELL OIL

On July 21, 2004, the Committee on Financial Services held a hearing entitled “Shell Games: Corporate Governance and Accounting for Oil and Gas Reserves.” The purpose of the hearing was to understand the accounting problems uncovered at Royal Dutch/Shell Group (Shell). On July 2, 2004, Shell, the world’s third largest publicly traded oil company, announced in a filing with the Securities and Exchange Commission that it had overstated profits by \$276 million over the past several years. The accounting problems were triggered by massive overbooking of oil and natural-gas “proven” reserves, the most precious asset of an oil company. Testifying before the full Committee were representatives from an institutional investor, an oil and gas investment banking boutique, and academia.

THE 9/11 COMMISSION REPORT: IDENTIFYING AND PREVENTING TERRORIST FINANCING

On August 23, 2004, the Committee on Financial Services held a hearing to examine those findings and recommendations of the National Commission on Terrorist Attacks upon the United States (9/11 Commission) that related to terrorist financing and other matters within the Committee’s jurisdiction. In its report and testimony before the Committee, the 9/11 Commission urged that efforts to combat the financing of terrorist organizations remain a high priority of the United States government. Witnesses testifying at the hearing included the Vice Chairman of the 9/11 Commission, as well as representatives of the Department of the Treasury, Department of Homeland Security, and Department of Justice.

PROTECTING OUR NATION’S FINANCIAL INFRASTRUCTURE

On September 8, 2004, the Committee on Financial Services held a hearing entitled “Protecting Our Financial Infrastructure: Preparation and Vigilance.” The hearing examined efforts to protect the human, technical, and physical resources essential to the functioning of the financial services sector. The Committee heard testimony from the financial regulators and organizations representing the major market sectors.

REGULATION OF GOVERNMENT SPONSORED ENTERPRISES

On September 10, 2003, the Committee on Financial Services held a hearing entitled, “Treasury Department Views on the Regulation of Government Sponsored Enterprises.” The Committee received testimony on recommended improvements to the regulatory oversight of the GSEs following the accounting irregularities and management reorganization at Freddie Mac. The Secretary of the Treasury and the Secretary of the Department of Housing and Urban Development testified at this hearing.

BANKS, MERGERS, AND THE AFFECTED COMMUNITIES

On December 14, 2004, the Committee on Financial Services held a field hearing in Boston, Massachusetts entitled “Banks, Mergers, and the Affected Communities. The hearing examined the extent to which the current laws governing mergers provide sufficient criteria to fully examine the potential impact of those mergers on local communities, as well as whether those laws are adequate to ensure that those communities’ interests are protected once the merger has been completed. Witnesses also discussed the status of any community investment pledges made by the acquiring financial institution during the merger process and the effects of those mergers on jobs with, and employees of, the financial institutions. The Committee heard testimony from representatives of community groups, financial institutions, and State officials.

HEARINGS HELD

Monetary Policy and the State of the Economy. Hearing to receive the testimony of the Chairman of the Federal Reserve Board of Governors on monetary policy and the state of the economy. February 12, 2003. PRINTED, serial no., 108–1.

H.R. 522, the Federal Deposit Insurance Reform Act of 2003. Hearing on H.R. 522, the Federal Deposit Insurance Reform Act of 2003. March 4, 2003. PRINTED, serial no. 108–6.

Housing Related Agency Budgets for FY 2004. Hearing entitled “Housing Related Agency Budgets for FY 2004.” March 5, 2004. PRINTED, serial no. 108–7.

United States Monetary and Economic Policy. Hearing to receive the testimony of the Chairman of the Federal Reserve Board of Governors on the United States monetary and economic policy. April 30, 2003. PRINTED, serial no. 108–24.

State of International Financial System, IMF Reform, and Compliance with IMF Agreements. Hearing entitled “The State of the International Financial System, IMF Reform, and Compliance with IMF Agreements.” May 13, 2003. PRINTED, serial no. 108–27.

H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003. Hearing on H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003. July 9, 2003. PRINTED, serial no. 108–47.

Monetary Policy and the State of the Economy. Hearing to receive the testimony of the Chairman of the Federal Reserve Board of Governors on monetary policy and the state of the economy. July 15, 2003. PRINTED, serial no. 108–48.

Treasury Department Views on the Regulation of Government Sponsored Enterprises. Hearing to receive the testimony of the Secretary of the Treasury and the Secretary of the Department of Housing and Urban Development on GSE regulation. September 10, 2003. PRINTED, serial no., 108–51.

Accounting under Sarbanes-Oxley: Are Financial Statements More Reliable? Hearing entitled “Accounting under Sarbanes-Oxley: Are Financial Statements More Reliable?” September 17, 2003. PRINTED, serial no. 108–52.

H.R. 2575, the Secondary Mortgage Market Enterprises Regulatory Improvement Act and the Administration’s proposals on GSE

Regulation. Hearing on changes to the regulatory oversight of the GSEs. September 25, 2003. PRINTED, serial no. 108–54.

Remittances: Reducing Costs, Increasing Competition, and Broadening Access to the Market. Hearing entitled “Remittances: Reducing Costs, Increasing Competition, and Broadening Access to the Market.” October 1, 2003. PRINTED, serial no. 108–55.

Monetary Policy and the State of the Economy. Hearing to receive the testimony of the Chairman of the Federal Reserve Board of Governors on monetary policy and the state of the economy. February 11, 2004. PRINTED, serial no. 108–67.

State of the International Financial System. Hearing held to receive the annual testimony of the Secretary of the Treasury regarding the state of the international financial system and efforts to reform multilateral financial institutions. March 25, 2004. PRINTED, serial no. 108–75.

Oversight of the Office of the Comptroller of the Currency. Hearing entitled “Oversight of the Office of the Comptroller of the Currency.” April 1, 2004. PRINTED, serial no. 108–78.

The U.S.-E.U. Regulatory Dialogue and Its Future. Hearing to receive testimony from U.S. federal financial regulators and the European Commission regarding the state of transatlantic regulatory cooperation. May 13, 2004. PRINTED, serial no. 108–86.

Oversight of HUD. Hearing entitled “Oversight of the Department of Housing and Urban Development.” May 20, 2004. PRINTED, serial no. 108–89.

Monetary Policy and the State of the Economy. Hearing to receive the testimony of the Chairman of the Federal Reserve Board of Governors on monetary policy and the state of the economy. July 21, 2004. PRINTED, serial no. 108–104.

Shell Games: Corporate Governance and Accounting for Oil and Gas Reserves. Hearing entitled “Shell Games: Corporate Governance and Accounting for Oil and Gas Reserves.” July 21, 2004. PRINTED, serial no. 108–105.

Sarbanes/Oxley: Two Years of Market and Investor Recovery. Hearing entitled “Sarbanes/Oxley: Two Years of Market and Investor Recovery.” July 22, 2004. PRINTED, serial no. 108–106.

The 9/11 Commission Report: Identifying and Preventing Terrorist Financing. Hearing on the Final Report of the National Commission on Terrorist Attacks upon the United States. August 23, 2004. Serial no. 108–107.

Protecting our Financial Infrastructure: Preparation and Vigilance. Hearing entitled “Protecting our Financial Infrastructure: Preparation and Vigilance.” September 8, 2004. Serial no. 108–108.

Legislative Proposals to Implement the Recommendations of the 9/11 Commission. Hearing entitled “Legislative Proposals to Implement the Recommendations of the 9/11 Commission.” September 22, 2004. Serial no. 108–112.

Banks, Mergers, and the Affected Communities. Field hearing entitled “Banks, Mergers, and the Affected Communities.” December 14, 2004, Boston, Massachusetts. Serial no. 108–117.

SUBCOMMITTEE ON CAPITAL MARKETS, INSURANCE, AND
GOVERNMENT SPONSORED ENTERPRISES

(Ratio: 26-23)

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CHRISTOPHER SHAYS, Connecticut	GARY L. ACKERMAN, New York
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JIM RYUN, Kansas	STEVE ISRAEL, New York
VITO FOSSELLA, New York	MIKE ROSS, Arkansas
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MARK GREEN, Wisconsin	CAROLYN MCCARTHY, New York
GARY G. MILLER, California	JOE BACA, California
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MELISSA A. HART, Pennsylvania	BRAD MILLER, North Carolina
MARK R. KENNEDY, Minnesota	RAHM EMANUEL, Illinois
PATRICK J. TIBERI, Ohio	DAVID SCOTT, Georgia
GINNY BROWN-WAITE, Florida	NYDIA M. VELAZQUEZ, New York ³
KATHERINE HARRIS, Florida	BARNEY FRANK, Massachusetts
RICK RENZI, Arizona	<i>ex officio</i>
MICHAEL G. OXLEY, Ohio	
<i>ex officio</i>	

LEGISLATIVE ACTIVITIES

ACCOUNTANT, COMPLIANCE AND ENFORCEMENT STAFFING ACT OF 2003

Public Law 108-44 (H.R. 658, S. 496)

To provide for the protection of investors, increase confidence in the capital markets system, and fully implement the Sarbanes-Oxley Act of 2002 by streamlining the hiring process for certain employment positions in the Securities and Exchange Commission.

Summary

H.R. 658, the Accountant, Compliance, and Enforcement Staffing Act of 2003, allows the Securities and Exchange Commission (SEC) to more quickly fill critical accountant, securities compliance examiner, and economist positions with the best possible candidates on an expedited basis. The legislation authorizes the SEC to exempt accountant, securities compliance examiner, and economist positions from competitive service requirements (as SEC staff attorneys are currently), thus alleviating the significant delay in the recruit-

ment and hiring of those positions caused by those requirements. This enhanced authority enables the SEC to fill a large number of new positions quickly, and to adequately respond to future staff attrition.

Legislative History

H.R. 658 was introduced in the House by Mr. Baker and one original cosponsor on February 11, 2003. The bill was referred to the Committee on Financial Services, and in addition to the Committee on Government Reform. Within the Committee on Financial Services, the bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises on February 27, 2003.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on March 6, 2003, and heard from the SEC and the National Treasury Employees Union regarding the merits of the legislation. On March 20, 2003, the Subcommittee met in open session and approved the bill for full Committee consideration, with an amendment, by a voice vote. The full Committee met on March 26, 2003, and ordered H.R. 658 reported to the House, with an amendment, with a favorable recommendation by a voice vote.

On March 3, 2003, Senator Enzi introduced S. 496, companion legislation to H.R. 658. The bill was read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs. No further action was taken on S. 496 in the 108th Congress.

On April 8, 2003, the Committee on Financial Services reported H.R. 658 to the House (H. Rept. 108-63, Part I) and the Committee on Government Reform was granted an extension for further consideration ending not later than June 2, 2003, when the Committee on Government Reform was discharged of the further consideration of the bill.

On June 17, 2003, the House considered H.R. 658 under suspension of the rules and passed the bill by a record vote of 423 yeas and no nays.

The bill was received in the Senate on June 18, 2003. On June 19, 2003, the Senate passed the bill by unanimous consent, clearing the bill for the White House. H.R. 658 was presented to the President on June 24, 2003, and signed into law on July 3, 2003, becoming Public Law 108-44.

PERMITTING CHURCH PENSION PLANS TO BE INVESTED IN COLLECTIVE TRUSTS

Public Law 108-359 (H.R. 1533)

To amend the securities laws to permit church pension plans to be invested in collective trusts.

Summary

H.R. 1533 amends the Federal securities laws to grant church pension plans the ability to invest their assets in collective trust funds, providing parallel treatment under the securities laws for the assets of church pension plans and the assets of governmental pension plans.

Legislative History

H.R. 1533 was introduced in the House by Mrs. Biggert and one original cosponsor on April 1, 2003. The bill was referred to the Committee on Financial Services. H.R. 1533 was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises on April 10, 2003.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises met in open session on July 10, 2003, and approved the bill for full Committee consideration by a voice vote.

The full Committee met in open session on July 23, 2003, and ordered H.R. 1533 reported to the House with a favorable recommendation by a voice vote. H.R. 1533 was reported to the House on September 3, 2003 (H. Rept. 108–248). The House considered H.R. 1533 on September 3, 2003, under suspension of the rules, passing the bill by a record vote of 397 yeas and no nays.

On September 4, 2003, H.R. 1533 was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On October 1, 2004, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the bill and it passed the Senate, with an amendment, by unanimous consent.

On October 8, 2004, the House concurred in the Senate amendment to H.R. 1533 by unanimous consent, clearing the bill for the White House. The bill was presented to the President on October 13, 2004, and signed into law on October 25, 2004, becoming Public Law 108–359.

MUTUAL FUNDS INTEGRITY AND FEE TRANSPARENCY ACT OF 2003 (H.R. 2420)

To improve transparency relating to the fees and costs that mutual fund investors incur and to improve corporate governance of mutual funds.

Summary

H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act of 2003, provides for enhanced disclosure and new controls and monitoring mechanisms over the mutual fund industry and establishes new rules on fund corporate governance. The bill's major provisions include increasing independent board of directors' members from the statutorily required 40 percent to two-thirds of the board and strengthening independence qualifications; requiring the investment adviser to submit reports to the board of directors on revenue sharing, directed brokerage, and soft dollar arrangements; imposing a fiduciary duty on board members to review such arrangements and requiring disclosure of such arrangements; requiring disclosure of conflicts of interest in the sale of preferred funds and share classes; requiring disclosure of portfolio management's compensation structure and holdings; improving disclosure of fees and portfolio transaction costs; prohibiting fraudulent trading of fund shares by insiders; requiring adoption and oversight of compliance procedures and codes of ethics; requiring independent board certification of director oversight of portfolio management's com-

pensation, net asset value calculation, fund flows, and compliance with securities laws and code of ethics; banning joint management of hedge funds and mutual funds; banning market timing by fund insiders; and preventing late trading.

Legislative History

H.R. 2420 was introduced in the House by Mr. Baker and five original cosponsors on June 11, 2003. The bill was referred to the Committee on Financial Services. The bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises on June 18, 2003.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on H.R. 2420 on June 18, 2003, regarding the merits of the legislation. The Subcommittee received testimony from the Securities and Exchange Commission, the General Accountability Office, and representatives from the mutual fund industry and an investor advocacy group.

On July 23, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises was discharged from the further consideration of H.R. 2420, and the full Committee met in open session to consider the bill. H.R. 2420 was ordered reported to the House, with an amendment, with a favorable recommendation by a voice vote.

H.R. 2420 was reported to the House on November 4, 2003 (H. Rept. 108–351). The House considered H.R. 2420 on November 19, 2003, under suspension of the rules, and passed the bill by a record vote of 418 yeas and 2 nays.

On November 20, 2003, H.R. 2420 was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. No further action was taken on this legislation in the 108th Congress.

INCREASED CAPITAL ACCESS FOR GROWING BUSINESS ACT

(H.R. 3170)

To amend the Investment Company Act of 1940 to provide incentives for small business investment, and for other purposes.

Summary

H.R. 3170, the Increased Capital Access for Growing Business Act, amends the Investment Company Act of 1940 to include as an eligible portfolio company an issuer of securities that: (1) does not have any class of equity securities listed for trading on a national exchange or market; or (2) has an aggregate value of outstanding publicly traded equity securities of not more than \$250 million.

The bill also amends the Investment Company Act of 1940 to permit a business development company to invest in a company that is not an eligible portfolio company because the aggregate value of its outstanding publicly traded equity securities is more than \$250 million but not more than \$500 million, as long as such securities represent no more than 10 percent of the total invested assets of the company, for purposes of meeting the statutory limitation on purchase of assets in other than eligible portfolio companies.

Legislative History

H.R. 3170 was introduced in the House by Mrs. Kelly and one original cosponsor on September 24, 2003. The bill was referred to the Committee on Financial Services. On October 3, 2003, the bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises.

On April 28, 2004, the House considered H.R. 3170 under suspension of the rules and passed the bill by a voice vote.

On April 29, 2004, H.R. 3170 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs. No further action was taken on H.R. 3170 in the 108th Congress.

STOCK OPTION ACCOUNTING REFORM ACT

(H.R. 3574, S. 1890)

To require the mandatory expensing of stock options granted to executive officers, and for other purposes.

Summary

H.R. 3574, the Stock Option Accounting Reform Act, amends the Securities Exchange Act of 1934 to require each public company to show as an expense in its annual report the fair value of all stock options granted after December 31, 2004, to the chief executive officer and the other four most highly compensated executives. The bill also requires that if an option valuation model is used, the volatility of the underlying stock shall be assumed to be zero. The bill grants a reprieve from expensing options of the chief executive officer and other four most highly compensated executives to newly registered public companies for their initial three years and all small business issuers.

In addition, the bill amends the Securities Act of 1933 to prohibit the Securities and Exchange Commission (SEC) from recognizing as “generally accepted” any accounting principle relating to the expensing of stock options until the completion, within one year of the date of enactment, of a joint study by the Secretaries of Commerce and of Labor of the economic impact of the mandatory expensing of employee stock options.

The bill further directs the SEC to require each public company to include in its annual and quarterly reports more detailed information regarding stock option plans, stock purchase plans, and other employee equity arrangements, including a discussion of the dilutive effect of stock option plans.

Legislative History

H.R. 3574 was introduced in the House by Mr. Baker and seven original cosponsors on November 21, 2003. The bill was referred to the Committee on Financial Services. The bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises on December 2, 2003.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a legislative hearing on March 3, 2004. The Subcommittee received testimony from representatives of small business and venture capital communities, an executive and

an employee from public companies which grant employee stock options, and leaders of a pension fund and labor unions.

The Subcommittee met in open session on May 12, 2004, and approved the bill for full Committee consideration, as amended, by a voice vote. The full Committee met on June 3 and 15, 2004, and ordered H.R. 3574 reported to the House, with an amendment, with a favorable recommendation by a record vote of 45 yeas and 13 nays.

On July 15, 2004, the Committee on Financial Services reported H.R. 3574 to the House (H. Rept. 108-609, Part I), and the bill was sequentially referred to the Committee on Energy and Commerce. On July 16, 2004, the Committee on Energy and Commerce was discharged of the further consideration of the bill.

On July 19, 2004, the Committee on Rules met and reported a modified closed rule providing for consideration of H.R. 3574 (H. Res. 725). On July 20, 2004, H. Res. 725 passed the House by a voice vote.

On July 20, 2004, the House considered H.R. 3574 under the provisions of rule H. Res. 725, and passed the bill by a record vote of 312 yeas and 111 nays.

The bill was received in the Senate on July 21, 2004. On September 7, 2004, the bill was read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On November 19, 2003, Senator Enzi introduced S. 1890, companion legislation to H.R. 3574. The bill was read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

No further action was taken on either measure in the 108th Congress.

MILITARY PERSONNEL FINANCIAL SERVICES PROTECTION ACT

(H.R. 5011)

To prevent the sale of abusive insurance and investment products to military personnel.

Summary

H.R. 5011, the Military Personnel Financial Services Protection Act, addresses the abusive sales of financial products of dubious value to members of the armed services. To curb the sale of unsuitable securities products, this legislation amends the Investment Company Act of 1940 to make it unlawful, 30 days after the enactment of this legislation, to sell periodic payment plan certificates, also called contractual plans. The contractual plan is an investment product with a front-end sales load of 50 percent assessed against the first year of contributions that has all but disappeared from the civilian market.

In addition, the bill provides investors with online access to information, including disciplinary actions, regarding broker-dealers. The legislation requires NASD to continue to maintain a system for collecting and retaining registration information regarding its member securities firms and their brokers, which NASD currently does through the Central Registration Depository, and to continue to provide toll-free telephone access, and begin to provide Internet

or other access to this information. The bill also provides NASD with an appropriate limitation of liability in its maintenance of such a system.

To prevent the abusive sales of insurance products, this bill applies any authority of a State insurance department to activities of insurers or agents on a U.S. military installation or any Federal land or facility, except to the extent that the authority directly conflicts with any applicable authorized Federal regulation or directive. The legislation further directs each State to implement standards to protect members of the Armed Forces, while on a military installation or any Federal land or facility, from dishonest and predatory insurance sales practices; and until a State has implemented such standards, life insurance may not be sold to any member without prior disclosure that subsidized life insurance may be available from the Federal Government and the State may not license or renew the license of any entity that has violated such prohibition.

Legislative History

H.R. 5011 was introduced in the House by Mr. Burns and four original cosponsors on September 7, 2004. The bill was referred to the Committee on Financial Services. The Committee on Financial Services met in open session on September 29, 2004, and ordered H.R. 5011 reported to the House, as amended, with a favorable recommendation by a record vote of 68 yeas and no nays. Pursuant to an exchange of letters on October 4, 2004, the Committee on Armed Services agreed not to seek a sequential referral of the bill, based on an amendment adopted by the Committee on Financial Services.

H.R. 5011 was reported to the House on October 5, 2004 (H. Rept. 108-725). On October 5, 2004, the House considered H.R. 5011 under the suspension of the rules and passed the bill by a record vote of 396 yeas and 2 nays.

On October 6, 2004, H.R. 5011 was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. No further action was taken on this legislation in the 108th Congress.

BROKER ACCOUNTABILITY THROUGH ENHANCED TRANSPARENCY ACT OF 2003

(H.R. 957, H.R. 2179, H.R. 5011)

To enhance investor confidence by providing investors with easy online access to complete information about securities firms and their brokers.

Summary

H.R. 957, the Broker Accountability through Enhanced Transparency Act of 2003, requires NASD to continue to maintain a system for collecting and retaining registration information regarding its member securities firms and their brokers, which NASD currently does through the Central Registration Depository, and to continue to provide toll-free telephone access, and begin to provide Internet or other access to this information. The bill also provides

NASD with an appropriate limitation of liability in its maintenance of such a system.

Legislative History

H.R. 957 was introduced in the House by Mr. Renzi and two original sponsors on February 27, 2003. The bill was referred to the Committee on Financial Services. On March 6, 2003, the bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a legislative hearing on March 6, 2003, and heard testimony from NASD regarding the merits of the legislation.

While no further action was taken on this measure in the 108th Congress, similar provisions were included in section 11 of H.R. 2179, the Securities Fraud Deterrence and Investor Restitution Act of 2003, and section 4 of H.R. 5011, the Military Personnel Financial Services Protection Act. For further action, see the entries for those bills.

SECURITIES FRAUD DETERRENCE AND INVESTOR RESTITUTION ACT OF
2003

(H.R. 2179)

To enhance the authority of the Securities and Exchange Commission to investigate, punish, and deter securities laws violations, and to improve its ability to return funds to defrauded investors, and for other purposes.

Summary

H.R. 2179, the Securities Fraud Deterrence and Investor Restitution Act of 2003, enhances the ability of the SEC to investigate and deter fraud, levy and collect fines and disgorgement funds, and provides for a significant increase in the monies available for return to injured investors. The bill's major provisions include excluding the SEC's securities fraud judgments from state law property exemptions; permitting the SEC to impose civil money penalties in cease-and-desist proceedings, with a right of judicial review by the court of appeals; raising maximum penalties for securities fraud from \$600,000 to \$2 million; giving the SEC the express authority to contract with private collection attorneys; expanding the use of the FAIR Fund provision of the Sarbanes-Oxley Act of 2002 to allow any civil penalty monies obtained in an SEC action to be used for distribution for victims; providing that the SEC will seek to produce a joint study in cooperation with an association of State securities regulators on improving coordination and cooperation between the SEC and State securities regulators; providing investors with online access to information, including disciplinary actions, regarding broker-dealers; and authorizing the SEC to use undistributed portions of disgorgement funds established under the Sarbanes-Oxley Act of 2002 for investor education, and requiring mutual funds which do not have an independent chair to appoint a lead independent director.

Legislative History

H.R. 2179 was introduced in the House by Mr. Baker and four original cosponsors on May 21, 2003. The bill was referred to the Committee on Financial Services. The bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises on June 9, 2003.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a legislative hearing on June 5, 2003. The SEC, NASD, and the North American Securities Administrators Association testified at the hearing.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises met in open session on July 10, 2003, and approved H.R. 2179 for full Committee consideration, as amended, by a voice vote.

The full Committee met in open session on February 25, 2004, to consider the legislation, and ordered H.R. 2179 favorably reported to the House, with an amendment, by a voice vote. The Committee on Financial Services reported the bill to the House, with an amendment, on April 27, 2004 (H. Rept. 108–475, Part I). The Committee on the Judiciary received a sequential referral through June 1, 2004.

On June 1, 2004, the Committee on the Judiciary was discharged from the further consideration of the bill. No further action was taken on this measure in the 108th Congress.

TERRORISM INSURANCE BACKSTOP EXTENSION ACT OF 2004

(H.R. 4634)

To extend the terrorism insurance program of the Department of the Treasury.

Summary

H.R. 4634, the Terrorism Insurance Backstop Extension, extends the Program created by the Terrorism Risk Insurance Act (TRIA) for two years, requires terrorism insurance coverage to be “made available” for the entire duration of the Program, and adds group life insurance coverage to the Program. It maintains the gradual increase in the Program’s taxpayer protections as provided in existing law, and continues the slow phase-out of the Program by increasing taxpayer reimbursements from \$15 billion in Program Year 3 to \$17.5 billion in Year 4 and \$20 billion in Year 5. The legislation also maintains the Program’s steady increases in insurer deductibles, stopping the deductible at 15 percent in Program Year 4 while continuing the Program’s phase-out with a 20 percent deductible in Program Year 5. H.R. 4634 also requires the Treasury Department to report on long-term solutions for expanding the availability and affordability of terrorism insurance without a Federal backstop, and requires the Government Accountability Office to report on the Program’s effectiveness, the capacity of insurers to offer terrorism insurance after TRIA expires, and the availability of terrorism insurance for various policyholders.

Legislative History

H.R. 4634 was introduced on June 22, 2004 by Mr. Sessions and four original cosponsors and referred to the Committee on Financial Services. On June 28, 2004, the bill was referred to the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises.

The Chairman discharged the Subcommittee from the further consideration of the bill on September 24, 2004. On September 29, 2004, the Committee met in open session and ordered H.R. 4634 reported to the House, with an amendment, by a voice vote.

On November 18, 2004, the Committee on Financial Services reported the bill to the House, with an amendment (H. Rept. 108-780).

No further action was taken on this measure in the 108th Congress.

OVERSIGHT ACTIVITIES

MUTUAL FUND INDUSTRY PRACTICES

On March 12, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Mutual Fund Industry Practices and Their Effect on Individual Investors.” The purpose of the hearing was to examine the practices of the mutual fund industry. In particular, the Subcommittee examined the costs associated with mutual fund ownership, which often are not transparently disclosed, and fund corporate governance. Testifying before the Subcommittee were current and former executives from the mutual fund industry, and an investor advocate.

On November 4 and 6, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held two days of hearings entitled “Mutual Funds: Who’s Looking Out for Investors?” These hearings addressed the market timing and late trading scandals first revealed in September 2003 and mutual fund corporate governance and internal compliance procedures. Appearing before the Subcommittee were former Securities and Exchange Commission Chairman Arthur Levitt, Federal and State enforcement officials and regulators, and representatives from the mutual fund industry, academia, a trade association, and investor advocacy groups.

MARKET STRUCTURE

On October 16, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Reviewing U.S. Capital Market Structure: The New York Stock Exchange and Related Issues.” The purpose of the hearing was to examine the corporate governance issues at the New York Stock Exchange (NYSE), the regulatory role of exchanges, and the potential conflicts of interest created by self-regulation. Witnesses testifying before the Subcommittee included NYSE Interim Chairman and Chief Executive Officer John Reed, executives of several other exchanges, markets, electronic communications networks,

and representatives from an industry trade association, academia, and a think tank.

On October 30, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "Reviewing U.S. Capital Market Structure: Promoting Competition in a Changing Trading Environment." The hearing focused on regulatory reforms that would enhance competition in the securities markets in light of the technological advances of recent years. The Subcommittee examined the trade-through rule, broker-dealers' internalization of order flow, market access fees, decimalization, and sub-penny trading. Witnesses testifying included the Chairman of the SEC and representatives from the securities industry, and a trade association.

On February 20, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a field hearing in New York City entitled "Market Structure III: The Role of the Specialist in the Evolving Modern Marketplace." The hearing focused on recent reform efforts at the NYSE and the role of the NYSE specialist system in a technologically revolutionized marketplace. Witnesses testifying included the chief executive officer of the NYSE, and executives representing electronic communications networks, an exchange, a national market, a floor broker, an investment adviser, and an NYSE-listed public company.

On May 18, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "The SEC Proposal on Market Structure: How Will Investors Fare?" The hearing reviewed the SEC's proposed rule, "Regulation NMS," which contains four interrelated proposals designed to modernize the regulatory structure of the equity markets. Testifying before the Subcommittee were the former chief executive officer of an electronic communications network, executives of an institutional broker, a specialist firm and a market maker, and representatives from an industry trade association, academia, and two think tanks.

PROTECTING THE CAPITAL MARKETS AGAINST TERRORISM

On February 12, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "Recovery and Renewal: Protecting the Capital Markets against Terrorism Post 9/11." The purpose of the hearing was to provide a forum for the General Accounting Office (GAO) to present to the Subcommittee the principal findings of its study (requested by Mr. Oxley and others) on the preparations undertaken by financial market participants since September 11, 2001, to protect themselves from physical and electronic attacks. Additionally, the Subcommittee heard direct testimony from actual market participants regarding these preparations. Aside from the GAO, the Subcommittee heard testimony from the Securities and Exchange Commission about its efforts to reduce the risks of significant disruptions in market operations in the event of another terrorist attack; executives from the New York Stock Exchange and the Nasdaq Stock Market about their physical and information security and business continuity measures; and the principal trade associations

for broker-dealers and bond market participants about these market participants' business continuity measures.

RETURNING MONEY TO DEFRAUDED INVESTORS

On February 26, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "It's only FAIR: Returning Money to Defrauded Investors." The purpose of the hearing was to provide the Securities and Exchange Commission (SEC) a forum to discuss the principal findings and recommendations in the SEC's report (required pursuant to Section 308 of the Sarbanes-Oxley Act of 2002) examining its enforcement actions over the previous five years in order to identify how those proceedings may best be utilized to return monies to defrauded investors; the FAIR Fund provision in the Sarbanes-Oxley Act; the difficulties the SEC encounters in collecting disgorgement; and the SEC's efforts to improve its collection efforts and return more money to investors. The SEC's Director of Enforcement testified before the Subcommittee.

RATING AGENCIES

On April 2, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "Rating the Rating Agencies: the State of Transparency and Competition." The purpose of the hearing was to examine issues surrounding credit rating agencies including the possible need for more disclosure of reasons for ratings agencies' rating decisions; the potential conflicts of interest arising when issuers pay for ratings and when rating agencies develop additional fee-based services; the reasons for the existence of only four nationally recognized statistical rating organizations; rating agencies' anticompetitive practices; clarification of current recognition criteria for rating agencies; institution of timing goals and other procedures with respect to the evaluation of applications for regulatory recognition by the SEC; and the need for greater regulatory oversight. Testifying before the Subcommittee were the SEC's Market Regulation Director, executives from various ratings agencies, and representatives from a securities industry trade association, an investment management firm, and academia.

On September 14, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "The Ratings Game: Improving Transparency and Competition among the Credit Rating Agencies." The purpose of the hearing was to continue the Subcommittee's oversight of credit rating agencies and the same issues examined at the hearing held on April 2, 2003. Witnesses testifying included two executives from rating agencies which are not nationally recognized statistical rating organizations and representatives from an industry trade association and a think tank.

HEDGE FUNDS

On May 22, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "The Long and Short of Hedge Funds: Effects of Strategies for

Managing Market Risk.” The purpose of the hearing was to examine the regulatory issues surrounding hedge funds, including conflicts of interest faced by investment advisers managing both hedge funds and mutual funds, valuation of portfolio securities, alleged “retailization” of hedge funds, prime broker services provided to hedge funds, market impact, and fraud, as well as one of the strategies in which many hedge funds engage, short selling. Witnesses testifying before the Subcommittee included the Chairman of the Securities and Exchange Commission, executives from hedge fund advisers, and representatives from a legal foundation, an investigative association, and academia.

ACCOUNTING FOR EMPLOYEE STOCK OPTIONS

On June 3, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “The Accounting Treatment of Employee Stock Options.” The purpose of the hearing was to examine whether employee stock options should be recognized as an expense in a company’s financial statements. Mr. Dreier and Ms. Eshoo testified on the merits of H.R. 1372, the Broad-Based Stock Option Plan Transparency Act, their legislation directing the SEC to increase the transparency of employee stock option plans by requiring enhanced disclosures in public company financial statements and to perform a three-year evaluation of the effectiveness of the new disclosures. The legislation also prohibited the SEC from recognizing as authoritative any standard of the Financial Accounting Standards Board (FASB) related to the treatment of stock options from the date of the bill’s enactment through the submission of the SEC’s report. Witnesses testifying before the Subcommittee included International Accounting Standards Committee Foundation Trustees’ Chairman and former Federal Reserve Chairman Paul Volcker, FASB Chairman Robert Herz, former SEC Chairman Roderick M. Hills, and representatives from the high-tech industry and a think tank.

On April 21 and May 4, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held two days of hearings entitled “The FASB Stock Options Proposal: Its Effect on the U.S. Economy and Jobs.” The hearing focused on the economic impact of FASB’s rulemaking proposal to require all employee stock options to be recognized as an expense in a company’s financial statements. Witnesses testifying before the Subcommittee were representatives from the FASB, the Director of the Congressional Budget Office, and representatives from the high-tech industry, a venture capital firm, a think tank, and academia.

529 COLLEGE SAVINGS PLANS

On June 2, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Investing for the Future: 529 State Tuition Savings Plans.” The purpose of the hearing was to scrutinize 529 college tuition savings plans, created in 1996 under the Federal tax code to encourage saving for college education and deemed municipal securities, thus falling under the jurisdiction of State regulators. The hearing focused on the regulatory oversight of these plans, the disparate and often confusing disclosure of plan fees and performance,

and the recent and enormous growth in assets of these investment vehicles. Witnesses testifying before the Subcommittee were representatives from the College Savings Plans Network, Ohio's 529 college tuition savings plan regulator, a mutual fund ratings firm, a securities industry trade association, an investor advocacy group, and academia.

SARBANES-OXLEY ACT

During the 108th Congress the full Committee and the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a series of oversight hearings on the implementation of the provisions of the Sarbanes-Oxley Act of 2002 passed in the wake of the largest corporate scandals since the enactment of the securities laws in the 1930s. Sarbanes-Oxley is widely considered the most comprehensive corporate reform law in U.S. history.

On February 4, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "The Role of Attorneys in Corporate Governance." The purpose of the hearing was to focus on the new standards of professional conduct for corporate attorneys. Sarbanes-Oxley included a provision requiring the SEC to issue rules establishing minimum standards of professional conduct for attorneys appearing and practicing before the agency. Witnesses provided testimony of their views on the SEC's adopted and proposed rules on the responsibility of attorneys to report fraudulent behavior and the breadth of attorney reporting requirements. Testifying before the Subcommittee were lawyers from a national law firm and a trade association and three representatives from legal academia.

On June 24, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held an oversight hearing on the Public Company Accounting Oversight Board (PCAOB) entitled "Overview of the Public Company Accounting Oversight Board." The Chairman of the PCAOB testified before the Subcommittee on the status of the PCAOB's registration of public accounting firms, the PCAOB's establishment of auditing, quality control and ethics standards, and recently completed inspections by the PCAOB of the 4 largest public accounting firms.

GOVERNMENT SPONSORED ENTERPRISES

On June 25, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "GSE Oversight: The Need for Reform and Modernization." Accounting irregularities at Freddie Mac resulted in a major management reorganization at the GSE. This occurred following an affirmation by the GSE regulator that there were no problems with management. Witnesses testifying before the Subcommittee included representatives from a credit rating agency, academia, and a government accountability organization.

On January 21, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing to review the Office of Federal Housing Enterprise Oversight's (OFHEO) special examination of Freddie Mac. Following the accounting irregularities and management reorganization at Freddie

Mac, OFHEO conducted a special examination of the GSE and developed regulatory remedies for these actions. Witnesses testifying before the Subcommittee included the Director of OFHEO and the CFO of Freddie Mac.

On October 6, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled, "The OFHEO Report: Allegations of Accounting and Management Failure at Fannie Mae," to review the OFHEO special examination of Fannie Mae. After the revelation of accounting irregularities at Freddie Mac, OFHEO began a forensic audit of Fannie Mae. The hearing examined an interim report which raised concerns relating to the accounting treatment of derivatives and potential revenue smoothing by Fannie Mae. Witnesses at this hearing included the Director of OFHEO, as well as the CEO and the CFO of Fannie Mae.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT AND FEDERAL HOUSING FINANCE BOARD

On July 13, 2004 the Subcommittee on Oversight and Investigations and the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a joint hearing entitled "A Review of the Office of Federal Housing Enterprise Oversight and Federal Housing Finance Board." The Subcommittees examined the operations of the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board. The Director of OFHEO and the Chairman of the Federal Housing Finance Board testified at this hearing.

ABUSIVE FINANCIAL PRODUCT SALES TO MILITARY PERSONNEL

On September 9, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "G.I. Finances: Protecting Those Who Protect Us." The hearing focused on the allegedly abusive practices involving sales of securities and insurance products to military personnel. Highlighted were the sales of the contractual plan, a product with a front-end sales load of 50 percent assessed against the first year of contributions that has all but disappeared from the civilian market. Attention was also directed to sales of life insurance through coercive means and in violation of Department of Defense regulations. Witnesses testifying before the Subcommittee were executives from First Command Financial Planning, the dominant retailer of contractual plans, American Amicable Life Insurance Company of Texas, whose agents have been accused of sales abuses, a current military officer who was an alleged victim of abusive sales practices, and representatives from an investor advocacy group and various industry trade associations.

SECONDARY MARKET INVOLVEMENT IN REAL ESTATE DEVELOPMENT IN THE POCONOS

On June 14, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a field hearing in East Stroudsburg, Pennsylvania, entitled "Broken Dreams in the Poconos: The Response of the Secondary Markets and Implications

for Federal Legislation.” The purpose of the hearing was to investigate the allegedly widespread “predatory lending” within the Monroe County, Pennsylvania, homebuilding and real estate communities. Predatory lending typically involves the practice of targeting individuals, often minorities or the elderly, with high-interest mortgages or loans with little or no consideration of their ability to repay. Predatory lending may also encompass the placement of individuals in over-valued homes using deceptive sales practices or faulty appraisals. Because such lending deliberately stretches borrowers beyond the amount they can pay or deceptively places them into an overvalued home, it regularly results in default or foreclosure proceedings, which has been common in Monroe County. Providing testimony before the Subcommittee were a Monroe County homeowner, a realtor, and representatives from Fannie Mae, Freddie Mac, a homeowners association, a builders association, and appraisal organizations.

INSURANCE REGULATION

On April 10, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “The Effectiveness of State Regulation: Why Some Consumers Can’t Get Insurance.” The purpose of the hearing was to focus on the lack of availability of personal insurance for consumers in several States and the lack of capital for the insurance industry as a whole. Witnesses testifying before the Subcommittee included the Director of the South Carolina Department of Insurance, representatives from several trade associations, and an economist.

On November 5, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Reforming Insurance Regulation-Making the Marketplace More Competitive for Consumers.” The hearing focused on the status of National Association of Insurance Commissioners (NAIC) initiatives to modernize State insurance regulation and the prospects for State based reform. The hearing also reviewed other proposed solutions to increase the efficiency and uniformity of insurance regulation. Witnesses testifying before the Subcommittee included the Arkansas Commissioner of Insurance, the New York Superintendent of Insurance, representatives from State legislatures, and executives from several trade associations and industry groups.

On March 31, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Working with State Regulators to Increase Insurance Choices for Consumers.” The purpose of the hearing was to examine how to make State insurance regulation more efficient, uniform, and effective for consumers. Witnesses testifying before the Subcommittee included the Director of the South Carolina Department of Insurance and President of the National Association of Insurance Commissioners, the New York Superintendent of Insurance, the Washington State Insurance Commissioner, representatives from various trade associations, and marketplace participants and analysts.

TERRORISM RISK INSURANCE

On April 2, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises and the Subcommittee on Oversight and Investigations held a joint hearing entitled "A Review of TRIA and its Effect on the Economy: Helping America Move Forward." The purpose of the hearing was to conduct a review of the progress made by the Treasury Department and the insurance industry in implementing the provisions of the Terrorism Risk Insurance Act of 2002 (TRIA), as well as changes in the market for terrorism insurance coverage under TRIA. The Subcommittee heard testimony from the Assistant Secretary of the Treasury for Financial Institutions, the New York Superintendent of Insurance, and the Government Accountability Office.

HEARINGS HELD

Recovery and Renewal: Protecting the Capital Markets Against Terrorism Post 9/11. Hearing entitled "Recovery and Renewal: Protecting the Capital Markets Against Terrorism Post 9/11." February 12, 2003. PRINTED, serial no. 108-2.

It's Only FAIR: Returning Money to Defrauded Investors. Hearing entitled "It's Only FAIR: Returning Money to Defrauded Investors." February 26, 2003. PRINTED, serial no. 108-4.

H.R. 658, the Accountant, Compliance, and Enforcement Staffing Act of 2003 and H.R. 957, the Broker Accountability through Enhanced Transparency Act of 2003. Hearing on H.R. 658, the Accountant, Compliance, and Enforcement Staffing Act of 2003 and H.R. 957, the Broker Accountability through Enhanced Transparency Act of 2003. March 6, 2003. PRINTED, serial no. 108-9.

Mutual Fund Industry Practices and Their Effect on Individual Investors. Hearing entitled "Mutual Fund Industry Practices and Their Effect on Individual Investors." March 12, 2003. PRINTED, serial no. 108-11.

Rating the Rating Agencies: the State of Transparency and Competition. Hearing entitled "Rating the Rating Agencies: the State of Transparency and Competition." April 2, 2003. PRINTED, serial no. 108-18.

The Effectiveness of State Regulation: Why Some Consumers Can't Get Insurance. Hearing entitled "The Effectiveness of State Regulation: Why Some Consumers Can't Get Insurance." April 10, 2003. PRINTED, serial no. 108-22.

Retirement Security: What Seniors Need to Know About Protecting Their Futures. Hearing entitled "Retirement Security: What Seniors Need to Know About Protecting Their Futures." May 15, 2003. PRINTED, serial no. 108-29.

The Long and Short of Hedge Funds: Effects of Strategies for Managing Market Risk. Hearing entitled "The Long and Short of Hedge Funds: Effects of Strategies for Managing Market Risk." May 22, 2003. PRINTED, serial no. 108-30.

The Accounting Treatment of Employee Stock Options. Hearing entitled "The Accounting Treatment of Employee Stock Options." June 3, 2003. PRINTED, serial no. 108-32.

H.R. 2179, the Securities Fraud Deterrence and Investor Restitution Act of 2003. Hearing on H.R. 2179, the Securities Fraud Deter-

rence and Investor Restitution Act of 2003. June 5, 2003. PRINTED, serial no. 108–34.

H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act of 2003. Hearing on H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act of 2003. June 18, 2003. PRINTED, serial no. 108–39.

GSE Oversight: The Need for Reform and Modernization. Hearing entitled “GSE Oversight: The Need for Reform and Modernization.” June 25, 2003. PRINTED, serial no. 108–43.

Reviewing U.S. Capital Market Structure: The New York Stock Exchange and Related Issues. Hearing entitled “Reviewing U.S. Capital Market Structure: The New York Stock Exchange and Related Issues.” October 16, 2003. PRINTED, serial no. 108–57.

Reviewing U.S. Capital Market Structure: Promoting Competition in a Changing Trading Environment. Hearing entitled “Reviewing U.S. Capital Market Structure: Promoting Competition in a Changing Trading Environment.” October 30, 2003. PRINTED, serial no. 108–60.

Mutual Funds: Who’s Looking Out for Investors? Hearing entitled “Mutual Funds: Who’s Looking Out for Investors?” November 4 and 6, 2003. PRINTED, serial no. 108–61.

Reforming Insurance Regulation—Making the Marketplace More Competitive for Consumers. Hearing entitled “Reforming Insurance Regulation—Making the Marketplace More Competitive for Consumers.” November 5, 2003. PRINTED, serial no. 108–63.

The Special Examination of Freddie Mac. Hearing on the Special Examination of Freddie Mac. January 21, 2004. PRINTED, serial no. 108–64.

The Role of Attorneys in Corporate Governance. Hearing entitled “The Role of Attorneys in Corporate Governance.” February 4, 2004. PRINTED, serial no. 108–66.

Market Structure III: The Role of the Specialist in the Evolving Modern Marketplace. Field hearing entitled “Market Structure III: The Role of the Specialist in the Evolving Modern Marketplace.” February 20, 2004. PRINTED, serial no. 108–68.

H.R. 3574, the Stock Option Accounting Reform Act. Hearing on H.R. 3574, the Stock Option Accounting Reform Act. March 3, 2004. PRINTED, serial no. 108–69.

Working with State Regulators to Increase Insurance Choices for Consumers. Hearing entitled “Working with State Regulators to Increase Insurance Choices for Consumers.” March 31, 2004. PRINTED, serial no. 108–77.

The FASB Stock Options Proposal: Its Effect on the U.S. Economy and Jobs. Hearing entitled “The FASB Stock Options Proposal: Its Effect on the U.S. Economy and Jobs.” April 21 and May 4, 2004. PRINTED, serial no. 108–80.

A Review of TRIA and Its Effect on the Economy: Helping America Move Forward. Joint hearing with the Subcommittee on Oversight and Investigations entitled “A Review of TRIA and Its Effect on the Economy: Helping America Move Forward.” April 28, 2004. PRINTED, serial no. 108–81.

The SEC Proposal on Market Structure: How Will Investors Fare? Hearing entitled “The SEC Proposal on Market Structure: How Will Investors Fare?” May 18, 2004. PRINTED, serial no. 108–88.

Investing for the Future: 529 State Tuition Savings Plans. Hearing entitled “Investing for the Future: 529 State Tuition Savings Plans.” June 2, 2004. PRINTED, serial no. 108–90.

Broken Dreams in the Poconos: The Response of the Secondary Markets and Implications for Federal Legislation. Field hearing entitled “Broken Dreams in the Poconos: The Response of the Secondary Markets and Implications for Federal Legislation.” June 14, 2004. PRINTED, serial no. 108–92.

Overview of the Public Company Accounting Oversight Board. Hearing entitled “Overview of the Public Company Accounting Oversight Board.” June 24, 2004. Serial no. 108–98.

A Review of the Office of Federal Housing Enterprise Oversight and Federal Housing Finance Board. Joint hearing with the Subcommittee on Oversight and Investigations entitled “A Review of the Office of Federal Housing Enterprise Oversight and Federal Housing Finance Board.” July 13, 2004. Serial no. 108–100.

G.I. Finances: Protecting Those Who Protect Us. Hearing entitled “G.I. Finances: Protecting Those Who Protect Us.” September 9, 2004. Serial no. 108–109.

The Ratings Game: Improving Transparency and Competition among the Credit Rating Agencies. Hearing entitled “The Ratings Game: Improving Transparency and Competition among the Credit Rating Agencies.” September 14, 2004. Serial no. 108–110.

The OFHEO Report: Allegations of Accounting and Management Failure at Fannie Mae. Hearing entitled “The OFHEO Report: Allegations of Accounting and Management Failure at Fannie Mae.” October 6, 2004. Serial no. 108–115.

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POLICY, TRADE, AND TECHNOLOGY

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*Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

LEGISLATIVE ACTIVITIES

INTERNATIONAL FINANCIAL INSTITUTIONS REPLENISHMENT

Public Law 108–199 (H.R. 2673; H.R. 2800; H.R. 2243)

To provide for the participation of the United States in the thirteenth replenishment of the resources of the International Development Association (IDA), the seventh replenishment of the resources of the Asian Development Fund (AsDF), and the ninth replenishment of the resources of the African Development Fund (AfDF), and for other purposes.

Summary

H.R. 2243 authorizes the participation of the United States in the thirteenth replenishment of the IDA, the seventh replenishment of the AsDF and the ninth replenishment of the AfDF. These replenishments will be in such amounts as are appropriated by the Congress. Additionally, H.R. 2243 calls for efforts by the Secretary of the Treasury to seek to achieve significant policy goals within these development institutions related to transparency, preventing fraud, and promoting good governance.

Legislative History

H.R. 2243 was introduced by Mr. King and one original cosponsor on May 22, 2003, and referred to the Committee on Financial Services. On June 15, 2003, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. On June 16, 2003, the Subcommittee on Domestic and

International Monetary Policy, Trade, and Technology met in open session to consider H.R. 2243 and approved the measure for full Committee consideration by a voice vote.

On July 23, 2003, the House considered H.R. 2800, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2004. An amendment to H.R. 2800 containing the substantive provisions of H.R. 2243 was agreed to by a voice vote. On July 24, 2003, the House approved H.R. 2800, as amended, by a record vote of 370 yeas and 50 nays.

The text of H.R. 2800 was included in H.R. 2673, the FY 2004 Consolidated Appropriations bill, which was signed into law on January 23, 2004, becoming Public Law 108–199.

DEFENSE PRODUCTION ACT REAUTHORIZATION OF 2003

Public Law 108–195 (H.R. 1280; S. 1680)

To reauthorize the Defense Production Act of 1950, and for other purposes.

Summary

H.R. 1280 authorized the extension of the Defense Production Act of 1950 (DPA) for five years, expiring at the end of fiscal year 2008. Additionally, the bill made certain technical amendments and lifted the \$50 million per-project cap on projects that expand the domestic defense industrial base to \$200 million for a project involving radiation-hardened electronics.

The bill also includes provisions explicitly extending DPA authority for projects to protect the Nation's critical infrastructure, and a provision addressing defense offsets.

Legislative History

H.R. 1280 was introduced by Mr. King on March 13, 2003, with two original cosponsors, and referred to the Committee on Financial Services. On March 19, 2003, the bill was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On March 20, 2003, the Subcommittee held a hearing on the bill. Following the hearing, the Subcommittee met in open session on March 20, 2003, and approved H.R. 1280, as amended, by a voice vote.

On March 26, 2003, the full Committee met in open session, and ordered the bill favorably reported to the House, with an amendment, by a voice vote. On April 2, 2003, H.R. 1280 was reported to the House by the Committee on Financial Services (H. Rept. 108–56).

S. 1680 was introduced by Senator Shelby on September 30, 2003, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On that date, this Committee reported an original measure to the Senate with a written report (S. Rept. 108–156), and it was placed on the Senate Legislative Calendar. The bill was laid before the Senate and passed with an amendment by unanimous consent.

On October 1, 2003, S. 1680 was received in the House and referred to the House Financial Services Committee.

On October 15, 2003, S. 1680 was considered under suspension of the Rules and passed the House with an amendment by a voice vote.

The Senate concurred in the House amendment with an amendment by unanimous consent on November 21, 2003.

On December 8, 2003, the House agreed to the Senate amendment to the House amendment by unanimous consent, clearing the bill for the White House. This bill was presented to the President on December 11, 2004, and signed into law on December 19, 2003, becoming Public Law 108–195.

TONY BLAIR GOLD MEDAL

Public Law 108–60 (H.R. 1511; S. 709)

To award a congressional gold medal to Prime Minister Tony Blair.

Summary

The bill directs the Speaker of the House of Representatives and the President Pro Tempore of the Senate to arrange for the presentation, on behalf of Congress, of a Congressional gold medal to Prime Minister Tony Blair of the United Kingdom in recognition of his outstanding and enduring contributions to maintaining the security of all freedom-loving nations. The legislation also requires the Secretary of the Treasury to strike the medal and allows for the striking and sale of duplicate bronze medals.

Legislative History

H.R. 1511 was introduced by Mrs. Brown-Waite on March 31, 2003, with ten original co-sponsors, and referred to the House Committee on Financial Services.

On June 25, 2003, the House considered the measure under suspension of the rules, and passed the bill by a voice vote. On June 26, 2003, H.R. 1511 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

S. 709 was introduced in the Senate on March 26, 2003, by Senator Dole and 18 original cosponsors. It was read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On May 7, 2003, S. 709 was reported to the Senate by the Senate Committee on Banking, Housing, and Urban Affairs without amendment or a written report. On May 15, 2003, S. 709 was passed by the Senate without amendment by unanimous consent.

On May 15, 2003, S. 709 was received in the House and referred to the House Committee on Financial Services. On May 23, 2003, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On July 14, 2003, the Committee on Financial Services was discharged from the further consideration of S. 709, and the House passed the bill by unanimous consent.

On July 16, 2003, the bill was presented to the President and signed into law on July 17, 2003, becoming Public Law 108–60.

GOLD MEDAL TO DOROTHY HEIGHT

Public Law 108–162 (H.R. 1821; S. 1266)

To award a congressional gold medal to Dr. Dorothy Height in recognition of her many contributions to the Nation.

Summary

H.R. 1821 authorizes the Speaker of the House of Representatives and the President Pro Tempore of the Senate to arrange for the presentation to Dr. Dorothy Height, president of the National Council of Negro Women, of a Congressional gold medal in recognition of her many contributions to the Nation, including her work on civil rights, AIDS education, and women's rights. The Secretary of the Treasury is to strike the medal and may strike and sell bronze duplicates.

Legislative History

H.R. 1821 was introduced by Ms. Watson and it was referred to the House Committee on Financial Services on April 11, 2003. On April 29, 2003, H.R. 1821 was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On October 15, 2003, the bill was considered under suspension of the rules and passed the House by a voice vote.

On October 16, 2003, H.R. 1821 was received in the Senate. On October 21, 2003, H.R. 1821 was read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On November 21, 2003, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the bill, and the Senate passed H.R. 1821 without amendment by unanimous consent, clearing the bill for the White House.

On November 26, 2003, H.R. 1821 was presented to the President. The President signed H.R. 1821 into law on December 6, 2003, becoming Public Law 108–162.

GOLD MEDAL TO JACKIE ROBINSON

Public Law 108–101 (H.R. 1900; S. 300)

To posthumously award a Congressional gold medal to Jackie Robinson in recognition of his many contributions to the Nation, and to express the sense of the Congress that there should be a national day in recognition of Jackie Robinson.

Summary

H.R. 1900 authorizes the President to present a gold medal, on behalf of Congress, to the family of Jackie Robinson in recognition of his contributions to the Nation, including his contributions to American sports, which earned him a place in Baseball's Hall of Fame. It authorizes the Secretary of the Treasury to strike the medal and allows him to strike and sell bronze duplicates. The legislation also calls for designation of a national day recognizing Robinson's accomplishments.

Legislative History

H.R. 1900 was introduced by Mr. Neal on April 30, 2003, with 35 original cosponsors and referred to the House Committee on Financial Services. On May 12, 2003, H.R. 1900 was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On October 7, 2003, the bill was considered under suspension of the rules and agreed to by a voice vote.

On October 14, 2003, the bill was received in the Senate. It was passed without amendment by unanimous consent on October 17, 2003, clearing the bill for the White House. On October 22, 2003, H.R. 1900 was presented to the President, who signed it on October 29, 2003, becoming Public Law 108–101.

GOLD MEDAL FOR BROWN V. BOARD OF EDUCATION

Public Law 108–180 (H.R. 3287; S. 498)

To award Congressional gold medals, posthumously, to Reverend Joseph A. DeLaine, Harry and Eliza Briggs, and Levi Pearson in recognition of their contributions to the Nation as pioneers in the effort to desegregate public schools that led directly to the landmark desegregation case of *Brown et al. v. the Board of Education of Topeka et al.*

Summary

H.R. 3287 authorizes the President posthumously to award gold medals, on behalf of Congress, to honor Rev. Joseph Armstrong De Laine, Harry and Eliza Briggs and Levi Pearson for their contributions to the Nation as civil rights activists for school desegregation in South Carolina. It directs the Secretary of the Treasury to strike the medals and allows the Secretary to strike and sell bronze duplicates.

Legislative History

H.R. 3287 was introduced by Mr. Clyburn on October 10, 2003, and referred to the House Committee on Financial Services. On October 22, 2003, H.R. 3287 was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On November 18, 2003, the bill was considered under suspension of the rules and agreed to by a voice vote.

On November 19, 2003, H.R. 3287 was received in the Senate and read twice. On November 25, 2003, it was passed by the Senate without amendment by unanimous consent, clearing the bill for the White House. H.R. 3287 was presented to the President on December 3, 2003, and signed into law on December 15, 2003, becoming Public Law 108–180.

TRUE AMERICAN HEROES ACT OF 2003

(H.R. 1538)

To posthumously award congressional gold medals to government workers and others who responded to the attacks on the World Trade Center and the Pentagon and perished and to people aboard United Airlines Flight 93 who helped resist the hijackers and

caused the plane to crash, to require the Secretary of the Treasury to mint coins in commemoration of the Spirit of America, recognizing the tragic events of September 11, 2001, and for other purposes.

Summary

H.R. 1538, the True American Heroes Act of 2003, directs the Speaker of the House and the President pro tempore of the Senate to make arrangements for the posthumous award of Congressional gold medals to the emergency responders and others who responded to the attacks on the World Trade Center in New York City and at the Pentagon and perished in the tragic events of September 11, 2001, and copies to be placed in appropriate station houses and precincts. The bill also provides for the award of a Congressional gold medal to each passenger or crew member on board United Airlines Flight 93 who is identified by the Attorney General as having helped resist the hijackers and caused the plane to crash, and authorizes the Secretary to strike and sell duplicate bronze copies of the medals.

The legislation also requires the Secretary of the Treasury to strike and make available for sale gold, silver, and “clad” coins in commemoration of the attacks, and to give a specially packaged gold coin to the family of each victim of the attacks of September 11, 2001.

Legislative History

H.R. 1538 was introduced by Mr. King with three original co-sponsors and referred to the Committee on Financial Services on April 1, 2003. On April 11, 2003, H.R. 1538 was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On September 11, 2003, H.R. 1538 was considered pursuant to a unanimous consent agreement and passed the House by a voice vote.

On September 11, 2003, H.R. 1538 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

GOLD MEDAL TO PRESIDENT JOSE MARIA AZNAR

(H.R. 2131)

To award a Congressional gold medal to President Jose Maria Aznar of Spain.

Summary

H.R. 2131 authorizes the Speaker of the House and the President Pro Tempore of the Senate to arrange for the presentation, on behalf of Congress, of a gold medal to President Jose Maria Aznar of Spain because he was a steadfast ally of the United States in the war against terrorism.

Legislative History

H.R. 2131 was introduced by Mr. Gibbons and six original co-sponsors on April 15, 2003, and referred to the House Committee

on Financial Services. On June 17, 2003, H.R. 2131 was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On March 10, 2004, the Subcommittee held a hearing on this legislation. Following the hearing on that day the Subcommittee met in open session and approved H.R. 2131 for full Committee consideration by a voice vote.

On March 17, 2004, the full Committee met in open session and considered H.R. 2131. The Committee ordered the bill favorably reported to the House, without amendment. The Committee reported the bill to the House on April 20, 2004 (H. Rept. 108–463). No further action was taken on this measure during the 108th Congress.

JAMESTOWN 400TH ANNIVERSARY COMMEMORATIVE COIN ACT OF 2003

Public Law 108–289 (H.R. 1914; S. 976)

To provide for the issuance of a coin to commemorate the 400th anniversary of the Jamestown settlement.

Summary

This bill authorizes the Secretary of the Treasury, in 2007, to strike and sell up to 500,000 one-dollar silver coins in commemoration of the 400th anniversary of the founding of the Jamestown settlement. It authorizes \$10 surcharges on the sales of each coin with proceeds being paid, after satisfaction of audit requirements in section 5134(f) of title 31, United States Code, one-half to the Jamestown-Yorktown Foundation to promote understanding of the legacies of Jamestown and one-half, split evenly between the foundation, the Secretary of the Interior and the Association for the Preservation of Antiquities in Virginia to further Jamestown-related projects.

Legislative History

H.R. 1914 was introduced May 1, 2003, by Mrs. Davis of Virginia for herself and 13 original cosponsors and referred to the House Committee on Financial Services.

On May 12, 2003, the bill was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. On March 10, 2004, the Subcommittee held a legislative hearing on the bill, immediately following which the Subcommittee considered the bill in open session and approved H.R. 1914 for full Committee consideration by a voice vote.

On March 17, 2004, the full Committee met in open session to consider the legislation, and ordered the bill favorably reported to the House without amendment by a voice vote. The Committee reported the bill to the House on April 27, 2004 (H. Rept. 108–472, Part I), and the Committee on Ways and Means received a sequential referral for a period ending not later than July 6, 2004.

On July 6, 2004, the Committee on Ways and Means reported the bill to the House with an amendment (H. Rept. 108–472, Part II).

On July 14, 2004, the House considered the bill under suspension of the rules and passed H.R. 1914 with an amendment by a voice vote.

On July 19, 2004, H.R. 1914 was received by the Senate and placed on the legislative calendar. On July 20, 2004, it passed the Senate without amendment by unanimous consent, clearing the bill for the White House. On July 26, 2004, the bill was presented to the President, and it was signed into law on August 6, 2004, becoming Public Law 108–289.

JOHN MARSHALL COMMEMORATIVE COIN ACT

Public Law 108–290 (H.R. 2768; S. 1531)

To require the Secretary of the Treasury to mint coins in commemoration of Chief Justice John Marshall.

Summary

This bill authorizes the Secretary of the Treasury, in 2005, to strike and sell up to 400,000 one-dollar silver coins in commemoration of John Marshall’s service to the United States—not only as a Chief Justice, but also as a soldier in the Revolutionary War, as a Member of Congress, and as Secretary of State. It authorizes \$10 surcharges on the sales of the coins with proceeds being paid, after satisfaction of audit requirements in section 5134(f) of title 31, United States Code, to the Supreme Court Historical Society to support historical research and educational programs about the Supreme Court and the Constitution of the United States and related topics; to support fellowship programs, internships, and docents at the Supreme Court; and to collect and preserve antiques, artifacts, and other historical items related to the Supreme Court and the Constitution of the United States and related topics.

Legislative History

H.R. 2768 was introduced July 17, 2003, by Mr. Bachus and 24 original cosponsors and referred to the Committee on Financial Services. On August 4, 2003, the bill was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology. On March 10, 2004, the Subcommittee held a legislative hearing on the bill, immediately following which the Subcommittee considered the bill in open session and approved H.R. 2768 for full Committee consideration by a voice vote. On March 17, 2004, the full Committee met in open session to consider the legislation, and ordered the bill favorably reported to the House by a voice vote. The Committee reported the bill to the House on April 27, 2004, (H. Rept. 108–473, Part I). The Committee on Ways and Means received a sequential referral for a period ending not later than July 6, 2004.

The Committee on Ways and Means reported the bill, with an amendment, on July 6, 2004 (H. Rept. 108–473, Part II).

On July 14, 2004, the House considered the bill under suspension of the rules and passed H.R. 2768, with an amendment, by a voice vote.

On July 19, 2004, H.R. 2768 was received by the Senate and placed on the legislative calendar. On July 20, 2004, it passed the Senate without amendment by unanimous consent, clearing the bill for the White House. On July 26, 2004, it was presented to the

President, and signed into law on August 6, 2004, becoming Public Law 108–290.

MARINE CORPS 230TH ANNIVERSARY COMMEMORATIVE COIN ACT

Public Law 108–291 (H.R. 3277, S. 894)

To require the Secretary of the Treasury to mint coins in commemoration of the 230th Anniversary of the United States Marine Corps, and to support construction of the Marine Corps Heritage Center.

Summary

This bill authorizes the Secretary of the Treasury to strike and sell up to 500,000 one-dollar silver coins in commemoration of the 230th anniversary of the founding of the Marine Corps on November 10, 2005. It authorizes \$10 surcharges on the sales of the coins with proceeds being paid, after satisfaction of audit requirements in section 5134(f) of title 31, United States Code, to the Marine Corps Heritage Foundation for the purposes of construction of the Marine Corps Heritage Center, as authorized by section 1 of Public Law 106–398 (114 Stat. 1654).

Legislative History

H.R. 3277 was introduced October 8, 2003, by Mr. Murtha for himself and seven original cosponsors and referred to the House Committee on Financial Services. On October 22, 2003, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade and Technology.

On March 10, 2004, the Subcommittee held a legislative hearing on the bill, immediately following which the Subcommittee considered the bill in open session and approved H.R. 3277 for full Committee consideration by a voice vote. On March 17, 2004, the full Committee met in open session to consider the legislation, and ordered the bill favorably reported to the House by a voice vote. The Committee reported the bill to the House on April 27, 2004 (H. Rept. 108–474, Part I). The bill was sequentially referred to the Committee on Ways and Means for a period ending not later than July 6, 2004. The Committee on Ways and Means reported the bill to the House on July 6, 2004.

On July 14, 2004, the House considered the bill under suspension of the rules and passed H.R. 3277 by a voice vote.

On July 19, 2004, H.R. 3277 was received by the Senate and placed on the legislative calendar. On July 20, 2004, it passed the Senate without amendment by unanimous consent, clearing the bill for the White House. On July 26, 2004, it was presented to the President, and signed into law on August 6, 2004, becoming Public Law 108–291.

DISTRICT OF COLUMBIA AND UNITED STATES TERRITORIES
CIRCULATING QUARTER DOLLAR PROGRAM ACT

(H.R. 2993)

To provide for a circulating quarter dollar coin program to honor the District of Columbia, the Commonwealth of Puerto Rico, Guam,

American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands, and for other purposes.

Summary

This bill provides for the redesign of the reverse of the circulating quarter-dollar with reverse designs commemorating for equal portion of 2009, in order, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands. Although the program is separate from the 50-State quarter-dollar program that ends the previous year, designs would be chosen in a similar fashion: by the Secretary of the Treasury after consultation with the chief executive of each jurisdiction. No quarter would be struck for a jurisdiction if it becomes a State or if it becomes independent before such striking would commence.

Legislative History

H.R. 2993 was introduced September 3, 2003, by Mr. King of New York and six original cosponsors, and referred to the Committee on Financial Services. On September 16, 2003, it was referred to the Subcommittee on Domestic and International Policy, Trade, and Technology.

On March 24, 2004, the House considered the bill under suspension of the rules, and the House passed H.R. 2993 by a record vote of 411 yeas and 14 nays. The bill was received in the Senate on March 29, 2004.

No further action was taken on this measure in the 108th Congress.

BUREAU OF ENGRAVING AND PRINTING SECURITY PRINTING ACT OF
2004

(H.R. 3786)

To authorize the Secretary of the Treasury to produce currency, postage stamps, and other security documents at the request of foreign governments on a reimbursable basis.

Summary

This bill authorizes the Treasury's currency-printing arm, the Bureau of Engraving and Printing, to print currency and other security documents for other countries on a fully reimbursable basis, provided that the Bureau has adequate capacity to do so without interfering with the printing of U.S. banknotes, and that the Secretary of State certifies that such work is consistent with U.S. foreign policy.

Legislative History

H.R. 3786 was introduced by request on February 10, 2004, by Mr. King of New York and one original cosponsor, and referred to the Committee on Financial Services. On March 1, 2004, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade and Technology.

On March 24, 2004, the House considered the bill under suspension of the rules. The House passed H.R. 3786 by a record vote of 422 yeas and 2 nays.

The bill was received in the Senate March 29, 2004, read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Language similar to H.R. 3786 was included in H.R. 10, the 9/11 Recommendations Implementation Act. For further action on this measure, see H.R. 10.

PRESIDENTIAL \$1 COIN ACT OF 2004

(H.R. 3916)

To improve circulation of the \$1 coin, create a new bullion coin, and for other purposes.

Summary

H.R. 3916, the Presidential \$1 Coin Act of 2004, improves the circulation of the one-dollar coin by establishing a regularly changing design for the coin similar to the 50-state quarter-dollar program. The obverse of the coin would change every three months, beginning in 2006, to represent, in order, the Presidents of the United States, and the reverse would represent the Statue of Liberty. Concurrently with that program a new investor-grade pure-gold bullion coin would be issued on the same schedule, with images representing the First Spouses of the President whose circulating coin was being struck at that point. Several design changes are specified for the circulating coin to make the dollar coins more attractive to consumers and collectors, and a Sense of Congress section suggests ways to remove bottlenecks to the orderly circulation of one-dollar coins throughout the country.

Legislative History

H.R. 3916 was introduced March 9, 2004, by Mr. Castle and one original cosponsor, and referred to the Committee on Financial Services. On March 29, 2004, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On April 28, 2004, the Subcommittee held a legislative hearing on the bill and immediately thereafter met to consider H.R. 3916 in open session, approving the bill for full Committee consideration, as amended, by a voice vote.

On June 3, 2004, the full Committee met in open session to consider H.R. 3916. The bill was ordered favorably reported to the House, with an amendment, by a voice vote. The Committee reported the bill to the House, with an amendment, on June 24, 2004 (H. Rept. 108–568).

No further action was taken on this measure in the 108th Congress.

GOLD MEDAL FOR REV. DR. MARTIN LUTHER KING, JR. AND HIS WIDOW
CORETTA SCOTT KING

PUBLIC LAW 108–368 (S. 1368, H.R. 2680)

To authorize the President to award a gold medal on behalf of the Congress to Reverend Doctor Martin Luther King, Jr. (posthumously) and his widow Coretta Scott King in recognition of their contributions to the Nation on behalf of the civil rights movement.

Summary

This bill authorizes the President to present, on behalf of Congress, a gold medal of appropriate design to the Rev. Dr. Martin Luther King, Jr. (posthumously) and his widow, Coretta Scott King, as the “first family of the civil rights movement,” both with “distinguished records of public service to the American people and the international community.”

Legislative History

H.R. 2680 was introduced by Mr. Lewis of Georgia July 9, 2003, and 79 original cosponsors, and referred to the Committee on Financial Services. On July 14, 2003, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

S. 1368 was introduced June 27, 2003, by Senator Levin and 18 original cosponsors and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On September 9, 2004, the Committee was discharged from the further consideration of the bill, and it was passed by the Senate without amendment by unanimous consent.

It was received in the House September 13, 2004, and referred to the Committee on Financial Services. On October 7, 2004, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On October 8, 2004, the Committee on Financial Services was discharged from the further consideration of S. 1368, and passed by the House by unanimous consent, clearing the bill for the White House. On October 13, 2004, S. 1368 was presented to the President, and signed into law on October 25, 2004, becoming Public Law 108–368.

BENJAMIN FRANKLIN COMMEMORATIVE COIN ACT

PUBLIC LAW 108–464 (H.R. 3204, S. 2568)

To require the Secretary of the Treasury to mint coins in commemoration of the tercentenary of the birth of Benjamin Franklin, and for other purposes.

Summary

This bill authorizes the Secretary of the Treasury, in 2006, to strike and sell up to 250,000 each of two designs of one-dollar silver coins in commemoration of the 300th anniversary of the birth of Benjamin Franklin. It authorizes a \$10 surcharge on the sale of each coin with proceeds being paid, after satisfaction of audit requirements in section 5134(f) of title 31, United States Code, to the

Franklin Institute for purposes of the Benjamin Franklin Tercentenary Commission.

Legislative History

H.R. 3204 was introduced September 30, 2003, by Mr. Castle and one original cosponsor and referred to the Committee on Financial Services. On October 3, 2003, it was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On October 8, 2004, the Committee on Ways and Means waived consideration of the measure through an exchange of letters. On November 17, 2004, the Committee on Financial Services was discharged from the further consideration of the bill, and the House passed the bill with an amendment by unanimous consent. On November 18, 2004, the Clerk was authorized to make a technical correction in the engrossment of the bill by unanimous consent.

On November 19, 2004, the bill was received in the Senate. On December 7, 2004, the Senate passed the bill, clearing the measure for the White House.

The bill was presented to the President on December 10, 2004, and signed into law on December 21, 2004, becoming Public Law 108–464.

AMERICAN BALD EAGLE RECOVERY AND NATIONAL EMBLEM
COMMEMORATIVE COIN ACT

Public Law 108–486 (H.R. 4116)

To require the Secretary of the Treasury to mint coins celebrating the recovery and restoration of the American bald eagle, the national symbol of the United States, to America’s lands, waterways, and skies and the great importance of the designation of the American bald eagle as an “endangered” species under the Endangered Species Act of 1973, and for other purposes.

Summary

This bill authorizes the Secretary of the Treasury in 2005 to strike and sell up to 100,000 5-dollar gold coins and 500,000 one-dollar silver coins in celebration of the recovery of the bald eagle, and in commemoration of the 35th anniversary of the enactment of the Endangered Species Act of 1973 and the placement of the bald eagle on the endangered species list, January 1, 2008. It authorizes a \$35 surcharge on the gold coins and a \$10 surcharge on the sales of the silver coins with proceeds being paid, after satisfaction of audit requirements in section 5134(f) of title 31, United States Code, to the American Eagle Foundation of Tennessee to further its works.

Legislative History

H.R. 4116, the American Bald Eagle Recovery and National Emblem Commemorative Coin Act, was introduced by Mr. Jenkins on April 1, 2004, and referred to the Committee on Financial Services. On April 20, 2004, the bill was referred to the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology.

On December 7, 2004, the Committee on Financial Services was discharged from the further consideration of the bill and the House passed H.R. 4116 by unanimous consent.

On December 8, 2004, the bill was received in the Senate, read twice, and passed by the Senate without amendment by unanimous consent, clearing the bill for the White House.

The bill was presented to the President on December 16, 2004, and signed into law on December 23, 2004, becoming Public Law 108-486.

OVERSIGHT ACTIVITIES

NEW BASEL ACCORD

On February 27, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held an oversight hearing entitled, “The New Basel Accord—Sound Regulation or Crushing Complexity?” The new Basel Accord (Basel II) has been in negotiations for several years and new capital standards applicable to the largest internationally active banks are set to emerge. The Subcommittee examined the impact Basel II will have on domestic financial institutions as well as international competition.

The Subcommittee heard testimony from Federal regulators and representatives from financial institutions that will be affected by the proposed Accord as well as from academia.

OPENING TRADE IN FINANCIAL SERVICES

On April 1, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled “Opening Trade in Financial Services—the Chile and Singapore Examples.” The hearing focused on the financial services related aspects of the recently announced free trade agreements (FTAs) with Chile and Singapore. The Subcommittee heard testimony from the Under Secretary of Treasury for International Affairs, the Assistant U.S. Trade Representative for Services, Intellectual Property, and Investment, and representatives from academia and the financial services sector.

The purpose of this hearing was to give Members an opportunity to consider the Chile and Singapore free trade agreements as they relate to financial services. The Chile and Singapore agreements contain chapters on financial services (banking, securities, insurance, and asset management), investment, transparency and other areas. The financial services chapters include obligations on national treatment, most-favored-nation treatment and market access (non-discriminatory measures), among other core obligations.

MATCHING CAPITAL AND ACCOUNTABILITY

On Wednesday, June 11, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled “Matching Capital and Accountability—the Millennium Challenge Account.” The Subcommittee heard testimony from the Under Secretary of the Treasury for International Affairs, the Under Secretary of State for Economic, Business and Agricultural Affairs, and the Administrator of the Agency for International Development.

The Millennium Challenge Account (MCA) is a new developmental aid structure based on transparency and accountability. These two factors are often criticized as lacking in U.S. participation with multilateral development institutions. Since the majority of selection criteria and performance indicators used within the MCA rely on international financial institution and multilateral development bank data, Members were specifically interested in the process of indicator selection.

CHINA'S EXCHANGE RATE REGIME

On Wednesday, October 1, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "China's Exchange Rate Regime and Its Effects on the U.S. Economy." The Subcommittee heard testimony from Members of Congress, the Under Secretary of the Treasury for International Affairs, the Under Secretary of Commerce for International Trade, as well as representatives from academia and trade associations.

This hearing focused on the renminbi exchange rate regime, its effect on the U.S. economy, and the role of the U.S. Government in promoting change to that exchange rate regime. China has grown to become the fourth-largest U.S. trading partner and it recently entered the World Trade Organization (WTO). Increased trade liberalization has not been accompanied by capital account liberalization, however. The Chinese currency (the "renminbi," which is denominated in "yuan") is pegged to the U.S. dollar. Since 1994, the exchange rate has been fixed at 8.3 yuan to one U.S. dollar. This places pressure on the both the Chinese and U.S. economies.

At the time of the hearing, multiple bills and resolutions had been introduced in the House and the Senate seeking to counter-balance the perceived impact of the Chinese exchange rate regime on the U.S. manufacturing sector.

WORLD BANK LENDING TO IRAN

On Wednesday, October 29, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled, "World Bank Lending to Iran." The Subcommittee heard testimony from the Deputy Assistant Secretary of the Treasury for International Development, and several academics.

The Subcommittee hearing explored U.S. policy options regarding World Bank lending to Iran. Some believe that World Bank lending to Iran provides indirect support for Iran's nuclear and military programs in two ways. First, they contend that providing funding to Iran for development purposes frees up resources for military purposes because money is fungible. Second, they believe that World Bank lending to Iran provides implicit international credibility and access to outside experts. Others take the opposite position. They note that the scale of World Bank lending to Iran is minimal in relation to the country's economy and, therefore, that such lending cannot have a real impact on its military programs.

OVERSIGHT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

On Thursday, May 6, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "Oversight of the Export-Import Bank of the United States." The President and Chairman of the Export-Import Bank was the only witness.

As the first oversight hearing held since the 2002 reauthorization act for the Export-Import Bank (the Bank), the focus of the hearing was on how the Bank has implemented the 2002 authorization standards. Chairman Merrill also provided testimony regarding the Bank's work to promote reconstruction efforts in Iraq.

HIPC DEBT RELIEF: WHICH WAY FORWARD?

On Tuesday, April 20, 2004, The Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "Highly Indebted Poor Country (HIPC) Debt Relief: The Way Forward?" The hearing focused on the estimated costs of HIPC debt relief, the impact the program has had on people in qualifying countries and the challenges the HIPC process faces if its program goals are to be achieved. The Subcommittee heard testimony from the General Accounting Office, and two nongovernmental organizations.

In 1996 and again in 1999, major international creditors, including the World Bank and the IMF, agreed to a debt relief program for the world's poorest, most seriously indebted nations. The U.S. has pledged to provide a total of \$750 million to the HIPC Trust Fund, of which \$600 million has already been contributed. At the July 2002 Group of Eight summit, the U.S. pledged to contribute the remaining \$150 million. In FY 2004, Congress appropriated \$75 million to meet this pledge.

The General Accounting Office examined the HIPC initiative at the Committee's request. GAO estimates received at the hearing indicate that the total cost of the HIPC initiative could be \$37.3 billion (net present value). The GAO also provided detailed estimates for how much multilateral development banks might need in the future to meet HIPC debt relief commitments, and projected what percentage the U.S. might be expected to contribute to meet existing debt relief commitments and broader development goals (e.g., poverty reduction).

U.S.-E.U. REGULATORY DIALOGUE: THE PRIVATE SECTOR PERSPECTIVE

On Thursday, June 17, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled, "The U.S.-EU Regulatory Dialogue: The Private Sector Perspective." The Subcommittee heard testimony from representatives of trade associations and academia. The hearing built on the May 2004 full Committee hearing on the U.S.-EU Regulatory Dialogue and focused on the benefits and challenges the Dialogue holds for the private sector, as well as ways in which the dialogue could be improved.

COMBATING INTERNATIONAL TERRORIST FINANCING

The Subcommittees on Domestic and International Monetary Policy, Trade, and Technology and on Oversight and Investigations held a joint hearing on Thursday, September 30, 2004, on the status of efforts to combat international terrorist financing. The Assistant Secretary of the Treasury for Terrorist Financing and the Assistant Secretary of State for Economic and Business Affairs appeared as witnesses.

The United States Departments of Treasury and State, in cooperation with other government agencies, have successfully solicited the support of the international community to help combat money laundering and terrorist financing. Witnesses highlighted the successful promotion of international standards for financial transparency and accountability; coordinated technical assistance to weak but willing states; ongoing freezing of terrorist-related and other criminal assets; continued coordination of intelligence operations; and using diplomacy to convince other governments to take significant steps.

MONEY MATTERS: COIN AND CURRENCY DESIGN AND COUNTERFEITING ISSUES

On Wednesday, April 28, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing on the design of circulating coins and currency, and on issues involving the counterfeiting of U.S. bank notes. The hearing also served as a legislative hearing for H.R. 3916, the Presidential \$1 Coin Act of 2004.

The Subcommittee heard testimony from the Director of the United States Mint, the Director of the Bureau of Engraving and Printing, the United States Secret Service, the Board of Governors of the Federal Reserve System, as well as a number of private sector witnesses. Witnesses discussed design changes being made to circulating U.S. banknotes to foil counterfeiters, trends in counterfeiting domestically and abroad, the success of circulating and commemorative coin programs including the 50-State Quarter Program, and efforts to more efficiently circulate U.S. coins and bank notes. Witnesses also discussed the need for a widely circulating one-dollar coin to keep costs down for business and the reasons why recent one-dollar coins have not been successful.

HEARINGS HELD

The New Basel Accord—Sound Regulation or Crushing Complexity? Hearing entitled “The New Basel Accord—Sound Regulation or Crushing Complexity.” February 27, 2003. PRINTED, serial number 108–5.

The Defense Production Act Reauthorization Act of 2003. Hearing on H.R. 1280, the Defense Production Act of 2003. March 19, 2003. PRINTED, serial no. 108–13.

Opening Trade in Financial Services—The Chile and Singapore Examples. Hearing entitled “Opening Trade in Financial Services—The Chile and Singapore Examples.” April 1, 2003. PRINTED, serial no. 108–16.

Matching Capital and Accountability. Hearing entitled “Matching Capital and Accountability.” June 11, 2003. PRINTED, serial no. 108–36.

China’s Exchange Rate Regime and its Effects on the U.S. Economy. Hearing entitled “China’s Exchange Rate Regime and its Effects on the U.S. Economy.” October 1, 2003. PRINTED, serial no. 108–56.

World Bank Lending to Iran. Hearing entitled “World Bank Lending to Iran.” October 29, 2003. PRINTED, serial no. 108–59.

Commemorative Coin Bills. Hearing on H.R. 1914, the Jamestown 400th Anniversary Commemorative Coin Act of 2003, H.R. 2131, a bill to award a congressional gold medal to President Jose Maria Aznar of Spain, H.R. 2768, the John Marshall Commemorative Coin Act, and H.R. 3277, the Marine Corps 230th Anniversary Commemorative Coin Act. March 10, 2004. Serial no. 108–71.

HIPC Debt Relief: Which Way Forward? Hearing entitled “HIPC Debt Relief: Which Way Forward?” April 20, 2004. Serial no. 108–79.

Money Matters: Coin and Currency Design and Counterfeiting Issues. Hearing entitled “Money Matters: Coin and Currency Design and Counterfeiting Issues.” April 28, 2004. Serial no. 108–82.

Oversight of the Export-Import Bank of the United States. Hearing entitled “Oversight of the Export-Import Bank.” May 6, 2004. Serial no. 108–84.

The U.S.-E.U. Regulatory Dialogue: The Private Sector Perspective. Hearing entitled “The U.S.-E.U. Regulatory Dialogue: The Private Sector Perspective.” June 17, 2004. Serial no. 108–95.

Combating International Terrorist Financing. Joint hearing with the Subcommittee on Oversight and Investigations entitled “Combating International Terrorist Financing.” September 30, 2004. Serial no. 108–114.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND CONSUMER CREDIT

(Ratio: 25–22)

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JOE BACA, California³

CHRIS BELL, Texas¹

BARNEY FRANK, Massachusetts

ex officio

* Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

LEGISLATIVE ACTIVITIES

FAIR AND ACCURATE CREDIT TRANSACTIONS ACT OF 2003

Public Law 108–159 (H.R. 2622; S. 1753)

To amend the Fair Credit Reporting Act, to prevent identity theft, improve resolution of consumer disputes, improve the accuracy of consumer records, make improvements in the use of, and consumer access to, credit information, and for other purposes.

Summary

H.R. 2622, the Fair and Accurate Credit Transactions Act of 2003, provides consumers with tools to fight identity theft and to ensure the accuracy of their credit reports while establishing permanent uniform national credit reporting standards. H.R. 2622 empowers consumers to guard against identity theft by increasing the effectiveness of consumer initiated fraud alerts and enabling consumers to block fraudulent information in their personal credit records after filing a police report. The legislation increases consumer awareness of their rights if they believe they may be victims

of fraud or identity theft by directing the Federal Trade Commission (FTC or Commission) to prepare, and consumer reporting agencies to disseminate, a summary of rights of identity theft victims. The legislation enlists financial institutions' support in fighting identity theft by requiring them to develop procedures to "red flag" identity theft, and to investigate certain changes in customer addresses. In addition, merchants will be required to truncate credit and debit card information.

H.R. 2622 also improves the accuracy of consumer records and the resolution of consumer disputes. The legislation expands consumer access to credit information to ensure accuracy by giving consumers the right to review their credit scores and request a free credit report annually. H.R. 2622 provides consumers with important new rights for correcting inaccurate information on their credit reports and discourages the reintroduction of fraudulent information into the credit reporting system. The legislation prohibits furnishers of information from forwarding information on a consumer to credit reporting agencies if the furnisher has reasonable cause to believe the information is inaccurate. In addition, the bill directs regulators to determine how best to ensure the prompt investigation and correction of disputed information in a consumer's credit file. H.R. 2622 also provides significant new protections of consumers' medical information by limiting the disclosure of certain medical information in the preparation and dissemination of credit reports, prohibiting the use of medical information in connection with any determination of consumers' eligibility for credit, and requiring credit reporting agencies to code certain sensitive medical information to avoid unwanted disclosure.

Legislative History

H.R. 2622 was introduced on June 26, 2003, by Mr. Bachus and 32 original cosponsors and referred to the Committee on Financial Services. On July 2, 2003, H.R. 2622 was referred to the Subcommittee on Financial Institutions and Consumer Credit.

On July 9, 2003, the full Committee held a hearing on H.R. 2622. On July 16, 2003, the Subcommittee on Financial Institutions and Consumer Credit met in open session and approved H.R. 2622 for full Committee consideration, as amended, by a record vote of 41 yeas and no nays.

On July 24, 2003, the Committee on Financial Services met in open session and ordered H.R. 2622 favorably reported to the House, with an amendment, by a record vote of 63 yeas and 3 nays. On September 4, 2003, the Committee reported H.R. 2622 to the House (H. Rept. 108-263). A supplemental report on H.R. 2622 correcting certain Committee votes was filed with the House on September 9, 2003 (H. Rept. 108-263, Part II).

On September 9, 2003, the Committee on Rules reported a modified open rule for the consideration of H.R. 2622 to the House (H. Res. 360). The House agreed to H. Res. 360 on September 10, 2003, by a voice vote. On September 10, 2003, the House considered and passed H.R. 2622, as amended, by a record vote of 392 yeas and 30 nays.

The bill was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs on

September 11, 2003. On November 5, 2003, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of H.R. 2622 by unanimous consent. The measure was laid before the Senate, amended with the text of S. 1753 as amended, and passed by a record vote of 95 yeas and 2 nays. The Senate insisted on its amendment, requested a conference with the House, and appointed conferees on November 5, 2003.

On November 6, 2003, the House disagreed to the Senate amendment and the Speaker appointed conferees from the Committee on Financial Services. A motion to instruct conferees offered by Mr. Frank was agreed to by a voice vote.

The Conferees for the House and Senate met on November 21, 2003 (the Senate chairing), and agreed to the conference report to accompany H.R. 2622. The conference report was filed in the House on November 21, 2003 (H. Rept. 108–396). On November 21, 2003, the conference report was considered in the House under suspension of the rules, and agreed to by a record vote of 379 yeas and 49 nays.

On November 22, 2003, the Senate agreed to the conference report by unanimous consent, clearing the measure for the White House. The bill was presented to the President on December 3, 2003, and signed by the President on December 4, 2003, becoming Public Law 108–159.

CHECK CLEARING FOR THE 21ST CENTURY ACT

Public Law 108–100 (H.R. 1474; S. 1334; H.R. 3183)

To facilitate check truncation by authorizing substitute checks, to foster innovation in the check collection, improve the overall efficiency of the Nation's payments system, and for other purposes.

Summary

H.R. 1474, the Check Clearing for the 21st Century Act, promotes greater efficiency in the overall payments system and reduces the system's reliance on the Nation's transportation grid. H.R. 1474 modernizes the check clearing process by removing legal impediments to electronic check processing. After the September 11, 2001, terrorist attacks, when the air traffic system was brought to a standstill for several days, the check collection process experienced significant disruptions.

Legislative History

H.R. 1474 was introduced on March 27, 2003, by Ms. Hart and 17 original cosponsors, and referred to the Committee on Financial Services. On April 8, 2003, the bill was referred to the Subcommittee on Financial Institutions and Consumer Credit. On April 8, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing on H.R. 1474.

On May 14, 2003, the Subcommittee on Financial Institutions and Consumer Credit met in open session and approved H.R. 1474, as amended, for full Committee consideration by a voice vote. On May 21, 2003, the Committee met in open session and ordered H.R. 1474 reported to the House, with an amendment, by a voice vote.

The Committee on Financial Services reported H.R. 1474 to the House on June 2, 2003 (H. Rept. 108–132).

On June 3, 2003, the Committee on Rules reported a modified open rule providing for consideration of H.R. 1474 (H. Res. 256). On June 5, 2003, H. Res. 256 was agreed to by a voice vote. On the same date, the House considered and passed, as amended, H.R. 1474 by a record vote of 405 yeas and no nays. On June 5, 2003, H.R. 1474 was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing and Urban Affairs.

On June 27, 2003, the Senate Committee on Banking, Housing, and Urban Affairs reported an original measure, S. 1334, “The Check Truncation Act of 2003,” to the Senate (S. Rept. 108–79). On June 27, 2003, the Senate laid H.R. 1474 before the Senate by unanimous consent. The Senate struck the text of H.R. 1474 and substituted the text of S. 1334. The Senate passed H.R. 1474 by unanimous consent.

On July 10, 2003, the House disagreed with the Senate amendment to H.R. 1474 and requested a conference by unanimous consent. The Speaker appointed conferees from the Committee on Financial Services. On July 15, 2003, the Senate insisted on the Senate amendment, agreed to the conference requested by the House, and appointed conferees from the Committee on Banking, Housing, and Urban Affairs.

On October 1, 2003, the Conferees for the House and Senate met (the House chairing) and agreed to the conference report to accompany H.R. 1474 with an amendment. The text of H.R. 3183, as introduced, was also included as section 19 of the conference report. The conference report was filed in the House (H. Rept. 108–291) on October 1, 2003.

On October 8, 2003, the House considered the conference report to accompany H.R. 1474 pursuant to a unanimous consent agreement. The House then agreed to the conference report accompanying H.R. 1474 by a voice vote. On October 15, 2003, the Senate agreed to the conference report by unanimous consent, clearing the bill for the White House. The bill was presented to the President on October 23, 2003, and signed into law on October 28, 2003, becoming Public Law 108–100.

FEDERAL DEPOSIT INSURANCE REFORM ACT OF 2003

(H.R. 522)

To reform the Federal deposit insurance system, and for other purposes.

Summary

H.R. 522, the Federal Deposit Insurance Reform Act of 2003, will preserve the value of insured deposits at insured depository institutions, advance the national priority of enhancing retirement security for all Americans, and ensure that the value, benefit and costs of deposit insurance are allocated equitably and fairly.

The bill merges the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF); increases the standard maximum deposit insurance limit from \$100,000 to \$130,000, and indexes it every five years for inflation; doubles the new coverage

level for certain retirement accounts; and increases the coverage amount for in-State municipal deposits. Federally chartered credit unions are provided with parity in general standard maximum deposit insurance coverage, coverage for retirement accounts and municipal deposits.

H.R. 522 removes legal constraints on the authority of the Federal Deposit Insurance Corporation (FDIC) to charge risk-based premium assessments, so that all insured depository institutions pay for the value and benefit of deposit insurance fairly and equitably.

The legislation authorizes the FDIC to set the ratio of reserves to estimated insured deposits within a range of 1.15 to 1.40 percent, replacing the 1.25 percent “hard target” mandated by current law.

The bill also returns assessments in the form of refunds, credits, and dividends to insured depository institutions. Dividends are provided to qualified insured depository institutions whenever specified reserve ratios are exceeded. Finally, the legislation directs the FDIC to study its administrative and managerial processes and alternative means for administering the deposit insurance system. These studies will ensure that the deposit insurance fund and the overall deposit insurance system are managed and operated as efficiently and as effectively as possible.

Legislative History

H.R. 522 was introduced in the House on February 4, 2003, by Mr. Bachus and 27 original cosponsors and referred to the Committee on Financial Services. On February 27, 2003, the bill was referred to the Subcommittee on Financial Institutions and Consumer Credit.

The Committee on Financial Services held a legislative hearing on the bill on March 4, 2003. On March 13, 2003, the Committee on Financial Services met in open session and ordered the bill to be favorably reported to the House, with an amendment, by a voice vote. On March 27, 2003, the Committee on Financial Services reported H.R. 522 to the House (H. Rept. 108–50).

On April 2, 2003, the House considered H.R. 522 pursuant to a unanimous consent agreement, and passed the bill, as amended, by a record vote of 411 yeas and 11 nays. On April 2, 2003, H.R. 522 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

No further action was taken on this measure during the 108th Congress.

BUSINESS CHECKING FREEDOM ACT OF 2003

(H.R. 758; H.R. 859)

To allow all businesses to make up to 24 transfers each month from interest-bearing accounts, to require the payment of interest on reserves held for depository institutions at Federal Reserve banks, and for other purposes.

Summary

H.R. 758, the Business Checking Freedom Act of 2003, permits the payment of interest on business checking accounts, increases the number of inter-account transfers which may be made from business accounts at depository institutions, and authorizes the Board of Governors of the Federal Reserve System to pay interest on reserves.

The legislation repeals the current prohibition on the payment of interest on commercial demand deposit accounts after a two-year period, and authorizes the payment of interest on negotiable order of withdrawal (NOW) accounts maintained by businesses. The bill also authorizes the Federal Reserve to pay interest on the reserves that depository institutions maintain at Federal Reserve Banks, and eliminates the minimum statutory ratios that currently apply to those reserves, thereby giving the Federal Reserve greater flexibility in setting reserve requirements. To offset the revenue loss associated with allowing interest payments on reserve balances, the legislation requires that the Federal Reserve remit from its surplus fund to the Treasury an amount equal to the estimated annual revenue loss during the first five years the legislation is in effect. The legislation increases the number of allowable transfers from interest bearing or dividend earning commercial deposits or accounts to 24 per month, from the current limit of six, enabling depository institutions to sweep funds between non-interest bearing commercial checking accounts and interest bearing accounts on a daily basis. Finally, the legislation directs the Board of Governors of the Federal Reserve System to conduct an annual survey of bank fees and services.

Legislative History

H.R. 758 was introduced in the House on February 13, 2003, by Mrs. Kelly and four original cosponsors, and referred to the Committee on Financial Services. On March 5, 2003, the bill was referred to the Subcommittee on Financial Institutions and Consumer Credit.

On March 5, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing on H.R. 758 and H.R. 859. On March 13, 2003, the Subcommittee on Financial Institutions and Consumer Credit was discharged from the further consideration of the bill by unanimous consent and the Committee on Financial Services met in open session and ordered the bill reported, with an amendment, by a voice vote. The amendment approved by the Committee contained, in part, the language similar to H.R. 859. On March 31, 2003, the Committee on Financial Services reported H.R. 758 to the House (H. Rept. 108-53).

On April 1, 2003, the House considered H.R. 758 under suspension of the rules, and passed the bill, as amended, by a voice vote. The bill was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs on April 2, 2003.

The text of H.R. 758, as passed by the House, was also included in H.R. 1375, the Financial Services Regulatory Relief Act, which passed the House on March 22, 2004. For further action, see the entry for H.R. 1375.

FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2004

(H.R. 1375; S. 1947)

To provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

Summary

H.R. 1375, the Financial Services Regulatory Relief Act of 2004, is intended to alter or eliminate statutory banking provisions in order to reduce the regulatory compliance burden on insured depository institutions and improve their productivity, as well as to make needed technical corrections to current statutes. H.R. 1375 is also intended to counterbalance the additional regulatory burden placed on insured depository institutions in the USA PATRIOT Act (Public Law 107-56) to focus their compliance efforts on combating money laundering and terrorist financing.

For banks, H.R. 1375: (1) removes the prohibition on national and State banks from expanding across State lines by opening branches; (2) allows the use of subordinated debt instruments to meet eligibility requirements for national banks to benefit from Subchapter S tax treatment; (3) eliminates unnecessary and costly reporting requirements on banks regarding lending to bank officials; (4) changes the exemption from the prohibition on management interlocks for banks in metropolitan statistical areas from \$20 million in assets to \$100 million; and (5) streamlines bank merger application requirements.

For savings associations, the bill: (1) removes lending limits on small business and auto loans and increases the limit on other business loans; (2) gives these institutions parity with banks with respect to broker-dealer and investment adviser SEC registration requirements; (3) allows Federal thrifts to merge with one or more of their non-thrift subsidiaries or affiliates, the same as national banks; (4) permits investment in service companies without regard to geographic restrictions; and (5) gives thrifts the same authority as national and State banks to make investments primarily designed to promote community development.

For credit unions, the bill: (1) expands the investment authority of Federal credit unions; (2) increases the general limit on the term of Federal credit union loans from 12 to 15 years; (3) increases the limit on investment by Federal credit unions in credit union service organizations from one percent to three percent of shares and earnings; (4) permits privately insured credit unions to be eligible to join a Federal Home Loan Bank; and (5) eases restrictions on voluntary mergers between healthy credit unions.

For Federal financial regulatory agencies, the bill includes these provisions: (1) provides agencies the discretion to adjust the examination cycle for insured depository institutions to use agency resources in the most efficient manner; (2) allows the agencies to share confidential supervisory information concerning an examined institution; (3) modernizes agency recordkeeping requirements to allow use of optically imaged or computer scanned images; (4) clarifies that agencies may suspend or prohibit individuals charged with certain crimes from participation in the affairs of any depository institution and not only the institution with which the indi-

vidual is associated; and (5) strengthens agency enforcement of written agreements when an institution-affiliated party or controlling shareholder agrees to provide capital to the depository institution.

Legislative History

H.R. 1375 was introduced in the House by Mrs. Capito on March 20, 2003, with three original cosponsors, and referred to the Committee on Financial Services. On March 27, 2003, the bill was referred to the Subcommittee on Financial Institutions and Consumer Credit.

On March 27, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a legislative hearing on H.R. 1375. On April 9, 2003, the Subcommittee on Financial Institutions and Consumer Credit met in open session and approved H.R. 1375 for full Committee consideration, as amended, by a voice vote. On May 21, 2003, the Committee on Financial Services met in open session and ordered the bill reported to the House, with an amendment, by a voice vote. On June 12, 2003, the Committee on Financial Services reported H.R. 1375 to the House, with an amendment (H. Rept. 108–152, Part I).

On June 12, 2003, H.R. 1375 was sequentially referred to the Committee on the Judiciary through July 14, 2003. On July 14, 2003, the Committee on the Judiciary reported H.R. 1375 to the House (H. Rept. 108–152, Part II).

On March 16, 2004, the Committee on Financial Services filed a supplemental report on H.R. 1375 correcting certain Committee votes (H. Rept. 108–152, Part III). On March 17, 2004, the Committee on Rules reported a modified closed rule for the consideration of H.R. 1375 (H. Res. 566). On March 18, 2004, H. Res. 566 was agreed to by a voice vote. On the same date, the House considered and passed H.R. 1375, as amended, by a record vote of 392 yeas and 25 nays. On March 22, 2004, H.R. 1375 was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

No further action was taken on this measure in the 108th Congress.

On November 24, 2003, Senator Leahy introduced S. 1947, the Preserving Independence of Financial Institution Examinations Act of 2003, which contained provisions substantially similar to section 613 of H.R. 1375, as reported by the Committee on Financial Services. S. 1947 was passed by the Senate by unanimous consent on November 24, 2003, and received in the House on November 25, 2003, where it was referred to the Committee on the Judiciary. On December 8, 2003, the Committee on the Judiciary was discharged from further consideration of S. 1947, and the bill was considered by the House by unanimous consent. The bill passed the House without objection, clearing it for the White House. The bill was presented to the President on December 11, 2003, and signed into law on December 19, 2003, becoming Public Law 108–198.

UNITED STATES FINANCIAL POLICY COMMITTEE FOR FAIR CAPITAL
STANDARDS ACT

(H.R. 2043)

To establish a mechanism for developing uniform United States positions on issues before the Basel Committee on Banking Supervision at the Bank for International Settlements (BIS), to require a review of the most recent recommendation of the Basel Committee for an accord on capital standards, and for other purposes.

Summary

H.R. 2043, the United States Financial Policy Committee for Fair Capital Standards Act, establishes an inter-agency financial policy committee among the Federal financial regulators, chaired by the Secretary of the Treasury. This committee is charged with establishing a unified position of the United States prior to entering into negotiations in the Basel Committee on Banking Supervision at the BIS. The financial policy committee must report its positions to Congress prior to entering into negotiations at the BIS.

Legislative History

H.R. 2043 was introduced in the House by Mr. Bachus and three original cosponsors on May 9, 2003, and was referred to the Committee on Financial Services. On May 23, 2003, the bill was referred to the Subcommittee on Financial Institutions and Consumer Credit. On July 16, 2003, the Subcommittee met in open session and approved H.R. 2043, as amended, for full Committee consideration by a record vote of 42 yeas and no nays.

No further action was taken on this measure in the 108th Congress.

OVERSIGHT ACTIVITIES

FAIR CREDIT REPORTING ACT

In connection with the Committee's comprehensive review of the expiring uniform national standards contained in the Fair Credit Reporting Act (FCRA)—which culminated in the enactment of the Fair and Accurate Credit Transactions Act (Public Law 108-159)—the Subcommittee on Financial Institutions and Consumer Credit held a series of oversight hearings on the national credit reporting system during the first session of the 108th Congress. The hearings covered a wide variety of subjects, and featured testimony from upwards of 100 witnesses representing a broad range of Federal and State government agencies, financial services providers, and consumer groups. In addition to highlighting the importance of uniform national standards to the availability of affordable consumer credit in the United States, the hearings focused on solutions to the growing crime of identity theft, in which a perpetrator assumes the identity of a victim in order to obtain financial products and services in the victim's name.

On May 8, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "The Importance of the National Credit Reporting System to Consumers and the U.S. Economy." The Subcommittee reviewed the economic benefits of a

national credit reporting system and current consumer protections under the FCRA, as well as the importance of a uniform national credit system to the retail operations of commercial users and furnishers of credit reporting data.

On June 4, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Fair Credit Reporting Act: How it Functions for Consumers and the Economy.” Among the topics covered at this hearing were the role of the States in enforcing the FCRA; how credit reports, credit scores, and prescreened information are used by the lending, mortgage, consumer finance, insurance, and non-financial industries; the accuracy of credit reports; and the role of national uniform standards in improving markets for consumers, including how such uniformity affects the availability, affordability, and timeliness of financial products and services.

On June 12, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “The Role of FCRA in the Credit Granting Process.” The hearing examined the use of credit reports in the mortgage lending process as well as in other forms of consumer lending, including credit cards and bank loans.

On June 17, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “The Role of FCRA in Employee Background Checks and the Collection of Medical Information.” The Subcommittee examined the role of the FCRA in employee background checks and investigations of employee misconduct, as well as in the collection and use of medical information by financial services firms. Much of the testimony at this hearing focused on the ill effects of a 1999 Federal Trade Commission staff opinion letter that had the unintended consequence of deterring employers from using outside firms to investigate allegations of workplace misconduct, including racial discrimination and sexual harassment claims.

On June 24, 2003, the Subcommittee on Financial Institutions and Consumer Credit held its final hearing on the FCRA, entitled “Fighting Identity Theft—The Role of FCRA.” The hearing highlighted current enforcement efforts to apprehend and prosecute identity thieves, the experiences of consumers victimized by identity theft, and innovative private sector efforts to prevent identity theft and assist victims.

FIGHTING FRAUD: IMPROVING INFORMATION SECURITY

On April 3, 2003, the Subcommittees on Oversight and Investigations and Financial Institutions and Consumer Credit held a joint hearing entitled “Fighting Fraud: Improving Information Security” to examine three specific cases in which breaches of data security or failures of internal controls resulted in the inadvertent disclosure of consumers’ personal financial information. The hearing focused on strategies for coordinating the efforts of credit issuers, third-party vendors that process transactions, credit bureaus, and law enforcement agencies in limiting harm to consumers when data security is breached. Witnesses testifying at the hearing included representatives of the Federal Bureau of Investigation, the U.S. Secret Service, and the Federal Trade Commission, as well as industry and consumer groups.

FINANCING EMPLOYEE OWNERSHIP PROGRAMS: AN OVERVIEW

On June 10, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Financing Employee Ownership Programs: An Overview” to examine proposals to provide commercial financial institutions incentives to finance employee buy-outs through the creation of Employee Stock Ownership Plans (ESOPs) or Eligible Worker Owned Cooperatives (EWOCs). The hearing explored the merits of creating a U.S. Employee Ownership Bank within the Treasury Department to provide loan guarantees, subordinated loans, technical assistance and education to employees who would like to buy their own companies by establishing an ESOP or EWOC. Witnesses at the hearing included representatives of ESOP trade associations, individuals who have participated in employee buy-outs, and experts in the field.

SERVING THE UNDERSERVED: INITIATIVES TO BROADEN ACCESS TO THE FINANCIAL MAINSTREAM

On June 26, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Serving the Underserved: Initiatives to Broaden Access to the Financial Mainstream” on initiatives to make financial products and services more accessible to the “unbanked,” those who have not historically taken advantage of such services. The hearing focused on innovative strategies in the public and private sectors for expanding access to mainstream financial services and promoting greater financial awareness. Among the issues addressed were the increasing use of international remittances and the growing acceptance of consular identification cards by banks and other financial institutions as a means of customer verification. Witnesses testifying at the hearing included officials from the Treasury Department and the National Credit Union Administration, as well as representatives of various financial institutions and a national non-profit self-help organization.

SUBPRIME LENDING

The Subcommittees on Housing and Community Opportunity and Financial Institutions and Consumer Credit held three joint hearings on issues related to the topic of predatory lending.

On November 5, 2003, the Subcommittee on Financial Institutions and Consumer Credit and the Subcommittee on Housing and Community Opportunity held a joint hearing entitled “Protecting Homeowners: Preventing Abusive Lending While Preserving Access to Credit” on the subprime mortgage lending industry in the United States. The hearing focused on ways to eliminate abusive practices in the mortgage origination process and in the secondary mortgage market while preserving and promoting access to affordable credit for consumers. Witnesses testifying at the hearing included a State attorney general and representatives of various industry and consumer groups.

On March 30, 2004, the Subcommittee on Housing and Community Opportunity and the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Subprime Lending: Defining the Market and its Consumers” to examine the growing

subprime mortgage lending industry in the United States, with a particular focus on the dynamics of this market and its ability to offer more customized mortgage products to meet customers' varying credit needs. In addition, the hearing focused on defining a typical subprime customer, and on the advantages and disadvantages that the subprime market poses to the financial security of these customers. Witnesses testifying at this hearing included leading experts in the field, as well as representatives from various consumer and industry groups.

On June 23, 2004, the Subcommittees on Housing and Community Opportunity and Financial Institutions and Consumer Credit held a joint hearing entitled "Promoting Homeownership by Ensuring Liquidity in the Subprime Mortgage Market" to explore the role that the secondary mortgage market plays in providing liquidity to the subprime lending industry and creating homeownership opportunities for American consumers. Much of the testimony centered on the appropriate standard for assigning liability to secondary market participants. Witnesses testifying at this hearing included a representative of a State attorney general's office, various industry groups, a consumer group, and an expert in the field.

CUTTING THROUGH RED TAPE: REGULATORY RELIEF FOR AMERICA'S COMMUNITY-BASED BANKS

On May 12, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Cutting Through Red Tape: Regulatory Relief for America's Community-Based Banks" on how to strengthen and preserve the role that small banks serve in their communities, by reducing or eliminating the burdens imposed on those institutions by outdated or unnecessary regulatory requirements. The Financial Services Regulatory Relief Act (H.R. 1375), which passed the House of Representatives earlier in the year, was also discussed. Witnesses at the hearing included representatives of the Department of the Treasury, the Federal Deposit Insurance Corporation, the Conference of State Bank Supervisors, and industry and consumer groups.

CREDIT UNION REGULATORY IMPROVEMENTS

On July 20, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Credit Union Regulatory Improvements" to examine the regulatory challenges faced by federal and state-chartered credit unions. The hearing focused on the state of the credit union industry, and on specific legislative proposals to improve the regulatory environment in which credit unions operate. Witnesses at the hearing included representatives of the National Credit Union Administration, as well as industry and consumer groups.

FINANCIAL SERVICES ISSUES: A CONSUMER'S PERSPECTIVE

On September 15, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Financial Services Issues: A Consumer's Perspective" to examine a broad range of consumer protection issues as requested by various Committee members throughout the year. Among the issues discussed were re-

fund anticipation loans, credit and debit card interchange fees, overdraft protection, performance-based pricing and use of external delinquencies in the setting of credit card rates, ATM fraud, and financial literacy. Witnesses testifying at this hearing included representatives from industry and consumer groups.

BASEL ACCORD

On June 22, 2004, the Subcommittee on Financial Institutions and Consumer Credit held an oversight hearing entitled, “The New Basel Accord: Private Sector Perspectives.” The Subcommittee has closely monitored the Basel II negotiations process and has been interested in the impact this agreement will have on financial institutions in the U.S., as well as competition in international markets. The Subcommittee heard testimony from bank executives representing large and small institutions that may be affected by the proposed Basel II Accord, as well as from a financial trade association.

HEARINGS HELD

The Business Checking Freedom Act of 2003. Legislative hearing on the Business Checking Freedom Act of 2003, H.R. 758 and H.R. 859. March 5, 2003. PRINTED, serial no. 108–8.

The Financial Services Regulatory Relief Act of 2003. Legislative hearing on H.R. 1375, the Financial Services Regulatory Relief Act of 2003. March 27, 2003. PRINTED, serial no. 108–15.

Fighting Fraud: Improving Information Security. Joint hearing with the Subcommittee on Oversight and Investigations entitled “Fighting Fraud: Improving Information Security.” April 3, 2003. PRINTED, serial no. 108–19.

Check Clearing for the 21st Century Act. Legislative hearing on H.R. 1474, the Check Clearing for the 21st Century Act. April 8, 2003. PRINTED, serial no. 108–20.

The Importance of the National Credit Reporting System to Consumers and the U.S. Economy. Hearing entitled “The Importance of the National Credit Reporting System to Consumers and the U.S. Economy.” May 8, 2003. PRINTED, serial no. 108–26.

Fair Credit Reporting Act: How it Functions for Consumers and the Economy. Hearing entitled “The Fair Credit Reporting Act: How it Functions for Consumers and the Economy.” June 4, 2003. PRINTED, serial no. 108–33.

Financing Employee Ownership Programs: An Overview. Hearing entitled “Financing Employee Ownership Programs: An Overview.” June 10, 2003. PRINTED, serial no. 108–35.

The Role of FCRA in the Credit Granting Process. Hearing entitled “The Role of FCRA in the Credit Granting Process.” June 12, 2003. PRINTED, serial no. 108–37.

The Role of FCRA in Employee Background Checks and the Collection of Medical Information. Hearing entitled “The Role of FCRA in Employee Background Checks and the Collection of Medical Information.” June 17, 2003. PRINTED, serial no. 108–38.

The New Basel Accord—In Search of a Unified U.S. Position. Hearing entitled “The New Basel Accord—In Search of a Unified U.S. Position.” June 19, 2003. PRINTED, serial no. 108–40.

Fighting Identity Theft—The Role of FCRA. Hearing entitled “Fighting Identity Theft—The Role of FCRA.” June 24, 2003. PRINTED, serial no. 108–42.

Serving the Underserved: Initiatives to Broaden Access to the Financial Mainstream. Hearing entitled “Serving the Underserved: Initiatives to Broaden Access to the Financial Mainstream.” June 26, 2003. PRINTED, serial no. 108–45.

Protecting Homeowners: Preventing Abusive Lending While Preserving Access to Credit. Joint hearing with the Subcommittee on Housing and Community Opportunity entitled “Protecting Homeowners: Preventing Abusive Lending While Preserving Access to Credit.” November 5, 2003. PRINTED, serial no. 108–62.

Subprime Lending: Defining the Market and Its Customers. Joint hearing with the Subcommittee on Housing and Community Opportunity entitled “Subprime Lending: Defining the Market and its Customers.” March 30, 2004. PRINTED, serial no. 108–76.

Cutting Through the Red Tape: Regulatory Relief for America’s Community-Based Banks. Hearing entitled “Cutting Through the Red Tape: Regulatory Relief for America’s Community-Based Banks.” May 12, 2004. Serial no. 108–85.

The New Basel Accord: Private Sector Perspectives. Hearing entitled “The New Basel Accord: Private Sector Perspectives.” June 22, 2004. Serial no. 108–96.

Promoting Homeownership by Ensuring Liquidity in the Subprime Mortgage Market. Joint hearing with the Subcommittee on Housing and Community Opportunity entitled “Promoting Homeownership by Ensuring Liquidity in the Subprime Mortgage Market.” June 23, 2004. PRINTED, serial no. 108–97.

Credit Union Regulatory Improvements. Hearing entitled “Credit Union Regulatory Improvements.” July 20, 2004. Serial no. 108–103.

Financial Services Issues: A Consumer’s Perspective. Hearing entitled “Financial Services Issues: A Consumer’s Perspective.” September 15, 2004. Serial no. 108–111.

SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

(Ratio: 14–12)

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(<i>Vacancy</i>)	BARNEY FRANK, Massachusetts
MICHAEL G. OXLEY, Ohio <i>ex officio</i>	<i>ex officio</i>

Mr. Sanders is an independent, but caucuses with the Democratic Caucus.

LEGISLATIVE ACTIVITIES

TORNADO SHELTERS ACT

Public Law 108–146 (H.R. 23)

To authorize communities to use community development block grant funds for construction of tornado-safe shelters in manufactured home parks.

Summary

H.R. 23 authorizes as an eligible activity, funds from the Community Development Block Grant program to be used to construct or improve tornado-safe shelters located in manufactured housing parks. To be eligible shelters must: (1) be located in a neighborhood or park that has twenty or more units; (2) consists predominately of low-and moderate-income people; (3) be in an area where a tornado occurred within the current or three previous fiscal years; and (4) be located in a neighborhood or park that has a warning siren. Finally, each shelter must comply with HUD's standards for construction and safety, and be of sufficient size to accommodate all residents of the manufactured housing park at one time.

Legislative History

H.R. 23, the Tornado Shelters Act, was introduced by Mr. Bachus on January 7, 2003, and referred to the Committee on Financial Services. The bill was referred to the Subcommittee on Housing and Community Opportunity on February 27, 2003.

On May 7, 2003, the Subcommittee considered and approved H.R. 23 for full Committee consideration, as amended. On May 21,

2003, the full Committee met in open session and ordered the bill to be reported with a favorable recommendation to the House, with an amendment, by a voice vote. On June 12, 2003, the Committee reported the bill to the House, with an amendment (H. Rept. 108–151).

On July 21, 2003, the House considered the bill under suspension of the rules and passed the bill with an amendment by a voice vote. On July 22, 2003, H.R. 23 was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On November 18, 2003, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the bill and the Senate passed the bill without amendment by unanimous consent.

The bill was presented to the President on November 24, 2003, and signed into law on December 3, 2003, becoming Public Law 108–146.

AMERICAN DREAM DOWNPAYMENT ACT OF 2003

Public Law 108–186 (S. 811; H.R. 1276; H.R. 1443; H.R. 1614; H.R. 1985; H.R. 2422; S. 381, S. 1714)

To authorize the Secretary of HUD to make grants to participating jurisdictions for downpayment assistance to low-income, first-time home buyers.

Summary

H.R. 1276, the American Dream Downpayment Act, amends the Cranston-Gonzalez National Affordable Housing Act to authorize the Secretary of Housing and Urban Development to make grants to participating jurisdictions for downpayment assistance to low-income, first-time home buyers. The program will be administered under HUD's Home Investment Partnerships Program (HOME), an existing grant program that helps communities nationwide expand the supply of standard, affordable housing for low and very low income families.

The legislation, as enacted, also included provisions similar to H.R. 1443, the Access to Affordable Mortgages Act, H.R. 1614, the HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003, H.R. 1985 and S. 1714, both entitled the FHA Multifamily Loan Limit Adjustment Act of 2003, H.R. 2422, the Insular Areas Community Development Act, and S. 381, the Living Equitably: Grandparents Aiding Children and Youth Act of 2003. For descriptions of the provisions of those measures, see the entries for those bills.

Legislative History

H.R. 1276, the American Dream Downpayment Act, was introduced on March 13, 2003, by Ms. Harris and 31 original cosponsors and referred to the Committee on Financial Services. The bill was referred to the Subcommittee on Housing and Community Opportunity on March 28, 2003.

The Subcommittee held a legislative hearing on April 8, 2003. On May 7, 2003, the Subcommittee met in open session and approved

H.R. 1276 for full Committee consideration as amended. The full Committee met in open session on May 21, 2003, and ordered the bill favorably reported to the House, with an amendment, by a voice vote. On June 19, 2004, the Committee reported the bill to the House, with an amendment (H. Rept. 108–164).

On October 1, 2003, the House considered H.R. 1276 under suspension of the rules and passed the bill with an amendment by a voice vote. On October 2, 2003, this bill was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

The Senate companion legislation, S. 811, was introduced on April 8, 2003, by Senator Allard, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. The Senate Committee on Banking, Housing, and Urban Affairs ordered the bill favorably reported to the Senate with an amendment on October 15, 2003, although the bill was never reported.

On November 24, 2003, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of S. 811, and the Senate passed the bill with an amendment by unanimous consent. In addition to the provisions of the original bill, the amendment added provisions similar to H.R. 1443, the Access to Affordable Mortgages Act, H.R. 1614, the HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003, H.R. 1985 and S. 1714, both entitled the FHA Multifamily Loan Limit Adjustment Act of 2003, H.R. 2422, the Insular Areas Community Development Act, and S. 381, the Living Equitably: Grandparents Aiding Children and Youth Act of 2003. This amendment was the result of negotiations between the House and Senate.

On November 25, 2003, the House received S. 811 and the bill was held at the desk. The House passed the bill without further amendment by unanimous consent on December 8, 2003, clearing the bill for the White House.

S. 811 was presented to the President on December 11, 2003, and signed into law on December 16, 2003, becoming Public Law 108–186.

HOPE VI PROGRAM REAUTHORIZATION AND SMALL COMMUNITY MAIN STREET REJUVENATION AND HOUSING ACT OF 2003

Public Law 108–186 (S. 811; H.R. 1614)

To reauthorize the HOPE VI program for revitalization of severely distressed public housing and to provide financial assistance under such program for main street revitalization or redevelopment projects in smaller communities to support the development of affordable housing for low-income families in connection with such projects, and for other purposes.

Summary

The HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003, amends the United States Housing Act of 1937 to revise criteria for HOPE VI (urban revitalization demonstration program) grants, including ad-

dition of criteria regarding tenant displacement, existing tenant occupancy priority, and timeliness of project completion.

The bill also revises the definition of “severely distressed public housing” to include: (1) buildings or projects that include very low-income elderly or non-elderly disabled persons; and (2) areas lacking sufficient affordable housing, transportation, supportive services, economic opportunity, schools, civic and religious institutions, and public services.

In addition to reauthorizing the program through September 30, 2005, the bill includes provisions to allow five percent of HOPE VI funds to assist smaller communities to provide affordable low-income housing in connection with main street revitalization or redevelopment projects. The legislation also authorizes main street grants (maximum \$1 million per year) to smaller communities for affordable low-income housing in a commercial area in connection with an eligible project. The legislation requires that a project be focused on: (1) joint public-private revitalization or redevelopment of a historic or traditional commercial area; and (2) affordable housing rather than severely distressed public housing.

For purposes of the legislation, the term “smaller community” is defined as a local government unit that: (1) has a population of under 30,000, and is without a public housing agency; or (2) has a public housing agency that administers 100 or fewer public housing dwelling units; and the term “affordable housing” is defined as rental or homeownership units that are made available for initial occupancy subject to the same income and occupant contribution rules as dwelling units in public housing projects assisted with HOPE VI grants.

Legislative History

H.R. 1614, the HOPE VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003, was introduced on April 3, 2003, by Mr. Leach and three original cosponsors and referred to the Committee on Financial Services. It was referred to the Subcommittee on Housing and Community Opportunity on May 7, 2003.

The Subcommittee considered and approved the bill for full Committee consideration, as amended, on May 21, 2003, by a voice vote. On June 19, 2003, the full Committee met in open session and ordered H.R. 1614 favorably reported to the House, with an amendment, by a voice vote. The Committee reported H.R. 1614 to the House, with an amendment, on June 19, 2003 (H. Rept. 108–165).

While no further action was taken directly on this measure, provisions similar to those of H.R. 1614 were ultimately incorporated into S. 811, the American Dream Downpayment Act. For further action, see the entry for the American Dream Downpayment Act.

FHA MUTIFAMILY LOAN LIMIT ADJUSTMENT ACT OF 2003

Public Law 108–186 (S. 811; H.R. 1985; S. 1714)

To amend the National Housing Act to increase the maximum mortgage amount limit for FHA-insured mortgages for multifamily housing located in high-cost areas.

Summary

The legislation amends the National Housing Act to increase Federal Housing Administration (FHA) project-based loan limits in high-cost areas for: (1) rental housing; (2) cooperative housing; (3) rehabilitation and neighborhood conservation housing; (4) moderate income and displaced family housing; (5) housing for the elderly; and (6) condominiums. In addition, the bill increases: (1) “amount per space” rental housing mortgage limits; and (2) certain cooperative housing mortgage limits.

Legislative History

H.R. 1985 was introduced by Mr. Gary G. Miller of California on May 6, 2003, with three original cosponsors and referred to the Committee on Financial Services. On May 6, 2003, the bill was referred to the Subcommittee on Housing and Community Opportunity on May 23, 2003.

On July 22, 2003, the Subcommittee held a legislative hearing, immediately after which the Subcommittee considered and approved the bill, as amended, for full Committee consideration by a voice vote. On July 23, 2003, the full Committee met in open session and ordered H.R. 1985 favorably reported to the House, with an amendment, by a voice vote. On September 3, 2003, the Committee reported this bill, with an amendment, to the House (H. Rept. 108–247).

On October 7, 2003, the House considered the measure under suspension of the rules and passed the bill, with an amendment, by a voice vote. On October 14, 2003, this bill was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

The Senate companion legislation, S. 1714, was introduced by Senator Corzine on October 3, 2003, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

While no further action was taken directly on either of these measures, provisions similar to those of H.R. 1985 and S. 1714 were ultimately incorporated into S. 811, the American Dream Downpayment Act. For further action, see the entry for the American Dream Downpayment Act.

ACCESS TO AFFORDABLE MORTGAGES ACT

Public Law 108–186 (S. 811; H.R. 1443)

To amend section 251 of the National Housing Act to enable homebuyers to make use of the authority of the Secretary of Housing and Urban Development to insure hybrid adjustable rate mortgages.

Summary

Currently, the Federal Housing Administration may insure a hybrid adjustable rate mortgage (ARM) if the initial interest rate remains fixed for at least the first three years of the mortgage. The annual adjustment of the rate may be no more than one percent. A hybrid adjustable rate mortgage has a fixed rate for a set period of time (such as one, three, five, or seven years), after which the rate will be adjusted every year. Under current law, the first ad-

justment to an FHA ARM can be more than one percent if the fixed term is more than five years. The adjusted rate cannot be more than five percentage points above the initial fixed rate. The bill would make a technical change from a five to three year fixed term threshold before an FHA ARM interest rate adjustment could be more than one percent. This change will allow the FHA to offer more flexible 5/1 hybrid ARMs.

Legislative History

H.R. 1443, the Access to Affordable Mortgages Act, was introduced on March 26, 2003, by Mr. Calvert and three original cosponsors and referred to the House Financial Services Committee. On April 10, 2003, this bill was referred to the Subcommittee on Housing and Community Opportunity.

While no action was taken directly on this legislation, provisions similar to those of H.R. 1443 were ultimately incorporated into S. 811, the American Dream Downpayment Act. For further action, see the entry for the American Dream Downpayment Act.

CDBG/SECTION 108 LOAN GUARANTEE AUTHORITY FOR INSULAR AREAS

Public Law 108–186 (S. 811; H.R. 2422)

To authorize the Secretary of Housing and Urban Development to guarantee community development loans to the insular areas.

Summary

H.R. 2422 amends the Housing and Community Development Act of 1974 to make Guam, the Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands (CNMI) eligible for community development loan guarantees by including them within the definition of “eligible public entity.”

However, the language that ultimately was included in Public Law 108–186 authorizes the CDBG allotments to Guam, American Samoa, the Virgin Islands, and the CNMI under section 106 as opposed to section 107, as current law provides. The move to section 106 makes the CDBG funds to insular areas as certain as any other CDBG recipient, enabling HUD to estimate future CDBG receipts, whether purely on a population basis as is currently done or using a new formula based on additional census data. This allows insular areas to utilize funds under the section 108 loan guarantee program.

In order to make funds available under section 108, HUD needs to ensure future repayment of the loans. The primary method is the loan recipient secures the loan on the basis of the stream of future CDBG receipts. If the funding is merely discretionary (as is the case under section 107), additional security is needed, as well as charging a higher interest rate to protect the investment. Since the two primary sources of income for insular areas are tourism and Federal funding, such as tax receipts and military base support, HUD is reluctant to make a section 108 loan commitment without future CDBG receipts.

Legislative History

H.R. 2422 was introduced on June 11, 2003, by Ms. Bordallo and referred to the Committee on Financial Services. This bill was referred to the Subcommittee on Housing and Community Opportunity on June 23, 2003.

While no action was taken directly on this legislation, provisions similar to those of H.R. 2422 were ultimately incorporated into S. 811, the American Dream Downpayment Act. For further action, see the entry for the American Dream Downpayment Act.

GNMA AUTHORIZATION TO SECURITIZE RURAL HOUSING SERVICE
MULTIFAMILY LOANS

Public Law 108–199 (H.R. 2673; H.R. 2740)

To amend the National Housing Act to authorize the Government National Mortgage Association to guarantee securities backed by loans guaranteed by the Rural Housing Service under section 538 of the Housing Act of 1949.

Summary

H.R. 2740, the Rural Multifamily Housing Loan Guarantee and Ginnie Mae Corrections Act, amends the National Housing Act to clarify that the Government National Mortgage Association (Ginnie Mae) may guarantee securities backed by loans insured or guaranteed by the Rural Housing Service under title V of the Housing Act of 1949. Current law refers only to loans insured under title V.

Legislative History

H.R. 2740 was introduced by Mr. Bereuter and three original co-sponsors on July 15, 2003, and referred to the Committee on Financial Services. The bill was referred to the Subcommittee on Housing and Community Opportunity on August 4, 2003.

While no action was taken directly on the legislation, provisions similar to those in H.R. 2740 were included as section 774 of title VII of division A of H.R. 2673, the Consolidated Appropriations Act, 2004. The conference report to accompany H.R. 2673 was filed in the House on November 25, 2003 (H. Rept. 108–401). The House agreed to the conference report on December 8, 2003, by a record vote of 242 yeas and 176 nays. The Senate began consideration of the conference report on December 9, 2003, and invoked cloture on January 22, 2004, by a roll call vote of 61 yeas and 32 nays. The Senate agreed to the conference report on January 22, 2004 by a roll call vote of 65 yeas and 28 nays.

The bill was presented to the President on January 22, 2004, and signed into law on January 23, 2004, becoming Public Law 108–199.

ENERGY EFFICIENT HOUSING TECHNICAL CORRECTION ACT

Public Law 108–213 (H.R. 3724)

To amend Section 220 of the National Housing Act to make a technical correction to restore allowable increases in the maximum mortgage limits for FHA-insured mortgages for multifamily hous-

ing projects to cover increased costs of installing a solar energy system or other residential energy conservation measures.

Summary

Congress passed the FHA Downpayment Simplification Act in 2002 which streamlined the downpayment process and increased the base mortgage limits for FHA-insured loans. This legislation restricted projects eligible for increased loan limits to those projects containing fewer than five units and incorporating improved energy efficient systems. As a result, housing projects with five or fewer units were permitted FHA insurance in amounts up to 20 percent higher than the standard limit for the purpose of making environmental improvements. H.R. 3724 makes a technical change to amend the National Housing Act by allowing the Secretary of HUD to increase FHA loan limits from the current 20 percent up to 30 percent, in order to account for the increased cost of a solar energy system or other residential energy conservation measures.

Legislative History

H.R. 3724, the Energy Efficient Housing Technical Correction Act, was introduced by Mr. Shays on January 21, 2004, and referred to the Committee on Financial Services.

On February 3, 2004, H.R. 3724 was considered under suspension of the rules and passed the House by a voice vote. The bill was received in the Senate on February 4, 2004, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On March 12, 2004, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the bill and it was passed by the Senate by unanimous consent, clearing the bill for the White House. H.R. 3724 was presented to the President on March 23, 2004, and signed into law on April 1, 2004, becoming Public Law 108-213.

BUNNING-BEREUTER-BLUMENAUER FLOOD INSURANCE REFORM ACT OF
2004

Public Law 108-264 (H.R. 253, S. 2238)

To amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitive flood insurance claim payments have been made.

Summary

The Flood Insurance Reform Act of 2004 requires those persons living in frequently-flooded areas to reduce their risk of flooding. In addition to reauthorizing the National Flood Insurance Program (NFIP) through September 30, 2008, the legislation addresses severe repetitive loss properties through a pilot program for mitigation of these properties. Under this legislation, the owner of a severe repetitive loss property is charged a rate closer to the actuarial level for a flood insurance policy if two conditions prevail. The first condition is that a property must be classified as a severe repetitive loss property, and the second condition is that the owner of the property must have refused a government-sponsored mitigation offer.

Severe repetitive loss properties are defined in the legislation as properties for which four or more separate flood insurance claims payments have been made under the National Flood Insurance Program, with the amount of each of those claims exceeding \$5,000, and with the cumulative amount of such claims payments exceeding \$20,000; or for which two or more separate NFIP claims payments cumulatively exceed the value of the insured property.

If an offer for mitigation under the pilot program (such as an elevation of the structure or a buy-out of the property) is refused and an appeal is unsuccessful, rates for severe repetitive loss properties will be increased by 50 percent. Properties will be subject to additional 50 percent increases for each subsequent flood event where claims payments exceed \$1500.

The legislation authorizes up to an additional \$40 million for fiscal years 2004, 2005, 2006, 2007, and 2008 to be transferred from the National Flood Insurance Fund to the National Flood Mitigation Fund for severe repetitive loss properties for the pilot program and will remain available until expended.

Legislative History

H.R. 253 was introduced by Mr. Bereuter on January 8, 2003 with four original cosponsors and referred to the Committee on Financial Services. On February 27, 2003, the bill was referred to the Subcommittee on Housing and Community Opportunity.

On July 23, 2003, the Subcommittee was discharged from the further consideration of the bill and the full Committee met in open session to consider the bill. The Committee ordered H.R. 253 reported to the House with a favorable recommendation, with an amendment, by a voice vote. On September 5, 2003, the Committee reported the bill to the House with an amendment (H. Rept. 108-266).

The House considered the bill under suspension of the rules on November 20, 2003, and passed H.R. 253, with an amendment, by a record vote of 352 yeas and 67 nays. On December 9, 2003, H.R. 253 was received in the Senate, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On March 25, 2004, S. 2238, the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 was introduced by Senator Bunning with five original cosponsors. It was read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On May 13, 2004, the bill was reported to the Senate as amended by the Senate Committee on Banking, Housing, and Urban Affairs with a written report (S. Rept. 108-262).

The Senate passed S. 2238, with an amendment, by unanimous consent on June 15, 2004. On June 16, 2004, S. 2238 was received in the House. On June 21, 2004, the bill was considered under suspension of the rules and passed the House by a voice vote. Certain corrections were made to the enrollment of the bill pursuant to H. Con. Res. 458, which passed both the House and Senate by unanimous consent on June 21, 2004.

On June 23, 2004, this legislation was presented to the President signed into law on June 30, 2004, becoming Public Law 108-264.

HELPING HANDS FOR HOMEOWNERSHIP ACT OF 2004

Public Law 108–285 (H.R. 4363)

To facilitate self-help housing homeownership opportunities.

Summary

H.R. 4363, the Helping Hands for Homeownership Act of 2004, makes a technical correction to the Housing Opportunity Program Extension Act of 1996 to allow families who receive homes from groups such as Habitat for Humanity (Habitat) and the Housing Assistance Council (HAC) to fulfill the “sweat equity” requirement for receiving Self-Help Homeownership Opportunity Program (SHOP) funds not only by helping to build their own homes, but also by helping to build other self-help homes in the community. H.R. 4363 will achieve this technical change by striking the word “dwelling” and replacing it with “dwellings” in paragraph (1) of section 11(b) of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note). In addition, the legislation re-designates subsection (h) of section 502 of the National Housing Act of 1949 (42 U.S.C. 1472(h)) as the “Doug Bereuter Section 502 Single Family Housing Loan Guarantee Act.”

Legislative History

H.R. 4363 was introduced by Mr. Green of Wisconsin on May 13, 2004, and referred to the Committee on Financial Services. The Committee on Financial Services met in open session on June 3, 2004, and ordered H.R. 4363 reported to the House with a favorable recommendation, with an amendment, by a voice vote. On June 16, 2004, the Committee reported the bill to the House, with an amendment (H. Rept. 108–546). On June 21, 2004, the House considered the measure under suspension of the rules and passed the bill, with an amendment, by a record vote of 368 yeas and no nays.

H.R. 4363 was received in the Senate on June 22, 2004, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On July 14, 2004, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the bill and the Senate passed H.R. 4363 by unanimous consent, clearing the measure for the White House. H.R. 4363 was presented to the President on June 22, 2004, and signed into law on August 2, 2004, becoming Public Law 108–285.

PRESERVING THE ABILITY OF THE FHA TO INSURE MORTGAGES UNDER
SECTIONS 238 AND 519 OF THE NHA

Public Law 108–301 (S. 2712)

To preserve the ability of the Federal Housing Administration to insure mortgages under sections 238 and 519 of the National Housing Act.

Summary

S. 2712 raises the limits on FHA insurance by an additional \$4 billion for the General Insurance/Special Risk Insurance Fund for FY 2004, allowing the programs in that fund to continue to operate

throughout the fiscal year. The increase in commitment authority will support vital single family insurance programs for reverse mortgages for the elderly, rehabilitation loans and condominiums, plus all of FHA's multifamily programs providing mortgage insurance for affordable rental housing.

Legislative History

The bill was introduced in the Senate on July 21, 2004, by Senator Reed, read twice, and referred to the Senate Committee on Banking, Housing, and Urban Affairs. On July 22, 2004, the Senate Committee on Banking, Housing, and Urban Affairs was discharged from the further consideration of the bill and the Senate passed S. 2712 by unanimous consent.

Also on July 22, 2004, the House passed the bill by unanimous consent, clearing S. 2712 for the White House. The bill was presented to the President on July 28, 2004, and signed into law on August 9, 2004, becoming Public Law 108–301.

HOMEOWNERSHIP OPPORTUNITIES FOR NATIVE AMERICANS ACT OF
2004

Public Law 108–393 (H.R. 4471)

To clarify the loan guarantee authority under title VI of the Native American Housing Assistance and Self-Determination Act of 1996.

Summary

H.R. 4471, the Homeownership Opportunities for Native Americans Act of 2004, amends the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) to require Federal guarantees for tribal housing activities to guarantee repayment of 95 percent of the unpaid principal and interest due on the notes or other obligations.

Under title VI of NAHASDA (25 U.S.C. 4191 et seq.), HUD guarantees, with tribal approval, obligations issued by tribes or tribally-designated housing entities (TDHEs) to finance eligible affordable housing activities and community development activities related to affordable housing. The program requires issuers to pledge current and future Indian Housing Block Grant (IHBG) appropriations to the repayment of the guaranteed obligations. During the previous Administration, the Title VI program was operated at a 95 percent loan guarantee level. In fact, several loans are currently pending based on the 95 percent loan guarantee level. However, OMB asserts, by authority of OMB Circular A–129, that loan guarantees cannot exceed 80 percent in all cases where there is not explicit statutory authority to exceed that level. The statute for the Title VI program is silent regarding the loan guarantee level. H.R. 4471 amends NAHASDA to provide explicit statutory authority for the Title VI program to continue to operate at a 95 percent loan guarantee level.

Legislative History

H.R. 4471 was introduced by Mr. Renzi on June 1, 2004, and referred to the Committee on Financial Services. The Committee on

Financial Services met in open session on June 3, 2004, and ordered H.R. 4471 favorably reported to the House, by a voice vote. The bill was reported to the House on June 17, 2004 (H. Rept. 108–550).

On June 21, 2004, the House considered the bill under suspension of the rules and passed the bill by a voice vote. On June 22, 2004, the bill was received in the Senate, read twice, and referred to the Senate Committee on Indian Affairs with instructions that when the Committee reports, the bill be referred to the Committee on Banking, Housing, and Urban Affairs. On October 11, 2004, the Committee on Indian Affairs was discharged from the further consideration of the bill and the Senate passed H.R. 4471 without amendment by unanimous consent, clearing the bill for the White House.

On October 19, 2004, the bill was presented to the President and signed into law on October 30, 2004, becoming Public Law 108–393.

RECOGNIZING NATIONAL HOMEOWNERSHIP MONTH AND THE IMPORTANCE OF HOMEOWNERSHIP IN THE UNITED STATES

(H. Res. 658)

Recognizing National Homeownership Month and the importance of homeownership in the United States.

Summary

H. Res. 658 declares that the House: (1) supports the goals and ideals of National Homeownership Month (June 2004); and (2) recognizes the importance of homeownership in building strong communities and families in the United States.

Legislative History

H. Res. 658 was introduced by Mr. Gary G. Miller of California on June 1, 2004, and referred to the Committee on Financial Services. On June 22, 2004, the House considered the measure under suspension of the rules and the resolution was agreed to by a record vote of 415 yeas and 2 nays.

ZERO DOWNPAYMENT ACT OF 2004

(H.R. 3755)

To authorize the Secretary of Housing and Urban Development to insure zero-downpayment mortgages for one-unit residences.

Summary

H.R. 3755 amends the National Housing Act to authorize the Secretary of Housing and Urban Development to insure zero-downpayment mortgages for one-family residences. The Federal government would insure “no downpayment” home loans for first-time, credit-worthy buyers who lack the upfront cash. During consideration, the Committee added several provisions to protect both homebuyers and the Government from foreclosures. These safeguards included the following: a requirement establishing extensive counseling provisions, including pre-application loan counseling; an

option, exercised by the new homeowner, for foreclosure prevention counseling; and, full disclosure of the incremental costs of the loan.

In addition, the Committee included language that requires HUD to use an automated underwriting system to evaluate potential homebuyers; to establish a process to monitor lenders to ensure that they meet the participation requirements; to allow HUD the flexibility to charge a mortgage insurance premium, up to 2.25 percent, paid at the time of origination or mortgage closing, as well as to assess an annual premium charge up to .55 percent. The upfront and annual mortgage insurance premiums are designed to offset any potential increased risk.

In addition to these safeguards, the Committee included a performance trigger mechanism that would temporarily suspend the zero downpayment program when the overall claim rate to the FHA fund exceeds 3.5 percent. The claim rate is defined as the number of claims, or insurance actually paid due to a claim against the mortgage insurance premium, during the preceding 12 months on FHA single family mortgages. To further ensure that Congress and the Administration are apprised of any performance trends generated by the new downpayment requirements, HUD would be required to provide an annual report on the success of the program.

Moreover, the Committee imposed a program limitation on the number of loans that FHA could insure under the zero downpayment program to no more than 10 percent of the aggregate number of mortgages and loans insured by FHA in the preceding fiscal year; and finally, the Committee imposed a five-year sunset to provide time for an analysis of the FHA zero downpayment concept.

Legislative History

H.R. 3755 was introduced by Mr. Tiberi with nine original co-sponsors on February 3, 2004 and referred to the Committee on Financial Services. On February 5, 2004, the bill was referred to the Subcommittee on Housing and Community Opportunity.

On March 24, 2004, the Subcommittee on Housing and Community Opportunity held a legislative hearing on the bill. On May 5, 2004, the Subcommittee on Housing and Community Opportunity met in open session and approved H.R. 3755 for full Committee consideration, as amended, by a voice vote.

On June 3, 2004, the Committee on Financial Services met in open session and ordered H.R. 3755 favorably reported to the House, with an amendment, by a voice vote. The bill was reported to the House, with an amendment, on October 6, 2004 (H. Rept. 108-748).

No further action was taken on this measure in the 108th Congress.

SMALL PUBLIC HOUSING AUTHORITY ACT

(H.R. 27)

To amend the United States Housing Act of 1937 to exempt small public housing agencies (PHAs) from the requirement of preparing an annual public housing agency plan.

Summary

The Public Housing Reform Act requires PHAs to submit both a five-year plan and an annual plan to HUD. The five-year PHA plan addresses the agency's mission and its plan to achieve its mission. The annual plan requires PHAs to provide details about any updates or changes to the five-year plan. H.R. 27 amends the United States Housing Act of 1937 to exempt a small public housing agency from the requirement to prepare an annual public agency plan if the agency: (1) administers no more than a total of 100 dwelling units and section 8 vouchers; (2) is not a troubled agency; and (3) provides assurances of public housing resident participation.

Legislative History

H.R. 27 was introduced by Mr. Bereuter on January 7, 2003, and referred to the Committee on Financial Services. It was referred to the Subcommittee on Housing and Community Opportunity on February 27, 2003.

On March 17, 2004, the Subcommittee on Housing and Community Opportunity was discharged from the further consideration of the bill, and the full Committee on Financial Services met in open session the same day and ordered H.R. 27 favorably reported to the House, with an amendment, by a voice vote. On April 2, 2004, the Committee reported the bill to the House (H. Rept. 108-458).

On May 5, 2004, the House considered the measure under suspension of the rules and passed the bill, with an amendment, by a voice vote.

H.R. 27 was received in the Senate on May 6, 2004. It was read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

No further action was taken on this measure in the 108th Congress.

SAMARITAN INITIATIVE ACT OF 2004

(H.R. 4057)

To establish a grant program administered under an agreement among the Secretaries of Housing and Urban Development, Health and Human Services, and Veterans Affairs, in consultation with the U.S. Interagency Council on Homelessness, to address the goal of ending chronic homelessness through coordinated provision of housing, health care, mental health and substance abuse treatment, supportive and other services, including assistance in accessing non-homeless specific benefits and services, and for other purposes.

Summary

H.R. 4057, the Samaritan Initiative Act of 2004, amends the McKinney-Vento Homeless Assistance Act to establish a program through the Department of Housing and Urban Development under which a participating Federal agency will make grants to eligible entities, including faith-based and community-based organizations, for permanent housing (provision of housing or rental assistance) and related treatment (including health and drug and alcohol treatment) and support services for the chronically homeless.

The bill requires: (1) a participating Federal agency to establish an interagency implementation and monitoring team; and (2) a grantee to establish a homeless management information system.

Finally, the bill authorizes appropriations for: (1) HUD; (2) the Department of Health and Human Services; and (3) the Department of Veterans Affairs. Finally, the bill authorizes the participation of other Federal agencies.

Legislative History

H.R. 4057, the Samaritan Initiative Act of 2004, was introduced on March 30, 2004, by Mr. Renzi and 11 original cosponsors and referred to the Committee on Financial Services. On April 20, 2004, the bill was referred to the Subcommittee on Housing and Community Opportunity.

On July 13, 2004, the Subcommittee on Housing and Community Opportunity held a legislative hearing on the bill.

No further action was taken on this measure in the 108th Congress.

OVERSIGHT ACTIVITIES

HUD RESPA REFORM

The Subcommittee on Housing and Community Opportunity held a hearing on Tuesday, February 25, 2003, entitled “Simplifying the Home Buying Process: HUD’s Proposal to Reform RESPA.” This hearing was a follow-up to the full Committee hearing held in the 107th Congress regarding the Administration’s proposed rule to reform the Real Estate Settlement Procedures Act (RESPA). At the hearing, the Subcommittee heard testimony from private sector firms and trade associations.

FAITH-BASED HOUSING PROGRAMS

The Subcommittee on Housing and Community Opportunity held a two-day hearing on March 25 and April 28, 2003, entitled “Strengthening America’s Communities: Examining the Impact of Faith-Based Housing Partnerships”. The focus of the hearing was the potential impact of HUD’s proposed rule that incorporates Executive Order No. 13279 issued on December 12, 2003, into eight Community Planning and Development programs.

Over the two days, the Subcommittee heard testimony from representatives of faith-based groups, academics, and the Department of Housing and Urban Development.

NATIONAL FLOOD INSURANCE PROGRAM

The Subcommittee on Housing and Community Opportunity held an oversight hearing on Tuesday, April 1, 2003, entitled “The National Flood Insurance Program: Review and Reauthorization.” The National Flood Insurance Program (NFIP) was created as part of the National Flood Insurance Act of 1968.

During its hearing, the Subcommittee heard testimony from Members of Congress, representatives from the Department of Homeland Security, and groups representing insurers, lenders, and State floodplain managers.

HOPE VI PROGRAM

On April 29, 2003, the Subcommittee on Housing and Community Opportunity held a hearing entitled "Strengthening and Rejuvenating our Nation's Communities and the HOPE VI Program." The focus of the hearing was suggested improvements in the HOPE VI program.

The Subcommittee heard testimony from representatives from HUD, community groups, public housing authorities, academics, lenders, and other interested parties.

SECTION 8 VOUCHER PROGRAM

The Subcommittee on Housing and Community Opportunity held a series of hearings entitled, "The Section 8 Housing Assistance Program: Promoting Decent Affordable Housing for Families and Individuals that Rent" during the first session of the 108th Congress. In all, the Subcommittee held six days of hearings, three in Washington on May 22, June 10, and June 19, 2003; and three field hearings, in Los Angeles, California on June 30 and July 1, 2003 and Columbus, Ohio, on July 29, 2003.

Over those six days, the Subcommittee heard testimony from representatives from HUD, individual tenants and tenant associations, local housing authorities, and property management firms.

RURAL HOUSING IN AMERICA

On June 19 and July 8, 2003, the Subcommittee on Housing and Community Opportunity held two days of hearings entitled "Rural Housing in America." The Financial Services Committee has jurisdiction over the rural housing programs under the Rural Housing Service (RHS) in the Department of Agriculture.

The hearings were designed to begin the process of an extensive review of the various rural housing programs under the RHS to determine what changes, if any, were necessary to make the programs more efficient, cost effective and better able to meet the needs of low and moderate families in rural areas.

The Subcommittee heard testimony from the Department of Agriculture, its Inspector General, the General Accounting Office, a variety of rural housing groups, lenders, and other interested parties.

SUBPRIME LENDING

The Subcommittees on Housing and Community Opportunity and Financial Institutions and Consumer Credit held three joint hearings on issues related to the topic of predatory lending.

On November 5, 2003, the Subcommittees on Financial Institutions and Consumer Credit and Housing and Community Opportunity held a joint hearing entitled "Protecting Homeowners: Preventing Abusive Lending While Preserving Access to Credit" on the subprime mortgage lending industry in the United States. The hearing focused on ways to eliminate abusive practices in the mortgage origination process and in the secondary mortgage market while preserving and promoting access to affordable credit for consumers. Witnesses testifying at the hearing included a State attorney general and representatives of various industry and consumer groups.

On March 30, 2004, the Subcommittee on Housing and Community Opportunity and the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Subprime Lending: Defining the Market and its Consumers" to examine the growing subprime mortgage lending industry in the United States, with a particular focus on the dynamics of this market and its ability to offer more customized mortgage products to meet customers' varying credit needs. In addition, the hearing focused on defining a typical subprime customer, and on the advantages and disadvantages that the subprime market poses to the financial security of these customers. Witnesses testifying at this hearing included leading experts in the field, as well as representatives from various consumer and industry groups.

On June 23, 2004, the Subcommittees on Housing and Community Opportunity and Financial Institutions and Consumer Credit held a joint hearing entitled "Promoting Homeownership by Ensuring Liquidity in the Subprime Mortgage Market" to explore the role that the secondary mortgage market plays in providing liquidity to the subprime lending industry and creating homeownership opportunities for American consumers. Much of the testimony centered on the appropriate standard for assigning liability to secondary market participants. Witnesses testifying at this hearing included a representative of a State attorney general's office, various industry groups, a consumer group, and an expert in the field.

NATIVE AMERICAN HOUSING ISSUES

The Subcommittee on Housing and Community Opportunity held a field hearing in Tuba City, Arizona on May 3, 2004, entitled, "Improving Housing Opportunities for Native Americans." The hearing dealt with many of the chronic housing affordability problems Native Americans are experiencing today.

Witnesses included representatives from the U.S. Department of Housing and Urban Development, U.S. Department of Agriculture's Office of Rural Development, tribal representatives, and members of the lending community active in Native American housing issues.

FINANCIAL LITERACY AND COUNSELING

In an effort to further understand the importance of housing counseling to the home buying public, the Subcommittee on Housing and Community Opportunity held a hearing entitled "Successful Homeownership and Renting through Housing Counseling" on March 18, 2004. The focus of the hearing was on the importance of housing counseling and specifically on H.R. 3938, Expanding Housing Opportunities through Education and Counseling.

The Subcommittee heard testimony from representatives of HUD, housing authorities, community groups, and other interested parties.

MORTGAGE FRAUD AND ITS IMPACT ON FINANCIAL INSTITUTIONS

On October 7, 2004, the Subcommittee on Housing and Community Opportunity held a hearing entitled, "Mortgage Fraud and its Impact on Mortgage Lenders." The focus of the hearing was on

mortgage fraud and its impact on the lender and ultimately the market and was held in the aftermath of “Operation Continued Action,” an operation by the Federal Bureau of Investigation (FBI) against 205 individuals in the largest nationwide operation in FBI history directed at organized groups and individuals engaged in mortgage fraud.

The Subcommittee heard testimony from HUD and its Inspector General, representatives from the FBI, and other interested parties.

LOW-INCOME HOUSING PRESERVATION

On July 20, 2004, the Subcommittee on Housing and Community Opportunity held a hearing on a GAO report entitled “Multifamily Housing: More Accessible HUD Data Could Help Efforts to Preserve Housing for Low-Income Tenants.”

The Subcommittee heard testimony from representatives of the GAO, HUD, tenant and community groups, and other interested parties.

HEARINGS HELD

RESPA Reform. Hearing entitled “Simplifying the Home Buying Process: HUD’s Proposal to Reform RESPA.” February 25, 2003. PRINTED, serial no. 108–3.

Faith-Based Initiatives. Hearings entitled “Strengthening America’s Communities: Examining the Impact of Faith-Based Housing Partnerships.” March 25 and April 28, 2003. PRINTED, serial no. 108–14.

National Flood Insurance. Hearing entitled “The National Flood Insurance Program: Review and Reauthorization.” April 1, 2003. PRINTED, serial no. 108–17.

Down-Payment Assistance. Hearing entitled “Promoting the American Dream of Homeownership through Down-Payment Assistance.” April 8, 2003. PRINTED, serial no. 108–21.

HOPE VI Program. Hearing entitled “Strengthening and Rejuvenating Our Nation’s Communities and the HOPE VI Program.” April 29, 2003. PRINTED, serial no. 108–23.

Section 8 Housing Assistance Program. Hearing entitled “The Section 8 Housing Assistance Program: Promoting Decent Affordable Housing for Families and Individuals Who Rent.” May 22, June 10 and 17, and July 1, 2003. PRINTED, serial no. 108–31.

Rural Housing Service. Hearings entitled “Rural Housing in America.” June 19 and July 8, 2003. PRINTED, serial no. 108–41.

Community Development Block Grants. Field hearing entitled “Community Development Block Grants: The Impact of CDBG on our Communities.” June 30, 2003. PRINTED, serial no. 108–46.

H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003. Hearing on H.R. 1985, the FHA Multifamily Loan Limit Adjustment Act of 2003. July 22, 2003. PRINTED, serial no. 108–49.

Ohio Housing and Community Development Issues. Field hearing entitled “Housing and Community Development Policies in the State of Ohio.” July 29, 2003. PRINTED, serial no. 108–50.

Abusive Lending Practices. Joint hearing with the Subcommittee on Financial Institutions and Consumer Credit entitled “Protecting

Homeowners: Preventing Abusive Lending While Preserving Access to Credit.” November 5, 2003. PRINTED, serial no. 108–62.

Housing Counseling. Hearing entitled “Successful Homeownership and Renting through Housing Counseling.” March 18, 2004. PRINTED, serial no. 108–73.

H.R. 3755, the Zero Downpayment Act. Hearing on H.R. 3755, the Zero Downpayment Act. March 24, 2004. PRINTED, serial no. 108–74.

Subprime Lending. Hearing entitled “Subprime Lending: Defining the Market and its Customers.” March 30, 2004. PRINTED, serial no. 108–76.

Housing Opportunities for Native Americans. Field hearing entitled “Improving Housing Opportunities for Native Americans.” May 3, 2004. Serial no. 108–83.

H.R. 4110, the FHA Single Family Loan Limit Adjustment Act of 2004. Hearing on H.R. 4110, the FHA Single Family Loan Limit Adjustment Act of 2004. June 16, 2004. Serial no. 108–93.

Liquidity in the Subprime Mortgage Market. Joint hearing with the Subcommittee on Financial Institutions and Consumer Credit entitled “Promoting Homeownership by Ensuring Liquidity in the Subprime Mortgage Market.” June 23, 2004. PRINTED, serial no. 108–97.

H.R. 4057, the Samaritan Initiative Act of 2004. Hearing on H.R. 4057, the Samaritan Initiative Act of 2004. July 13, 2004. Serial no. 108–99.

GAO Report on Multifamily Housing. Hearing on a GAO Report entitled “Multifamily Housing: More Accessible HUD Data Could Help Efforts to Preserve Housing for Low Income Tenants.” July 20, 2004. Serial no. 108–102.

Mortgage Fraud. Hearing entitled “Mortgage Fraud and Its Impact on Mortgage Lenders.” October 7, 2004. Serial no. 108–116.

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

(Ratio: 11–9)

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OVERSIGHT ACTIVITIES

STOPPING TERRORIST FINANCING

On March 11, 2003, the Subcommittee on Oversight and Investigations held a hearing entitled “Progress Since 9/11: The Effectiveness of the U.S. Anti-Terrorist Financing Efforts” and on September 24, 2003, the Subcommittee also held a hearing entitled “The Hamas Asset Freeze and Other Government Efforts to Stop Terrorist Financing.” Senior officials from the Treasury, State, Justice, and Homeland Security Departments who engage in international negotiations and enforcement actions to halt the flow of terrorist funds testified at the hearings.

IMPACTS OF THE PRESIDENT’S TAX PLAN ON INVESTORS, CAPITAL MARKETS, AND CORPORATE GOVERNANCE

The Subcommittee held a hearing on March 18, 2003, entitled “Paying Dividends: How the President’s Tax Plan Will Benefit Individual Investors and Strengthen the Capital Markets.” The purpose of the hearing was to discuss the impacts of the proposal by the President to eliminate the double taxation of corporate dividends. Witnesses included the Treasury Under Secretary for Domestic Finance, former Members of Congress, representatives from the business community, and experts on the impacts of tax cuts on economic growth and on housing construction.

FIGHTING FRAUD AND IDENTITY THEFT THROUGH IMPROVING INFORMATION SECURITY

On April 3, 2003, the Subcommittees on Oversight and Investigations and Financial Institutions and Consumer Credit held a joint hearing entitled “Fighting Fraud: Improving Information Security” to examine three specific cases in which breaches of data security or failures of internal controls resulted in the inadvertent disclo-

sure of consumers' personal financial information. The hearing focused on strategies for coordinating the efforts of credit issuers, third-party vendors that process transactions, credit bureaus, and law enforcement agencies in limiting harm to consumers when data security is breached. Witnesses testifying at the hearing included representatives of the Federal Bureau of Investigation, the U.S. Secret Service, and the Federal Trade Commission, as well as industry and consumer groups.

INCREASING THE EFFECTIVENESS OF STATE CONSUMER PROTECTIONS

The Subcommittee held a hearing on May 6, 2003, entitled "Increasing the Effectiveness of State Consumer Protections." The hearing focused on the need to improve the effectiveness of State insurance market conduct oversight. Witnesses included State insurance regulators, an expert on State insurance regulation from the General Accounting Office, and representatives from consumer organizations.

SAVING TAXPAYER MONEY THROUGH SOUND FINANCIAL MANAGEMENT

On June 25, 2003, the Subcommittee held a hearing entitled "Saving Taxpayer Money through Sound Financial Management." The focus of the hearing was to review how Federal agencies can better manage their appropriated funds to reduce waste and abuse. The Conference Report accompanying the budget resolution for FY2004 (H. Rept. 108-71) required House authorizing committees to identify means of eliminating waste, fraud, and abuse. Committee staff, senior officials from HUD and the Rural Housing Service; the Inspectors General of HUD and the Agriculture Department; and the GAO collaborated to determine the amount of unliquidated obligations that could meet the goals in the budget resolution. The Chief Financial Office of HUD and the Under Secretary for Rural Development at the Agriculture Department were the witnesses. As a result of the hearing, the Committee considered and approved a report to the Committee on the Budget entitled, "Changes in Law to Prevent Waste, Fraud, and Abuse," on July 24, 2003.

GOVERNMENT AND INDUSTRY EFFORTS TO PROTECT OUR MONEY DURING BLACKOUTS, HURRICANES, AND OTHER DISASTERS

The Subcommittee held a hearing on October 20, 2003, entitled "Government and Industry Efforts to Protect our Money During Blackouts, Hurricanes, and Other Disasters." The hearing focused on the steps taken by Government officials and the private sector to recover from the Northeast blackout in August 2003 and from Hurricane Isabel, and on planning to prevent disruptions in financial services as a result of disasters. Witnesses included the Assistant Secretary of the Treasury for Financial Institutions, a Member of the Board of Governors of the Federal Reserve System, the former Chair of the President's Critical Infrastructure Protection Board, and the key officials from the private sector involved in disaster recovery efforts. The SEC and Superintendent of the New York State Banking Department submitted statements for the record.

CONGRESSIONAL REVIEW OF OCC PREEMPTION

On January 28, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled “Congressional Review of OCC Preemption.” The purpose of the hearing was to examine regulations issued by the Office of the Comptroller of the Currency (OCC) governing the extent to which State laws apply to the activities of banks chartered by the Federal government. Witnesses at the hearing included representatives from the OCC, the National Association of Attorneys General, the Conference of State Bank Supervisors, and industry and consumer groups.

OVERSIGHT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

On March 4, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled “Oversight of the Federal Deposit Insurance Corporation” to examine the operations of the Federal Deposit Insurance Corporation (FDIC), the Federal agency which insures deposits at the Nation’s banks and thrift institutions, as well as regulates some 5,000 State-chartered institutions. Witnesses at the hearing included representatives of the FDIC, the FDIC Office of Inspector General, and the United States General Accounting Office.

SADDAM HUSSEIN’S MONEY LAUNDERING ACTIVITIES

On May 14, 2003, the Subcommittee held a hearing entitled “Divesting Saddam: Freezing, Seizing, and Repatriating Saddam’s Money to the Iraqis”, the first Congressional hearing on the subject. Witnesses from the Treasury, State, and Defense Departments who are leading teams of agents inside Iraq and around the world testified at the hearing.

The Subcommittee on Oversight and Investigations held a hearing on March 18, 2004, entitled “The Hunt for Saddam’s Money: U.S. and Foreign Efforts to Recover Iraq’s Stolen Money” to update Members on the status of U.S. efforts to seize and repatriate Iraqi national assets stolen by the Saddam regime and determine international obstacles facing the U.S. in this endeavor. Officials from Treasury and State discussed current successes and ongoing international efforts and actions to find and freeze both known and hidden Iraqi assets.

IMPROVING FINANCIAL OVERSIGHT: A PRIVATE SECTOR VIEW OF ANTI-MONEY LAUNDERING EFFORTS

The Subcommittee on Oversight and Investigations held a hearing entitled “Improving Financial Oversight: A Private Sector View of Anti-Money Laundering Efforts” on Tuesday, May 18, 2004. The hearing highlighted enhanced financial oversight by agencies of the Federal government, cooperation from overseas counterparts and the institutional commitment to compliance at home and abroad.

Witnesses included representatives from financial services firms and a terrorist research firm.

RISK MANAGEMENT AND REGULATORY FAILURES AT RIGGS BANK AND
UBS

The Subcommittee on Oversight and Investigations held a hearing entitled “Risk Management and Regulatory Failures at Riggs Bank and UBS: Lessons Learned” on Wednesday, June 2, 2004. The purpose of the hearing was to address concerns over perceived lapses in enforcement and regulatory oversight of anti-money laundering provisions of the Bank Secrecy Act and the USA/Patriot Act.

The Subcommittee heard testimony from representatives of the Federal Reserve Board of Governors and the Office of the Comptroller of the Currency.

OVERSIGHT OF THE DEPARTMENT OF THE TREASURY

The Subcommittee on Oversight and Investigations held a hearing entitled “Oversight of the Department of the Treasury” on Wednesday, June 16, 2004. The hearing reviewed a number of issues regarding the operations of the Treasury Department, including (1) how Treasury was operating at the current level of resource support; (2) Treasury’s position on reform of the Government Sponsored Entities; (3) the Office of the Comptroller of the Currency’s recent regulations on preemption of State laws; (4) the status of the Department’s efforts to improve the financial literacy of Americans; (5) its observations and conclusions about the recent problems at Riggs Bank dealing with embassy accounts; and (6) its reaction to the recent UBS “ECI” accounts matter. In addition, the Subcommittee focused on financial sector compliance with the requirements of Title III of the USA PATRIOT Act dealing with money laundering and terrorist financing.

The Subcommittee heard testimony from the Deputy Secretary of the Treasury, the Director of the Financial Crimes Enforcement Network, the Director of the Office of Foreign Assets Control, the Chief of Criminal Investigation at the Internal Revenue Service, and the Treasury Department’s Inspector General.

DIVERSITY IN THE FINANCIAL SERVICES INDUSTRY AND ACCESS TO
CAPITAL FOR MINORITY-OWNED BUSINESSES: CHALLENGES AND OP-
PORTUNITIES

On Thursday, July 15, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled “Diversity in the Financial Services Industry and Access to Capital for Minority-Owned Businesses: Challenges and Opportunities” to discuss diversity and minority-owned businesses’ access to capital in the financial services sector. The hearing delved into issues such as the extent to which minorities are participating in all facets of entrepreneurial activity in the United States, including in leadership and executive roles on corporate boards, in the financial services industry, and in the accounting profession. Witnesses discussed the opportunities and challenges corporations face in diversifying their corporate structures at both middle and senior levels of management. In addition, the hearing delved into the challenges that minority-owned businesses continue to face in their efforts to raise capital to expand their businesses.

Witnesses included representatives of the New America Alliance, the Securities Industry Association, Women in Housing and Finance, Inc., the Illinois Office of Banks and Real Estate, Boston College, and Korn/Ferry International.

ENCOURAGING SMALL BUSINESS GROWTH AND ACCESS TO CAPITAL

On Thursday, September 23, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled "Encouraging Small Business Growth and Access to Capital". The focus of the hearing was primarily on the impact of the administration of Federal securities laws on small business capital formation. The Subcommittee explored what measures can or should be taken to facilitate greater growth and access to the capital markets by small business.

The Subcommittee heard testimony from representatives from the SEC and the financial services and venture capital industries.

COMBATING INTERNATIONAL TERRORIST FINANCING

The Subcommittees on Domestic and International Monetary Policy, Trade, and Technology and on Oversight and Investigations held a joint hearing on Thursday, September 30, 2004, on the status of efforts to combat international terrorist financing. The Assistant Secretary of the Treasury for Terrorist Financing and the Assistant Secretary of State for Economic and Business Affairs appeared as witnesses.

The United States Departments of Treasury and State, in cooperation with other government agencies, have successfully solicited the support of the international community to help combat money laundering and terrorist financing. Witnesses highlighted the successful promotion of international standards for financial transparency and accountability; coordinated technical assistance to weak but willing states; ongoing freezing of terrorist-related and other criminal assets; continued coordination of intelligence operations; and using diplomacy to convince other governments to take significant steps.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT AND FEDERAL HOUSING FINANCE BOARD

On July 13, 2004 the Subcommittees on Oversight and Investigations and Capital Markets, Insurance, and Government Sponsored Enterprises held a joint hearing entitled "A Review of the Office of Federal Housing Enterprise Oversight and Federal Housing Finance Board." The Subcommittees examined the operations of the Office of Federal Housing Enterprise Oversight and the Federal Housing Finance Board. The Director of OFHEO and the Chairman of the Federal Housing Finance Board testified at this hearing.

TERRORISM RISK INSURANCE

On April 2, 2004, the Subcommittees on Oversight and Investigations and Capital Markets, Insurance, and Government Sponsored Enterprises held a joint hearing entitled "A Review of TRIA and Its Effect on the Economy: Helping America Move Forward." The purpose of the hearing was to conduct a review of the progress made

by the Treasury Department and the insurance industry in implementing the provisions of the Terrorism Risk Insurance Act of 2002 (TRIA), as well as changes in the market for terrorism insurance coverage under TRIA. The Subcommittee heard testimony from the Assistant Secretary of the Treasury for Financial Institutions, the New York Superintendent of Insurance, and the Government Accountability Office.

HEARINGS HELD

U.S. Anti-Terrorist Financing Efforts. Hearing entitled “Progress Since 9/11: The Effectiveness of U.S. Anti-Terrorist Financing Efforts.” March 11, 2003. PRINTED, Serial no. 108–10.

Benefits of the President’s Tax Plan. Hearing entitled “Paying Dividends: How the President’s Tax Plan Will Benefit Individual Investors and Strengthen the Capital Markets.” March 18, 2003. PRINTED, Serial no. 108–12.

Fighting Fraud: Information Security. Hearing entitled “Fighting Fraud: Improving Information Security.” April 3, 2003. PRINTED, Serial no. 108–19.

State Consumer Protections. Hearing entitled “Increasing the Effectiveness of State Consumer Protections.” May 6, 2003. PRINTED, Serial no. 108–25.

Divesting Saddam. Hearing entitled “Divesting Saddam: Freezing, Seizing, and Repatriating Saddam’s Money to the Iraqis.” May 14, 2003. PRINTED, Serial no. 108–28.

Sound Financial Management. Hearing entitled “Saving Taxpayer Money Through Sound Financial Management.” June 25, 2003. PRINTED, Serial no. 108–44.

Hamas Asset Freeze. Hearing entitled “The Hamas Asset Freeze and Other Government Efforts to Stop Terrorist Financing.” September 24, 2003. PRINTED, Serial no. 108–53.

Government Efforts to Protect Our Money during Blackouts, Hurricanes, and Other Disasters. Hearing entitled “Government Efforts to Protect Our Money during Blackouts, Hurricanes, and Other Disasters.” October 20, 2003. PRINTED, Serial no. 108–58.

Congressional Review of OCC Preemptions. Hearing entitled “Congressional Review of OCC Preemptions.” January 28, 2004. PRINTED, Serial no. 108–65.

The Hunt for Saddam’s Money. Hearing entitled “The Hunt for Saddam’s Money: U.S. and Foreign Efforts to Recover Iraq’s Stolen Money.” March 18, 2004. PRINTED, Serial no. 108–72.

Oversight of the Office of the Comptroller of the Currency. Hearing entitled “Oversight of the Office of the Comptroller of the Currency: Examination of Policies, Procedures, and Resources.” April 1, 2004. PRINTED, Serial no. 108–78.

TRIA and Its Effect on the Economy. Joint hearing with the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises entitled “A Review of TRIA and Its Effect on the Economy: Helping America Move Forward.” April 28, 2004. PRINTED, Serial no. 108–81.

Improving Financial Oversight. Hearing entitled “Improving Financial Oversight: Private Sector View of Anti-Money Laundering Efforts.” May 18, 2004. PRINTED, Serial no. 108–87.

Risk Management and Regulatory Failures at Riggs Bank and UBS. Hearing entitled “Risk Management and Regulatory Failures at Riggs Bank and UBS.” June 2, 2004. PRINTED, Serial no. 108–91.

Oversight of the Department of the Treasury. Hearing entitled “Oversight of the Department of the Treasury.” June 16, 2004. PRINTED, Serial no. 108–94.

Review of OFHEO and Federal Housing Finance Board. Joint hearing with the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises entitled “A Review of the Office of Federal Housing Enterprise Oversight and Federal Housing Finance Board.” July 13, 2004. Serial no. 108–100.

Diversity in the Financial Services Industry. Hearing entitled “Diversity in the Financial Services Industry and Access to Capital for Minority Owned Businesses: Challenges and Opportunities.” July 15, 2004. Serial no. 108–101.

Small Business Growth and Access to Capital. Hearing entitled “Encouraging Small Business Growth and Access to Capital.” September 23, 2004. Serial no. 108–113.

Combatting International Terrorist Financing. Joint hearing with the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology entitled “Combatting International Terrorist Financing.” September 30, 2004. Serial no. 108–114.

OVERSIGHT PLAN FOR THE 108TH CONGRESS

Clause 2(d) of rule X of the Rules of the House of Representatives for the 108th Congress requires that each standing committee in the first session of a congress adopt an oversight plan for the two-year period of the Congress and submit the plan to the Committee on Government Reform and the Committee on House Administration.

Clause 1(d)(1) of rule XI requires each committee to submit to the House not later than January 2 of each odd-numbered year, a report on the activities of that committee under rules X and XI during the Congress ending on January 3 of such year. Clause 1(d)(3) of rule XI also requires that the report include a summary of the oversight plans submitted pursuant to clause 2(d) of rule X; a summary of the actions taken and recommendations made with respect to each such plan; and a summary of any additional oversight activities undertaken by the committee and any recommendations made or actions taken thereon.

Part A of this section contains the Oversight Plan of the Committee on Financial Services for the One Hundred Eighth Congress, which the Committee considered and adopted on February 5, 2003.

Part B of this section contains a summary of the actions taken to implement that plan and the recommendations made with respect to the plan. Additional oversight activities undertaken by the Committee, and the recommendations made or actions taken thereon, are contained in the specific sections relating to the activities of the full Committee and each of the subcommittees.

PART A

OVERSIGHT PLAN OF THE COMMITTEE ON FINANCIAL SERVICES FOR THE ONE HUNDRED EIGHTH CONGRESS

February 5, 2003.—Approved by the Committee on Financial Services, as amended.

Clause 2(d)(1) of rule X of the Rules of the House of Representatives for the 108th Congress requires each standing committee, not later than February 15 of the first session to adopt an oversight plan for the 108th Congress. The oversight plan must be submitted simultaneously to the Committee on Government Reform and the Committee on House Administration.

The following agenda constitutes the oversight plan of the Committee on Financial Services for the 108th Congress. It includes areas in which the Committee and its subcommittees expect to conduct oversight during this Congress, but does not preclude oversight or investigation of additional matters or programs as they arise. The Committee will consult, as appropriate, with other committees of the House that may share jurisdiction on any of the subjects listed below.

INTERNATIONAL FINANCIAL ISSUES

Annual report and testimony by the Secretary of the Treasury on International Monetary Fund Reform and the State of the International Financial System. The Committee will review and assess the annual reports to Congress from the Secretary of the Treasury on the International Monetary Fund (IMF) and the state of the international financial system. Pursuant to section 613 of Public Law 105–277, the Committee will hear annual testimony from the Secretary of the Treasury on: (1) progress made in reforming the IMF; (2) the status of efforts to reform the international financial system; (3) compliance by borrower countries with the terms and conditions of IMF assistance; and (4) proposals to change the international sovereign bankruptcy system.

Basel Capital Accord. The Committee will continue to review proposals for a new Basel Capital Accord, which is an agreement by the G–10 central banks to establish common minimum capital standards for their banking industries. The members of the Basel Committee have been negotiating changes to the Basel Accord and are set to release their third and final consultative paper in March of 2003. The Committee will examine the need for the recommended changes to the current Basel Accord and address concerns related to the proposed capital charges for operational and

credit risk. The Committee will address whether the proposed new capital charges will have a discriminatory effect on U.S. financial institutions and whether there are any other potential unintended consequences stemming from the proposed Accord.

Export-Import Bank of the United States. In the 107th Congress the Committee extended and revised the charter of the Export-Import Bank of the United States (Ex-Im) through the enactment of the Export-Import Bank Reauthorization Act of 2002 (Public Law 107-189). This legislation made significant changes to the operation of the “Tied Aid” program and strongly encouraged the Bank to increase its transactions with small businesses. Additionally, the Committee approved changes to the way the Bank evaluates and approves transactions that are subject to an anti-dumping or countervailing duty order. The Committee will oversee the implementation of these new mandates on the Bank and will examine the competitiveness of the Bank as compared to foreign export credit agencies. In order to assess their effect on Ex-Im competitiveness, the Committee will review any cases where the President invokes his Executive power to block Ex-Im financing due to foreign policy considerations.

U.S. Contributions to the International Financial Institutions. The Committee will review U.S. participation in, and the effectiveness of U.S. policy toward, the International Monetary Fund, the World Bank Group, and the regional multilateral development banks (MDBs). Special attention will be given to the continuing instability in Latin America, with particular emphasis on Argentina, Brazil, Venezuela, Colombia, and Haiti; on MDB involvement in the reconstruction of Afghanistan; on the implications for the International Financial Institutions of a war with Iraq; on proposals to change the international sovereign bankruptcy system; on efforts to improve the transparency of IFIs; on implementation of privatization programs sponsored by the MDBs; and on anti-corruption measures within the MDBs.

North American Development Bank. The Committee will monitor and conduct necessary oversight activities over U.S. involvement in the North American Development Bank (NADBank). Specifically, the Committee will review the joint reform proposal for the NADBank as agreed to by President George W. Bush and President Vicente Fox of Mexico.

Trade in Financial Services. With passage of the Trade Promotion Authority Act (Public Law 107-210), the Chairman and Ranking Minority Member of the Committee were named to the Congressional Oversight Group on Trade. In this capacity the Committee will be active in the oversight of trade negotiations and will consult regularly with the U.S. Trade Representative on matters within the jurisdiction of the Committee. The Committee will monitor negotiations for increased trade liberalization and consult with U.S. counterparts to those negotiations. The Committee will examine the financial services and investment provisions of free trade pacts, including the Chile and Singapore Free Trade Agreements.

International Corporate Governance Issues. The Committee will continue to monitor various proposals by the European Union (EU) in the area of corporate governance. Those include efforts to adopt International Accounting Standards, the proposed EU Directive on

Conglomerates and the Financial Services Action Plan (FSAP). The FSAP is a far-reaching reform of the EU's financial services sector, and as such will impact American companies, consumers and investors. The Committee is committed to working with U.S. and European regulators to ensure fair access to Europe's financial markets. The Committee will also monitor international implications of the recently-enacted Sarbanes-Oxley Act (Public Law 107-204).

International Debt Relief. The Committee will monitor and conduct necessary oversight activities regarding the implementation of legislation passed in the 106th Congress to authorize U.S. funding for the Enhanced Heavily Indebted Poor Country (HIPC) Initiative. The Committee will assess progress made by the IMF and World Bank in granting multilateral debt relief to qualified HIPC countries. The Committee will also monitor the development and adoption of poverty reduction strategies by the HIPC countries, and will assess compliance with other conditions on U.S. funding specified in the authorizing legislation. In addition, the Committee will assess the \$1 billion shortfall in financing for the HIPC Trust Fund, as determined by the G-8 leaders at the June 2002 Economic Summit. The Committee will assess the effectiveness of the current HIPC initiative, as well as the need for reforms.

Administration's Millennium Challenge Account. The President announced on March 14, 2002 that the United States will increase its core development assistance by 50 percent over the next three years, resulting in a \$5 billion annual increase over current levels. The additional funds will go to a new Millennium Challenge Account (MCA) designed to help developing nations improve their economies and standards of living. The Committee will monitor and assess the impact of the MCA on the MDBs and debt relief efforts. It will also assess efforts by the Secretaries of State and Treasury to work with the world community to develop clear, concrete and objective criteria for measuring progress in good governance, health and educational investment, and employing economic policies that foster economic freedom—all essential tenets of the MCA as proposed.

Global Fund To Fight AIDS, Tuberculosis and Malaria. The Committee will monitor and conduct necessary oversight activities regarding the implementation of the Global AIDS and Tuberculosis Relief Act of 2000 (Public Law 106-264) which authorizes an international trust fund, led by the United States and other donors, to address the crisis of AIDS and other infectious diseases through support of prevention, education and treatment efforts in sub-Saharan Africa and other hard-hit regions. This legislation laid the groundwork for the establishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), which is a public-private partnership headquartered in Geneva, Switzerland. The World Bank holds an ex-officio (non-voting) seat on the Global Fund's board and serves as the Global Fund's trustee and banker, while the Secretary of Health and Human Services is a voting board member. With the United States as the leading contributor to the Global Fund, the Committee must oversee its operations to ensure that the Global Fund and the World Bank operate effectively and on a timely basis in rendering funds and aid as required by the Global AIDS and Tuberculosis Relief Act. The Committee

expects to receive testimony from the Secretary of the Treasury and other U.S. governmental entities with expertise on the Global Fund, such as the General Accounting Office (GAO). In addition, it will review the status of the World Bank's programs to reduce HIV/AIDS, such as the World Bank Multi-Country AIDS Program.

Coordination of International Financial Services Programs. The Committee will review the coordination among various Executive branch agencies in promoting financial services trade, including the priority and rank of such programs and program officials.

FINANCIAL SERVICES INDUSTRY/CONSUMER PROTECTION

FINANCIAL INSTITUTIONS

Implementation of USA PATRIOT Act. The Committee will monitor regulatory implementation by the Treasury Department and other relevant government agencies of the anti-money laundering and terrorist financing provisions of the USA PATRIOT Act (Public Law 107-56).

Money Laundering. The Committee will review enforcement of anti-money laundering laws and regulations, including, but not limited to, those enacted or implemented as part of the USA PATRIOT Act. This review will include examination of the administration's annual National Money Laundering Strategy, and consideration of whether to reauthorize the statutory provisions which require submission of the Strategy, which are set to expire in 2003. The Committee will also monitor the establishment of the new Department of Homeland Security to ensure that the anti-money laundering efforts of its component agencies continue.

Deposit Insurance Reform. The Committee will continue its review of proposals to reform the Federal deposit insurance system. During the 107th Congress, the Committee conducted comprehensive hearings on various aspects of the deposit insurance system, culminating in overwhelming House passage of reform legislation that was never considered in the Senate. The Committee's focus in this Congress will be on addressing inequities and potential economic distortions that exist in the current system, while ensuring that Federal deposit insurance continues to serve its historical function as a source of stability in the banking system and a valued safety net for depositors.

Implementation of Gramm-Leach-Bliley Act. The Committee will continue to monitor various aspects of the implementation of the Gramm-Leach-Bliley Act (GLB), the landmark financial modernization law enacted in 1999. Included in the Committee's review will be regulatory interpretations of: (1) GLB's provision authorizing the Federal Reserve Board and the Treasury Department to define activities that are "financial in nature," and therefore permissible for financial holding companies and financial subsidiaries to engage in; and (2) the Title II "push-out" provisions, relating to regulation of certain securities activities conducted within banking organizations. The Committee will also review government and private sector implementation of the financial privacy requirements of Title V of GLB, which give consumers notice and choice about how their financial information is used and disseminated by financial firms.

Fair Credit Reporting Act. In conjunction with the January 1, 2004, expiration of provisions that provide for uniform national treatment of certain aspects of the credit reporting process, the Committee will conduct a comprehensive review of the Fair Credit Reporting Act (FCRA). Among the issues that the Committee expects to consider are whether the uniform Federal standards established by the 1996 amendments to the FCRA have benefited consumers and the national economy, and what the consequences would be of allowing the States to set their own standards. The Committee will review other FCRA issues such as proposals to address the Federal Trade Commission staff's opinion letter relating to the treatment under the FCRA of employer investigations of employee misconduct (the so-called "Vail letter"); the adequacy of efforts by furnishers of credit reporting data and the credit bureaus to ensure the accuracy of information that appears in consumer credit reports; and the increasing use of credit scores to determine consumers' eligibility for everything from loans to auto insurance policies.

Financial Privacy and Identity Theft. In addition to examining privacy in the context of the FCRA and GLB, the Committee will conduct a broader review of financial privacy issues to determine whether existing government policies and industry practices provide sufficient protections for consumers. With the prevalence of identity theft increasing at an alarming rate, the Committee will focus particular attention on government and private sector initiatives to prevent identity theft and to assist victims of the crime.

Internet Gambling. The Committee will continue to monitor the use of financial instruments—which include credit cards, checks, electronic funds transfers and other alternative forms of payment—in unlawful Internet gambling. The Committee's review will focus on the potential misuse of illegal offshore Internet gambling sites to facilitate money laundering, terrorist financing, and other criminal activity, as described by the Department of Justice and the Federal Bureau of Investigation in testimony to the Committee last Congress.

Payments System Innovations. The Committee will review government and private sector efforts to achieve greater innovations and efficiencies in the payments system, including specific legislative proposals to facilitate greater electronic processing of paper checks.

Credit Unions. The Committee will continue to monitor the National Credit Union Administration's implementation of the Credit Union Membership Access Act of 1998. The Committee will consider other credit union issues in conjunction with its review of legislative proposals to offer depository institutions relief from outdated or unnecessary regulatory burdens.

Financial Supervision. The Committee will require Federal regulators to provide periodic updates on their safety and soundness supervision of the banking, thrift, and credit union industries to ensure that systemic risks or other structural weaknesses in the financial sector are identified and addressed promptly. Several recent high-profile failures of depository institutions, involving large losses to the insurance funds relative to the asset size of the failed institutions, have raised questions about the effectiveness of

prompt corrective action (PCA) and other supervisory tools for addressing troubled institutions.

Regulatory Burden Reduction. The Committee will review the current regulatory burden on banks, thrifts, and credit unions with the goal of reducing unnecessary or duplicative regulations consistent with consumer protection and safe and sound banking practices. The Committee's starting point will be the work done in the prior Congress in preparation for its consideration of the Financial Services Regulatory Relief Act of 2002 (H.R. 3951). In evaluating proposals to grant regulatory relief to financial institutions, the Committee will examine whether cost savings achieved through regulatory burden reduction are passed on to consumers.

Consumer Protections. In addition to issues addressed throughout this oversight plan that relate to consumers of financial services, the Committee will consider other specific consumer protection issues within its jurisdictional purview, including promoting greater financial literacy; ensuring the availability of credit and other financial products and services to low and moderate-income Americans; and examining proposed revisions to various titles of the Consumer Credit Protection Act, including the Truth in Lending Act and the Fair Debt Collection Practices Act.

Credit Card Regulation. The Committee will continue its review of credit card industry practices, as they relate to both consumer protections and the management of risk by card-issuing banks. The Committee's review will encompass recent regulatory guidance issued by the Federal banking agencies governing loss-recognition standards and other account management practices employed by credit card banks.

First Accounts/Electronic Transfer Accounts. In addition to monitoring the First Accounts Initiative, the Committee will continue to monitor the Treasury Department's implementation of the Electronic Transfer Account (ETA) program, along with for unbanked recipients of social security, veterans' benefits, and other Federal payments. A 2002 General Accounting Office study of this program found that the actual number of unbanked recipients of Federal payments may be twice the number originally estimated by the Department of the Treasury. The Committee intends to continue to seek ways to improve the effectiveness and efficiency of the ETA program, including exploring other electronic payment options to extend the program's reach and broaden the availability of low-cost financial services to the unbanked.

INFORMATION SECURITY

Data Protection. The Committee will continue its review of the policies and procedures of Federal and State governments and the private sector to protect sensitive information about consumers from improper disclosure, theft, or loss. The Committee will also review the benefits and costs of current government and private sector initiatives to protect the privacy of information they own regarding consumers.

Antifraud Network. The Committee will continue to review the inadequacies in current government procedures for information sharing on regulated financial companies and professionals. The Committee will continue its examination of both the need for a

more comprehensive anti-fraud network to prevent financial crimes as well as better established procedures governing information sharing among government and quasi-government entities.

Cybersecurity. The United States has long been dependent on a complex of systems that link critical infrastructures to assure delivery of vital services. Cyberterrorism is an issue of growing national interest. Many believe terrorists plan to disrupt the Internet or other critical infrastructures such as transportation, communications, or banking and finance. The Committee will examine the financial services industry's susceptibility to a cyber attack and work to ensure the security of the financial services infrastructure.

Electronic Signatures and E-Commerce. The Committee will continue to monitor the evolution of electronic signature technology and laws to ensure that consumers are able to take maximum advantage of new electronic commerce financial products and services without undue burdens and with the proper level of security and communication protections.

INSURANCE

Insurance Solvency Regulation. The Committee will continue its examination of the National Association of Insurance Commissioners (NAIC) accreditation program that judges the adequacy of State insurance financial regulation. The Committee will focus on the steps the NAIC has taken to update the program since its inception in the early 1990's and will analyze other areas for improving the financial regulation of insurers.

Market Conduct Regulation. The Committee will review the need to modernize market conduct supervision to increase efficiency to better serve insurance consumers. The Committee will focus on the efforts of State insurance regulators to improve the quality and uniformity of market conduct oversight.

Agent Licensing Reform. The Committee will continue its review of the States' progress in passing and implementing uniform or reciprocal insurance agency licensing reform and what further measures may be necessary to promote uniformity in agent licensing.

Insurance Product Approval. The Committee will continue its review of the need to modernize the State product approval process to achieve uniformity, efficiency, and timeliness in the regulatory review of insurance rates and forms. This review will include an evaluation of the NAIC interstate compact proposal for life and health products as well as the NAIC improvements to State-based systems initiative for property and casualty products. The Committee will pay particular attention to State legislative efforts designed to adopt these proposals.

National Insurance Uniformity. The Committee will review various alternatives for modernizing the regulation of insurance, including State by State improvements, coordination of State regulation through the NAIC, Federal promotion of State uniformity, proposals for an optional Federal charter, and other reforms for improving the efficiency and effectiveness of insurance regulation.

Terrorism Insurance. The Committee will continue to monitor the terrorism insurance marketplace and will conduct oversight of the Terrorism Risk Insurance Act of 2002 (Public Law 107-297) and its implementation by the Treasury Department, State insurance de-

partments, and insurance underwriters, agents, and brokers, to ensure that the goals of the legislation are being met.

Workers Compensation Insurance. The Committee will examine the current state of workers compensation insurance to determine the reasonableness of the types of claims and charges being made, and to consider whether further efficiencies or anti-fraud mechanisms can be developed.

Insurance Marketing. The Committee will examine a number of consumer protection issues concerning the marketing of insurance products, potentially including the churning of life insurance, sales and marketing representations, coercion and pressure tactics, product bundling, and excessive premium charges for credit insurance and mortgage insurance.

Insurance Fraud. The Committee will continue its examination of the efforts by the States, the NAIC, and other entities, to locate and fight insurance fraud. Specifically, the Committee will consider legislation that addresses the problem of ineffective regulation in the area of viaticals while encouraging this relatively new industry to provide consumers a valuable service.

Insurance Consumer Protections. The Committee will examine the regulatory systems established by the States to protect consumers' insurance interests. The Committee will also examine the practice of recording consumer inquiries as part of consumer claim records.

Seniors' Retirement Needs. The Committee will review the insurance needs particular to those contemplating or currently in retirement, including the use of annuities, long term care insurance, insurance pension programs, 401(k)s, as well as nursing care insurance and other old age insurance programs. The Committee's focus will include newly marketed hybrid insurance instruments that incorporate features of securities and banking products. The Committee will examine whether seniors' assets are being adequately protected and whether Federal and State financial regulators are ensuring that seniors' products are being properly regulated without any gaps in functional oversight.

Risk Retention Act. The Committee will conduct a review of alternative risk transfer arrangements to determine their effectiveness in offering consumers alternatives to traditional property and casualty insurance products. The Committee will focus particularly on the Risk Retention Act of 1981 and its 1986 amendments.

Preemption of State Insurance Law. The Committee will review efforts by Federal agencies to preempt State laws governing insurance activities, and will also examine any controversial State insurance laws to ensure that they do not significantly interfere with Federally authorized powers of financial institutions.

Professional Liability Insurance. The Committee will examine the current crisis in many sectors of professional liability insurance to determine whether further efficiencies and reforms are needed to abate the crisis.

Insurance Litigation Reform. The Committee will review issues surrounding reform of asbestos insurance settlements, examining the reasonableness of fees and compensation awarded, determining to what degree the settlements serve the parties' interests, and considering how these costs effect the property and casualty insur-

ance marketplace. In particular, the Committee will focus on the effect of excessive asbestos awards on other insurance consumers, including the impact on the long term affordability and availability of property and casualty insurance for consumers.

Holocaust Claims. The Committee will review efforts to ensure that restitution is made to Holocaust victims and heirs for confiscated bank accounts or payable insurance claims. The Committee will monitor the agreement of the German insurance industry to provide \$275 million to pay Holocaust-era insurance claims and fund humanitarian purposes under an agreement with the international commission supervising the payment of claims.

Mold. The Committee will continue to investigate the potential deleterious effect of mold on homeowners and its effect on the insurance marketplace. The Committee will pay particular attention to the Center for Disease Control's literature review regarding the effects of indoor exposure to mold which is expected this spring.

Natural Disaster Insurance. The Committee will review the availability and affordability of natural disaster insurance for homeowners, and will consider proposals for improving insurers' access to capital in the reinsurance, banking, and securities markets to ensure adequate capacity and solvency of the industry to meet consumer needs. The Committee will pay particular attention to the potential benefits of natural disaster securitization, catastrophic reinsurance, and proper long-term reserving.

Homeowners' Insurance—Price Controls, Underwriting Criteria, and Availability. The Committee will continue its review of the ongoing crisis in homeowners' insurance availability in several States, including how State price controls diminish long term supply and options for coverage. The Committee will also examine how well different insurers' underwriting criteria are causally linked to future claims paying estimates, and the impact of such criteria on the homeowners' marketplace. This examination may potentially include how insurance claims and inquiries are scored, and how financial characteristics unrelated to a consumer's insurance history are factored into the sale of homeowners' insurance policies.

Corporate-Owned Life Insurance. The Committee may review the practice of companies obtaining life insurance policies for certain employees, including any notifications given to those employees.

SECURITIES ISSUES

Sarbanes-Oxley Implementation. The Committee will monitor and review the implementation of the Sarbanes-Oxley Act, including agency regulatory actions and the work of the Public Company Accounting Oversight Board created by the Act.

Capital Formation. The Committee will review regulatory impediments to capital formation and seek both regulatory and market-based incentives for capital formation, including initial public offering (IPO) allocation, the role of venture capital providers, and ways to provide further incentives to enhance the supply of venture capital.

Investor Restitution. The Committee will examine the adequacy of investor restitution regulations and whether additional measures are necessary to make defrauded investors whole.

Double Taxation of Corporate Dividends. The Committee will examine the President's proposal to eliminate the double taxation of corporate dividends and its impact on investors and the capital markets.

Mutual Fund Fees. The Committee will undertake an examination of current trends in mutual fund fees, including the adequacy of disclosure to shareholders and the efficacy of that disclosure in promoting fee-based competition. Included in this review will be an examination of the benefits of providing dollar-specific fee information to investors on trade confirmations and/or shareholder account statements.

Portfolio Transaction Expenses in Mutual Funds. The Committee will examine the transparency of portfolio transaction expenses incurred by mutual funds and consider the benefits to shareholders of requiring that those expenses be included in funds' expense ratios, as well as what impact enhanced transparency of those expenses would have on churning by portfolio managers.

Rule 12b-1. The Committee will review the role of 12b-1 marketing fees and whether investors are benefiting from economies of scale as a result of 12b-1 plans. The Committee will also review whether changes to Rule 12b-1 are necessary as a result of developments in fund distribution.

Revenue Sharing Payments. The Committee will also examine revenue-sharing payments, also called distribution fees, made by mutual funds to brokerage firms to get access to their brokers. The Committee will explore the transparency of these arrangements, which may create conflicts of interest, and whether regulatory action is warranted.

Soft-Dollar Practices. The Committee will examine the role of "soft-dollar" arrangements (such as providing computers or office space in lieu of payment) and the regulation and transparency of those arrangements, as well as their impact on investors, in particular with respect to mutual fund investors.

International Accounting Practices. The Committee will review the work of the International Accounting Standards Board and the impact and importance of international accounting standards.

Securities Investor Protection Corporation. The Committee will review the operations of the Securities Investor Protection Corporation and proposals to improve its effectiveness.

Credit Rating Agencies. The Committee will examine the role of credit rating agencies, including whether there are conflicts of interest that should be disclosed to investors, and whether there are any barriers to entry.

Money Laundering. The Committee will examine the potential use of mutual funds in money laundering, and consider what regulatory steps may be necessary to combat such activity.

Reducing Barriers to Efficiency for Mutual Fund Shareholders. The Committee will review the impact of certain restrictions under section 17(a) of the Investment Company Act of 1940 on the efficiency of trading by mutual funds, in particular, in light of increasing affiliations among financial services firms in the wake of Gramm-Leach-Bliley.

The Role of Mutual Funds in the Technology Bubble. The Committee will examine the role that mutual funds played in the cre-

ation of the so-called “technology bubble,” with a focus on the hundreds of technology and Internet funds established in the 1990’s.

Corporate Governance. The Committee will examine the role and actions of directors of public companies and mutual funds, to ensure shareholders’ interests are being served.

Portfolio Transparency. The Committee will consider ways to improve transparency of mutual fund holdings to investors, including the proposed rule currently under consideration at the SEC.

Proxy Voting. The Committee will monitor the implementation of the Commission’s rule requiring funds to disclose the votes they cast on behalf of their shareholders.

Securities Future Products. The Committee will review efforts to implement the provisions of the Commodity Futures Modernization Act of 2000 with regard to the trading of futures contracts based on securities. The Committee will undertake an analysis of the rules proposed thus far and their effectiveness in promoting broad and liquid security futures markets in the United States.

Retirement Plan Management. The Committee, working with other Committees of jurisdiction, will examine the factors that influence selection of fund managers by retirement plan trustees.

Market Structure. The Committee will review recent developments in the structure of the U.S. capital markets to determine what regulatory or other changes might further benefit competition and improve prices for investors.

Investor Education and Literacy. The Committee will continue to promote efforts to increase investor education, with a focus on fees and expenses, particularly in the mutual fund area.

Analyst Conflicts. The Committee will monitor the implementation of new rules affecting securities analysts to evaluate their efficacy in fighting conflicts of interest.

Investment Banks and Accounting Fraud. The Committee will review the report by the GAO on the role of investment banks in the Enron collapse.

IPO Allocation. The Committee will review current practices regarding allocation of IPOs and proposals to improve this process to increase investor access to IPOs as well as market efficiency and transparency.

Financial Markets and the 9/11 Terrorist Attacks. The Committee will review studies pertaining to the recovery of the financial markets from 9/11 terrorist attacks and disaster recovery planning efforts by financial regulatory agencies and the financial services industry.

Hedge Funds. The Committee will monitor the review by the SEC of the regulation of hedge funds, and consider the implications to U.S. markets if the hedge fund business were to move offshore. The Committee will also examine the access to hedge funds by investors and the risk disclosures that hedge fund investors must receive.

GOVERNMENT SPONSORED ENTERPRISES

Federal Home Loan Bank System. The Committee will monitor various regulatory initiatives undertaken by the Federal Housing Finance Board, which oversees the Federal Home Loan Bank System, including proposals to allow members of the System to belong

to more than one of the twelve Federal Home Loan Bank districts, and to require the Federal Home Loan Banks to register the capital stock they sell to members with, and periodically report to, the Securities and Exchange Commission (SEC), under the Securities Exchange Act of 1934.

GSEs and Financial Disclosure. In July 2002, Fannie Mae and Freddie Mac agreed to voluntarily register their common stock under the Securities Exchange Act of 1934. Registration under the Act triggers periodic disclosure requirements about the financial condition and management of companies that issue securities. The Committee will examine transparency and market discipline for the Government Sponsored Enterprises, including, and the status of, the voluntary registration by Fannie Mae and Freddie Mac under the Securities Exchange Act of 1934, the contents and recommendations of the study on MBS disclosure, and proposed financial disclosure by the Federal Home Loan Banks.

OFHEO's Risk-based Capital Standard. During the 107th Congress, the Office of Federal Housing Enterprise Oversight (OFHEO) finalized a risk-based capital rule for Fannie Mae and Freddie Mac. This regulation specifies the stress test to be used in determining the risk-based capital requirements for the two GSEs and, along with the minimum leverage capital requirement, the capital classifications for purposes of possible supervisory action. The Committee will hold hearings to review the initial stress test results, OFHEO's proposed changes to the risk-based capital rule, OFHEO's enforcement of the rule, and related safety and soundness issues, such as GSE interest rate risk management and duration gap.

GSE Regulatory Restructuring. Regulation of the housing GSEs is widely dispersed. The Office of Federal Housing Enterprise Oversight, an independent office within the Department of Housing and Urban Development, regulates the safety and soundness of Fannie Mae and Freddie Mac. HUD regulates Fannie Mae and Freddie Mac for mission compliance by setting affordable housing goals, approving new business activities, and conducting fair lending reviews. Similarly, the Federal Home Loan Banks are regulated by the Federal Housing Finance Board, an independent agency within the executive branch. Its purpose is to ensure that the FHLBs operate in a financially safe and sound manner and carry out their affordable housing and community investment mission programs. The Committee will examine whether the existing GSE regulatory structure should be reformed, whether the supervisory and enforcement powers of GSE regulators should be strengthened, and whether funding for GSE regulators should be subject to the Congressional appropriations process.

HOUSING ISSUES

Mortgage Finance Reform/Real Estate Settlement Procedures Act. The Committee may conduct additional hearings on the Department of Housing and Urban Development's (HUD's) proposed Real Estate Settlement Procedures Act (RESPA) rule. On July 29, 2002, HUD published its proposed rule to reform the Real Estate Settlement Procedures Act in the Federal Register (Vol. 67, No. 145) for a 90-day public comment period ending on October 28, 2002. The

proposed rule addresses the issue of loan originator compensation, reforms HUD's Good Faith Estimate (GFE) settlement cost disclosures and removes other regulatory barriers to allow guaranteed packages of settlement services and mortgages offered to consumers. The Committee held a hearing on the proposed RESPA rule on October 3, 2002, and heard testimony from the Secretary of Housing and Urban Development, Mel Martinez. A second hearing on the RESPA rule will allow industry and consumer groups the opportunity to express their views on the proposed rule.

Annual Budget Review of Housing and Urban Development, Rural Housing Service, National Reinvestment Corporation and the National Flood Insurance Program. During each session of the 108th Congress, the Committee will conduct a hearing to consider the Administration's proposal for the budget request for the coming fiscal year. The Committee will review and hear testimony from the Administration on those budgets under the jurisdiction of the Housing Subcommittee. Testimony is expected from the Department of Housing and Urban Development, Rural Housing Service, National Reinvestment Corporation and the National Flood Insurance Program.

Federal Housing Administration. The Committee may conduct a hearing to review recent increases in Federal Housing Administration (FHA) default rates. HUD insures mortgages and loans made by HUD-approved lenders for a wide variety of purposes, including new construction, rehabilitation, property improvement, and refinancing in connection with a wide variety of types of property. FHA programs include all types of residential property (multi-family, single family, manufactured homes), nonresidential commercial property, hospitals and certain other healthcare facilities. These efforts are designed to encourage lenders to make credit more readily available and at lower rates for various purposes that might otherwise go unmet. Recent reports indicate that the FHA mortgage insurance program is operating with very high delinquency rates. The number of single family FHA loans reported to be delinquent (at least 30 days past due) was 11.62 percent at the end of the 3rd quarter of 2002. The number of FHA loans in the foreclosure process was 2.46 percent. This is compared to a 3.04 percent delinquency rate and 1.15 percent in the foreclosure process for conventional loans at the end of the 3rd quarter of 2001.

HUD Management Reform and Staffing. The Committee will conduct a comprehensive review of HUD's management and staffing initiatives implemented in the past five years. Even though GAO has removed HUD's designation as a "high risk" agency (first assigned in 1994) about 70 percent of the agency's programs are still classified by the GAO as at high-risk for waste, fraud, and abuse. Weaknesses continue in HUD's single-family mortgage insurance and rental housing assistance programs. With a significant number of Federal workers scheduled to retire in the next five to ten years, the Committee will investigate the technical and administrative needs of the agency to determine ways to assist the agency in continuing to meet its statutory obligations.

HOPE VI. The Committee will conduct a comprehensive review of the HOPE VI program to facilitate a meaningful reauthorization process. The HOPE VI program is a demolition and revitalization

program designed specifically to address problems with severely distressed public housing developments. This program provides incentives for Public Housing Authorities (PHAs) and private entities to form partnerships and create mixed-finance and mixed-income affordable housing. The activities permitted under HOPE VI include, but are not limited to: the capital cost of demolition, major reconstruction, rehabilitation and other physical improvements. As part of its review, the Committee will consider greater access for smaller PHAs. In addition, other reforms and questions will be reviewed by the Committee, such as displacement of existing tenants and the net loss of affordable housing units.

HUD Related Reauthorizations. The Committee will review, for appropriate action, expired—and expiring—authorizations relating to HUD.

Section 8. The Committee will conduct a comprehensive review of the Section 8 program. There is considerable concern over the rising costs of the Section 8 program, which consumes over 50 percent of the total HUD discretionary budget each fiscal year. Concern has been expressed about unspent Section 8 funds that have accumulated in the reserve accounts of some Public Housing Authorities (PHAs). The Committee's review will include an in-depth look at the formulas used, administrative fees, reserve accounts, HUD's administration of the program, and the consequences of recaptured Section 8 funds.

Public Housing. The Committee may conduct a comprehensive review of the Public Housing program, including HUD's implementation of the program, the trends in operating subsidy, capital modernization, the role of the private sector in potential investment and finance of rehabilitation and modernization, and the role of Federal funds in the public housing account to train and employ existing PHA tenants as authorized under section 3 of the Housing and Urban Development Act of 1968.

Minorities and Homeownership. The Committee will conduct hearings to review homeownership rates, particularly for underserved markets, e.g., minorities, inner-city neighborhoods, and women. The overall homeownership rate is approximately 68 percent; however, the average homeownership rate for African Americans and Hispanics is in the 40th percentile. The Committee will focus on homeownership disparity in order to fine-tune government policies, practices, and incentives that may preclude successful lending and ownership.

National Flood Insurance Program. On January 13, 2003, the President signed legislation to reauthorize the National Flood Insurance Program (NFIP) through December 31, 2003 (Public Law 108-3). This one year reauthorization will allow the Committee to conduct a comprehensive review of the program and to consider changes to make the program more cost effective.

Rural Housing Service Multifamily Program/Rural Housing Prepayment. The Committee will review the Rural Housing Service (RHS) multifamily rental programs, specifically housing laws prohibiting prepayment of the debt of government-financed mortgage loans and recent trends in multifamily rural production in the loan guarantee and direct loan programs.

Community Development Block Grants. The Committee will review the Community Development Block Grant (CDBG) program and focus on management and operation of the program, including the timely expenditure of CDBG funds.

Oversight of the Housing Authority of New Orleans and the Puerto Rico Public Housing Authority. On June 4, 2001, the Subcommittee on Oversight and Investigations held a hearing on the problems associated with the Housing Authority of New Orleans (HANO). The Committee will continue its review of HANO to determine if HUD's administrative receivership has led to significant improvements in both HUD's and HANO's management and operation. In addition, the Committee will review measures taken by HUD to correct widespread abuse in contracting and program management uncovered at the Puerto Rico Public Housing Authority, the second-largest public housing authority in the country. In July 2000, HUD's Inspector General wrote to Congress and expressed serious concern with the adequacy of the measures HUD had taken to address the waste and loss of Federal funds by the Puerto Rico Public Housing Authority.

Oversight of HUD and Rural Housing Service Financial and Information Systems. The Committee will conduct a comprehensive review of the financial and information systems at HUD and RHS. The lack of timely and comprehensive information continues to hamper both HUD and RHS' ability to monitor the progress of programs and the use of its funds. The delay in the distribution of funds to communities continues to be a source of frustration for State and local governments and non-profit organizations. Over the years, significant funds have been spent to modernize financial and information systems; yet HUD and RHS are still unable to provide pertinent data necessary to monitor and administer the programs under its jurisdiction. The Committee will investigate how best to address this crucial problem.

Oversight of HUD's Public Housing Assessment System. The Committee will review HUD's Public Housing Assessment System (PHAS) programs. The promise of the use of technology to streamline the PHAS has yet to be realized. In fact, it is only being used by project-based public housing programs.

Faith-based Housing Initiatives. The Committee may conduct an oversight hearing on the participation of faith-based organizations in certain HUD programs. Over the years, Congress has enacted several provisions of law—known as “charitable choice” provisions that are intended to expand the involvement of faith-based groups in the delivery of a variety of the social programs. Congress has not enacted any similar law in the context of housing programs. On December 16, 2002, President Bush issued Executive Order 13279, Equal Protection of the Laws for Faith-Based and Community Organizations, which requires HUD to revise its regulations to implement the President's faith-based initiative. On January 6, 2003, HUD issued proposed regulations, designed to further enhance the participation of faith-based organizations in certain HUD programs. (Participation in HUD Programs by Faith Based Organizations: Providing for Equal Treatment of All HUD Program Participants; Proposed Rule, 68 Federal Register 648, January 6, 2003.)

Homelessness. The Committee may conduct hearings on the issue of homelessness, including an analysis of the estimated number and profile of homeless persons in America, a review of HUD programs which provide housing and services to the homeless, and a review of the adequacy of those programs and funding levels in addressing the problem of homelessness.

Housing Production. The Committee may conduct a hearing or series of hearings on the extent to which the existing housing stock meets the demand for affordable housing by low-income families, seniors, and disabled persons; a review of existing housing programs which are used in the construction or substantial rehabilitation of affordable housing units; and strategies for developing additional affordable housing units.

Housing Preservation. The Committee may conduct a hearing on the issue of preservation of federally assisted housing. Issues may include the ongoing impact of Section 8 opt-outs and prepayments on the stock of affordable housing, review of the implementation of the 1997 Mark-to-Market legislation, and review of the implementation of the mark-up-to-market and enhanced vouchers provisions of Title V of the FY 2000 VA–HUD Appropriations bill.

Fraud in the Housing Industry. The Committee will examine national and regional incidents of fraud in the housing and mortgage industry, its impact on the housing market and the affordability of mortgages, the response of Federal and State regulators, private financial institutions, and government sponsored enterprises, and the use of appraisals in this type of fraud.

ECONOMIC DEVELOPMENT

Development of Economic Opportunities. The Committee will review economic development programs under the Committee's jurisdiction, including programs administered by the Appalachian Regional Commission, the Economic Development Administration, and the newly created Delta Regional Authority. Reauthorization will be considered when appropriate.

Reauthorization of the Defense Production Act. The Committee will review the performance of the Defense Production Act, which expires at the end of the current fiscal year, in preparation for its possible reauthorization.

Community Development Financial Institutions Fund. In reviewing the expired authorization of the Community Development Financial Institutions (CDFI) Fund, created in 1994 to promote economic revitalization and community development, the Committee will examine the record of the Fund in implementing reforms pledged in 1997 to eliminate irregularities in the grant making process identified during the course of an investigation by the Subcommittee on General Oversight. The Committee will monitor the CDFI Fund's implementation of the New Markets Tax Credits program, which was part of the Renewable Communities and New Markets initiative enacted into law during the 106th Congress.

PRIME. The Committee will examine the implementation of a new microenterprise lending program—the Program for Investment in Microentrepreneurs Act, otherwise known as the PRIME Act—that was included in GLB.

FEDERAL AGENCIES/AGENCY PROGRAM ISSUES

Management/Reform of the Federal Reserve System. The Committee will conduct oversight of the operations of the Federal Reserve System, including the System's management structure, its role in providing financial services and in handling the clearing of paper checks, as well as its conduct of monetary policy. Special attention will be given to possible consolidation of operations, use of technology, control and oversight mechanisms, budget processes, pay and benefit levels, system-wide strategic planning and issues involving security.

Federal Reserve's Conduct of Monetary Policy. The Committee will hold hearings to receive the Chairman of the Federal Reserve Board of Governor's semi-annual reports on the conduct of monetary policy. As part of this effort, the Committee will review issues associated with monetary policy and the state of the economy, such as developments in employment, productivity, and investment.

Oversight of Agency Management Practices and Outcomes. The Committee will conduct oversight of the operations of all agencies under its jurisdiction to ensure disclosure of all material assets, liabilities, and costs of operations; to review agencies' measures taken to minimize waste and inefficiency; to assess the impacts of agency actions on the financial services industry; and to determine if the agencies are operating at the most efficient level of resources. The Committee will require the Federal regulators to report on the state of the financial services industry in order to alert Congress to any emerging weaknesses and supervisory measures being taken to counter such weaknesses. The Committee will review, for appropriate action, expired—and expiring—authorizations relating to the agencies.

Economic Security. The Committee will explore the need for Federal economic and financial regulators to prepare for and provide a coordinated response to economic events which threaten the Nation's economic security.

COINS, CURRENCY AND PAYMENT SYSTEM ISSUES

Management of the Nation's Money: Activities of the Bureau of the Mint and the Bureau of Engraving and Printing. The Committee will conduct oversight of the activities of these Treasury bureaus as they relate to the printing and striking of U.S. currency and coins, and of the financing and minting of circulating and commemorative coins. The Committee will review the efficiency and productivity of these bureaus' manufacturing operations, as well as the Numismatic Public Enterprise Fund. Technical changes to the authorizing statute for the latter will also be considered. The Committee will conduct oversight of issues relating to the circulation patterns of coins and currency, with an eye towards maximizing their availability and usefulness while minimizing the cost to taxpayers. In particular the Committee will focus on issues relating to the new one-dollar coin, including circulation patterns, U.S. Mint production-allocation decisions, a true unit cost of production for the dollar and other coins, management of the dollar-coin program throughout its life to date, the type and nature of the Mint's expenditures on outside advertising and public relations firms for this

and other initiatives. The Committee also will analyze and conduct appropriate oversight related to recent Treasury Office of Inspector General reports relating to the Mint and Bureau of Engraving and Printing covering security, hiring, real-estate use and similar issues, and will consider the need for a U.S. Mint museum in Washington, D.C.

Electronic Commerce and Payment Systems. The Committee will continue to assess the domestic and international implications of new innovations in electronic money and electronic payment systems. Among the issues the Committee may examine are soundness, security, privacy, access to new electronic payment methods, eligibility criteria for issuing new payment methods, competing government regulation, threats posed to critical infrastructures such as the payments system, and new-technology methods of authenticating transactions and minimizing fraud.

Counterfeiting. The Committee will continue its review of efforts to detect and combat the counterfeiting of U.S. currency in the United States and abroad. Particular attention will be paid to anti-counterfeiting successes by the United States Secret Service, especially in South America, and to ways those efforts can be made even more effective. The Committee will also monitor the migration of the Secret Service from the Treasury department to the new Department of Homeland Security, to ensure that the restructuring will not diminish the service's anti-counterfeiting effectiveness. Also, the Committee will examine the integrity of other countries' currencies, including counterfeiting of those currencies, to monitor any threats posed to the U.S. or world economies, and consider proposals to allow the Bureau of Engraving and Printing to aid other countries in efforts to strengthen the security of their currencies.

PART B

IMPLEMENTATION OF THE OVERSIGHT PLAN OF THE COMMITTEE ON FINANCIAL SERVICES FOR THE ONE HUNDRED EIGHTH CONGRESS

INTERNATIONAL FINANCIAL ISSUES

Annual report and testimony by the Secretary of the Treasury on International Monetary Fund Reform and the State of the International Financial System. The Committee held hearings on the annual report on May 13, 2003, and March 25, 2004. The Secretary of the Treasury testified at each hearing on progress in reforming the International Monetary Fund (IMF), the status of efforts to reform the broader international financial system, and country compliance with IMF conditions assistance. The Committee monitored other developments in this area throughout the 108th Congress.

Basel Capital Accord. On February 27, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled “The New Basel Accord—Sound Regulation or Crushing Complexity?” The Subcommittee on Financial Institutions and Consumer Credit held a hearing on June 19, 2003, entitled “The New Basel Accord: In Search of a Unified U.S. Position” and another hearing on June 22, 2004, entitled “The New Basel Accord: Private Sector Perspectives.” All of these hearings examined the impact of the new Basel Accord on the U.S. financial markets and the progress of the agreements.

On November 3, 2003, the bipartisan leadership of the Financial Services Committee submitted their comments on the Advanced Notice of Proposed Rulemaking issued by Federal banking regulators regarding the Basel Capital Accord (68 Fed. Reg. 45900, No. 149 (2003)), which cited specific concerns with the Accord during the advanced notice of proposed rulemaking. They also requested that the Federal banking regulators provide to the Committee various impact assessments for different sectors of the U.S. economy.

On June 23, 2004, the Chairman and Ranking Member of the full Committee also sent a letter to the Federal financial regulators encouraging them to make additional changes to the Accord prior to adopting a final rule. The Committee examined whether the proposed new capital charges will have a discriminatory effect on U.S. financial institutions and whether there are any other potential unintended consequences stemming from the proposed Accord. The Committee also requested that the Federal Reserve provide a series of impact studies estimating the impact that the new capital framework would have on various aspects of the United States economy. Some of these studies have been completed; others will be com-

pleted in 2005. Through the Committee's efforts, the regulators made several significant changes to the Basel II proposal.

Financial Services Committee staff met periodically with Federal banking regulators to receive updates and provide feedback on Basel Committee issues.

Export-Import Bank of the United States. In the 108th Congress, the Committee continued its oversight of the Export-Import Bank (Ex-Im) of the United States. On May 6th, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "Oversight of the Export-Import Bank of the United States." During this hearing, the Honorable Philip Merrill, President and Chairman of the Bank, discussed a variety of issues including the Export-Import Bank Reauthorization Act of 2002 (Public Law 107-189). This legislation made significant changes to the operation of the "Tied Aid" program and strongly encouraged the Bank to increase its transactions with small businesses. The Committee also urged Ex-Im to closely scrutinize transactions subject to anti-dumping and countervailing duty determinations.

On September 10, 2003, the Committee received a report from the Government Accountability Office entitled: "Export Credit Agencies: Movement toward Common Environmental Guidelines, but National Differences Remain" (GAO-03-1093). This report was requested by the Chairman of the House Committee on International Relations, the Chairman of the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology and the Chairman of the Subcommittee on Europe.

Also on September 10, 2003, the Chairman and the Ranking Member of the full Committee and the Chairman and the Ranking Member of the Domestic and International Monetary Policy, Trade, and Technology Subcommittee wrote a letter to the Ex-Im board of directors concerning guarantees of loans to Malden Mills, a 1,200 employee high-tech textile manufacturer and exporter.

On August 11, 2004, Richard C. Shelby, Chairman, and Paul S. Sarbanes, Ranking Minority Member of the Senate Committee on Banking, Housing, and Urban Affairs and Michael G. Oxley, Chairman, and Barney Frank, Ranking Minority Member of the Committee on Financial Services received a GAO report titled "Export-Import Bank: OMB's Method for Estimating Bank's Loss Rates Involves Challenges and Lacks Transparency" (GAO-04-531) which calls for reforms of the Office of Management and Budget's (OMB) methodology. That report was received by the Committee on September 30, 2004. The report examines the methodology used by the Ex-Im Bank of the United States to set expected loss rates for purposes of estimating its net future losses which will be subsidized by the United States taxpayers. The report expresses concern regarding the shift towards using corporate default rates in the Ex-Im formulas and the lack of transparency regarding recovery rate data within the Bank.

U.S. Contributions to the International Financial Institutions. The Committee continued to review U.S. participation in, and the effectiveness of, U.S. policy toward, the IMF, the World Bank Group, and the regional multilateral development banks (MDBs) in the 108th Congress. In addition to the oversight of key issues re-

lated to the international financial institutions during the testimony and questioning of the Secretary of the Treasury concerning the state of the international financial system, the Committee undertook a range of oversight actions.

On October 29, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled, "World Bank Lending to Iran." On April 22, 2004, Chairman Oxley, Ranking Member Frank, and Mrs. Judy Biggert, Vice Chairman of the Domestic and International Monetary Policy, Trade, and Technology Subcommittee met with the Honorable Roberto Lavagna, Minister of Finance of Argentina, senior finance ministry officials, and Ambassador Jose Octavio Bordon to discuss the status of Argentina's debt to public and private bondholders.

North American Development Bank. While the Committee did not engage in any specific oversight activities on the North American Development Bank, the Committee reported legislation to facilitate its activities on February 25, 2003. That legislation, H.R. 254, was enacted on April 5, 2004 (Public Law 108–215). The Committee continued to monitor the operations of the NADBank through the 108th Congress.

Trade in Financial Services. With passage of the Trade Promotion Authority Act (Public Law 107–210), the Chairman and Ranking Minority Member of the full Committee were named to the Congressional Oversight Group on Trade. In this capacity, the Committee was active in the oversight of trade negotiations with Chile, Singapore, Australia, Morocco, Bahrain, and as well as with the Central American countries. On April 1, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled, "Opening Trade in Financial Services—The Chile and Singapore Examples" to examine the Chile and Singapore free trade agreements.

The Committee staff consulted regularly with staff of the U.S. Trade Representative on matters within the jurisdiction of the Committee. As part of its oversight responsibilities, the Committee monitored negotiations for increased trade liberalization and consulted with U.S. counterparts to these negotiations.

The Chairman of the full Committee also wrote letters supporting efforts for greater free trade in the Central American and Australian markets. On December 16, 2003, the Chairman sent a letter to United States Trade Representative Robert Zoellick encouraging the Ambassador to press for full liberalization of insurance services within the negotiations for the Central American Free Trade Agreement. On February 3, 2004, he sent a letter to Trade Representative Zoellick encouraging him to press for greater market access to the Australian banking market for U.S. banks.

International Corporate Governance Issues. On May 13, 2004, the full Committee held a hearing entitled, "The US-EU Regulatory Dialogue and its Future." Witnesses included representatives from the Treasury Department, Federal Reserve Board, Securities and Exchange Commission (SEC), Public Company Accounting Oversight Board (PCAOB) and European Commission. At this hearing, the Committee received testimony from Dr. Alexandre Schaub, Director General, Directorate General for the Internal Market, European Commission. The Committee also received testimony from the

PCAOB regarding its plans for implementing the Sarbanes-Oxley Act of 2002 (Public Law 107-204) internationally and the first testimony from the Securities and Exchange Commission regarding its new relationship with the Committee of European Securities Regulators.

On June 17, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a follow-up hearing entitled, "The US-EU Regulatory Dialogue: The Private Sector Perspective." Witnesses included representatives of the banking and securities industries as well as academia. The Committee monitored other developments in this area throughout the 108th Congress.

International Debt Relief. On April 20, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "HIPC Debt Relief: Which Way Forward?" This hearing was held to receive a GAO report entitled, "Developing Countries: Challenges in Financing Poor Countries' Economic Growth and Debt Relief Targets" (GAO-04-688T), which included estimates of the likely cost to U.S. taxpayers of the High Indebted Poor Countries (HIPC) initiatives.

Administration's Millennium Challenge Account. On June 11, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "Matching Capital and Accountability—the Millennium Challenge Account." The Committee continued to monitor developments in the establishment of the Millennium Challenge Corporation and the Treasury Department's role as a member of the board of directors of that corporation.

Global Fund to Fight AIDS, Tuberculosis and Malaria. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Coordination of International Financial Services Programs. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

International Monetary Issues: On October 1, 2003, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "China's Exchange Rate Regime and its Effects on the U.S. Economy." This hearing focused on the need for China to adopt market-based exchange rate policies.

International Counter-Terrorism Finance Policy. On September 30, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a joint hearing with the Subcommittee on Oversight and Investigations entitled "Combating International Terrorist Financing." This hearing built on the earlier work of the Committee and the Subcommittee on Oversight and Investigations which held numerous hearings and several classified briefings on tracking, seizing, and freezing terrorist assets. Through its extensive oversight on the topic, the Committee discovered that many of the impediments to effectively stopping terrorist financing lie outside of the United States' borders, and has encouraged the Administration, both formally and informally, to take all

necessary actions to eliminate avenues for terrorist financing at home and abroad.

FINANCIAL INSTITUTIONS

Implementation of USA PATRIOT Act. The Committee held multiple oversight hearings on the implementation of the anti-money laundering and counter-terrorist financing provisions of title III of the USA PATRIOT Act (Public Law 107-56). Many of the hearings were conducted by the Subcommittee on Oversight and Investigations, including a March 11, 2003, review of the effectiveness of post-September 11, 2001, efforts to combat terrorist financing, an examination of government initiatives to freeze the assets of terrorist organizations on September 24, 2003, and a September 30, 2004, joint hearing with the Subcommittee on Domestic and International Monetary Policy entitled “Combating International Terrorist Financing.” The full Committee held a hearing on August 23, 2004, entitled “The 9/11 Commission Report: Identifying and Preventing Terrorist Financing” to hear testimony on the recommendations of the National Commission on Terrorist Attacks on the United States (the 9/11 Commission), which featured testimony from senior officials at the Departments of Treasury, Justice, and Homeland Security on their efforts to implement Title III of the PATRIOT Act.

Money Laundering. In addition to oversight of government and private sector implementation of the USA PATRIOT Act, the Committee conducted extensive oversight of a variety of other anti-money laundering compliance and enforcement issues. On May 18, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled “Improving Financial Oversight: Private Sector View of Anti-Money Laundering Efforts” to solicit private sector views on the effectiveness of anti-money laundering compliance efforts. On June 2, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled “Risk Management and Regulatory Failures at Riggs Bank and UBS” that focused on anti-money laundering compliance and oversight deficiencies at Riggs Bank of Washington, D.C, and the abuse of UBS of the Federal Reserve’s ECI program.

Throughout the 108th Congress, the Committee conducted an ongoing review of the Federal banking agencies’ anti-money laundering examination procedures and enforcement actions, both through formal oversight hearings in the Subcommittee on Oversight and Investigations and the full Committee and numerous staff briefings with relevant regulatory authorities.

Deposit Insurance Reform. While the Committee proceeded to consider legislation to reform the Federal Deposit Insurance system, the Committee continued to monitor the operation of the current system. On March 4, 2004, the Subcommittee on Oversight and Investigations held an oversight hearing on the Federal Deposit Insurance Corporation, which featured a detailed examination of the financial condition of the deposit insurance funds administered by the FDIC.

Implementation of Gramm-Leach-Bliley Act. The full Committee and the Subcommittee on Oversight and Investigations reviewed various aspects of the implementation of the Gramm-Leach-Bliley

financial modernization law through a series of oversight hearings on the Federal banking agencies under the Committee's jurisdiction. In addition, on October 14, 2004, the Chairman of the full Committee and its Ranking Minority Member, along with nine other senior members of the Committee, filed a comment letter with the SEC expressing serious concerns regarding the SEC's proposed regulation implementing title II of the Gramm-Leach-Bliley, which governs the conduct of certain securities-related activities within banking organizations.

Fair Credit Reporting Act. During the First Session of the 108th Congress, the Committee held a series of oversight hearings on the operation of the national credit reporting system, culminating in the enactment of the Fair and Accurate Credit Transactions Act on December 4, 2003 (Public Law 108-159).

On May 8, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "The Importance of the National Credit Reporting System to Consumers and the U.S. Economy" which focused on the economic benefits of a national credit reporting system and current consumer protections under the Fair Credit Reporting Act (FCRA), as well as the importance of a uniform national credit system to the retail operations of commercial users and furnishers of credit reporting data. On June 4, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "The Fair Credit Reporting Act: How it functions for Consumers and the Economy" on the role of the States in enforcing the FCRA; how credit reports, credit scores, and prescreened information are used by the lending, mortgage, consumer finance, insurance, and non-financial industries; the accuracy of credit reports; and the role of national uniform standards in improving markets for consumers, including how such uniformity affects the availability, affordability, and timeliness of financial products and services.

On June 12, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "The Role of FCRA in the Credit Granting Process" which focused on the use of credit reports in the mortgage lending process as well as in other forms of consumer lending, including credit cards and bank loans. On June 17, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "The Role of FCRA in Employee Background Checks" which focused on the role of the FCRA in employee background checks and investigations of employee misconduct, as well as in the collection and use of medical information by financial services firms.

On June 24, 2003, the Subcommittee on Financial Institutions and Consumer Credit held its final hearing on the FCRA, entitled "Fighting Identity Theft—The Role of FCRA" focusing on current enforcement efforts to apprehend and prosecute identity thieves, the experiences of consumers victimized by identity theft, and innovative private sector efforts to prevent identity theft and assist victims.

Following enactment of the FACT Act, the Committee monitored regulatory implementation of the law, through a series of staff meetings with the Federal Trade Commission and Federal banking agencies.

Financial Privacy and Identity Theft. On April 3, 2003, the Subcommittees on Financial Institutions and Consumer Credit and Oversight and Investigations held a joint hearing entitled “Fighting Fraud: Improving Information Security” to gather testimony on instances of information security breaches resulting in the disclosure of confidential customer financial information. On June 24, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing on the role of the FCRA in helping to combat identity theft, described above.

Internet Gambling. The Committee continued to monitor the use of the payments system to facilitate illegal gambling over the Internet. The Committee’s continued oversight in this area resulted in the passage of legislation (H.R. 2143) by the House in the 108th Congress.

Payments Systems Innovations. During the first session, the Committee shepherded the Check Clearing for the 21st Century Act to enactment, which focused on improving the check clearing process through the use of new technology. The Committee monitored implementation of the new law, including numerous staff briefings with Federal banking agencies and other interested parties, during the remainder of the 108th Congress.

Credit Unions. On July 20, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled “Credit Union Regulatory Improvements” on proposed improvements in the regulatory treatment of credit unions. In addition, the Committee examined credit union regulatory issues in the context of its consideration of financial services regulatory relief legislation (H.R. 1375). On June 19, 2003, Chairman Oxley, Ranking Member Frank, and Mr. Sherman requested that the GAO study issues relating to the capital or net worth requirements applicable to Federally insured credit unions. On August 6, 2004, the GAO reported the findings of its study to the Committee in its report entitled “Credit Unions: Available Information Indicates No Compelling Need for Secondary Capital” (GAO-04-849).

Financial Supervision. During the 108th Congress, the Committee and its subcommittees exercised continuous oversight of the supervision of insured depository institutions, both through hearings and staff briefings with relevant Federal regulatory agencies. On January 28, 2004, the Subcommittee on Oversight and Investigations held a hearing entitled “Congressional Review of OCC Preemptions” and focused on proposed regulations by the Office of the Comptroller of the Currency governing the applicability of State law to the activities of national banks.

On March 4, 2004, the Subcommittee held an oversight hearing on the Federal Deposit Insurance Corporation, which administers the Federal deposit insurance funds as well as serving as the primary Federal supervisory authority for over 5,000 State-chartered banks. On April 1, 2004, the full Committee held an oversight hearing on the OCC, which supervises some 2,000 national banks. On June 16, 2004, the Subcommittee held an oversight hearing on the operations of the Department of the Treasury which focused on bank supervision and compliance issues. On July 20, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing on the regulatory supervision of credit unions.

Regulatory Burden Reduction. On May 12, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing on proposals to reduce or eliminate regulatory burdens on America's community-based banks. On July 20, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing on legislative proposals to improve the regulatory treatment of credit unions.

CONSUMER PROTECTION

Consumer Protections. The Subcommittees on Financial Institutions and Consumer Credit and Housing and Community Opportunity held hearings on November 5, 2003, March 30, 2004, and June 23, 2004, on preserving access to credit and combating abusive practices in the subprime mortgage market. On September 15, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Financial Services Issues: A Consumer's Perspective" which addressed a broad range of consumer protection issues.

On April 2, 2004, the Chairman of the full Committee, the Chairman of the Subcommittee on Financial Institutions and Consumer Credit and Mr. Garrett of New Jersey wrote to the Federal Trade Commission (FTC), requesting the agency's views on legislation to amend the Fair Debt Collection Practices Act (H.R. 3066). The FTC provided its views to the Committee in a letter dated June 23, 2004.

Credit Card Regulation. On June 24, 2003, the Subcommittee on Financial Institutions and Consumer Credit held an oversight hearing on the role of the Fair Credit Reporting Act in fighting identity theft. The hearing featured testimony from major credit card associations and credit card issuers. On September 15, 2004, the Subcommittee on Financial Institutions and Consumer Credit held a hearing on consumer protection issues, including credit card industry practices.

First Accounts/Electronic Transfer Accounts. Although the Committee conducted only limited oversight of the First Accounts program, two hearings were held on similar issues relating to expanding the availability of basic banking services to historically underserved populations. On June 26, 2003, the Subcommittee on Financial Institutions and Consumer Credit held a hearing entitled "Serving the Underserved: Initiatives to Broaden Access to the Financial Mainstream" which focused on public and private sector initiatives to broaden access to the financial mainstream by low and moderate-income consumers.

On October 1, 2003, the full Committee held a hearing, entitled "Remittances: Reducing Costs, Increasing Competition, and Broadening Access to the Market," on expanding the availability of financial services by reducing costs and increasing competition in the rapidly growing market for international remittances.

Enforcement of Anti-tying Laws. On April 29, 2003, Chairman Oxley and Ranking Member Frank requested that the GAO conduct a review of compliance with and enforcement of Federal anti-tying laws, which prohibit commercial banks from conditioning the availability or terms of loans or other credit products on the purchase of certain other financial products or services. On October 10,

2003, the GAO released its report, entitled “Bank Tying: Additional Steps Needed to Ensure Effective Enforcement of Tying Prohibitions” (GAO-04-4).

Effects of Technological Advances on Residential Real Estate Market. On November 4, 2004, Chairman Oxley requested that the GAO conduct a study of how the provision of real estate services to prospective homebuyers may be affected by new forms of information technology and electronic commerce. The Committee does not expect to receive the results of that study until the 109th Congress.

INFORMATION SECURITY

Data Protection. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Antifraud Network. The Subcommittees on Oversight and Investigations and Financial Institutions and Consumer Credit held a joint hearing on Thursday, April 3, 2003, entitled “Fighting Fraud: Improving Information Security.” This hearing was designed to review current industry practices to ensure that proper security procedures and protocols are in place or are being implemented on how credit issuers, third-party vendors that process transactions, credit bureaus, and law enforcement coordinate their efforts to limit harm to consumers when data security is breached.

Cybersecurity. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on February 12, 2003, entitled “Recovery and Renewal: Protecting the Capital Markets against Terrorism Post-9/11” to examine measures put in place since the attacks of September 11, 2001, to protect the financial markets in case of a terrorist attack. These measures were further examined by the full Committee in a hearing held on September 8, 2004, entitled “Protecting Our Financial Infrastructure: Preparation and Vigilance” which examined the preparedness of the financial services sector in light of the “Code Orange” alert declared in the summer of 2004.

On Monday, October 20, 2003, the Subcommittee on Oversight and Investigations held a hearing entitled, “Government and Industry Efforts to Protect Our Money During Blackouts, Hurricanes, and Other Disasters.” The Subcommittee reviewed the private financial sector response to these events to determine if recommendations from the President through Executive Order 13231 of October 2001, and Presidential Decision Directive 63 stemming from 9/11 failures had been implemented and carried out during the August 2003 blackout. The Order created Governmental committees to plan a response to attacks against American assets critical to the continued normal operation of a variety of sectors, including the financial sector. Officials of the Treasury Department, Federal Reserve System, SEC, other financial regulators, and financial services companies responded to the blackout by implementing arrangements established by those directives and cooperative arrangements among the various sectors and minimized the impact on banking and financial institutional customers and investors.

Committee staff continues to be briefed by various financial services sector representatives and regulators to ensure that safeguards remain in place against both physical and cyber threats.

Electronic Signatures and E-Commerce. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

INSURANCE

Insurance Solvency, Market Conduct, and Agent Licensing Regulation. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings on this and related issues on April 10 and November 5, 2003, and March 31, 2004.

On April 10, 2003, the Capital Markets subcommittee held a hearing entitled “The Effectiveness of State Regulation: Why Some Consumers Can’t Get Insurance.” This hearing focused on the unavailability of personal insurance for consumers in States and the lack of capital for the insurance industry as a whole. The Subcommittee heard testimony from the Director of the South Carolina Department of Insurance, representatives from several trade associations, and an economist.

On November 5, 2003, the Capital Markets Subcommittee held a hearing entitled “Reforming Insurance Regulation—Making the Marketplace More Competitive for Consumers.” The hearing focused on the status of National Association of Insurance Commissioners (NAIC) initiatives to modernize State insurance regulation and the prospects for State-based reform. The hearing also reviewed other proposed solutions to increase the efficiency and uniformity of insurance regulation. The Subcommittee heard testimony from several State insurance officials, representatives from State legislatures, and executives from several trade associations and industry groups.

On March 31, 2004, the Capital Markets Subcommittee held a hearing entitled “Working with State Regulators to Increase Insurance Choices for Consumers.” The purpose of the hearing was to examine how to make State insurance regulation more efficient, uniform, and effective for consumers. Witnesses testifying before the Subcommittee included several State insurance officials and representatives from various trade associations as well as marketplace participants and analysts.

Insurance Product Approval. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings which discussed the process for insurance product approval on November 5, 2003, and March 31, 2004.

National Insurance Uniformity. In order to better understand the current structure of insurance regulation, the Chairman of the full Committee asked the GAO to conduct a review of all Federal insurance programs in which the Federal government is responsible for all or part of the risk. The GAO has not finalized this report but has briefed the Committee on its work on an ongoing basis. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings on national insurance uniformity on April 10, 2003, November 5, 2003, and March 31, 2004.

Terrorism Insurance. On April 2, 2004, the Chairman of the full Committee asked the GAO to conduct a review of the progress made by the Treasury Department and the insurance industry in implementing the provisions of the Terrorism Risk Insurance Act of 2002 (TRIA), as well as changes in the market for terrorism insurance coverage under TRIA. The GAO presented its findings in a report entitled “Terrorism Insurance: Implementation of the Terrorism Risk Insurance Act of 2002” (GAO-04-307) on April 28, 2004, at a joint hearing of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises and the Subcommittee on Oversight and Investigations entitled “A Review of TRIA and its Effect on the Economy: Helping America Move Forward.”

Workers Compensation Insurance. The Committee examined workers compensation insurance issues within the context of its oversight over terrorism insurance. The Committee monitored developments in this area throughout the 108th Congress.

Insurance Marketing. In response to revelations that members of the military had been sold inappropriate insurance products under questionable circumstances, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on insurance marketing to military service personnel entitled “G.I. Finances: Protecting Those Who Protect Us”, on September 9, 2004. The Subcommittee hearing led to Committee action on H.R. 5011, the Military Personnel Financial Services Protection Act.

Insurance Fraud. Although the Committee took no direct oversight action on this topic, the Committee monitored developments in this area throughout the 108th Congress.

Insurance Consumer Protections. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings on April 10, 2003, November 5, 2003, March 31, 2004, and September 9, 2004, that covered issues related to insurance consumer protections.

Senior Retirement Needs. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on senior retirement needs entitled “Retirement Security: What Seniors Need to Know about Protecting Their Futures”, on May 15, 2003. The Committee monitored developments in this area throughout the 108th Congress.

Risk Retention Act. On January 2, 2004, the Chairman asked the GAO to assess how well risk retention groups and risk purchasing groups established under the 1986 Risk Retention Act have achieved their intended purposes. The GAO has not finalized this report, but has briefed the Committee on its work on an ongoing basis. The Committee has monitored other developments in this area throughout the 108th Congress.

Preemption of State Insurance Law. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings which covered this issue on November 5, 2003, and March 31, 2004.

Professional Liability Insurance. Although the Committee took no direct oversight action on this topic, the Committee monitored developments in this area throughout the 108th Congress.

Insurance Litigation Reform. Although the Committee took no direct oversight action on this topic, the Committee monitored developments in this area throughout the 108th Congress.

Holocaust Claims. Although the Committee took no direct oversight action on this topic, the Committee monitored developments in this area throughout the 108th Congress.

Mold. The Committee continued to monitor developments concerning the risks associated with exposure to mold and poor indoor air as discussed at a Committee hearing in the 107th Congress, including receipt by the Committee of a study released in May 2004, by the Centers for Disease Control (CDC) entitled, "Damp Indoor Spaces and Health."

Natural Disaster Insurance. On February 2, 2004, the Chairman asked the GAO to undertake a study on the ability of U.S. consumers to purchase insurance for potentially catastrophic losses caused by natural disasters, as well as the extent to which such losses would be covered by existing insurance policies. Other areas of investigation include potential barriers to the issuance of catastrophe bonds as well as the tax and accounting treatment of long-term catastrophic insurance risks in various foreign countries. The GAO has not finalized this report but has briefed the Committee on its work on an ongoing basis.

The Committee also examined natural disaster insurance issues within the context of oversight of terrorism insurance and monitored other developments in this area throughout the 108th Congress.

Homeowners' Insurance-Price Controls, Underwriting Criteria and Availability. This topic was covered in the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises hearings on April 10, 2003, November 5, 2003, and March 31, 2004.

Corporate Owned Life Insurance. Although the Committee took no direct oversight action on this topic, the Committee monitored developments in this area throughout the 108th Congress.

SECURITIES ISSUES

Sarbanes-Oxley Implementation. The Committee held a hearing on September 17, 2003, on the actions of the Public Company Accounting Oversight Board (PCAOB), created under title I of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley). On February 4, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on the new standards of attorney professional conduct promulgated under Sarbanes-Oxley. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on June 24, 2004, on the PCAOB's registration and inspections of public accounting firms and auditing, quality control and ethics standards setting. On July 22, 2004, the Committee held a hearing to examine the impact of Sarbanes-Oxley on public companies and public accounting firms. Throughout the 108th Congress, the PCAOB regularly briefed the Committee staff on its rulemaking proceedings.

Capital Formation. The Subcommittee on Oversight and Investigations held a hearing on July 15, 2004, entitled "Diversity in the Financial Services Industry and Access to Capital for Minority-

Owned Businesses: Challenges and Opportunities.” The hearing examined, among other things, the access to capital of minority-owned businesses. On September 15, 2004, the SEC briefed the Subcommittees on Oversight and Investigations and Capital Markets, Insurance, and Government Sponsored Enterprises on small business capital formation. The Subcommittee on Oversight and Investigations held a hearing on September 23, 2004, entitled “Encouraging Small Business Growth and Access to Capital,” to examine regulatory impediments and incentives to the capital formation of small businesses.

Investor Restitution. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on February 26, 2003, entitled “It’s Only FAIR: Returning Money to Defrauded Investors,” to examine the SEC’s efforts in returning monies to defrauded investors.

Double Taxation of Corporate Dividends. The Subcommittee on Oversight and Investigations held a hearing entitled “Paying Dividends: How the President’s Tax Plan Will Benefit Individual Investors” on March 18, 2003, to examine the impact on investors and the capital markets of the President’s proposal to eliminate the double taxation of corporate dividends.

Mutual Fund Fees, Portfolio Transaction Expenses in Mutual Funds, Rule 12b-1, Revenue Sharing Payments, and Soft Dollar Practices. The Chairman of the full Committee and the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent a letter on January 7, 2003, to the Chairman of the SEC and the Chairman of the National Association of Securities Dealers (NASD) requesting information relating to the investigation of brokers’ failure to award breakpoint discounts to eligible mutual fund investors. They also asked the GAO on January 14, 2003, to conduct a study on mutual fund fees and expenses and the disclosure and transparency of these costs, including the topics listed above. This study, entitled “Mutual Funds: Greater Transparency Needed in Disclosures to Investors” (GAO-03-763), was completed and released in June 2003.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Mutual Fund Industry Practices and their Effect on Individual Investors” on March 12, 2003, to examine these issues. On March 26, 2003, the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent a letter to the Chairman of the SEC requesting information relating to mutual fund fees.

This work resulted in Committee approval of H.R. 2420, the Mutual Funds Integrity and Fee Transparency Act of 2003, a bill designed to encourage fee-based competition among mutual funds, on July 23, 2003. After the Committee completed its action on the measure, the Chairman of the full Committee and the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent a letter on July 30, 2003, to the Chairman of the SEC requesting that the SEC use its existing regulatory authority to implement certain provisions of H.R. 2420 not requiring legislative action.

The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises continued its work on this matter,

holding two days of hearings on November 4, 2003, and November 6, 2003, entitled "Mutual Funds: Who's Looking Out for Investors." That hearing focused on mutual fund fees and related issues.

International Accounting Practices. In January 2004, the SEC briefed the Committee staff regarding its investigation into the accounting irregularities at Parmalat SpA. Among the issues discussed at the hearings held by the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology on May 13 and June 17, 2004, on the U.S.-E.U. Regulatory Dialogue was the convergence of accounting standards promulgated by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB).

Securities Investor Protection Corporation. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Credit Rating Agencies. In January 2003, the Committee received a report, "The Role and Function of the Credit Rating Agencies," from the SEC pursuant to a requirement in Sarbanes-Oxley. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings to examine credit rating agencies on April 2, 2003, and September 14, 2004. The Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent a letter on April 10, 2003, to the Chairman of the SEC requesting information relating to credit rating agencies. This information was provided in June 2003.

Money Laundering. The matter of money laundering and terrorist financing through the use of brokerage accounts and the capital markets was discussed in the context of the Committee's overall efforts to conduct oversight over anti-money laundering and terrorist financing operations. For more detail, see those entries earlier in this section.

Reducing Barriers to Efficiency for Mutual Fund Shareholders. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

The Role of Mutual Funds in the Technology Bubble. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Corporate Governance. In addition to the oversight activities on mutual funds described above, which included a review of mutual fund corporate governance, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on the new standards of attorney professional conduct promulgated under the Sarbanes-Oxley Act on February 4, 2004.

On March 11, 2004, the Chairman of the Full Committee and the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, along with three Senators, sent a letter to the Chairman of the SEC in support of the SEC's proposed rule requiring independent chairmen at mutual fund companies. The Chairman of the full Committee also sent a letter on May 20, 2004, to the Chairman of the SEC in support of the SEC's

proposed rule requiring independent chairmen at mutual fund companies.

On June 24, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Oversight of the Public Company Accounting Oversight Board” which focused on the PCAOB’s registration and inspections of public accounting firms and auditing, quality control and ethics standards setting.

On July 21, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Shell Games: Corporate Governance and Accounting for Oil and Gas Reserves. This hearing focused on Shell Oil Company’s accounting for oil and gas reserves and corporate governance structure.

The full Committee also held a hearing to examine the impact of Sarbanes-Oxley on public companies and auditing firms, including those provisions strengthening corporate governance at public companies, on July 22, 2004, entitled “Sarbanes/Oxley: Two Years of Market and Investor Recovery.”

Portfolio Transparency. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises hearing held on March 12, 2003, covered the issue of portfolio transparency among mutual fund companies.

Proxy Voting. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Securities Futures Products. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Retirement Plan Management. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Market Structure. On October 16, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Reviewing U.S. Capital Market Structure: The New York Stock Exchange and Related Issues” to examine the role of the New York Stock Exchange (NYSE) as a self-regulatory organization. On October 30, 2003, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled “Reviewing U.S. Capital Market Structure: Promoting Competition in a Changing Trading Environment” which focused on promoting competition in the national market system.

The Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent a letter on February 10, 2004, to the Chairman of the SEC calling for the elimination of the trade-through rule. On February 20, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a field hearing entitled “Market Structure III: The Role of the Specialist in the Evolving Modern Marketplace” examining the role of specialists and their modern-day functions.

On May 18, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on Regulation NMS, the SEC’s proposed reform of market structure

entitled “The SEC Proposal on Market Structure: How will Investors Fare?” On May 24, 2004, the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent a letter to the Chairman of the SEC expressing his concerns that the NYSE was soliciting its member firms to oppose the SEC’s proposed Regulation NMS. He also sent a letter to the SEC Chairman on July 23, 2004, requesting information relating to market data fees and dissemination. This information was provided in September 2004.

Investor Education and Literacy. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Analyst Conflicts. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Investment Banks and Accounting Fraud. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

IPO Allocation. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

Financial Markets and the 9/11 Terrorist Attacks. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on February 12, 2003, entitled “Recovery and Renewal: Protecting the Capital Markets Against Terrorism Post-9/11,” to examine measures put in place since September 11, 2001, to protect the financial markets in case of a terrorist attack. These measures were further examined by the full Committee in its September 8, 2004, hearing entitled “Protecting our Financial Infrastructure: Preparation and Vigilance”.

Hedge Funds. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on the regulatory issues and trading practices of hedge funds on May 22, 2003, entitled “The Long and Short of Hedge Funds: Effects of Strategies for Managing Market Risk”. In September 2003, the Committee staff received a briefing from the SEC on its staff report, “The Implications of the Growth of Hedge Funds,” released on September 29, 2003.

Stock Option Accounting. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held two days of hearings April 21 and May 4, 2004, entitled “The FASB Stock Options Proposal: Its Effect on the U.S. Economy and Jobs.” That hearing focused on the economic impact of FASB’s stock option expensing proposal.

The Committee’s oversight activities on this issue led to House passage of H.R. 3574, the Stock Option Accounting Reform Act, a bill requiring the expensing of stock options granted to the chief executive officer and the four other most highly compensated executives. The Chairman of the full Committee, the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, and seven other members of the Congress sent a letter on November 19, 2004, to the SEC Chairman request-

ing a delay in the implementation of FASB's stock option expensing proposal.

529 Plans. On February 4, 2004, the Chairman of the full Committee sent a letter to the Chairman of the SEC expressing concern about the excessive fees and lack of disclosure associated with 529 state tuition savings plans. On June 2, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled "Investing in the Future: 529 State Tuition Plans." On July 15, 2004, the Chairman of the full Committee sent another letter to the SEC Chairman recommending specific reforms relating to the costs and disclosure requirements of 529 plans.

Abusive Financial Product Sales to Military Personnel. On September 9, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing on abusive sales of financial products, including contractual plans, to military personnel. On September 29, 2004, the Committee passed H.R. 5011, the Military Personnel Financial Services Protection Act, a bill, which, among other things, prevents the future sales of contractual plans. The House passed H.R. 5011 on October 5, 2004. The Senate did not consider the bill before the end of the session.

Subprime Lending. On June 14, 2004, the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a field hearing entitled "Broken Dreams in the Poconos: The Response of the Secondary Markets and Implications for Federal Legislation." This hearing focused on the abuses present in the secondary mortgage market and subprime lending.

SEC Hiring Authority. The Chairman of the full Committee and the Chairman of the Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises sent letters to the Chairman of the SEC on January 8 and 30, 2003, requesting information relating to the hiring of SEC employees. The Committee's oversight efforts on this issue led to the enactment of H.R. 658, the Accountant, Compliance, and Enforcement Staffing Act of 2003, (Public Law 108-44).

GOVERNMENT SPONSORED ENTERPRISES

Federal Home Loan Bank System. The Committee monitored regulatory initiatives undertaken by the Federal Housing Finance Board (FHFB), including proposals to require the Federal Home Loan Banks to register the capital stock they sell with the SEC, under the Securities Exchange Act of 1934. On July 13, 2004, the Oversight and Investigations and the Capital Markets, Insurance, and Government Sponsored Enterprises Subcommittees held a joint hearing to examine the operations of the Office of Federal Housing Enterprise Oversight (OFHEO) and the Federal Housing Finance Board.

GSEs and Financial Disclosure. In July 2002, Fannie Mae and Freddie Mac agreed to voluntarily register their common stock under the Securities Exchange Act of 1934. Registration under the Act triggers periodic disclosure requirements about the financial condition and management of companies that issue securities. Freddie Mac has not filed with the SEC due to its accounting restatement. The Committee closely followed the Freddie Mac re-

statement process through hearings and briefings. Fannie Mae registered with the SEC, but, in 2004, Fannie Mae failed to file its fourth quarter form 10Q with the SEC. The Committee will continue to ensure that both of the GSEs fulfill their agreements to register with the SEC and comply with relevant securities laws.

OFHEO's Risk-based Capital Standard. During the 108th Congress, the Committee reviewed the Risk-based Capital Stress Test results, OFHEO's proposed changes to the Risk-based Capital Rule, OFHEO's enforcement of the rule, and related safety and soundness issues, such as GSE interest rate risk management and duration gap in both public hearings and in staff briefings.

GSE Regulatory Restructuring. In June 2003, Freddie Mac announced a major management reorganization following accounting irregularities at the GSE. This announcement led to investigations by the Committee and by the GSE regulator, OFHEO, into the causes of this reorganization. The Committee held hearings on the regulatory oversight of the GSEs on September 10 and 25, 2003. The Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held hearings on OFHEO's special examinations of Freddie Mac and Fannie Mae on January 21 and October 6, 2004. The majority of the Committee's oversight has been focused on the accounting restatement of Freddie Mac, the special examinations by OFHEO, and proposals to reform the regulatory oversight of both Fannie Mae and Freddie Mac.

The Committee has examined whether the existing GSE regulatory structure should be reformed, whether the supervisory and enforcement powers of GSE regulators should be strengthened, and whether funding for GSE regulators should be subject to the Congressional appropriations process. Chairman Baker introduced H.R. 2575 on June 23, 2004. This legislation created a new GSE regulator with enhanced oversight powers. The Committee held several hearings on the GSE regulatory structure following the finding of accounting irregularities at both Fannie Mae and Freddie Mac, and will continue to consider regulatory restructuring proposals in the 109th Congress.

Affordable Housing Goals. In early 2004 it was discovered that the GSEs engaged in several transactions valued in excess of \$1 billion with several financial institutions designed to meet the GSEs' affordable housing goals. Through these transactions the GSEs would pay the financial institutions a fee, or grant them some other privilege, in order to obtain the right to securitize qualified mortgages. The Committee and HUD engaged in a broad investigation into the details of these transactions and determined that there were no violations of the law; however, there was evidence of double counting of mortgages to reach the goals. HUD issued a rule during the 108th Congress raising the required level of affordable housing activity by the GSEs. The Committee closely monitored the process and rationale behind this change in the affordable housing goals and will continue to do so in the 109th Congress.

HOUSING ISSUES

Mortgage Finance Reform/Real Estate Settlement Procedures Act (RESPA). The Subcommittee on Housing and Community Oppor-

tunity held a hearing on February 25, 2003, entitled “Simplifying the Home Buying Process: HUD’s Proposal to Reform RESPA.” On December 1, 2003, the Chairman of the full Committee sent a letter to the Department of Housing and Urban Development (HUD) regarding the RESPA proposed rule and requested that any rewritten or amended proposal be published as a proposed rule in the Federal Register to provide an opportunity for further public comment. In late December 2003, HUD sent its final RESPA rule to OMB for review. On March 22, 2004, the Acting Secretary of Housing and Urban Development withdrew the final rule and indicated plans to revise and reissue the rule.

Annual Budget Review of Housing and Urban Development, Rural Housing Service, National Reinvestment Corporation and the National Flood Insurance Program. The Administration proposed \$31.3 billion in FY 2004 budget authority for HUD. During the review of the FY 2004 budget proposal, the full Committee held a hearing on March 5, 2003, to review housing and related programs under its jurisdiction, which include those programs at HUD, the National Flood Insurance Program, the Rural Housing Service and the Neighborhood Reinvestment Corporation.

On February 2, 2004, the Administration presented its proposed FY 2005 budget to Congress, requesting \$31.5 billion for HUD, which is approximately one percent above the \$31.2 billion enacted for FY 2004. On May 20, 2004, the Subcommittee on Housing and Community Opportunity held a hearing to examine the HUD FY 2005 budget proposal and received testimony from the Secretary of Housing and Urban Development.

Federal Housing Administration. In addition to the general oversight hearings on HUD and its proposed budgets for FY 2004 and 2005, the Subcommittee on Housing and Community Opportunity examined a number of oversight issues in the context of its legislative hearings on bills addressing the operation of the FHA.

During the 108th Congress, the Chairman of the Subcommittee on Housing and Community Opportunity requested five GAO studies on issues related to the FHA. These studies and requested dates are October 21, 2003, concerning the performance of FHA and other loans that involve down payment assistance, October 21, 2003, concerning the loan commitment authorities of FHA and the Rural Housing Service, September 8, 2004, concerning FHA’s TOTAL Scorecard, and September 22, 2004, concerning credit subsidy reestimates and actuarial soundness of HUD’s Mutual Mortgage Insurance Fund.

HUD Management Reform and Staffing. The Committee reviewed issues related to HUD’s management and staffing through the annual review of the proposed budgets for FY 2004 and FY 2005. Those hearings were held on March 5, 2003, and May 20, 2004, respectively.

HOPE VI. The Subcommittee on Housing and Community Opportunity held a hearing, entitled “Strengthening and Rejuvenating our Nation’s Communities and the HOPE VI Program,” on April 29, 2003. This hearing resulted in the enactment of legislation extending the HOPE VI authorization through 2006 and reforming the program, which was incorporated into S. 811, the American Dream Downpayment Act (Public Law 108–186). As a result of the

hearings, the program's authorization was extended through 2006 with changes in the program structure to allow smaller communities, without Public Housing Authorities, to use HOPE VI grants to leverage other private and public sector funds to rehabilitate small, rural downtown areas for affordable housing.

HUD Related Authorizations. The full Committee and Subcommittee on Housing and Community Opportunity reviewed HUD programs and related authorizations through the annual review of the proposed budgets for FY 2004 and 2005, on March 5, 2003, and May 20, 2004, respectfully.

Section 8. The Subcommittee held five hearings related specifically to the Housing Choice Voucher Program, commonly referred to as the section 8 rental assistance program or Federal rental assistance program. Those hearings were held on May 22, June 10, June 17, July 1, and July 29, 2003. Moreover, the Committee addressed these issues with the Secretary of Housing and Urban Development at the annual budget hearings held on March 5, 2003, and May 20, 2004.

In addition to the oversight hearings on the status of the Housing Choice Voucher Program, the Chairman of the Subcommittee on Housing and Community Opportunity requested two GAO studies regarding the operation of the program. The first, requested on October 21, 2003, concerned errors and overpayments in HUD's rental assistance program. The second study, requested on June 2, 2004, concerned late Housing Assistance Payments made by HUD.

Minorities and Homeownership. While neither the full Committee nor the Subcommittee on Housing and Opportunity held specific hearings on minorities and homeownership, the full Committee and Subcommittee covered these issues in the context of other hearings. Specifically, the February 25, 2003, hearing entitled "Simplifying the Home Buying Process: HUD's Proposal to Reform RESPA," the March 25 and April 28, 2003, hearings on faith-based housing programs, the April 29, 2003, hearing on HOPE VI programs, the June 19, 2003, hearing entitled "Rural Housing in America," the June 30, 2003, hearing entitled "Community Development Block Grants: The Impact of CDBG on our Communities," the May 5, 2004, hearing on Native American housing programs, and the March 18, 2004, hearing on housing counseling programs. Also, the Subcommittee on Housing and Community Opportunity held joint hearings on subprime lending with the Subcommittee on Financial Institutions and Consumer Credit on March 30, and June 23, 2004.

National Flood Insurance Program. The Subcommittee held an oversight hearing on April 1, 2003, entitled "The National Flood Insurance Program: Review and Reauthorization" which addressed the National Flood Insurance Program reauthorization and any suggested reforms. The Committee's activities on this issue resulted in the enactment of S. 2238, the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004 (Public Law 108-264).

Rural Housing Service Multifamily Program/Rural Housing Prepayment. On June 19 and July 8, 2003, the Subcommittee on Housing and Community Opportunity held two days of hearings entitled "Rural Housing in America." These hearings began an extensive review of the various rural housing programs under the RHS to de-

termine what changes, if any, were necessary to make the programs more efficient, cost effective and better able to meet the needs of low- and moderate-income families in rural areas.

As a follow-up to hearings held by the Committee in 2003, the Chairman of the Subcommittee on Housing and Community Opportunity requested several GAO studies regarding housing programs under the RHS' jurisdiction. These studies and requested dates are June 25, 2003, concerning the Rural Housing Service's Section 521 rental assistance program ("Rural Housing Service: Agency has Overestimated Its Rental Assistance Budget Needs over the Life of the Program." May 20, 2004. GAO-04-752.), October 21, 2003, concerning information on the loan commitment authority of the Rural Housing Service, and November 17, 2003, concerning how the Rural Housing Service defines eligible (rural) service areas ("Rural Housing: Changing the Definition of Rural Could Improve Eligibility Determinations." December 1, 2004).

Community Development Block Grants. The Committee on Financial Services held a hearing on March 5, 2003, to review housing programs under its jurisdiction, including the Community Development Block Grant program at HUD. In addition, on May 20, 2004, the Subcommittee on Housing and Community Opportunity held a hearing to examine the HUD FY 2005 budget proposal. The Subcommittee heard testimony from the Secretary of Housing and Urban Development.

On June 30, 2003, the Subcommittee on Housing and Community Opportunity held a field hearing entitled "Community Development Block Grants: The Impact of CDBG on Our Communities." The hearing focused on the history of the program, including the timely expenditure of CDBG funds and management and operation of the program.

Oversight of the Housing Authority of New Orleans and the Puerto Rico Public Housing Authority. The Committee and Subcommittee continued its review of the Housing Authority of New Orleans (HANO) to determine if HUD administrative receivership has led to significant improvement in both HUD's and HANO's management and operation. During its HUD budget/oversight hearings on March 5, 2003, and May 20, 2004, the Committee also reviewed the measures taken by HUD to correct abuse in contracting and program management within all public housing authorities, including the Puerto Rico Housing Authority, the second-largest public housing authority in the country.

Oversight of HUD and Rural Housing Service Financial and Information Systems. On October 21, 2003, the Committee requested a GAO evaluation of RHS and HUD Federal Housing Administration system for estimating utilization of commitment authority and, in the case of programs requiring credit subsidy, credit subsidy authority. The lack of timely comprehensive information continues to hamper both HUD and RHS' ability to monitor the progress of programs and the use of its funds. The Committee used its two HUD oversight/budget hearings and the rural housing hearings to investigate how best to address this crucial problem.

Oversight of HUD's Public Housing Assessment System. While the Committee did not focus a specific hearing on the topic of HUD's Public Housing Assessment System (PHAS), it held several

related hearings that touched on this issue. During its two HUD oversight/budget hearings for FY 2004 and FY 2005, the Committee realized HUD has yet to use new technology to streamline its many programs within the office of Public and Indian Housing, including PHAS.

Faith-based Housing Initiatives. The Subcommittee on Housing and Community Opportunity held two days of hearings on March 25 and April 28, 2003, entitled “Strengthening America’s Communities: Examining the Impact of Faith-Based Housing Partnerships”. The focus of that hearing was the potential impact of HUD’s proposed rule that incorporates Executive Order No. 13279, issued on December 12, 2003, into eight Community Planning and Development programs.

On January 6, 2003, the Department of Housing and Urban Development (HUD) issued proposed regulations designed to further enhance the participation of faith-based organizations in certain HUD programs. (“Participation in HUD Programs by Faith Based Organizations: Providing for Equal Treatment of All HUD Program Participants; Proposed Rule,” 68 Federal Register 648, January 6, 2003.) The proposed HUD regulations address participation by faith-based organizations in eight programs: Housing for Persons with AIDS (HOPWA), Emergency Shelter Grant (ESG) Program, Supportive Housing Program (SHP), Shelter Plus Care (S+C) program, Youthbuild program, HOPE 3, HOME, and CDBG. The hearings provided an opportunity for representatives of various organizations to testify on the impact of the proposed rule.

Homelessness. The Financial Services committee held a hearing to review the HUD FY 2004 Proposed Budget on March 5, 2003, and the Subcommittee on Housing and Community Opportunity held a hearing to review HUD’s FY 2005 Proposed Budget on May 20, 2004. As part of those hearings the Committee reviewed programs and funding levels specific to homelessness.

Housing Production. The Subcommittee on Housing and Community Opportunity held a series of hearings entitled “The Section 8 Housing Assistance Program: Promoting Decent Affordable Housing for Families and Individuals that Rent” during the first session of the 108th Congress. In all, the Subcommittee held five hearings, three in Washington on May 22, June 10 and June 19, 2003, and two field hearings, Los Angeles, California on July 1, 2003, and Columbus, Ohio, on July 29, 2003.

On June 19 and July 8, 2003, the Subcommittee on Housing and Community Opportunity held hearings entitled “Rural Housing in America.” These hearings looked at the specific housing needs of those leaving in rural communities.

On May 5, 2004, the Subcommittee traveled to Tuba City, Arizona, to investigate the housing needs of Native Americans and the challenges specific to producing affordable housing for those living on the Navajo Reservation.

Housing Preservation. On December 10, 2002, Chairman Oxley and Ranking Minority Member Frank asked the GAO to study the preservation of low-income housing rental development before they reach mortgage maturity. On July 20, 2004, the Subcommittee on Housing and Community held a hearing on the GAO report entitled “Multifamily Housing: More Accessible HUD Data Could Help

Efforts to Preserve Housing for Low-Income Tenants” (GAO-04-20; January 2004).

Fraud in the Housing Industry. On February 25, 2003, the Committee held a hearing on reform of the Real Estate Settlement Procedures Act (RESPA). Many of the provisions included in RESPA are designed to prevent fraud within the mortgage industry. The Subcommittees on Housing and Community Opportunity and Financial Institutions and Consumer Credit held three joint hearings on issues related to the topic of predatory lending.

The first joint hearing was held on November 5, 2003, and was entitled “Protecting Homeowners: Preventing Abusive Lending While Preserving Access to Credit.” The hearing focused on the subprime mortgage lending industry in the United States. In particular, the subcommittees were interested in solutions which would eliminate abusive practices in the origination process and in the secondary market while, at the same time, preserving and promoting access to affordable credit.

The second hearing was held on March 30, 2004, and was entitled, “Subprime Lending: Defining the Market and Its Customers.” The focus of this particular hearing was on the growing subprime mortgage lending industry in the United States. This hearing focused on exploring the dynamics of the subprime market and its ability to offer more customized mortgage products to meet customers’ varying credit needs. In addition, this hearing helped the Subcommittees seek a better definition of the typical subprime customer and the advantages and disadvantages this market poses to the financial security of these consumers. Panelists consisted of industry groups, consumer groups, and a host of leading academics in the field.

The third hearing was held June 23, 2004, and was entitled “Promoting Homeownership by Ensuring Liquidity in the Subprime Mortgage Market.” This hearing focused on the role that the secondary mortgage market plays in providing liquidity to the subprime industry and creating homeownership opportunities for American consumers.

In addition to the hearings pertaining to predatory lending and the subprime market, on October 7, 2004, the Subcommittee on Housing and Community Opportunity held a hearing entitled, “Mortgage Fraud and its Impact on Mortgage Lenders.” The focus of the hearing was on mortgage fraud and its impact on the lender and ultimately the market and was in response to a specific investigation conducted by the Federal Bureau of Investigation (FBI).

On September 17, 2004, the FBI announced action against 205 individuals in the largest nationwide operation in FBI history directed at organized groups and individuals engaged in mortgage fraud. Called “Operation Continued Action”, the FBI targeted a variety of fraud schemes, including mortgage and loan fraud as well as insider fraud, financial institution failure investigations, identity theft, check fraud and check kiting in 37 states nationwide with more than 533 cases of mortgage fraud in 2004 alone. This represents a five-fold increase in the number investigated from three years earlier.

ECONOMIC DEVELOPMENT

Development of Economic Opportunities. With the assistance of the GAO, the Committee on Financial Services periodically reviewed the Rural Local Broadcast Signal Loan Guarantee Program. While the Committee took no direct oversight action, it also monitored activities of the Appalachian Regional Commission and the Delta Regional Authority.

Reauthorization of the Defense Production Act. The Committee reviewed the operations of the Defense Production Act in the context of its reauthorization of the program. These efforts led to enactment of S. 1680, the Defense Production Act Reauthorization of 2003, (Public Law 108–195).

Community Development Financial Institutions. Although the Committee took no direct oversight action on this topic, the Committee monitored the developments in this area throughout the 108th Congress.

FEDERAL AGENCIES/AGENCY PROGRAM ISSUES

Management/Reform of the Federal Reserve System. On February 12, April 30, July 15, 2003, and February 11 and July 21, 2004, the Committee on Financial Services held wide-ranging hearings covering many aspects of the operation of the Federal Reserve system and the monetary policy activities of its Board of Governors. On April 28, 2004, the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled “Money Matters: Helping America Move Forward.” That hearing covered issues related to the Federal Reserve’s issuance of currency, the design of that currency, and the Federal Reserve’s role in circulation of currency and of coins issued by the Treasury Department throughout the country for use in ordinary commerce.

Federal Reserve Conduct of Monetary Policy. On February 12, April 30, July 15, 2003, and February 11 and July 21, 2004, the Committee on Financial Services held hearings to receive the testimony of the Chairman of the Board of Governors of the Federal Reserve System, covering the conduct of monetary policy and the state of the economy.

Oversight of Agency Management Practices. The full Committee on Financial Services held a hearing on June 16, 2004, entitled “Oversight of the Department of the Treasury.”

Economic Security. The Subcommittee on Oversight and Investigations held a hearing on October 20, 2003, (discussed previously under “Cybersecurity”) to examine government and industry efforts to protect the financial markets during times of stress, including blackouts, natural disasters or terrorist attacks. The hearing focused on a Committee-requested GAO report covering the resilience of the nation’s critical financial infrastructure to withstand such trauma. Further, the full Committee on Financial Services held a hearing on September 8, 2004, focusing on the resilience and preparedness of the financial markets, which also served as a follow-up to track compliance with recommendations in the GAO report. On October 8, 2004, the House of Representatives, as part of consideration of H.R. 10, the 9/11 Recommendations Implementation Act, passed language originating in the Committee on Financial

Services calling for reports on efforts to strengthen the resilience of the nation's critical financial infrastructure, and urging greater efforts to create regional public-private partnerships to protect that infrastructure.

COINS, CURRENCY AND PAYMENT SYSTEMS

Management of the Nation's Money: Activities of the Bureau of Engraving and Printing and the Bureau of the Mint. The Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing entitled "Money Matters: Helping America Move Forward" on April 28, 2004, to discuss the design of the nation's circulating coins and currency, trends in counterfeiting and issues dealing with the circulation of coins and currency in ordinary commerce. Also discussed were issues dealing with the operation of the Bureau of Engraving and Printing and the Bureau of the Mint. The Chairman and Ranking Member of the Subcommittee on Domestic and International Monetary Policy, Trade, and Technology have outstanding requests for reports from the Government Accountability Office: an update of a 1998 GAO report recommending that the Bureau of Engraving and Printing seek at least one more supplier for currency paper, in advance of the letting of new contracts in 2006, and from the Treasury Office of Inspector General on the advisability of the Bureau of the Mint seeking to transfer the production of the "blanks" used in coin production to the private sector.

Electronic Commerce and Payment Systems. On October 1, 2003, the Full Committee on Financial Services held a hearing entitled "Remittances: Reducing Costs, Increasing Competition and Broadening Access to the Market," aimed at allowing U.S. residents to more efficiently send money home to family members in other countries.

Counterfeiting. The Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing on April 28, 2004, on the design and security of circulating coins and currency.

Dollar Coin. The Subcommittee on Domestic and International Monetary Policy, Trade, and Technology held a hearing on April 28, 2004, examining the design and circulation patterns of the one-dollar coin. That hearing resulted in Committee consideration of H.R. 3916, the Presidential \$1 Coin Act, a bill which redesigned the one-dollar coin, giving it a design that changed quarterly to interest collectors and stimulate circulation for use in ordinary commerce similar to the 50 State quarter program.

APPENDIX I—COMMITTEE LEGISLATION

PART A—COMMITTEE REPORTS

Reports filed by the Committee on Financial Services with the House

Bill No.	H.Rept. No.	Title
H.R. 254	108-17	Authorizing the President of the United States to Agree to Certain Amendments to the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Co-operative Commission and a North American Development Bank, and for Other Purposes
H.R. 657	108-19	Emergency Securities Response Act of 2003
H.R. 258	108-20	American 5-Cent Coin Design Continuity Act of 2003
H.R. 239	108-22	Brownfields Redevelopment Enhancement Act
H.R. 659	108-27	Hospital Mortgage Insurance Act of 2003
H.R. 522	108-50	Federal Deposit Insurance Reform Act of 2003
H.R. 21	108-51	Unlawful Internet Gambling Funding Prohibition Act
H.R. 758	108-53	Business Checking Freedom Act of 2003
H.R. 1280	108-56	Defense Production Act Reauthorization of 2003
H.R. 658	108-63	Accountant, Compliance, and Enforcement Staffing Act of 2003
H.R. 1474	108-132	Check Clearing For the 21st Century Act
H.R. 2143	108-133	Unlawful Internet Gambling Funding Prohibition Act
H.R. 2143	108-133	Unlawful Internet Gambling Funding Prohibition Act
H.R. 23	108-151	Tornado Shelters Act
H.R. 1375	108-152	Financial Services Regulatory Relief Act of 2003
H.R. 1375	108-152	Financial Services Regulatory Relief Act of 2003
H.R. 1276	108-164	American Dream Downpayment Act
H.R. 1614	108-165	Hope VI Program Reauthorization and Small Community Mainstreet Rejuvenation and Housing Act of 2003
H.R. 1985	108-247	FHA Multifamily Loan Limit Adjustment Act of 2003
H.R. 1533	108-248	Amending the Securities Laws to Permit Church Pension Plans to be Invested in Collective Trusts
H.R. 2622	108-263	Fair and Accurate Credit Transactions Act of 2003
H.R. 2622	108-263	Fair and Accurate Credit Transactions Act of 2003
H.R. 253	108-266	Two Floods and You Are Out of the Taxpayers' Pocket Act of 2003
H.R. 2120	108-277	Financial Contracts Bankruptcy Reform Act of 2003
H.R. 2420	108-351	Mutual Funds Integrity and Fee Transparency Act of 2003
H.R. 27	108-458	Small Public Housing Authority Act
H.R. 2131	108-463	Congressional Gold Medal for President Jose Maria Aznar of Spain
H.R. 1914	108-472	Jamestown 400th Anniversary Commemorative Coin Act of 2003
H.R. 2768	108-473	John Marshall Commemorative Coin Act
H.R. 3277	108-474	Marine Corps 230th Anniversary Commemorative Coin Act
H.R. 2179	108-475	Securities Fraud Deterrence and Investor Restitution Act of 2004
H.R. 4363	108-546	Helping Hands for Homeownership Act of 2004
H.R. 4471	108-550	Homeownership Opportunities for Native Americans Act of 2004
H.R. 3916	108-568	Presidential \$1 Coin Act of 2004

Bill No.	H.Rept. No.	Title
H.R. 3574	108-609	Stock Option Accounting Reform Act
H.R. 10	108-724	9/11 Recommendations Implementation Act
H.R. 5011	108-725	Military Personnel Financial Services Protection Act
H.R. 3755	108-748	Zero Downpayment Act of 2004
H.R. 4634	108-780	Terrorism Insurance Backstop Extension Act of 2004

PART B—PUBLIC LAWS

This table lists measures which contained matters within the jurisdiction of the Committee on Financial Services which were enacted into law during the 108th Congress.

Public Laws

Public Law No.	Bill No.	Title
108-003	H.R. 11	Extending the National Flood Insurance Program
108-015	H.R. 258	American 5-Cent Coin Design Continuity Act of 2003
108-044	H.R. 658	Accountant, Compliance, and Enforcement Staffing Act of 2003
108-060	S. 709	Awarding a congressional gold medal to Prime Minister Tony Blair
108-077	H.R. 2417	Intelligence Authorization Act for Fiscal Year 2004*
108-091	H.R. 659	Hospital Mortgage Insurance Act of 2004
108-100	H.R. 1474	Check Clearing for the 21st Century Act
108-101	H.R. 1900	Awarding a congressional gold medal to Jackie Robinson (posthumously), in recognition of his many contributions to the Nation, and to express the sense of the Congress that there should be a national day in recognition of Jackie Robinson
108-146	H.R. 23	Tornado Shelters Act
108-159	H.R. 2622	Fair and Accurate Credit Transactions Act of 2003
108-162	H.R. 1821	Awarding a congressional gold medal to Dr. Dorothy Height in recognition of her many contributions to the Nation.
108-171	S. 1768	National Flood Insurance Program Reauthorization Act of 2004
108-180	H.R. 3287	Awarding congressional gold medals posthumously on behalf of Reverend Joseph A. DeLaine, Harry and Eliza Briggs, and Levi Pearson in recognition of their contributions to the Nation as pioneers in the effort to desegregate public schools that led directly to the landmark desegregation case of <i>Brown et al. v. the Board of Education of Topeka et al.</i>
108-186	S. 811	American Dream Downpayment Act of 2003
108-188	H.J.Res. 63	Compact of Free Association Amendments Act of 2003*
108-189	H.R. 100	Servicemembers Civil Relief Act of 2003*
108-195	H.R. 1280	Defense Production Act Reauthorization of 2003
108-199	H.R. 2673	Consolidated Appropriations Act, 2004*
108-213	H.R. 3724	Energy Efficient Housing Technical Correction Act
108-215	H.R. 254	Authorizing the President of the United States to Agree to Certain Amendments to the Agreement Between the Government of the United States of America and the Government of the United Mexican States Concerning the Establishment of a Border Environment Cooperative Commission and a North American Development Bank, and for Other Purposes
108-264	S. 2238	Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004
108-285	H.R. 4363	Helping Hands for Homeownership Act of 2004

Public Law No.	Bill No.	Title
108-289	H.R. 1914	Jamestown 400th Anniversary Commemorative Coin Act of 2003
108-290	H.R. 2768	John Marshall Commemorative Coin Act
108-291	H.R. 3277	Marine Corps 230th Anniversary Commemorative Coin Act
108-301	S. 2712	Preserving the Ability of the Federal Housing Administration to insure mortgages under sections 238 and 519 of the National Housing Act
108-359	H.R. 1533	Amending the securities laws to permit church pension plans to be invested in collective trusts
108-368	S. 1368	Authorizing the President to award a gold medal on behalf of the Congress to Reverend Doctor Martin Luther King, Jr. (posthumously) and his widow Coretta Scott King in recognition of their contributions to the Nation on behalf of the civil rights movement.
108-386	H.R. 3797	2004 District of Columbia Omnibus Authorization Act
108-393	H.R. 4471	Homeownership Opportunities for Native Americans Act of 2004
108-447	H.R. 4818	Consolidated Appropriations Act, 2005*
108-458	S. 2845	Intelligence Reform and Terrorism Prevention Act of 2004
	H.R. 3204	Benjamin Franklin Commemorative Coin Act
108-486	H.R. 4116	American Bald Eagle Recovery and National Emblem Commemorative Coin Act

*This measure (or its House or Senate companion) was not referred to the Committee on Financial Services.

APPENDIX II—COMMITTEE PUBLICATIONS

PART A—COMMITTEE HEARINGS

Serial No.	Title & Subcommittee	Date(s)
108-1	Monetary Policy and the State of the Economy (Full)	Feb. 12, 2003
108-2	Recovery and Renewal: Protecting the Capital Markets Against Terrorism Post 9/11 (Capital Markets)	Feb. 12, 2003
108-3	Simplifying the Home Buying Process: HUD's Proposal to Reform RESPA (Housing)	Feb. 25, 2003
108-4	It's Only FAIR: Returning Money to Defrauded Investors (Capital Markets)	Feb. 26, 2003
108-5	The New Basel Accord- Sound Regulation or Crushing Complexity (Domestic and International)	Feb. 27, 2003
108-6	H.R. 522 Federal Deposit Insurance Reform Act of 2003 (Full)	Mar. 4, 2003
108-7	Housing Related Agency Budgets for FY2004 (Full)	Mar. 5, 2003
108-8	Business Checking Freedom Act of 2003, H.R. 758 and H.R. 859 (Financial Institutions)	Mar. 5, 2003
108-9	H.R. 658, the Accountant, Compliance, and Enforcement Staffing Act of 2003 and H.R. 957 the Broker Accountability through Enhanced Transparency Act of 2003 (Capital Markets)	Mar. 6, 2003
108-10	Progress Since 9/11: The Effectiveness of the U.S. Anti-Terrorist Financing Efforts (Oversight)	Mar. 11, 2003
108-11	Mutual Fund Industry Practices and their Effect on Individual Investors (Capital Markets)	Mar. 12, 2003
108-12	Paying Dividends: How the President's Tax Plan will benefit Individual Investors and Strengthen the Capital Markets (Oversight)	Mar. 18, 2003
108-13	H.R. 1280, the Defense Production Act Reauthorization of 2003 (Domestic and International)	Mar. 19, 2003
108-14	Strengthening America's Communities: Examining the Impact of Faith-Based Housing Partnerships (Housing)	Mar. 25 and Apr. 28, 2003
108-15	H.R. 1375, the Financial Services Regulatory Relief Act of 2003 (Financial Institutions)	Mar. 27, 2003
108-16	Opening Trade in Financial Services—the Chile and Singapore Examples (Domestic and International)	Apr. 1, 2003
108-17	The National Flood Insurance Program: Review and Reauthorization (Housing)	Apr. 1, 2003
108-18	Rating the Rating Agencies: The State of Transparency and Competition (Capital Markets)	Apr. 2, 2003
108-19	Fighting Fraud: Improving Information Security (Financial Institutions/Oversight)	Apr. 3, 2003
108-20	H.R. 1474 Check Clearing for the 21st Century Act (Financial Institutions)	Apr. 8, 2003
108-21	Promoting the American Dream of Homeownership through Down Payment Assistance (Housing)	Apr. 8, 2003
108-22	The Effectiveness of State Regulation: Why Some Consumers Can't Get Insurance (Capital Markets)	Apr. 10, 2003

Serial No.	Title & Subcommittee	Date(s)
108-23	Strengthening and Rejuvenating our Nation's Communities and the HOPE VI Program (Housing)	Apr. 29, 2003
108-24	United States monetary and economic policy (Full)	Apr. 30, 2003
108-25	Increasing the Effectiveness of State Consumer Protections (Oversight)	May 6, 2003
108-26	The Importance of the National Credit Reporting System to Consumers and the U.S. Economy (Financial Institutions)	May 8, 2003
108-27	The State of the International Financial System, IMF Reform and Compliance with IMF agreements (Full)	May 13, 2003
108-28	Divesting Saddam: Freezing, Seizing, and Repatriating Saddam's Money to the Iraqis (Oversight)	May 14, 2003
108-29	Retirement Security: What Seniors Need to Know about Protecting their Futures (Capital Markets)	May 15, 2003
108-30	The Long and Short of Hedge Funds: Effects of Strategies for Managing Market Risk (Capital Markets)	May 22, 2003
108-31	The Section 8 Housing Assistance Program: Promoting Decent Affordable Housing for Families and Individuals who Rent (Housing)	May 22, Jun. 10 and 17, and Jul 1, 2003
108-32	The Accounting Treatment of Employee Stock Options (Capital Markets)	Jun. 3, 2003
108-33	Fair Credit Reporting Act: How it Functions for Consumers and the Economy (Financial Institutions)	Jun. 4, 2003
108-34	H.R. 2179, The Securities Fraud Deterrence and Investor Restitution Act of 2003 (Capital Markets)	Jun. 5, 2003
108-35	Financing Employee Ownership Programs: An Overview (Financial Institutions)	Jun. 10, 2003
108-36	Matching Capital and Accountability (Domestic and International)	Jun. 11, 2003
108-37	The Role of FCRA in the Credit Granting Process (Financial Institutions)	Jun. 12, 2003
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108-107*	9/11 Commission Report: Identifying and Preventing Terrorist Financing (Full)	Aug. 23, 2004
108-108*	Protecting our Financial Infrastructure: Preparation and Vigilance (Full)	Sep. 8, 2004
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108-B	Compilation of Securities Laws	February 2003
108-C	Compilation of Basic Laws on Housing and Community Development	March 2003
108-D	A Chronology of Housing Legislation and Selected Executive Actions, 1892-2003	March 2004

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