Bill: Senate 2155, *Economic Growth, Regulatory Relief, and Consumer Protection Act*
Status: Favorably Passed by Committee on Banking, Housing, and Urban Affairs
Co-Sponsors: 23 including DE Senators Carper and Coons

Overview: Senate 2155, *Economic Growth, Regulatory Relief, and Consumer Protection* Act, contains many provisions that would improve the operating environment for credit unions and allow them to more effectively help their members realize their financial goals. The Senate bill is much less ambitious than the House version but there is considerable overlap, over 15 provisions, between the two bills. Key provisions:

1-4 Family Non-Owner Occupied Loans:

- The bill provides that a 1-4 family dwelling that is not the primary residence of a member will not be considered a member business loan under the Federal Credit Union Act. Estimates suggest that up to $4 billion in capital could be freed up by this simple change for economic development.

HMDA Reporting*:

- The bill addresses the Home Mortgage Disclosure Act (HMDA) and provides regulatory relief to small depository institutions that have originated less than 500 closed-end mortgage loans or less than 500 open-end lines of credit in each of the two preceding calendar years by exempting them from certain disclosure requirements under HMDA. It also directs the Comptroller General to conduct a study examining the impact on the amount of data available.

NCUA Budget Transparency*:

- The bill requires a public notice and comment procedure for the NCUA Board.

Elder Financial Abuse:

- The bill extends protections to certain individuals who, in good faith and with reasonable care, disclose the suspected exploitation of a senior citizen to a regulatory or law-enforcement agency. It provides legal immunity for properly trained financial services employees who disclose concerns about financial exploitation of senior citizens.

Data Security:

- The bill requires Treasury to conduct a study on the risks that cyber threats may pose to financial institutions. Particularly in light of recent data breaches, which cause tremendous disruption and impose significant costs to credit unions, this effort will help to understand those risks more fully and potentially how to mitigate them across the financial services sector.

Qualified Mortgages*:

- The bill addresses the Qualified Mortgage (QM) rule for certain lenders who hold mortgage loans in portfolio and helps credit unions provide mortgage credit to their members in circumstances where rigid adherence to the one-size-fits-all QM rule would deny a member the opportunity to own a home.
- It also provides that certain mortgage loans that are originated and retained in portfolio by an insured credit union with less than $10 billion in total consolidated assets will be deemed qualified mortgages under the Truth-in- Lending Act (TILA) while maintaining consumer protections.

PACE Loans (Senate bill only):

- The bill addresses Property Assessed Clean Energy (PACE) loans and ensures that the same consumer protections that are in place with respect to mortgage lending are nonexistent for PACE loans. Much work remains to be done in states with PACE programs to ensure these liens are recorded appropriately relative to the underlying mortgage, and the Association continues to advocate at the state level against expansion of the PACE programs where they do not already exist. Meanwhile, at the federal level, this provision would provide significant clarity to homeowners evaluating whether a PACE loan is appropriate for their situation.

TILA/RESPA:

- The bill removes the three-day waiting period required for the combined TILA/RESPA mortgage disclosure if a creditor extends to a consumer a second offer of credit with a lower annual percentage rate, and expresses the sense of Congress that the CFPB should endeavor to provide clearer, authoritative guidance with respect to certain issues. This additional waiting period, even when the benefit of a lower rate inures to the borrower, has significantly delayed closings for many credit union borrowers.

*Provision contained in both the House and Senate bills.

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