

Massachusetts (Mr. AUCHINCLOSS), who is also the vice chair of the Financial Services Committee.

Mr. AUCHINCLOSS. Madam Speaker, I will begin by thanking the Chairwoman of the Financial Services Committee for her support of this legislation and for her career-long support for financial access and inclusion; and, also, my colleague from Arkansas' support to make this a bipartisan initiative.

Madam Speaker, our economy has not always worked for all communities equally. This is evident in the glaring wealth disparities for American families emphasized in the 2019 survey of Consumer Finances Federal Reserve Report.

One way to address these issues is to ensure access to diverse and affordable financial services that can help individuals save money and help small businesses raise capital. That is why I urge my colleagues to vote for my bill, the Promoting New and Diverse Depository Institutions Act.

Over the last several decades, there has been consolidation among banks and credit unions. This has effectively limited the products available to consumers and artificially driven up costs while closing banking branches for people who already did not have many choices.

My bipartisan bill is the first step to increasing the supply of banking services by directing banking regulators to work together to address the challenges that new depository institutions, including MDIs and CDFIs, face when applying for a charter.

Starting and maintaining a new bank or credit union is hard work. It is the banking regulators' responsibility to measure and mitigate the challenges that new banks face.

MDIs and CDFIs play a unique and vital role in our financial system and often have a close relationship with their consumers. By investing in and supporting MDIs and CDFIs, Congress can foster economic opportunities for people who otherwise are unable to access affordable banking services in a system that is already restricted and restrictive.

My bill will help new banks, and in so doing, it will expand access to affordable services for unbanked communities. I believe this bill is a necessary step toward advancing economic equality in our country, and I ask your help to ensure that all Americans have access to affordable banking services regardless of their address.

Mr. HILL. Madam Speaker, let me thank my friend from Massachusetts for his passion on this. I spent the better part of half of my career in community banking, and I know the consolidation, how it has impacted, particularly, rural counties that no longer have a banking office.

And I also know how the regulatory burden has raised the immense costs of trying to form a new de novo banking corporation. It is just putting it out of

reach of many, many groups of civic leaders, entrepreneurs, local people and, certainly, those trying to form a minority depository institution, or a CDFI.

So I commend my friend from Massachusetts for his work on this bill. It does have bipartisan support. I urge my colleagues to support it.

In conclusion, Madam Speaker, I include in the RECORD a letter to the Speaker and the minority leader, in addition to the chair and ranking member of the House Financial Services Committee from the Independent Community Bankers of America expressing their full support of H.R. 4590.

#### INDEPENDENT COMMUNITY

#### BANKERS OF AMERICA,

July 26, 2022.

Re Support for the Promoting New and Diverse Depository Institutions Act (H.R. 4590).

Hon. NANCY PELOSI,  
*Speaker, House of Representatives,*  
*Washington, DC.*

Hon. MAXINE WATERS,  
*Chairwoman, Committee on Financial Services,*  
*House of Representatives,*  
*Washington, DC.*

Hon. KEVIN MCCARTHY,  
*Minority Leader,*  
*House of Representatives,*  
*Washington, DC.*

Hon. PATRICK MCHENRY,  
*Ranking Republican, Committee on Financial Services,*  
*House of Representatives,*  
*Washington, DC.*

DEAR SPEAKER PELOSI, MINORITY LEADER MCCARTHY, CHAIRWOMAN WATERS, AND RANKING MEMBER MCHENRY:

On behalf of community banks across the country, with nearly 50,000 locations, I write to thank you for scheduling floor consideration of the Promoting New and Diverse Depository Institutions Act (H.R. 4590), sponsored by Rep. Jake Auchincloss, and to express our support for this legislation. ICBA urges all Members of the House to vote YES on H.R. 4590.

The Promoting New and Diverse Depository Institutions Act requires the Federal banking regulators to conduct a joint study to assess the challenges faced by proposed depository institutions, including proposed minority depository institutions (MDIs), seeking de novo depository institution charters and to provide legislative recommendations to help these proposed institutions successfully obtain charters. There has been a dearth of de novo charters in the past decade. An infusion of new charters is needed to offset consolidation in the banking sector and create a competitive landscape that will benefit consumers and small businesses alike. Notably, new community bank charters, including new MDI charters, are needed to provide access to capital and banking services that play a pivotal role in reaching unbanked populations and underserved communities across the nation.

Concrete, actionable proposals are needed to turn the tide of stagnant de novo bank formation. ICBA supports an array of measures, such as phasing in capital standards for de novo banks over a period of three years and allowing for greater flexibility to modify the de novo business plan as conditions warrant. Start-up capital is often the greatest impediment to forming a new bank, and these provisions, among others, would help spur the creation of de novo charters, including MDIs.

Thank you for your consideration. ICBA looks forward to working with you to advance H.R. 4590 into law.

Sincerely,

REBECA ROMERO RAINEY,  
*President & CEO.*

Mr. HILL. Madam Speaker, I yield back the balance of my time.

Ms. WATERS. Madam Speaker, I yield myself the balance of my time.

H.R. 4590 is supported by a wide range of stakeholders, including California & Nevada Credit Union Leagues, Community Development Bankers Association, Inclusiv, Independent Community Bankers Association, and many others.

I urge my colleagues to support this bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 4590, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### DEVELOPING AND EMPOWERING OUR ASPIRING LEADERS ACT OF 2022

Ms. WATERS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4227) to require the Securities and Exchange Commission to revise the definition of a qualifying investment, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, to include an equity security issued by a qualifying portfolio company and to include an investment in another venture capital fund, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 4227

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Developing and Empowering our Aspiring Leaders Act of 2022".

#### SEC. 2. DEFINITIONS.

Not later than the end of the 180-day period beginning on the date of the enactment of this Act, if the Securities and Exchange Commission determines the revisions would facilitate capital formation without compromising investor protection, the Commission shall—

(1) revise the definition of a qualifying investment under paragraph (c) of section 275.203(1)-1 of title 17, Code of Federal Regulations, to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition; and

(2) revise paragraph (a) of such section to require, as a condition of a private fund qualifying as a venture capital fund under such paragraph, that the qualifying investments of the private fund are predominantly qualifying investments that were acquired directly from a qualifying portfolio company.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from California (Ms. WATERS) and the gentleman from Arkansas (Mr. HILL) each will control 20 minutes.

The Chair recognizes the gentlewoman from California.

#### GENERAL LEAVE

Ms. WATERS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WATERS. Madam Speaker, I yield myself such time as I may consume.

I support H.R. 4227, the Developing and Empowering Our Aspiring Leaders Act of 2021, introduced by Mr. HOLLINGSWORTH. This bill would authorize the Securities and Exchange Commission, or SEC, to revise its rules on venture capital investment regulations to allow investments acquired through secondary transactions or investments in other venture capital funds to be considered as qualifying investments for venture capital funds.

Importantly, the SEC would only be required to revise its rules if it finds that the revision would facilitate capital formation without reducing investor protections.

I want to ensure startups and small businesses have access to capital, but as this bill stipulates, access to capital should not come at the expense of investor protections. This bill strikes the right balance, and I so urge my colleagues to support this bill.

Madam Speaker, I reserve the balance of my time.

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Mr. HILL. Madam Speaker, I yield myself such time as I may consume.

I rise, as well, in support of H.R. 4227, the Developing and Empowering our Aspiring Leaders Act, or DEAL Act. I commend my colleague from Indiana (Mr. HOLLINGSWORTH) and my colleagues from across the aisle for collaborating on H.R. 4227.

By investing in companies that help drive economic growth and job creation, venture capital funds play an important role in the success and overall health of the American economy. In fact, earlier this year, it was reported that employment from U.S.-backed VC companies grew 960 percent from 1990 to 2020. That is eight times the employment growth at non-venture-capital-backed companies.

Jobs created by VC-backed enterprises are widely distributed across the U.S.

In 2020, despite COVID-19 pandemic conditions, more than 10,800 companies across the United States received venture capital funding. Additionally, in 2020, venture capital investment in the United States totaled \$164 billion.

However, the registered investment adviser rules, promulgated by the Securities and Exchange Commission under the Dodd-Frank Act, inadvertently discouraged some venture capital firms from continuing to invest in companies through what are called secondary investments.

Though advisers from venture capital funds were exempt statutorily from registration as a registered investment adviser, the Dodd-Frank Act required the SEC to define what qualified as a venture capital fund.

As written, the SEC's rules state that VC funds can only have 20 percent of their capital commitments in non-qualifying investments.

Specifically, the SEC definition for qualifying investments for venture capital funds prohibits secondary acquisitions from being considered as qualifying investments, which means that the secondary acquisitions fall into that 20 percent nonqualifying bucket.

Therefore, Madam Speaker, small, private companies that need additional capital to grow and grow big enough to then go public cannot turn to the venture capital industry for secondary acquisition because such funds are concerned that they might well exceed the 20 percent limit and then trigger that the VC fund has to register as an RIA.

Mr. HOLLINGSWORTH's bill, H.R. 4227, remedies this problem by requiring the SEC to revise the definition of a qualifying investment to include secondary acquisitions for purposes of the RIA exemption.

This bill is a commonsense piece of legislation to ensure that our venture capital funds can continue to provide capital to small business across our land.

Madam Speaker, I thank my friend, Mr. HOLLINGSWORTH, for his work on this legislation, and I urge a "yes" vote on Mr. HOLLINGSWORTH's bill, H.R. 4227.

Madam Speaker, I yield back the balance of my time.

Ms. WATERS. Madam Speaker, I yield myself such time as I may consume.

I support H.R. 4227 and urge its passage as it correctly balances the need to provide access to capital for startups and other businesses with the need to protect investors. I note that a similar version of this bill previously passed this Chamber by a wide bipartisan vote.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from California (Ms. WATERS) that the House suspend the rules and pass the bill, H.R. 4227, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to require the Secu-

rities and Exchange Commission to revise the definition of a qualifying investment to include an equity security issued by a qualifying portfolio company, whether acquired directly from the company or in a secondary acquisition, for purposes of the exemption from registration for venture capital fund advisers under the Investment Advisers Act of 1940, and for other purposes."

A motion to reconsider was laid on the table.

#### GREATEST GENERATION COMMEMORATIVE COIN ACT

Ms. WATERS. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 1057) to require the Secretary of the Treasury to mint coins in commemoration of the National World War II Memorial in Washington, DC, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1057

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Greatest Generation Commemorative Coin Act".

#### SEC. 2. FINDINGS.

The Congress finds the following:

(1) The National World War II Memorial was dedicated in Washington, DC, on May 29, 2004, and is located on the east end of the Reflecting Pool on the National Mall, opposite the Lincoln Memorial and west of the Washington Monument.

(2) The dedication of the National World War II Memorial was the culmination of a 17-year effort that started on December 10, 1987 when the World War II Memorial Act was first introduced in the House of Representatives, and was authorized by an Act of Congress signed into law on May 25, 1993. Construction began September 4, 2001, after several years of fundraising and public hearings.

(3) Opening to the public on April 29, 2004, the World War II Memorial is the first national memorial dedicated to all who served during World War II and acknowledges the commitment and achievement of the entire Nation.

(4) The Memorial honors the more than 16,000,000 who served in the Armed Forces of the United States during World War II, the more than 400,000 who died, and the millions who supported the war effort from home.

(5) It is a monument to the spirit, sacrifice, and commitment of the American people to the common defense of the Nation and to the broader causes of peace and freedom from tyranny throughout the world.

(6) Today, the Memorial is a top destination for millions of annual visitors from all over the country and the world. For many young visitors, their visit to the Memorial is a first glimpse to a grateful Nation's remembrance of the sacrifices made by the World War II generation.

(7) For World War II veterans, the Memorial is a special destination, a rendezvous point, and a gathering place for reunions and commemoration programs.

(8) The Friends of the National World War II Memorial play a vital role in the preservation and maintenance of the National World War II Memorial as a treasure for the American people, while helping to facilitate key commemorative and educational programs