

H.R. 342 requires the Department of Energy to report quarterly to Congress on the use of the department's authority to reduce or eliminate cost-sharing requirements for various research, development, and demonstration projects.

Specifically, this bill aims to establish the necessary requirements to effectively set the standards for quarterly reporting to Congress in order to ensure proper management of capital allotment between energy departments.

Mr. Speaker, The Energy Policy Act (EPAct) of 2005 (Public Law 109–58), the underlying statute of H.R. 342 which provides the background history for H.R. 342, calls for the development of grant programs, demonstration and testing initiatives, and tax incentives that promote alternative fuels and advanced vehicles production and use.

H.R. 342—"The Cost-Share Accountability Act of 2023" will provide advancements towards energy innovations that will benefit both the state of energy independence of the United States as well as critical energy advancements for the future.

The Secretary of Energy has the authority to reduce or eliminate cost sharing requirements for applied research and development as necessary and appropriate.

Moreover, the Secretary may reduce cost sharing requirements for demonstration and commercial application activities as necessary and appropriate, taking into consideration any technological risk relating to the activity.

Mr. Speaker, based on the S&P Global macroeconomic model completed on January 5th, it is expected that the U.S. real GDP will grow by 0.5 percent in 2023, with economic growth returning after contraction in the first quarter of 2023.

In 2024, the estimated real GDP will grow by 1.9 percent, driven primarily by an increase in household consumption. This means that there will be relatively flat economic growth in 2023 resulting in total U.S. energy consumption falling by 0.9 percent in the forecast. However, total energy consumption then rises by 1.0 percent in 2024.

This evidence provides us a basis for making sure we have the proper standards in place for effective accounting for key departments performing various research, development, and demonstration projects.

As a senior Member of the Budget Committee, I understand the importance of providing clarity and transparency to the American people on the allocation of funds.

I urge all my colleagues to join me in voting in favor of H.R. 342, "The Cost-Share Accountability Act of 2023" so we can provide transparency to the American people while addressing the proper implementations towards efficient allotment of cost-sharing.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oklahoma (Mr. LUCAS) that the House suspend the rules and pass the bill, H.R. 342.

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

A motion to reconsider was laid on the table.

FINANCIAL EXPLOITATION PREVENTION ACT OF 2023

Mr. MCHENRY. Mr. Speaker, I move to suspend the rules and pass the bill

(H.R. 500) to amend the Investment Company Act of 1940 to postpone the date of payment or satisfaction upon redemption of certain securities in the case of the financial exploitation of specified adults, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 500

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 "Financial Exploitation Prevention Act of 2023".

SEC. 2. REDEMPTION OF CERTAIN SECURITIES POSTPONED.

(a) IN GENERAL.—Section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a–22) is amended by adding at the end the following:

"(h) REQUIREMENTS WITH RESPECT TO NON-INSTITUTIONAL DIRECT AT-FUND ACCOUNTS.—

"(1) ELECTION.—

"(A) IN GENERAL.—A registered open-end investment company and a transfer agent described under paragraph (2) may elect to comply with the requirements under paragraph (2) and subsection (i) by notifying the Commission of such election.

"(B) EFFECT OF ELECTION.—Paragraph (2) and subsection (i) shall only apply to a registered open-end investment company and a transfer agent that have made the election under subparagraph (A).

"(2) REQUIREMENTS.—In the case of a customer who is a holder of a non-institutional account held directly with a registered open-end investment company and serviced by a transfer agent (a 'direct-at-fund account'), the company and transfer agent shall—

"(A) request from such customer the name and contact information of at least one individual who—

"(i) is at the time of such request an adult; and

"(ii) may be contacted with respect to such account;

"(B) document and retain the information received pursuant to subparagraph (A); and

"(C) disclose to such customer in writing (including through electronic delivery) that such company or transfer agent may contact an individual specified pursuant to subparagraph (A) with respect to the account of such customer to—

"(i) address possible financial exploitation of such customer;

"(ii) confirm the contact information or health status of the customer; or

"(iii) identify any legal guardian, executor, trustee, or holder of a power of attorney of the customer.

"(i) REDEMPTION OF CERTAIN SECURITIES POSTPONED.—

"(1) IN GENERAL.—Notwithstanding subsection (e), a registered open-end investment company or a transfer agent acting on behalf of such company may postpone the date of payment or satisfaction upon redemption of any redeemable security in accordance with its terms for more than seven days after the tender of such security to such company or its agent designated for that purpose for redemption if such company or agent reasonably believes that—

"(A) the redemption is requested by a security holder who is a specified adult; and

"(B) financial exploitation has occurred, is occurring, or has been attempted with respect to such redemption.

"(2) DURATION.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a registered open-end investment company or a transfer agent

acting on behalf of such company may postpone the date of payment or satisfaction upon redemption of a redeemable security under paragraph (1) for a period of not more than 15 business days.

"(B) EXTENSION UPON DETERMINATION OF EXPLOITATION.—The period described in subparagraph (A) may be extended by an additional 10 business days if the registered open-end investment company or a transfer agent acting on behalf of such company—

"(i) reasonably believes that—

"(I) the redemption is requested by a security holder who is a specified adult; and

"(II) financial exploitation has occurred, is occurring, or has been attempted with respect to such redemption;

"(ii) subject to subparagraph (D), not later than 2 days after making a determination under clause (i), notifies the individuals specified by such security holder under subsection (h)(2)(A) in writing (including through electronic delivery) of the extension of the period described in subparagraph (A) under this subparagraph and the reason for such extension;

"(iii) initiates an internal review of the facts and circumstances relating to the determination under clause (i);

"(iv) holds amounts related to the delayed payment or satisfaction upon redemption of the redeemable security in a demand deposit account; and

"(v) documents and retains records related to carrying out clause (iv) and includes such records in the first required account statement of the security holder provided after the date on which the determination is made under clause (i).

"(C) EXTENSION BY GOVERNMENT.—A State regulator, administrative agency of competent jurisdiction, or court of competent jurisdiction may extend the period described in subparagraph (A).

"(D) NOTIFICATION.—

"(i) EXCEPTION.—Subparagraph (B)(ii) shall not apply if a registered open-end investment company or transfer agent acting on behalf of such company reasonably believes that an individual required to be notified under such subparagraph is, has been, or will subject the security holder who identified such individual under subsection (h)(2)(A) to financial exploitation.

"(ii) REASONABLE EFFORTS.—An open-end investment company or transfer agent acting on behalf of such company shall be considered in compliance with subparagraph (B)(ii) if such company or transfer agent makes a reasonable effort to contact the individuals specified by a security holder under subsection (h)(2)(A).

"(E) INTERNAL PROCEDURES.—An open-end investment company or transfer agent acting on behalf of such company shall establish procedures to carry out the requirements under this subsection, including procedures—

"(i) related to the identification and reporting of matters related to the financial exploitation of specified adults;

"(ii) to determine whether to release or reinvest delayed redemption proceeds, taking into account the facts and circumstances of each case, should the internal review under subparagraph (B)(iii) support the reasonable belief described in subparagraph (B)(i);

"(iii) identifying each employee of the company or transfer agent with authority to establish, extend, or terminate a period described in paragraph (1) or subparagraph (A);

"(iv) in the case of a transfer agent, that are reasonably designed to ensure that the employees of such transfer agent comply with this subsection; and

“(v) in the case of an open-end investment company, establishing periodic reporting requirements under which a transfer agent acting on behalf of such company shall notify such company of—

“(I) each extension under subparagraph (B) authorized by such transfer agent;

“(II) each finding by the transfer agent under subparagraph (B)(i);

“(III) each notification under subparagraph (B)(ii) carried out by such transfer agent; and

“(IV) the results of each internal review initiated by the transfer agent under subparagraph (B)(iii).

“(F) INFORMATION INCLUDED IN CERTAIN STATEMENTS.—An open-end investment company shall include in each prospectus or statement of additional information a notification that the company or transfer agent acting on behalf of such company may postpone redemption of certain securities under this subsection.

“(G) RECORD RETENTION.—An open-end investment company or transfer agent acting on behalf of such company shall—

“(i) document and retain records of—

“(I) each postponement of redemption under subparagraph (A), (B), and (C);

“(II) each finding under subparagraph (B)(i);

“(III) the name and position of each employee described in subparagraph (E)(iii);

“(IV) each notification carried out under subparagraph (B)(ii); and

“(V) the results of each internal review initiated under subparagraph (B)(iii); and

“(ii) make such records available to the Commission at the request of the Commission.

“(3) SPECIFIED ADULT DEFINED.—In this subsection, the term ‘specified adult’ means—

“(A) an individual age 65 or older; or

“(B) an individual age 18 or older who is a registered open-end investment company or a transfer agent acting on behalf of such company reasonably believes has a mental or physical impairment that renders the individual unable to protect the individual’s own interests.”.

(b) RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this section, the Securities and Exchange Commission, in consultation with the entities specified in paragraph (2), shall submit to Congress a report that includes recommendations regarding the regulatory and legislative changes necessary to address the financial exploitation of security holders who are specified adults (as defined in subsection (i)(3) of section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a-22), as added by this section).

(2) CONSULTATION.—The entities specified in this paragraph are as follows:

(A) The Commodity Futures Trading Commission.

(B) The Director of the Bureau of Consumer Financial Protection.

(C) The Financial Industry Regulatory Authority.

(D) The North American Securities Administrators Association.

(E) The Board of Governors of the Federal Reserve System.

(F) The Comptroller of the Currency.

(G) The Federal Deposit Insurance Corporation.

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

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. MCHENRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 500, the Financial Exploitation Prevention Act, a bipartisan bill that will help combat the financial exploitation of our seniors and other vulnerable adults.

I thank the gentlewoman from Missouri (Mrs. WAGNER), the new chair of the Subcommittee on Capital Markets, for her work on this bill.

Financial exploitation, particularly of seniors and other vulnerable adults, is a serious and growing issue. Consider this: The number of Americans age 65 and older is projected to nearly double from 52 million in 2018 to 95 million by 2060. At the same time, the 65 and older age group’s share of the total population is predicted to rise from 16 percent to 23 percent. Right now, approximately 44 percent of households are headed by a baby boomer, and 30 percent of Silent Generation and GI Generation households own mutual funds.

As more and more investors transition into retirement, the risk of financial exploitation for older households will only increase. Right now, roughly one in five senior investors already fall prey to fraudsters, losing an estimated \$2.9 billion annually. Those are just the cases we know about. Unfortunately, there is research that shows only 1 in 44 cases of financial abuse is ever reported.

This bill provides a tool to fight against this type of elder abuse.

Some mutual fund shareholder accounts are held directly with the mutual fund and serviced by the fund’s transfer agent, otherwise known as direct-at-fund accounts. The transfer agent is typically responsible for opening and servicing the accounts, managing account records, and serving as the fund’s point of contact with those shareholders.

Under current law, when a funds transfer agent suspects financial exploitation in a direct-at-fund account, it cannot lawfully delay the disbursement or redemption proceeds while an investigation occurs. This bill would codify a 2018 Securities and Exchange Commission-issued no-action letter that permits a mutual fund and its transfer agent to delay the redemption period of a security if it is reasonably believed that a request was made by exploited seniors or other vulnerable adults.

In many cases, this work is done by financial firms using technology. That technology is widely available across financial platforms, and this is enabling that technology to flag a ques-

tion and give pause to the movement of funds, thereby protecting a senior’s accounts.

Codifying this Securities and Exchange Commission no-action letter will provide our potentially at-risk investors with the protection they need to make sure they can receive the hard-earned savings that they have built up over the years.

This is an important bill. It takes the existing practice from the Securities and Exchange Commission and makes it law, giving it a stronger force of protection for our seniors.

It is a bipartisan bill. I am very proud that this is the first bill reported out of the House Financial Services Committee and that it has bipartisan support.

Mr. Speaker, I urge the adoption and support of this bill. I reserve the balance of my time.

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

I rise in support of H.R. 500, the Financial Exploitation Prevention Act of 2023, sponsored by the gentlewoman from Missouri (Mrs. WAGNER).

Adults over the age of 65 are too often the target of financial exploitation and have become victims of financial crimes more than any other demographic.

In the annual report on elder fraud and abuse, the Department of Justice reported that, in 2020 alone, seniors suffered over \$1 billion in financial losses due to fraud.

Unlike other adults, seniors are often dependent on their savings to support them in retirement, making it much more difficult for them to recover from incidents of fraud.

Brokers and investment managers, who often stand in as the stewards of the savings of seniors, are in a unique position to protect elders from financial crimes.

In 2018, the Securities and Exchange Commission released a letter called a no-action letter stating that the Commission would not take enforcement action against the agents of an investment company, including mutual funds, if the person paused a payment or redemption based on the suspicion of financial exploitation.

This pause on cashing out the savings of a senior provides a necessary safeguard to ensure that the redemption is consistent with the will of the senior.

H.R. 500 would codify this SEC letter. It would also make two further changes to describe how a mutual fund adviser can establish the process at each fund to protect seniors.

I thank Mrs. WAGNER for working with my staff to craft the language in this bill. This is a helpful piece of legislation that will provide one more tool to market participants to protect investors and, in particular, our Nation’s retirees.

Mr. Speaker, this legislation passed with bipartisan support last Congress, and I urge my colleagues to once again

support this bill. I reserve the balance of my time.

Mr. MCHENRY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Missouri (Mrs. WAGNER), the chair of the Subcommittee on Capital Markets.

Mrs. WAGNER. Mr. Speaker, I rise in support of my bill, H.R. 500, the Financial Exploitation Prevention Act.

It is, indeed, a bipartisan bill that will help prevent seniors and other vulnerable adults from becoming victims of fraud.

I thank Chairman MCHENRY for his very strong support on this important legislation and the ranking member for working with us on this legislation.

Financial exploitation of seniors and other vulnerable adults is a serious and growing problem. Over the next 10-plus years, 10,000 Americans will turn 65 every day, with seniors making up 18 percent of the Nation's population by 2030.

As more investors age into retirement, their risk of exploitation increases. Sadly, about one in five senior investors falls prey to financial fraud, and those investors lose an estimated \$2.9 billion annually in reported cases.

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However, according to the National Adult Protective Services Association, only 1 in 44 cases of financial abuse is ever even reported.

Right now, approximately 44 percent of households headed by a baby boomer and 30 percent of Silent Generation households own mutual funds. My bill proposes a solution to fight elder abuse in the context of mutual funds.

Since some mutual fund shareholder accounts are held directly with the mutual fund and serviced by the fund's transfer agent, or direct-at-fund accounts, as they are known, the transfer agent is typically responsible for opening and servicing the accounts, maintaining the account records, and serving as the fund's point of contact for those shareholders.

Under current law, when a fund's transfer agent suspects financial exploitation in a direct-at-fund account, it cannot lawfully delay the disbursement of redemption proceeds while an investigation occurs.

My legislation would codify both a FINRA and SEC issued no-action letter from 2018 that permits a mutual fund and its transfer agent to delay the redemption period of a security if they reasonably believe that a request was made by exploiting seniors or other vulnerable adults. It does not stop this trade from going through, it just takes a pause while they check with that senior to make sure that there has not been fraud or elder abuse anticipated.

This will provide our potentially vulnerable investors with an important layer of investor protection to help make sure that they receive the hard-earned savings that they have built up over the years.

Additionally, and importantly, my bill also requires the SEC to report to

Congress on additional potential legislative solutions for further combating financial exploitation of seniors and vulnerable adults.

Many of us have had the bittersweet experience of caring for a parent or loved one as they grow older. This legislation will give our constituents the peace of knowing that their loved ones are better protected from fraud.

Mr. Speaker, I strongly urge my colleagues to support the Financial Exploitation Prevention Act.

Ms. WATERS. Mr. Speaker, I reserve the balance of my time.

Mr. MCHENRY. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. LAWLER), the newest member of the House Financial Services Committee.

Mr. LAWLER. Mr. Speaker, today, I rise to speak in support of H.R. 500, the Financial Exploitation Prevention Act of 2023. I thank my colleague, the gentlewoman from Missouri, for introducing this legislation.

Too often, our offices receive desperate calls from seniors who have been exploited by scammers who coerced them into making bad or risky investments and cost them all or most of their life savings. These calls are especially heartbreaking as our seniors are the ones who have sacrificed so much to build our country into the incredible Nation that it is today.

That is why the Financial Exploitation Prevention Act codifies a process by which seniors and vulnerable adults in our country are given a tool they can use to fight back: time.

By delaying the transfer of funds and verifying that the true will of the account holder is being exercised, we can, hopefully, prevent more of these tragic calls and circumstances from happening in the first place—as my colleague pointed out, \$2.9 billion a year in fraud perpetrated upon our seniors.

Mr. Speaker, I urge the Senate to join us in passing this commonsense legislation into law to protect our seniors and our most vulnerable residents across our country.

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

H.R. 500 is a helpful piece of legislation that will support our Nation's seniors as they seek to fund their retirement.

Investment advisers and brokers want to do the right thing to stop fraud when they see it, and this bill will ensure they are able to do so.

The bill is supported by the Consumer Federation of America, the North American Securities Administrators Association, and Public Citizen.

Mr. Speaker, I urge all Members to support this bill, and I yield back the balance of my time.

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

Mr. Speaker, I said to the ranking member that I was prepared to close. We have a Member that just arrived, and I am going to allow her to have a closing statement here.

I thank the ranking member, Mr. Speaker, and her staff working with the Republican staff of the House Financial Services Committee for being able to move these first pieces of legislation. We have three bills that are on the suspension calendar this evening that are bipartisan bills. One has a primary sponsor by a Democrat, and two have primary sponsors by Republicans, but all are bipartisan. I thank the ranking member for her willingness to work across the aisle to move bipartisan legislation.

In doing this, I recall the beginning of last Congress 2 years ago, and 2 years before that, when she reached out to Republicans in the then-minority and offered us the same thing. I am grateful for that outreach 2 and 4 years ago.

I have extended the same hand to the gentlewoman from California, and she has likewise extended the same hand to me. Mr. Speaker, I am very grateful for the leadership of the ranking member and her willingness to work with us.

Mr. Speaker, I yield the balance of my time to the gentlewoman from Indiana (Mrs. HOUCHIN), a new member of the House Financial Services Committee.

Mrs. HOUCHIN. Mr. Speaker, I rise today in support of the Financial Exploitation Prevention Act, a bill that I am proud to be a cosponsor of.

Every day, seniors and other vulnerable adults become targets of financial fraud. While not all the cases are known or discovered, about one in five senior investors in the United States are victims of financial scams. In 2021 alone, there were over 1,500 reported cases of financial fraud against Hoosier seniors. This is unacceptable.

As a member of the House Financial Services Committee, this is exactly the type of legislation my constituents sent me here to support. That is why, today, I will be voting "yes" on this important bill to keep our seniors' pocketbooks safe.

Mr. Speaker, I hope all of my colleagues will join me in doing the same.

Mr. MCHENRY. Mr. Speaker, I urge the adoption of this bill, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in support of H.R. 500—the Financial Exploitation Prevention Act of 2023, to amend the Investment Company Act of 1940 to postpone the date of payment or satisfaction upon redemption of certain securities in the case of the financial exploitation of specified adults.

H.R. 500 would allow a registered open-end investment company to better protect seniors by delaying the redemption period of any redeemable security if it was reasonably believed that such redemption was requested through the financial exploitation of a security holder who is a senior or individual unable to protect their own interests.

The legislation would also require the Securities and Exchange Commission to submit a report to Congress that includes recommendations for regulatory and legislative changes that would address financial exploitation of older adults.

16.9 percent of the United States population are adults 65 years and older. The nations' population is aging, and it is predicted that one in five Americans will be 65 years or older by 2040.

As our population gets older, it is imperative that we continue to protect ourselves against those who take financial advantage of our elders.

According to the Department of Justice, there were more than 92,000 victims of elder fraud in 2021. These 92,000 cases accounted for \$1.7 billion in losses in 2021.

Financial exploitation refers to financial crimes committed against older adults. Financial abuse is typically committed by someone that the senior knows and trusts, whereas financial fraud is committed by a stranger.

The median income of seniors 65 years and older is \$47,620, while the average annual expenses for this age group is \$48,872.

With this budget mismatch, many seniors are already on strict budgets, and with the risk of financial exploitation, it is essential that this age group is protected by legislation that makes it more difficult for unscrupulous individuals—whether a family member or a stranger—to take their hard-earned money from them.

In 2021, Texas ranked number three in the number of victims of financial exploitation. Almost 6,800 seniors were impacted, and the total losses were over \$150 million.

This legislation would help our seniors by requiring that financial institutions delay the redemption period for redeemable securities if it is believed that the request was made under financial exploitation.

As the number of elders increases in our Nation, the risk of financial exploitation increases. Lawmakers must work together to ensure that we are protecting Americans and their investments, and this legislation would do just that.

This common sense, bipartisan legislation passed the House in the 117th Congress, and shows that the two parties have the ability to come together to work on legislation that positively impacts the American public.

I urge my colleagues on both sides of the aisle to support H.R. 500—the Financial Exploitation Prevention Act of 2023.

As we grow older as a nation, we must work to protect our elders.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 500.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. MCHENRY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

CREDIT UNION BOARD MODERNIZATION ACT

Mr. MCHENRY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 582) to amend the Federal Credit Union Act to modify the frequency of

board of directors meetings, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 582

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 “Credit Union Board Modernization Act”.

SEC. 2. FREQUENCY OF BOARD OF DIRECTORS MEETINGS.

Section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended—

(1) by striking “monthly” each place such term appears;

(2) in the matter preceding paragraph (1), by striking “The board of directors” and inserting the following:

“(a) IN GENERAL.—The board of directors”;

(3) in subsection (a) (as so designated), by striking “shall meet at least once a month and”;

(4) by adding at the end the following:

“(b) MEETINGS.—The board of directors of a Federal credit union shall meet as follows:

“(1) With respect to a de novo Federal credit union, not less frequently than monthly during each of the first five years of the existence of such Federal credit union.

“(2) Not less than six times annually, with at least one meeting held during each fiscal quarter, with respect to a Federal credit union—

“(A) with composite rating of either 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and

“(B) with a capability of management rating under such composite rating of either 1 or 2.

“(3) Not less frequently than once a month, with respect to a Federal credit union—

“(A) with composite rating of either 3, 4, or 5 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); or

“(B) with a capability of management rating under such composite rating of either 3, 4, or 5.”.

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

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. MCHENRY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

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

I rise in support of H.R. 582, the Credit Union Board Modernization Act.

Every day, consumers in each of our districts rely on their local credit union to help them with things like securing a loan to buy a home, saving for retirement, or even financing tuition. This means that credit unions need to spend their time working with their members, not wasting valuable resources and staff time checking the box on monthly meetings that may not be necessary.

This bill allows credit unions to do that important work. By updating the Federal Credit Union Act to reduce the frequency of required board meetings, certain Federal credit unions will have greater flexibility in meeting requirements. At the same time, the safety and soundness of the financial system will be protected.

Currently, Federal credit union boards are required to meet at least once per month. Under the bill's new requirements, Federal credit unions with a composite CAMELS rating of 1 or 2 will be required to meet at least six times annually, with at least one meeting held during each fiscal quarter.

What does that mean? It means entities with the strongest performance and risk management practices will be rewarded. That means, instead of checking the box on those monthly meetings, if they have high-quality performance and risk management, they will be relieved of some of those burdens.

To be clear, this is not a one-size-fits-all mandate. There is nothing in the bill that prevents those credit union boards from meeting each month or even more often, if needed, and they do. In times of financial stress, these boards meet quite frequently to assess risks and to protect their members' nest eggs.

This bill also acknowledges that new or poor-performing credit unions may require more regular meetings to ensure that they can provide the level of service their communities deserve. This legislation continues to require monthly meetings for new Federal credit unions during the first 5 years of existence.

In addition, credit unions with a composite CAMELS rating of 3, 4, or 5 must continue to meet once a month. These are the credit unions that need to improve performance and risk management practices to ensure the safety and soundness of our financial system.

Mr. Speaker, I will finish with this: This bill is a good illustration of how Members can come together to create bipartisan legislation to modernize outdated practices and policies for the benefit of our communities' financial institutions and for their members.

Mr. Speaker, I commend my colleague, the gentleman from Michigan (Mr. HUIZENGA), the chair of the Subcommittee on Oversight and Investigations, for his good work last Congress and this Congress on this bill, and a bipartisan bill indeed this is.

Mr. Speaker, I reserve the balance of my time, and I urge my colleagues' adoption and support of this bill.

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

I rise in support of H.R. 582, the Credit Union Board Modernization Act, sponsored by Representative VARGAS.

This bill would modernize Federal requirements for Federal credit union board meetings to match a flexibility included in State credit union charter