

115TH CONGRESS
1ST SESSION

S. _____

To enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. MORAN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Lending
5 Enhancement and Regulatory Relief Act of 2017” or the
6 “CLEAR Relief Act of 2017”.

1 **SEC. 2. COMMUNITY BANK EXEMPTION FROM ANNUAL**
2 **MANAGEMENT ASSESSMENT OF INTERNAL**
3 **CONTROLS REQUIREMENT OF THE SAR-**
4 **BANES-OXLEY ACT OF 2002.**

5 Section 404 of the Sarbanes-Oxley Act of 2002 (15
6 U.S.C. 7262) is amended by adding at the end the fol-
7 lowing:

8 “(d) COMMUNITY BANK EXEMPTION.—

9 “(1) DEFINITIONS.—In this subsection—

10 “(A) the term ‘bank holding company’ has
11 the meaning given the term in section 2 of the
12 Bank Holding Company Act of 1956 (12
13 U.S.C. 1841);

14 “(B) the term ‘insured depository institu-
15 tion’ has the meaning given the term in section
16 3 of the Federal Deposit Insurance Act (12
17 U.S.C. 1813); and

18 “(C) the term ‘savings and loan holding
19 company’ has the meaning given the term in
20 section 10(a) of the Home Owners’ Loan Act
21 (12 U.S.C. 1467a(a)).

22 “(2) IN GENERAL.—This section and the rules
23 prescribed under this section shall not apply in any
24 fiscal year to any bank holding company, savings
25 and loan holding company, or insured depository in-
26 stitution that, as of the end of the preceding fiscal

1 year, had total consolidated assets of
2 \$1,000,000,000 or less.

3 “(3) ADJUSTMENT OF AMOUNT.—The Commis-
4 sion shall annually adjust the dollar amount in para-
5 graph (1) by an amount equal to the percentage in-
6 crease, for the most recent year, in total assets held
7 by all bank holding companies, savings and loan
8 holding companies, and insured depository institu-
9 tions, as reported by the Federal Deposit Insurance
10 Corporation.”.

11 **SEC. 3. ESCROW REQUIREMENTS RELATING TO CERTAIN**
12 **CONSUMER CREDIT TRANSACTIONS.**

13 Section 129D(c) of the Truth in Lending Act (15
14 U.S.C. 1639d(c)) is amended—

15 (1) by redesignating paragraphs (1) through
16 (4) as subparagraphs (A) through (D), respectively,
17 and adjusting the margins accordingly;

18 (2) by striking “The Bureau” and inserting the
19 following:

20 “(1) IN GENERAL.—The Bureau”; and

21 (3) by adding at the end the following:

22 “(2) TREATMENT OF LOANS HELD BY SMALLER
23 INSTITUTIONS.—The Bureau shall, by regulation,
24 exempt from the requirements of subsection (a) any
25 loan secured by a first lien on the principal dwelling

1 of a consumer, if such loan is held by an insured de-
2 pository institution having assets of
3 \$10,000,000,000 or less.”.

4 **SEC. 4. MINIMUM STANDARDS FOR RESIDENTIAL MORT-**
5 **GAGE LOANS.**

6 Section 129C(b)(2) of the Truth in Lending Act (15
7 U.S.C. 1639c(b)(2)) is amended by adding at the end the
8 following:

9 “(F) SAFE HARBOR.—

10 “(i) IN GENERAL.—In this section—

11 “(I) the term ‘qualified mort-
12 gage’ includes any mortgage loan that
13 is originated and retained in portfolio
14 for a period of not less than 3 years
15 by a depository institution together
16 with its affiliates has less than
17 \$10,000,000,000 in total consolidated
18 assets; and

19 “(II) loans described in subclause
20 (I) shall be deemed to meet the re-
21 quirements of subsection (a).

22 “(ii) EXCEPTION FOR CERTAIN
23 TRANSFER.—In the case of a depository
24 institution that transfers a loan originated
25 by that institution to another depository

1 institution by reason of the bankruptcy or
2 failure of the originating depository insti-
3 tution or the purchase of the originating
4 depository institution, the depository insti-
5 tution acquiring the loan shall be deemed
6 to have complied with the requirement
7 under clause (i)(I).”.

8 **SEC. 5. EXEMPTION FROM VOLCKER RULE.**

9 Section 13(h)(1) of the Bank Holding Company Act
10 of 1956 (12 U.S.C. 1851(h)(1)) is amended—

11 (1) in subparagraph (D), by redesignating
12 clauses (i) and (ii) as subclauses (I) and (II), respec-
13 tively;

14 (2) by redesignating subparagraphs (A) through
15 (D) as clauses (i) through (iv), respectively;

16 (3) by striking “institution that functions solely
17 in a trust or fiduciary capacity, if—”and inserting
18 the following: “institution—

19 “(A) that functions solely in a trust or fi-
20 duciary capacity, if—”; and

21 (4) in clause (iv)(II), as redesignated, by strik-
22 ing the period at the end and inserting the following:
23 “; or

24 “(B) with total consolidated assets of
25 \$10,000,000,000 or less.”.

1 **SEC. 6. NO WAIT FOR LOWER MORTGAGE RATES.**

2 (a) IN GENERAL.—Section 129(b) of the Truth in
3 Lending Act (15 U.S.C. 1639(b)) is amended—

4 (1) by redesignating paragraph (3) as para-
5 graph (4); and

6 (2) by inserting after paragraph (2) the fol-
7 lowing:

8 “(3) NO WAIT FOR LOWER RATE.—If a creditor
9 extends to a consumer a second offer of credit with
10 a lower annual percentage rate, the transaction may
11 be consummated without regard to the period speci-
12 fied in paragraph (1).”.

13 (b) SAFE HARBOR FOR GOOD FAITH COMPLIANCE
14 WITH TILA-RESPA INTEGRATED DISCLOSURE RULE.—
15 Section 1032(f) of the Consumer Financial Protection Act
16 of 2010 (12 U.S.C. 5532(f)) is amended—

17 (1) by striking “Not later than” and inserting
18 the following:

19 “(1) IN GENERAL.—Not later than”; and.

20 (2) by adding at the end the following:

21 “(2) SAFE HARBOR FOR GOOD FAITH COMPLI-
22 ANCE.—

23 “(A) SAFE HARBOR.—Notwithstanding
24 any other provision of law, during the period
25 described in subparagraph (B), an entity that
26 provides the disclosures required under the

1 Truth in Lending Act (15 U.S.C. 1601 et seq.)
2 and sections 4 and 5 of the Real Estate Settle-
3 ment Procedures Act of 1974 (12 U.S.C. 2603
4 and 2604), as in effect on July 31, 2017, shall
5 not be subject to any civil, criminal, or adminis-
6 trative action or penalty for failure to fully
7 comply with any requirement under this sub-
8 section.

9 “(B) APPLICABLE PERIOD.—Subparagraph
10 (A) shall apply to an entity during the period
11 beginning on the date of enactment of this
12 paragraph and ending on the date that is 30
13 days after the date on which a certification by
14 the Director that the model disclosures required
15 under paragraph (1) are accurate and in com-
16 pliance with all State laws is published in the
17 Federal Register.”.