



## **Congress Returns to Work: Is 2018 the Year for Dodd-Frank Reform?**

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Jan. 8, 2018

Congress returns to work this week to begin the Second Session of the 115th Congress. They will face a number of budget and immigration issues almost immediately, with government funding due to expire on Jan. 19 without a continuing resolution or larger budget agreement.

2018, however, may be the year when some progress is made on making changes to Dodd-Frank. On Dec. 18, 2017 the U.S. Senate Banking Committee reported S. 2155, a bill to make a number of changes providing for regulatory relief for community financial institutions. Because the tax bill was being considered around that time, there was little attention given to S. 2155. Nevertheless, the legislation has unanimous GOP backing and at least ten democratic senators have signed on in support. This signals that there is enough bi-partisan support to bring it to the Senate floor. Majority Leader Mitch McConnell (R-KY) has specifically said this is a bill he wants the Senate to consider. The legislation would make it easier for community banks and credit unions to make mortgage loans on terms outside of a “qualified mortgage” if they hold it in their own portfolio. The bill also eases requirements for loans of \$400,000 or less to have an appraisal in rural areas if no appraiser can be found within a reasonable period of time. The title industry has also eyed this as a possible legislative vehicle for fixing simultaneous issue reporting on TRID reforms. H.R. 3978, a bill from Rep. French Hill (R-AR) to require clear reporting of the discounted cost of simultaneous issue, passed the House Financial Services Committee on a wide bi-partisan basis in mid-November.

In the House, as told to TLTA, Chairman Jeb Hensarling (R-TX) has said he has three priorities for 2018: completing as much of the CHOICE Act as possible (this was Chairman Hensarling’s broad effort to re-write Dodd-Frank); get a long-term authorization for the National Flood Insurance Program; and finally, begin work on a larger effort to reform Fannie Mae and Freddie Mac and bring them out of federal conservatorship. The last item is commonly referred to as Government Sponsored Enterprise reform or “GSE reform.” This will have an impact on the housing markets. The title industry has monitored this legislation in the past and wants to ensure that any mortgages placed into the secondary market carry title insurance.

Finally, the Administration continues to look for a permanent head for the CFPB. One rumored candidate is Mark McWatters, currently the top credit union regulator. McWatters is a former staffer to Jeb Hensarling, and a native of Dallas and a former Dean at SMU Law School. Just this week, Kirsten Mork, the Staff Director of the House Financial Services, and also a former aide to Chairman Hensarling, has become the Chief of Staff at the CFPB.