

COMMITTEE PRINT

OVERSIGHT PLAN OF THE COMMITTEE ON FINANCIAL SERVICES FOR THE ONE HUNDRED THIRTEENTH CONGRESS

Mr. HENSARLING, from the Committee on Financial Services, submitted to the Committee on Oversight and Government Reform and the Committee on House Administration the following

R E P O R T

1 Clause 2(d)(1) of rule X of the Rules of the House of Representatives for the 113th
2 Congress requires each standing committee, not later than February 15 of the first session,
3 to adopt an oversight plan for the 113th Congress. The oversight plan must be submitted
4 simultaneously to the Committee on Oversight and Government Reform and the Committee
5 on House Administration.

6 The following agenda constitutes the oversight plan of the Committee on Financial
7 Services for the 113th Congress. It includes areas in which the Committee and its
8 subcommittees expect to conduct oversight during this Congress, but does not preclude
9 oversight or investigation of additional matters or programs as they arise. Any areas
10 mentioned in the oversight plan may be considered by the Financial Services Committee,
11 the four subcommittees of jurisdiction or the Subcommittee on Oversight and
12 Investigations. The Committee will consult, as appropriate, with other committees of the
13 House that may share jurisdiction on any of the subjects listed below.

14 15 THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

16
17 Enacted in response to the financial crisis of 2008 and the bailouts of large Wall
18 Street firms at taxpayer expense, the Dodd-Frank Wall Street Reform and Consumer
19 Protection Act (P.L. 111-203) represents the most extensive change in the regulation of
20 financial institutions since the Great Depression. The implementation of the Dodd-Frank
21 Act will affect not only every financial institution that does business in the United States
22 but also non-financial institutions and consumers as well. The Dodd-Frank Act holds out
23 the promise that it will “promote the financial stability of the United States by improving
24 accountability and transparency in the financial system,” “end ‘too big to fail,’” “protect the
25 American taxpayer by ending bailouts,” and “protect consumers from abusive financial
26 services practices.” One of the primary tasks of the Committee in the 113th Congress will
27 therefore be to continue to oversee the implementation of the Dodd-Frank Act to ensure
28 that these objectives are being met. The Committee will conduct careful oversight and
29 monitoring of the financial regulators charged with implementing the Dodd-Frank Act to
30 ensure that they prudently exercise the new authority conferred upon them under the Act

1 without unduly hampering the ability of consumers and businesses to obtain credit, or the
2 ability of capital market participants to allocate capital to productive uses, mitigate risk,
3 and grow the economy. In particular, the Committee will seek to ensure that regulators
4 carefully and transparently assess the costs and benefits of regulations called for by the
5 Dodd-Frank Act in order to strike an appropriate balance between prudent regulation and
6 economic growth. The Committee will also examine the extent to which a lack of global
7 coordination on financial reforms could place the United States financial services industry
8 at a competitive disadvantage.

9
10 SPECIFIC DODD-FRANK OVERSIGHT MATTERS
11

12 *Financial Stability Oversight Council (FSOC).* Created by the Dodd-Frank Act, the
13 Financial Stability Oversight Council is an interagency body charged with identifying,
14 monitoring and addressing potential threats to U.S. financial stability. The Dodd-Frank Act
15 requires the FSOC to report annually to Congress, to be followed by testimony by the
16 Secretary of the Treasury in his capacity as FSOC Chairman. The Committee will conduct
17 significant oversight over the FSOC, monitoring among other things the extent to which its
18 designation of “systemically significant” firms may create an expectation among market
19 participants that the government will not permit these firms to fail, as well as the
20 effectiveness of the FSOC in making financial markets more stable and resilient.

21 *Office of Financial Research (OFR).* Created by the Dodd-Frank Act and housed
22 within the Department of the Treasury, the Office of Financial Research is charged with
23 collecting and analyzing financial transaction and position data in support of the FSOC.
24 The OFR has broad powers to compel the production of information and data from financial
25 market participants, and it will use this information to conduct research designed to
26 improve the quality of financial regulation, and to monitor and report on systemic risk.
27 Section 153 of the Dodd-Frank Act requires the OFR to report annually to Congress on the
28 state of the U.S. financial system, and requires the Director of the OFR to testify annually
29 before the Committee on the OFR’s activities and its assessment of systemic risk. The
30 Committee will conduct oversight of the OFR to ensure that the office is transparent and
31 accountable, that it makes progress towards fulfilling its statutory duties, that its requests
32 for data are not unduly burdensome or costly, and that the confidentiality of the data that it
33 collects is strictly maintained. The Committee will also assess whether the OFR duplicates
34 data collection efforts already being undertaken by other regulatory bodies.

35 *Volcker Rule.* Section 619 of the Dodd-Frank Act, popularly known as the “Volcker
36 Rule,” prohibits U.S. bank holding companies and their affiliates from engaging in
37 “proprietary trading” and from sponsoring hedge funds and private equity funds. The
38 Committee will oversee the Federal regulators’ implementation of the Volcker Rule to
39 ensure that it does not result in unintended consequences for U.S. economic
40 competitiveness and job creation, depress the value of pension plans and retirement
41 accounts, or drain substantial amounts of liquidity from the U.S. capital markets.

1 *“Too Big to Fail.”* The Committee will oversee the implementation of Titles I and II
2 of the Dodd-Frank Act, which authorize the Federal government to designate large,
3 complex financial institutions for heightened prudential standards and supervision and to
4 exercise so-called “orderly liquidation authority” to resolve any firm whose failure the
5 government decides could destabilize the financial system. The purpose of this review will
6 be to test the claims by the proponents of the Dodd-Frank Act that these provisions have
7 effectively ended “Too Big to Fail,” as well as the claims of those who contend that they
8 have instead further entrenched that doctrine, leaving in place a system that subverts
9 market discipline and confers competitive advantages on the nation’s largest financial
10 institutions at the expense of institutions deemed “too small to save.”

11
12 FINANCIAL INSTITUTIONS AND CONSUMER CREDIT
13

14 *Bureau of Consumer Financial Protection (CFPB).* The Committee will oversee the
15 activities of the Consumer Financial Protection Bureau, which was created by the Dodd-
16 Frank Act and charged with “regulating the offering and provision of consumer financial
17 products or services under the Federal consumer financial laws.” The Committee will seek
18 to ensure that the CFPB’s regulatory, supervisory and enforcement initiatives protect
19 consumers against unfair and deceptive practices without stifling economic growth, job
20 creation, or reasonable access to credit. In particular, the Committee will review CFPB
21 enforcement actions to determine whether such actions are based on clearly articulated
22 rules and the extent to which such actions are based on discretionary, arbitrary and
23 undefined standards. The Committee will also review how the CFPB collaborates and
24 coordinates with other Federal and State financial regulators, and how the CFPB is
25 fulfilling its statutory duty to ensure that “outdated, unnecessary, or unduly burdensome
26 regulations are regularly identified and addressed in order to reduce unwarranted
27 regulatory burdens.” The Committee will continue to examine whether the CFPB’s budget
28 and its source of funding is appropriate as well as whether the CFPB’s budget should be
29 subject to Congressional appropriations. The Committee will evaluate the powers of a
30 presidentially appointed, non-Senate confirmed Director to write rules, supervise
31 compliance, and enforce consumer protection laws. The Committee will monitor the impact
32 of CFPB actions on small businesses and on financial institutions of all sizes, and in
33 particular, on those with fewer than \$10 billion of assets. The Committee will receive the
34 statutorily required semiannual testimony of the Director.

35 *Troubled Asset Relief Program (TARP).* The Committee will continue to examine the
36 operation of the Troubled Asset Relief Program, authorized by the Emergency Economic
37 Stabilization Act (EESA), to ensure that the program is being administered properly and
38 that any instances of waste, fraud or abuse are identified and remedied. The Committee
39 will analyze the unwinding of TARP facilities and programs to ensure that taxpayer
40 recoveries are maximized and remaining funds are used for deficit reduction, as
41 contemplated by EESA. The Committee will also examine the extent to which other

1 government programs, such as the Small Business Lending Fund, are used by recipients of
2 TARP funds for repayment of such funds.

3 *Financial Supervision.* The Committee will continue to examine Federal regulators’
4 safety and soundness supervision of the banking, thrift and credit union industries, to
5 ensure that systemic risks or other structural weaknesses in the financial sector are
6 identified and addressed promptly. The Committee may also ask each financial regulatory
7 agency to review its promulgated rules and identify those which may be unnecessarily
8 burdensome or outdated. Additionally, the Committee’s examination of the regulatory
9 system will encompass the trend toward consolidation in the banking industry, which
10 requires Federal regulators to maintain the expertise and risk evaluation systems
11 necessary to oversee the activities of the increasingly complex institutions under their
12 supervision. As an extension of this examination, the Committee will assess the degree to
13 which the increasing concentration of bank assets in the largest institutions may contribute
14 to a regulatory environment that discriminates against the smaller but much more
15 numerous community banks.

16 *Capital Standards and Basel III.* The Committee will continue to examine new
17 global bank capital and liquidity rules being developed by the Basel Committee on Banking
18 Supervision. In particular, the Committee will call upon the Federal banking regulators to
19 explain how their implementing regulations balance safety and soundness concerns against
20 the needs of consumers and businesses for continued access to credit, and how standards
21 adopted in Basel will be tailored to meet the unique features of the U.S. financial system.
22 The Committee will seek to ensure that the rules maintain the stability of the financial
23 system yet preserve the ability of that system to pursue responsible risk-taking.

24 *Mortgages.* The Committee will closely review recent rulemakings by the Consumer
25 Financial Protection Bureau and other agencies on a variety of mortgage-related issues.
26 The Committee will monitor the coordination and implementation of these rules and the
27 impact they will have on the cost and availability of mortgage lending for consumers and
28 creditors. Of particular interest to the Committee will be recently proposed or finalized
29 rules on the Dodd-Frank Act’s ability-to-repay and Qualified Mortgage requirements,
30 mortgage servicing, escrows, high-cost “HOEPA” loan restrictions, negative amortization,
31 points and fees on open-end credit, appraisals, and origination disclosures.

32 *Deposit Insurance.* The Committee will monitor the solvency of the Deposit
33 Insurance Fund and changes to the assessments charged by the Federal Deposit Insurance
34 Corporation (FDIC) as mandated by the Dodd-Frank Act to ensure that deposit insurance
35 continues to serve its historic function as a source of stability in the banking system and a
36 valued safety net for depositors.

37 *Bank Failures.* The Committee will examine the process the FDIC uses to supervise
38 and, if necessary, resolve community banks and the procedures followed by the FDIC and
39 other bank supervisors in making this determination. Some observers have noted there are
40 inconsistencies in the application of FDIC practices as a bank moves into prompt corrective
41 action and towards a failure. The Committee will consider the findings contained in a
42 recent study by the United States Government Accountability Office (GAO) entitled

1 “Modified Prompt Corrective Action Framework Would Improve Effectiveness,” and
2 whether its recommendations should be adopted. Further, the Committee will study the
3 costs and benefits of loss share agreements to the Deposit Insurance Fund and the
4 American taxpayer. The Committee will also study how the FDIC’s resolution procedures,
5 including but not limited to loss share agreements, affect access to credit for small business
6 customers of a failed bank, as well as the findings in the GAO’s report entitled
7 “Management Report: Opportunities for Improvements in FDIC’s Shared Loss Estimation
8 Process.”

9 *Credit Unions.* The Committee will review issues relating to the safety and
10 soundness and regulatory treatment of the credit union industry, including monitoring the
11 solvency of the National Credit Union Share Insurance Fund and overseeing the activities
12 of the National Credit Union Administration.

13 *Regulatory Burden Reduction.* The Committee will continue to review the current
14 regulatory burden on banks, thrifts, and credit unions with the goal of reducing
15 unnecessary, duplicative, or overly burdensome regulations, consistent with consumer
16 protection and safe and sound banking practices.

17 *Credit Scores and Credit Reports.* The Committee will continue to monitor the
18 accuracy and use of credit reports and credit scores with a specific focus on their impact on
19 the availability of consumer credit. In addition, the Committee will monitor the related
20 rulemaking, supervisory and enforcement activities of the CFPB in this area.

21 *Access to Financial Services.* The Committee will continue to explore ways to expand
22 access to mainstream financial services by traditionally underserved segments of the U.S.
23 population, particularly those without any prior banking history. The Committee will
24 consider the impact that the policies, rules and actions of the CFPB have on the ability of
25 alternative providers of credit to offer their products and services.

26 *Payment Cards.* The Committee will continue its review of payment card industry
27 practices, particularly those relating to marketing, fees and disclosures. The Committee
28 will also review efforts by the CFPB to regulate credit cards and prepaid cards, and the
29 impact such efforts have on credit availability and the cost of credit for consumers and
30 small businesses alike.

31 *Community Development Financial Institutions Fund (CDFI Fund).* The Committee
32 will continue to oversee the operations of the Community Development Financial
33 Institutions Fund, which was created in 1994 to promote economic revitalization and
34 community development. The Committee will examine the CDFI Fund’s contributions to
35 community revitalization and measure its impact on rural, urban, suburban, and Native
36 American communities. The Committee will also monitor the CDFI Fund’s administration
37 of its various programs, such as the Bond Guarantee Program and the Bank Enterprise
38 Award.

39 *Community Reinvestment Act (CRA).* The Committee will continue to review
40 developments and issues related to the Community Reinvestment Act of 1977, including
41 recommendations for updating or eliminating CRA requirements in light of changes in the
42 financial services sector.

1 *Financial Literacy.* The Committee will continue its efforts to promote greater
2 financial literacy and awareness among investors, consumers, and the general public. As
3 part of these efforts, the Committee will evaluate the efficacy of the CFPB's Office of
4 Financial Education and the Treasury Department's Financial Literacy and Education
5 Commission. The Committee will also continue to review the credit counseling industry,
6 which provides financial education and debt management services to consumers seeking to
7 address excessive levels of personal indebtedness.

8 *Discrimination in Lending.* The Committee will examine the effectiveness of Federal
9 fair lending oversight and enforcement efforts. In particular, the Committee will monitor
10 operations, and evaluate the efficacy of, the CFPB's Office of Fair Lending and the Justice
11 Department's Fair Lending Program.

12 *Diversity in Financial Services.* The Committee will continue to monitor Federal
13 regulators' efforts to implement the diversity requirements of the Dodd-Frank Act.

14 *Cyber Security and Identity Theft.* Building on the Committee's long-standing role in
15 developing laws governing the handling of sensitive personal financial information about
16 consumers, including the Gramm-Leach-Bliley Act and the Fair and Accurate Credit
17 Transactions Act (FACT Act), the Committee will continue to evaluate best practices for
18 protecting the security and confidentiality of such information from any loss, unauthorized
19 access, or misuse. The scope of this review will encompass the data security policies and
20 protocols of the Federal agencies within the Committee's jurisdiction. The Committee will
21 also examine the effectiveness of current strategies being employed by the private sector
22 and government agencies to prevent or disrupt financial crimes involving the use of the
23 Internet, computers, or other access methods.

24 *Payment System Innovations/Mobile Payments.* The Committee will review
25 government and private sector efforts to achieve greater innovations and efficiencies in the
26 payments system. The Committee will examine payment system alternatives, including
27 prepaid credit cards, the use of mobile devices to transfer value, web-based value-transfer
28 systems, remote check deposit, and informal money transfer systems, businesses or
29 networks, to determine both the efficiencies they can provide to customers, businesses and
30 financial institutions, and their susceptibility to fraud, money laundering and terrorism
31 financing, and other financial crimes.

32 *Money Laundering and the Financing of Terrorism.* The Committee will review the
33 application and enforcement of anti-money laundering and counter-terrorist financing laws
34 and regulations. The Committee's work in this area will include an examination of (1) the
35 costs and benefits of ongoing regulatory and filing requirements, and (2) opportunities to
36 decrease the burden of complying with these and similar statutes without impairing the
37 operations of law enforcement.

38 *Financial Crimes Enforcement Network (FinCEN).* The Committee will examine the
39 operations of Financial Crimes Enforcement Network and its ongoing efforts to implement
40 its regulatory mandates pursuant to the Bank Secrecy Act (BSA), to combat money
41 laundering and terrorist financing activities. The Committee will examine the
42 confidentiality of BSA reports and examine the guidance issued by FinCEN to BSA

1 examiners to foster more uniform examination and enforcement practices, and facilitate
2 greater understanding among regulated financial institutions of the government’s use of
3 the information contained in BSA filings.

4 *Money Services Businesses (MSBs) and their Access to Banking Services.* The
5 Committee will examine the operations of Money Services Businesses and assess the
6 effectiveness of FinCEN and Internal Revenue Service regulation of MSBs. The Committee
7 will examine impediments to the availability of account services to MSBs, and of FinCEN
8 regulatory guidance to both MSBs and financial institutions that might affect the provision
9 of such account services.

11 CAPITAL MARKETS

13 *Securities and Exchange Commission (SEC).* The Committee will monitor all
14 aspects of the Securities and Exchange Commission’s operations, activities and initiatives
15 to ensure that it fulfills its Congressional mandate to protect investors, maintain fair,
16 orderly, and efficient markets, and facilitate capital formation. The Committee will
17 carefully examine the SEC’s budget request to ensure that the agency deploys its resources
18 effectively, and will specifically review the SEC’s use of and commitments made to the \$100
19 million “Reserve Fund” created by Section 991 of the Dodd-Frank Act. The Committee will
20 consider the impact of separating the SEC’s examination and policy functions and whether
21 such functions should be consolidated, as well as the SEC’s oversight of self-regulatory
22 organizations (SROs) and how to improve SRO operations. The Committee will review the
23 SEC’s compliance, inspection, examination, and enforcement functions to ensure that
24 adequate mechanisms exist to prevent and detect securities fraud and that there are
25 suitable civil penalties available to the SEC to deter wrongdoing. As part of this review,
26 the Committee will monitor the SEC’s implementation of the reforms recommended by the
27 SEC’s Office of Inspector General resulting from the Commission’s failure to detect either
28 the Bernard Madoff or Allen Stanford Ponzi schemes. The Committee will continue to
29 review the various reports and studies of the SEC’s organizational structure and
30 management mandated by Title IX of the Dodd-Frank Act.

31 *Capital Formation.* The Committee will examine the SEC’s efforts to fulfill its
32 Congressional mandate of facilitating capital formation. The Committee will continue to
33 survey regulatory impediments to capital formation and seek legislative, regulatory and
34 market-based incentives to increase access to capital, particularly for small public
35 companies and those small companies that have recently completed or are contemplating
36 an initial public offering as well as increasing investment opportunities for all investors
37 while preserving investor protection.

38 *The JOBS Act.* The Committee will monitor the impact of the “Jumpstart Our
39 Business Startups” or “JOBS” Act (P.L. 112-106) on the capital markets, investor
40 protections, and the SEC’s implementation of the law to ensure that the Commission fulfills
41 Congressional intent and does not unnecessarily stifle the capital formation initiatives

1 included in the law or delay the promulgation and adoption of rules required for the law's
2 successful implementation.

3 *Derivatives.* The Committee will continue to review the impact of Title VII of the
4 Dodd-Frank Act on the operations, growth and structure of the over-the-counter (OTC)
5 derivatives market. The Committee will explore how the SEC, the Commodity Futures
6 Trading Commission (CFTC), the prudential regulators, and the Department of Treasury
7 are implementing the regulations mandated by the Dodd-Frank Act to govern the OTC
8 marketplace, including how U.S. regulators are coordinating their efforts with foreign
9 counterparts, given the global and interconnected nature of that marketplace. The
10 Committee will closely examine how completed rules are functioning in the marketplace
11 and consider potential legislative and regulatory solutions to clarify the law's intent
12 without impeding regulatory oversight.

13 *Credit Rating Agencies.* The Committee will examine the continuing role that credit
14 rating agencies, also known as Nationally Recognized Statistical Ratings Organizations
15 (NRSROs), play in the U.S. capital markets, the SEC's oversight of NRSROs, NRSRO
16 compensation models, and whether NRSRO methodologies accurately reflect the risks
17 associated with different debt instruments. The Committee will examine the impact of the
18 Dodd-Frank Act on competition among current NRSROs, and on new and prospective
19 NRSROs. The Committee will examine the implementation by Federal regulators of
20 provisions found in Section 939A of the Dodd-Frank Act requiring them to establish new
21 standards for evaluating credit-worthiness that do not include references to ratings issued
22 by NRSROs. The Committee will also closely examine any SEC initiatives to insert the
23 government into the assignment of ratings.

24 *Regulation and Oversight of Broker-Dealers and Investment Advisers.* The
25 Committee will review the SEC's regulation and oversight of broker-dealers and investment
26 advisers, including the SEC's consideration of proposals to impose a harmonized standard
27 of care applicable to broker-dealers and investment advisers when providing personalized
28 investment advice to retail customers. The Committee will also review proposals that
29 would harmonize the frequency of examinations of broker-dealers and investment advisers.
30 The Committee will also monitor the coordination between the SEC and the Department of
31 Labor regarding rules governing the provision of advice related to retirement accounts.

32 *Equity/Option Market Structure.* The Committee will review recent developments
33 in the U.S. equity and option markets and the SEC's response to those developments. The
34 Committee will closely monitor the SEC's responses to ensure that the Commission follows
35 its mandate to promote fair, orderly and efficient markets, and that any new regulations
36 foster market efficiency, competition and innovation, and are based on economic and
37 empirical market data. The Committee will review the growth and impact of algorithmic
38 trading and the impact that market structure has on retail investors, small public
39 companies and the impact of decimalization on market quality and capital formation.

40 *Corporate Governance.* The Committee will review developments and issues
41 concerning corporate governance at public companies and the SEC's proposals that seek to
42 modernize corporate governance practices. The Committee will examine how the Dodd-

1 Frank Act impacts the corporate governance practices of all issuers, particularly small
2 public companies. The Committee will also examine the services provided by proxy
3 advisory firms to shareholders and issuers to determine whether conflicts of interest exist.
4 The Committee will continue to monitor the effect that the Sarbanes-Oxley Act of 2002 has
5 on the capital markets and capital formation; the impact of the permanent exemption from
6 Section 404(b) for public companies with less than \$75 million in market capitalization; and
7 proposals to further modify this exemption.

8 *Employee Compensation.* The Committee will monitor the implementation of
9 provisions in Title IX of the Dodd-Frank Act governing the compensation practices at public
10 companies and financial institutions.

11 *Securities Investor Protection Corporation (SIPC).* The Committee will review the
12 operations, initiatives, and activities of the Securities Investor Protection Corporation, as
13 well as the application of the Securities Investor Protection Act (SIPA). In light of SIPC's
14 exposure to the failures of Bernard L. Madoff Investment Securities, Lehman Brothers, and
15 MF Global, the Committee will examine SIPC's existing reserves, member broker-dealer
16 assessments, access to private and public lines of credit, and coverage levels, as well as
17 proposals to improve SIPC's operations and management. The Committee will also review
18 the impact of the provisions of the Dodd-Frank Act that amend the SIPA, and the work and
19 recommendations of the SIPC Modernization Task Force.

20 *Mutual Funds.* The Committee will continue to examine the state and operation of
21 the U.S. mutual fund industry, including pending regulatory proposals by the SEC and the
22 FSOC to reform money market mutual funds, and private sector initiatives to improve
23 investor understanding of money market fund valuations.

24 *Advisers to Private Funds.* The Committee will examine the functions, role, and
25 impact of advisers to private funds in the United States capital markets and their
26 interaction with investors, financial intermediaries, and public companies.

27 *Securitization and Risk Retention.* The Committee will monitor the joint risk
28 retention rule-making mandated by Section 941 of the Dodd-Frank Act to ensure that the
29 development and implementation of the risk retention rules promote sound underwriting
30 practices without constricting the flow of credit and destabilizing an already fragile housing
31 market, and that those rules appropriately differentiate among multiple asset classes. The
32 Committee will focus particular attention on the joint rulemaking to define a class of
33 qualified residential mortgages (QRMs) that will be exempt from risk retention
34 requirements.

35 *Covered Bonds.* The Committee will review the potential for covered bonds to
36 increase mortgage and broader asset class financing, improve underwriting standards, and
37 strengthen United States financial institutions by providing a new funding source with
38 greater transparency, thereby fostering increased liquidity in the capital markets. The
39 Committee will also review whether existing regulatory initiatives, including the
40 Department of the Treasury's Best Practices for Residential Covered Bonds—and the
41 FDIC's covered bond policy statement to facilitate the prudent and incremental
42 development of the U.S. covered bond market—are sufficient to foster the creation of a

1 covered bond market in the United States, or whether additional regulatory or legislative
2 initiatives are necessary.

3 *Libor.* The Committee will assess the conditions that gave rise to the manipulation
4 of the London Interbank Offered Rate (Libor) and the effect of that manipulation on
5 financial markets, including the effects on consumers, businesses, financial institutions,
6 and the financial system. The Committee will also examine whether U.S. financial
7 regulators and supervisory authorities knew about the manipulation, and whether a more
8 timely and aggressive intervention by these regulators might have prevented the
9 manipulation or mitigated its effects. The Committee will continue to monitor the efforts of
10 prudential and market regulators to address the conditions that gave rise to the
11 manipulation of Libor as well as their efforts to create an alternative to Libor that can serve
12 as a benchmark interest rate.

13 *MF Global.* As part of its continuing examination of the causes and consequences of
14 the October 2011 collapse of MF Global, the Committee will review legislative proposals
15 and regulatory recommendations to improve the operations and oversight of entities that
16 are both broker-dealers and futures commission merchants.

17 *Municipal Securities.* The Committee will monitor the health of the United States
18 municipal securities markets and evaluate proposals to increase transparency in that
19 segment of the capital markets. The Committee will also examine provisions included in
20 Titles VII and IX of the Dodd-Frank Act that are designed to strengthen municipal
21 securities industry oversight and broaden municipal securities market protections to cover
22 unregulated market participants and their financial transactions with municipal entities.

23 *Municipal Securities Rulemaking Board (MSRB).* The Committee will review the
24 operations, initiatives and activities of the Municipal Securities Rulemaking Board. The
25 Committee will review the changes imposed by Title IX of the Dodd-Frank Act, which
26 altered the MSRB's governance to include the protection of state and local government
27 issuers, public pension plans, and others whose credit stands behind municipal bonds, in
28 addition to protecting investors and the public interest. The Committee will also review the
29 MSRB's regulation of municipal advisors.

30 *Public Company Accounting Oversight Board (PCAOB).* The Committee will review
31 the operations, initiatives and activities of the Public Company Accounting Oversight
32 Board. The Committee will also monitor the PCAOB's exercise of its new authority to
33 register, inspect and discipline the auditors of broker-dealers, and the impact that this
34 increased oversight may have on the PCAOB's operations. The Committee will also review
35 the extent to which the PCAOB's new authority to share information with its foreign
36 counterparts is sufficient to permit PCAOB inspectors to examine non-U.S. auditors.

37 *Financial Accounting Standards Board (FASB).* The Committee will review the
38 initiatives of the Financial Accounting Standards Board and its responsiveness to all
39 segments of the capital markets; the FASB's relationship with the SEC; and proposals to
40 enhance Congressional oversight of the FASB. The Committee will monitor and review the
41 FASB's specific projects, including its private company accounting standard project, to
42 ensure that any revisions to accounting standards provide useful information to investors

1 without disrupting the capital markets, capital formation or improperly burdening issuers
2 and preparers.

3 *Government Accounting Standards Board (GASB).* The Committee will review the
4 role of the Government Accounting Standards Board, which formulates accounting
5 standards for the voluntary use of state and local governments that issue securities. The
6 Committee will review the implementation of Section 978 of the Dodd-Frank Act, which
7 directs the SEC to require the Financial Industry Regulatory Authority (FINRA) to collect
8 fees from its members (broker-dealers and other securities professionals) and to remit such
9 fees to the Financial Accounting Foundation, GASB's parent organization.

10 *Convergence of International Accounting Standards.* The Committee will review
11 efforts by the SEC, the FASB, and the International Accounting Standards Board to
12 achieve robust, uniform international accounting standards. The Committee will also
13 monitor the SEC's plans to incorporate those standards as part of United States financial
14 reporting requirements.

15 *Securities Litigation.* The Committee will examine the effectiveness of the Private
16 Securities Litigation Reform Act of 1995 in protecting issuers from frivolous lawsuits while
17 preserving the ability of investors to pursue legitimate actions.

18 *Securities Arbitration.* The Committee will examine developments in securities
19 arbitration, including the impact of the arbitration-related provisions contained in section
20 921 of the Dodd-Frank Act, which provide the SEC with the authority to restrict mandatory
21 pre-dispute arbitration, and the impact that the exercise of that authority could have on
22 existing arbitration agreements and on issuers and investors generally.

23 *Business Continuity Planning.* The Committee will continue its oversight of the
24 implementation of disaster preparedness and business continuity measures by the financial
25 services industry, including equity and option markets and financial market utilities, and
26 the regulatory oversight of those plans in order to minimize the disruptions to critical
27 operations in the United States financial system resulting from natural disasters, terrorist
28 attacks, or pandemics.

30 GOVERNMENT SPONSORED ENTERPRISES

31
32 *Charter Restructuring for Government Sponsored Enterprises (GSEs).* On
33 September 7, 2008, the Federal Housing Finance Agency (FHFA) placed Fannie Mae and
34 Freddie Mac into conservatorship. To date, Fannie Mae has tapped \$116.1 billion and
35 Freddie Mac has used nearly \$71.3 billion in taxpayer funds, making the GSE
36 conservatorship the costliest of all the taxpayer bailouts initiated during the crisis. The
37 cost of this bailout has raised fundamental questions about the viability of the GSEs' hybrid
38 public-private organizational model, the market effects of their implicit-turned-explicit
39 government guarantees, and the structure of the U.S. housing finance system. The
40 Committee will examine proposals to modify or terminate Fannie Mae's and Freddie Mac's
41 statutory charters, harmonize their business operations, and wind down any legacy
42 business commitments.

1 *Reducing GSE Market Share.* The Committee will examine the overall size of the
2 GSEs' footprint in various aspects of the housing finance system and ways to reduce or
3 constrain their large market share and develop a vibrant, innovative and competitive
4 private mortgage market. Areas of interest for the Committee will include the calculation
5 of FHFA's House Price Index, the determination of the conforming loan limits in
6 conventional and high-cost areas, the pricing of guarantee fees to reflect the risk of the
7 mortgages purchased by the GSEs, and the size of the GSEs' retained investment portfolios.

8 *Federal Housing Finance Agency (FHFA).* The Committee will monitor the activities
9 and initiatives of the Federal Housing Finance Agency, which was established in 2008 to
10 oversee Fannie Mae, Freddie Mac and the Federal Home Loan Banks, and since September
11 2008 has served as Fannie Mae's and Freddie Mac's conservator. The Committee will pay
12 particular attention to the FHFA's discharge of its duties as conservator to promote the
13 long-term stability of the housing market and to ensure that taxpayer losses are minimized
14 and private sector participation in the housing finance market is encouraged. The
15 Committee will also consider the appropriate role, if any, for the Federal government in the
16 secondary mortgage market, including the harmonization of existing GSE business
17 operations and the development of new securitization platforms and alternative mortgage
18 financing options.

19 *Federal Home Loan Bank (FHLB) System.* The Committee will monitor the capital
20 requirements and financial stability of the Federal Home Loan Bank System, as well as the
21 FHLB System's ability to fulfill its housing mission and provide liquidity to the
22 cooperative's member banks in a safe and sound manner. The Committee will pay
23 particular attention to concerns regarding insufficient retained earnings and the quality of
24 private label securities portfolios maintained by individual Federal Home Loan Banks.

25 *GSE Contracting with Non-Profits.* To ensure that the GSEs are not engaging in
26 risky activities that undermine the conservatorships, the Committee will examine the
27 relationships that Fannie Mae and Freddie Mac maintain with non-profit organizations
28 that provide services, including housing counseling, to potential homeowners. The
29 Committee will also examine whether the payments nonprofits receive for services provided
30 to the GSEs are appropriate; whether GSE funds provided to non-profits are used for
31 political activities; and whether adequate procedures are in place to protect the GSEs from
32 fraud.

33 *GSE Foreclosure and Loan Modification Protocols.* The Committee will review
34 Fannie Mae's and Freddie Mac's guidance to mortgage servicers and participation in
35 government mortgage modification programs generally to ensure that undue political
36 influence does not result in even greater losses to taxpayers from the GSE
37 conservatorships.

38 39 HOUSING

40
41 *Housing and Urban Development, Rural Housing Service, and the National*
42 *Reinvestment Corporation.* The Committee will review and hear testimony from the

1 Administration on those housing agency budgets under its jurisdiction. Specifically,
2 testimony is expected from the Department of Housing and Urban Development (HUD), the
3 Rural Housing Service (RHS), and the National Reinvestment Corporation. HUD, which
4 represents the most significant share of housing programs and budget authority, has
5 experienced a steady increase in appropriations over the past decade, from \$34.34 billion in
6 fiscal year 2002 to \$44.24 billion in fiscal year 2012. According to the GAO, there are 20
7 different entities administering 160 housing programs. Accordingly, the Committee will
8 also review current HUD and RHS programs with the goal of identifying inefficient and
9 duplicative programs for further review and potential streamlining. The Committee will
10 also review HUD's study entitled "Worst Case Housing Needs: A Report to Congress,"
11 which is designed to measure the scale of critical housing problems facing low-income and
12 unassisted American renting households and the impact the recent recession and related
13 joblessness has caused.

14 *Federal Housing Administration (FHA).* Increased delinquencies and foreclosures
15 across the nation have had a detrimental effect on the financial health of the Federal
16 Housing Administration. The most recent actuarial report for fiscal year 2012, released in
17 November, found that the FHA's insurance fund's economic value was negative \$16.3
18 billion, which is the projected amount the FHA would lose if it stopped insuring new
19 mortgages and covered its projected losses for the next 30 years. The FHA is thus
20 vulnerable to further defaults. To cover these defaults, the FHA may resort to its
21 "permanent indefinite authority" to draw funds directly from the U.S. Treasury to pay
22 unexpected increases in insurance claims. Because the FHA guarantees 100 percent of the
23 loan amount on the mortgages it insures and is ultimately backed by the Federal
24 government, a large number of defaults could result in significant losses to the FHA, and
25 those losses may ultimately be borne by taxpayers. The Committee will examine the
26 appropriate role for FHA in the mortgage finance system, how to encourage more robust
27 private sector participation, and the ability of the FHA to continue to take steps to manage
28 its mortgage portfolio and mitigate its risk.

29 *Foreclosure Mitigation.* The Committee will continue to monitor the performance of
30 the Obama Administration's various foreclosure mitigation initiatives, which have fallen
31 far short of their stated objectives and been the subject of repeated criticism by government
32 watchdog agencies, including the Special Inspector General for TARP. The Committee's
33 review will encompass the implementation of a 2011 consent order between Federal
34 banking regulators and certain mortgage servicers and affiliates, which required these
35 firms to identify and compensate homeowners who may have been harmed by irregularities
36 in the foreclosure process.

37 *Section 8 Housing Choice Voucher Program and Affordable Housing.* The
38 Committee will continue its effort to address HUD's largest rental assistance program and
39 the government's role in the future of affordable rental housing. The Committee will
40 review the rising costs of the Section 8 program, as funding for the Section 8 program
41 continues to increase and consume the bulk of HUD's discretionary budget. Funding for
42 the Section 8 program in fiscal year 2012 was \$27.60 billion, representing a 62 percent

1 share of the entire HUD FY 2012 budget. The Committee will review whether the rental
2 assistance program met its program objectives in a manner that leverages taxpayer
3 investments in affordable housing without duplicating successful private-sector initiatives.

4 *Rural Housing Service (RHS)*. The Committee will review the mission, organization
5 and operations of the Rural Housing Service, a Federal agency which provides affordable
6 housing for low-to-moderate income rural families. Eligible communities are determined
7 after each decennial census. According to the 2010 census findings, 933 communities,
8 including 486 communities grandfathered between 10 and 29 years ago, will no longer be
9 eligible for housing programs under the RHS after March 27, 2013. The Committee will
10 review the 2010 census findings to ascertain their impact on meeting rural housing needs.

11 *Reauthorization of the Native American Housing Assistance and Self-Determination*
12 *Act (NAHASDA)*. As the Committee considers the statutory authorization for NAHASDA,
13 which expires on October 1, 2013, the Committee will examine the need for better
14 infrastructure and services, accountability for the use of the program, and HUD's
15 administration of NAHASDA funds. The fiscal year 2012 budget included \$650 million for
16 the program. As of January 1, 2013, the program had a \$979.7 million obligated
17 unexpended balance. Due to delays and inefficiencies in the program, the Committee also
18 will review the effectiveness of NAHASDA, the reasons for the backlog of unspent funds,
19 and whether the program is meeting its objectives.

20 *Community Development Block Grant (CDBG)*. The Community Development Block
21 Grant program provides Federal funds to cities and localities to help them address housing
22 and community development. Rather than building communities, however, the CDBG
23 program operates like a revenue sharing program for the states and localities. CDBG funds
24 are allocated by a formula through which 70 percent of the funds are directed to
25 entitlement communities, which are central cities of metropolitan areas, cities with
26 populations of at least 50,000, and urban counties. The remaining 30 percent is directed to
27 states for use in small, non-entitlement communities. The fiscal year 2012 budget included
28 \$3.308 billion for the program. The Committee will consider ways to make the CDBG
29 program more effective and targeted towards extremely low-income communities. In
30 addition, the Committee will review the eligible activities and oversight and administration
31 of the program with the aim of ensuring that funds are used in an appropriate manner and
32 with the express purpose of reducing the cost of the program.

33 *HOME Investment Partnerships Program (HOME)*. The Committee will continue to
34 monitor the HOME Investment Partnerships Program, which provides grants to states and
35 localities to fund affordable housing projects. States and localities can use HOME funds to
36 finance home purchases and build or rehabilitate housing, which can then be rented or sold.
37 In the 112th Congress, the Committee conducted oversight hearings on the efficacy of the
38 HOME program and whether its objectives were being met.

39
40 INSURANCE
41

1 *National Flood Insurance Program (NFIP).* The Committee will monitor the
2 implementation of the Biggert-Waters Flood Insurance Reform Act of 2012 (P.L. 112-141),
3 paying particular attention to the reforms that encourage more private sector participation
4 in the flood insurance market. The Committee will also review and consider further reforms
5 to the National Flood Insurance Program with the goal of ending taxpayer bailouts of the
6 program and transitioning to a private, innovative, competitive and sustainable flood
7 insurance market. Since 2006, the GAO has designated the NFIP as a high-risk program
8 because of its potential to incur billions in dollars in losses and because the program faces
9 serious financial, structural, and managerial challenges. Due to extraordinary losses
10 incurred following the hurricanes in 2005 and Superstorm Sandy in 2012, the program
11 carries a debt of well over \$20 billion as of January 1, 2013.

12 *Terrorism Risk Insurance Program.* The Committee will monitor the Terrorism Risk
13 Insurance Program, which expires on December 31, 2014, for its ongoing impact on
14 economic development and the private terrorism insurance marketplace. The Committee
15 will examine the private sector's capacity to assess and price for terrorism risk. The
16 Committee may also consider proposals that would phase out the Terrorism Risk Insurance
17 Program by encouraging private industry to develop dedicated capital for underwriting
18 terrorism risks, and significantly reducing the potential Federal exposure and participation
19 in terrorism insurance over time.

20 *Federal Insurance Office (FIO).* The Committee will monitor the Federal Insurance
21 Office, which was created by the Dodd-Frank Act to provide the Federal government with
22 information and expertise in insurance matters. The FIO has repeatedly missed multiple
23 statutory deadlines imposed by the Dodd-Frank Act for reports to Congress on (1) the
24 insurance industry, in general; (2) the breadth and scope of the global reinsurance market;
25 (3) the ability of state regulators to access reinsurance information; and (4)
26 recommendations to modernize and improve the system of insurance regulation in the
27 United States. The Committee urges the FIO to submit these long overdue reports without
28 further delay. The Committee will work to ensure that the FIO is focused on developing
29 expertise on insurance matters and does not impose unwarranted or excessive data
30 collection burdens on the insurance sector or on small insurers in particular. The
31 Committee will also monitor implementation of the FIO's authority to coordinate policy and
32 represent the U.S. on international insurance issues, paying particular attention to FIO's
33 role in addressing a number of substantive and procedural concerns surrounding the
34 International Association of Insurance Supervisors' methodology for designating global
35 systemically important insurers.

36 *Impact of Dodd-Frank Act Implementation on the Insurance Sector.* The Committee
37 will monitor implementation of various provisions in the Dodd-Frank Act for their potential
38 impact on the insurance sector—including but not limited to the FSOC, the Orderly
39 Liquidation Authority, the OFR, and the CFPB, as well as new restrictions on proprietary
40 trading and investments (Volcker Rule) and revised capital standards for bank and thrift
41 holding companies (the Collins Amendment)—to ensure that new regulations do not impose
42 unwarranted or excessive burdens on the insurance sector that might result in higher costs

1 for individuals or businesses that purchase insurance products and services or result in
2 unintended consequences for U.S. economic competitiveness and job creation.

3 4 MONETARY POLICY AND TRADE 5

6 *The Economy and Jobs.* In light of efforts to stimulate the economy through
7 increased Federal spending and accommodative Federal Reserve policies, the Committee
8 will examine the extent to which current government policies may have blurred the line
9 between monetary and fiscal policy. The Committee will examine the effectiveness and
10 consequences of the extraordinary measures undertaken by the Federal Reserve on
11 economic growth and employment and also will examine the effects of mounting Federal
12 debt and annual Federal budget deficits on economic recovery and the country's long-term
13 economic health.

14 *Conduct of Monetary Policy by the Board of Governors of the Federal Reserve System.*
15 The Committee will thoroughly examine the process by which the Federal Reserve sets and
16 executes its monetary policy goals, while respecting the independence of the Federal
17 Reserve's decision-making. The Committee will review the recent history of monetary
18 policy decisions and examine the Federal Reserve's plan for removing excess liquidity from
19 the economy after recovery is firmly established to prevent inflation. The Committee will
20 examine the quality of economic data the Federal Reserve uses to make its decisions, the
21 accuracy and utility of the Federal Reserve's econometric models, and the effect of the
22 Federal Reserve's legislative mandates on its decisions. The Committee seeks to ensure
23 that the Federal Reserve's monetary policy decisions are based on the best data and models,
24 and that it successfully executes open market operations to reach its goals. As part of this
25 review, the Committee will hold hearings to receive the semi-annual reports on the conduct
26 of monetary policy and the state of the economy from the Chairman of the Board of
27 Governors of the Federal Reserve System.

28 *General Oversight of the Federal Reserve System.* The Committee will conduct
29 oversight of the operations of the Federal Reserve Board of Governors and the Federal
30 Reserve System, including management structure, organizational changes mandated by the
31 Dodd-Frank Act, and the role of the Federal Reserve in the supervision of systemically
32 significant banks and non-bank financial institutions. As part of this review, the Committee
33 will hold statutorily required semi-annual hearings to receive testimony from the Federal
34 Reserve's Vice Chairman for Supervision, a position created by Section 1108 of the Dodd-
35 Frank Act that the Obama Administration has not yet filled.

36 *Defense Production Act.* The Committee will continue to monitor the effectiveness of
37 the Defense Production Act, the statutory authorization for which expires in 2014, and its
38 individual authorities in promoting national security and recovery from natural disasters.

39 *Committee on Foreign Investment in the United States (CFIUS).* The Committee will
40 continue to monitor the implementation of the Foreign Investment and National Security
41 Act of 2007, which reformed the Committee on Foreign Investment in the United States .
42 The Committee will seek to ensure that CFIUS fulfills its statutory mandate to identify and

1 address those foreign investments that pose legitimate threats to national security. The
2 Committee will also monitor the extent to which the United States maintains a policy of
3 openness toward foreign investment, so that investments that pose no threat to national
4 security are able to proceed expeditiously while those that pose a threat are either
5 remediated or rejected.

6 *Coins and Currency.* The Committee will conduct oversight of the printing and
7 minting of U.S. currency and coins, and of the operation of programs administered by the
8 U.S. Mint for producing congressionally authorized commemorative coins, bullion coins for
9 investors, and Congressional gold medals. The Committee also will examine the Federal
10 Reserve's methods for circulating and re-circulating coins and currency, proposals to reduce
11 the cost of minting coins, and efforts to make currency more accessible to the visually
12 impaired. The Committee will continue its review of efforts to detect and combat the
13 counterfeiting of U.S. coins and currency in the United States and abroad, and will examine
14 the counterfeiting of rare or investment-grade coins, U.S.-made and otherwise.

15 *Economic Sanctions.* The Committee will monitor the implementation of sanctions
16 against rogue nations, with particular attention to the enhanced sanctions against Iran and
17 Syria passed during the 112th Congress. Particular focus will be placed on whether financial
18 services-related aspects of these laws have been executed in accordance with congressional
19 intent, and what the impact of such policies has been. This review will encompass the
20 activities of the Treasury Department's Office of Foreign Assets Control in administering
21 the economic sanctions regime.

22 *Job Creation and U.S. Competitiveness.* The Committee will examine United States
23 international monetary and trade policies with an eye toward ensuring that those policies
24 support the ability of U.S. companies to be competitive in the international marketplace,
25 thereby promoting domestic job creation and economic opportunity, and advancing an open
26 rules-based global trading system.

27 *Annual Report and Testimony by the Secretary of the Treasury on International*
28 *Monetary Fund Reform and the State of the International Financial System.* The Committee
29 will review and assess the statutorily required annual report to Congress by the Secretary
30 of the Treasury on the state of the international financial system and the International
31 Monetary Fund (IMF). Section 613 of the Omnibus Consolidated and Emergency
32 Supplemental Appropriations Act, 1999 (P.L. 105-277) requires the Secretary to report on
33 (1) progress made in reforming the IMF; (2) the status of efforts to reform the international
34 financial system; (3) compliance by borrower countries with the terms and conditions of
35 IMF assistance; and (4) the status of implementation of anti-money laundering and
36 counterterrorism financing standards by the IMF, the multilateral development banks, and
37 other multilateral financial policymaking bodies.

38 *International Monetary Fund (IMF).* The Committee will consider the policies of the
39 International Monetary Fund to ensure effective use of resources and appropriate
40 alignment with U.S. interests in promoting economic growth and stability. The Committee
41 will also review any Administration request that the U.S. transfer funds at the IMF from
42 the New Arrangements to Borrow to the general quota fund. During review of any such

1 request, the Committee will assess the purpose of the transfer and potential risks the
2 transfer might pose. In examining such authorization requests, the Committee will review
3 any reforms the IMF has agreed to make concurrent with the transfer.

4 *U.S. Oversight over the Multilateral Development Banks (MDBs) and Possible U.S.*
5 *Contributions.* The Committee will consider any Administration request that the U.S.
6 contribute to the replenishment of the concessional lending windows at the World Bank, the
7 African Development Bank, and the Asian Development Bank, which provide grants and
8 below market-rate financing to the world's poorest nations. In considering any such
9 request, the Committee will assess the effectiveness of these lending facilities in achieving
10 economic development and promoting global economic stability. In addition, the Committee
11 will consider the policies of the MDBs to ensure effective use of resources and proper
12 alignment with U.S. interests in promoting economic growth and stability.

13 *Export-Import Bank of the United States (Ex-Im Bank).* The Export-Import Bank is
14 chartered by Congress to finance exports of U.S. manufactured goods and services. The
15 charter under which the Ex-Im Bank operates expires on September 30, 2014, and the
16 Committee will therefore consider the Bank's reauthorization. The Committee will
17 examine the Ex-Im Bank's policies and programs to ensure the fiscal soundness of the
18 Bank. The Committee will also consider how the Bank can ensure it is not crowding out
19 private sector involvement in export financing, especially financing for public companies.
20 Also, the Committee will continue to review the implementation of the Congressional
21 mandates established in the Export-Import Bank Reauthorization Act of 2012.

22 *World Bank Safeguards Review.* The Committee will continue to monitor the World
23 Bank's ongoing review and update of its safeguard policies to ensure that the Bank's
24 safeguards and related standards reflect best practices as well as international standards
25 and norms, preserve the Bank's responsibility to ensure project-program compliance, and
26 continue to promote sustainable economic growth and social cohesion.

27 *International Trade.* The Committee recognizes that American jobs are supported by
28 U.S. exports, U.S. companies operating abroad, and foreign firms operating in the United
29 States. The Committee will oversee existing trade programs and consider policies within
30 the Committee's jurisdiction to promote U.S. international trade so that American
31 companies are globally competitive. The Committee will oversee the progress of the
32 National Export Initiative and other Administration proposals to increase U.S. exports and
33 create jobs in the United States. The Committee will remain active in the oversight of trade
34 negotiations as they relate to the global competitiveness of the American financial services
35 sector, to ensure such agreements improve access to foreign markets, increase trade
36 opportunities for American businesses, and create jobs domestically.

37 *Market Access.* The Committee will assess opportunities to expand market access for
38 U.S. companies and the financial services sector, and to promote policies that can bring
39 about reciprocal market access with developing nations that currently limit or prevent U.S.
40 firms from entering and operating within their national borders. In particular, the
41 Committee will examine market access issues with regard to nations with which the U.S.
42 has entered into free trade agreements.

1 *China.* The Committee will monitor the implications of China’s economic growth and
2 policies on the U.S. and global economy. As China’s economy and global reach expand, the
3 degree to which it adopts responsible policies and practices that do not distort markets or
4 unfairly disadvantage its trading partners will be examined.

5 *Exchange Rates.* The Committee will review and assess the semi-annual report to
6 Congress from the Secretary of the Treasury on International Economic and Exchange Rate
7 Policies pursuant to the Omnibus Trade Act of 1988.

8 *Global Capital Flows.* The Committee will monitor the flow of capital globally. The
9 buildup of large currency reserves in certain nations can lead to imbalances in capital
10 allocations and asset bubbles that threaten global economic stability. The Committee will
11 assess the implications of the investment of these reserves on the world economy.

12 *Eurozone Distress.* The Committee will monitor the economic distress in the
13 Eurozone, which stems from unsustainable levels of sovereign debt, problems in the
14 banking sector and slow growth in Europe. Because the European Union (EU) is a major
15 trading and investment partner of the U.S. and many other countries, the EU’s fiscal
16 health has implications beyond the continent’s borders. Consequently, the Committee will
17 examine actions taken by the IMF, the EU and other nations to address the sovereign debt
18 issues in the Eurozone. The Committee will also explore how best to protect U.S. interests
19 while also ensuring that taxpayer dollars are not used to bail out foreign governments,
20 thereby further enabling reckless fiscal policies.

21 *Haiti.* Just as the United States economy is burdened by excessive debt from current
22 and previous Administrations, Haiti is also burdened with excessive amounts of debt.
23 Despite extensive U.S. and multilateral debt relief, Haiti’s debt to non-Paris Club members,
24 including Venezuela and China, has sharply increased in recent years, leading the IMF to
25 rate Haiti’s risk of debt distress as high. This debt burden exacerbates one of the worst
26 cases of human misery in the hemisphere. The Committee will continue to closely monitor
27 the efficacy of U.S. and multilateral institution efforts to improve the human condition in
28 Haiti, including the impact of the Inter-American Development Bank’s (IDB) annual
29 transfers to the Haiti grant facility and the role of the IDB in its privileged position as a
30 long-term development partner in Haiti.

31 *Extractive Industries and Conflict Materials.* The Committee will monitor the
32 implementation of provisions in title XV of the Dodd-Frank Act imposing new disclosure
33 requirements relating to so-called conflict minerals and extractive industries, to ensure
34 that the provisions do not cause undue harm to intended beneficiaries. The Committee will
35 also work to ensure that unnecessary compliance burdens for U.S. firms are minimized.

36
37 **CLAUSE 2(d)(1)(F) of RULE X of the HOUSE ON PROPOSED CUTS**
38

39 Clause 2(d)(1)(F) of rule X of the Rules of the House of Representatives for the 112th
40 Congress requires each standing committee to include in its oversight plan proposals to cut
41 or eliminate programs, including mandatory spending programs, that are inefficient,
42 duplicative, outdated, or more appropriately administered by State or local governments.

1 The unsustainable Federal deficit caused by unchecked spending remains the most
2 daunting challenge facing the U.S. economy. The deficit has created uncertainty among
3 families, investors, and small business owners who do not know whether the value of
4 saving and investment undertaken today will be eroded through inflation and higher taxes
5 in the years ahead resulting from ever-increasing Federal deficits. According to the
6 Congressional Budget Office's most recent budget estimate, the fiscal 2013 Federal deficit is
7 projected to be \$845 billion and, absent a change in current policy, Federal debt held by the
8 public will reach 76 percent of GDP by the end of this fiscal year, the largest percentage
9 since 1950. Plainly, the nation's current fiscal path is unsustainable. Only by making the
10 difficult choices that are necessary to put the nation's fiscal house in order can the 113th
11 Congress lay the groundwork for ensuring America's prosperity for future generations.

12 The following are Federal programs under the jurisdiction of the Committee on
13 Financial Services that will be reviewed for possible cuts, elimination, or consolidation into
14 other Federal programs.

15 *Native American Housing Assistance and Self-Determination Act (NAHASDA).* The
16 Native American Housing Assistance and Self Determination Act is composed of a (1) block
17 grant program and (2) loan guarantee program. Under the block grant program, funds are
18 made available under a formula to Federally-recognized Native American tribal
19 governments for housing and infrastructure development. The FY 2012 funding for the
20 NAHASDA block grant program was \$650 million. However, the obligated unexpended
21 balance, meaning the portion of the funds disbursed by HUD to the grantee but not yet
22 spent by that grantee, totals approximately \$979.7 million, representing significantly more
23 than the annual appropriation. The Committee will review the causes of the obligated
24 unexpended balance and consider ways to scale back the NAHASDA block grant until the
25 execution of the program is more efficient, providing needed housing infrastructure
26 development to those Native American communities that exhibit the capacity and need to
27 utilize such funds.

28 *Community Development Block Grant (CDBG).* The Community Development Block
29 Grant program provides Federal funds to cities and localities to help them address housing
30 and community development. Rather than building communities, however, the CDBG
31 program operates like a revenue sharing program for the states and localities. CDBG funds
32 are allocated by a formula through which 70 percent of the funds are directed to
33 entitlement communities, which are central cities of metropolitan areas, cities with
34 populations of at least 50,000, and urban counties. The remaining 30 percent is directed to
35 states for use in small, non-entitlement communities. The fiscal year 2012 budget included
36 \$3.308 billion for the program. The Committee will consider ways to scale back the CDBG
37 program, including but not limited to changes in the current distribution of CDBG formula
38 funds to target extremely low-income communities. In addition, the Committee will review
39 the eligible activities and oversight and administration of the program with the aim of
40 ensuring that funds are used in an appropriate manner and with the express purpose of
41 reducing the cost of the program.

1 *Making Home Affordable Programs.* On February 18, 2009, President Obama
2 announced a three-part Making Home Affordable Program, with the stated goal of helping
3 9 million borrowers at risk of foreclosure or seeking to refinance high-cost mortgages. The
4 plan included (1) a refinancing program for mortgages owned by Fannie Mae or Freddie
5 Mac (known as the *Home Affordable Refinance* plan); (2) a \$75 billion loan modification
6 program (known as the *Home Affordable Modification Program* (HAMP)); and (3) a
7 commitment of \$200 billion to purchase Fannie and Freddie preferred stock. Funding for
8 the modification plan is derived from the Troubled Asset Relief Program (TARP) and the
9 Government Sponsored Enterprises (GSEs), and the GSE preferred stock purchases drew
10 from funds authorized by the Housing and Economic Recovery Act of 2008 (HERA) (P.L.
11 110–289). HAMP has not met the goals set for it, and has failed to help a sufficient number
12 of distressed homeowners to justify the program’s cost. Accordingly, the Committee
13 recommends rescinding unspent and unobligated balances currently committed to these
14 programs.

15 *Choice Neighborhoods.* The Choice Neighborhoods Program was established to
16 transform, rehabilitate and replace both public and HUD-assisted housing units.
17 Suggested as a replacement for the inefficient and often ineffective HOPE VI program, the
18 Obama Administration created this new Federal program to provide additional grants to
19 local governments, assisted housing owners, community development corporations, and
20 non-profit entities. The Committee is concerned that this new government program will
21 suffer the same problems as the HOPE VI program, which has millions of dollars in
22 unexpended balances. Given that this program was funded at \$120 million for FY 2012 and
23 has yet to be authorized, the Committee recommends rescinding unspent and unobligated
24 balances currently committed to this program.

25 *FHA Short Refinance Program.* On March 26, 2010, the Obama Administration
26 announced a new FHA Short Refinance Program for underwater homeowners. Treasury
27 indicated that the program would be funded with \$8 billion in TARP funds that had
28 originally been set aside for HAMP. The program was implemented on September 7, 2010,
29 and will continue until December 31, 2014. Over the course of two and half years, FHA has
30 helped only 1,300 borrowers through this program. Rather than diverting scarce resources
31 for another ineffective foreclosure mitigation program, the Committee recommends that the
32 program be discontinued.