

Today, the House Financial Services Committee held a [markup](#) to consider several pieces of legislation. While the markup was originally scheduled to consider a slate of 12 bills, changes to the House floor schedule resulted in the Committee only considering five bills relating to housing, insurance, and digital asset custody. Notably, the Committee succeeded in clearing a Congressional Review Act (CRA) challenge to the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin (SAB) 121 regarding banks' custody of digital assets. The bill ultimately passed with the support of three Committee Democrats. Additionally, the Chair assured members that the bills omitted from today's markup will be considered at a markup at a later date. This TRP markup summary focuses on discussions primarily surrounding [H. J. Res. 109](#) and [H.R. 7462](#) as well as votes on the remaining bills and amendments.

Legislation

- [H.R. 6864](#), the "HUD Accountability Act of 2023."
 - An [amendment in the nature of a substitute](#), offered by **Rep. Mike Lawler (R-NY)**.
- [H.R. 7280](#), the "HUD Transparency Act of 2024."
 - An [amendment in the nature of a substitute](#), offered by **Rep. Monica De La Cruz (R-TX)**.
- [H.R. 7156](#), the "Combating Money Laundering in Cyber Crime Act of 2024."
 - An [amendment in the nature of a substitute](#), offered by **Rep. Scott Fitzgerald (R-WI)**.
- [H.J. Res. 109](#), Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121."
- [H.R. 7462](#), the "Wildfire Insurance Coverage Study Act of 2023."

Statements

[Chair Patrick McHenry \(R-NC\)](#)

[Ranking Member Maxine Waters \(D-CA\)](#)

Discussion and Votes

[H.J. Res. 109](#), Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Securities and Exchange Commission relating to "Staff Accounting Bulletin No. 121."

- **Reps. Mike Flood (R-NE) and Wiley Nickel (D-NC)** asserted that SAB 121's requirement that banks holding digital assets for custodial purposes report the assets "on-balance-sheet," arguing that this carries implications for banks' regulatory capital requirements. Further, he contended that discouraging banks from offering digital asset custodial services would result in the custody of digital assets at unregulated entities. **Reps. Andy Barr (R-KY)** Flood also criticized the SEC for failing to consult prudential regulators on the matter, alluding to its potential regulatory capital implications.
- Ranking Member Waters spoke out against the bill, arguing that the digital asset industry is hypocritical for calling for greater regulatory clarity while opposing SAB 121. She further suggested that the SEC guidance is "non-binding" and only seeks to promote the safe custody of digital assets. The Ranking Member echoed claims from

Committee Democrats that this Congressional Review Act (CRA) challenge would hinder the SEC's ability to issue additional guidance.

- **Rep. Tom Emmer (R-MN)** contended that the process used to issue this guidance is unlawful on the grounds that it constitutes agency rulemaking, violating the Administrative Procedures Act (APA).
- **Rep. Young Kim (R-CA)** argued that rescinding SAB 121 would lead to increased competition in custodial financial services by allowing banks to compete with nonbanks over custody demand.
- **Rep. Brad Sherman (D-CA)** argued that the CRA bill would hinder the Securities and Exchange Commission's (SEC) ability to carry out similar regulatory guidance and that investors have the right to know if a bank is exposed to risks associated with digital assets. Further, he stated that SAB 121 only pertains to reporting digital asset custody on their financial statements.
- **Rep. Bill Foster (D-IL)** voiced his opposition to the measure, arguing that it may expose the U.S. financial system to cybersecurity threats.
- **Rep. French Hill (R-AR)** pushed back on claims that SAB 121 does not constitute a rule subject to the CRA, pointing to a study conducted by the Government Accountability Office (GAO).
- Chair McHenry echoed concerns from Committee Republicans in arguing that SAB 121 would make markets less sound.
- **Vote: Passed 31-19.**
 - Notably, **Reps. Wiley Nickel (D-NC), Ritchie Torres (D-NY), and Josh Gottheimer (D-NJ)** joined Committee Republicans in support of the measure.

H.R. 6864, the "HUD Accountability Act of 2023."

An ***amendment in the nature of a substitute***, offered by Rep. Lawler.

Waters Amendment No. 1 to the ANS.

- Adopted by voice.

Gottheimer Amendment No. 1 to the ANS

- Adopted by voice.

Final Vote: Passed 50-0.

H.R. 7280, the "HUD Transparency Act of 2024."

An ***amendment in the nature of a substitute***, offered by Rep. De La Cruz.

Cleaver Amendment No. 1 to the ANS.

- Withdrawn to be reintroduced before vote.
- Reintroduced to make technical corrections.
- **Vote: Adopted 48-2.**

Garcia Amendment No. 1 to the ANS.

- Failed by voice vote.

Adoption of the ANS, as amended: Adopted by voice.

Final Vote: Passed 50-0.

H.R. 7156, the "Combating Money Laundering in Cyber Crime Act of 2024."

An ***amendment in the nature of a substitute***, offered by Rep. Fitzgerald.

Adoption of the ANS, as amended: Adopted by voice.

Final Vote: Passed 49-0.

H.R. 7462, the "Wildfire Insurance Coverage Study Act of 2023."

- Ranking Member Waters, Garcia, **Joyce Beatty (D-OH)**, and **Rep. Al Green (D-TX)** explained that the bill would direct the GAO to conduct a study on how the home insurance market is responding to the threat of wildfires. Additionally, Ranking Member Waters voiced concern over recent trends of insurers pulling out of markets they deem to be too costly to operate in.
- Chair McHenry echoed the concerns of Ranking Member Waters and acknowledged that climate change is increasing the cost for insurers in many areas, urging support for the bill.
- **Rep. Young Kim (R-CA)** spoke in support of the bill but added criticism of California state law — proposition 103 — for the allegedly increasing the cost of insurance in the state.

Adoption of the ANS: Adopted by voice.

Final Passage: Passed 47-2.