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***Section 1. Table of contents***

*The table of contents for this Act is as follows:*

*Sec. 1. Table of contents.*

*Sec. 2. Securities and Exchange Commission Reserve Fund.*

**TITLE I—TRID IMPROVEMENT**

*Sec. 101. Amendments to mortgage disclosure requirements.*

**TITLE II—PROTECTION OF SOURCE CODE**

*Sec. 201. Procedure for obtaining certain intellectual property.*

**TITLE III—FOSTERING INNOVATION**

*Sec. 301. Temporary exemption for low-revenue issuers.*

**TITLE IV—NATIONAL SECURITIES EXCHANGE REGULATORY PARITY**

*Sec. 401. Nationally traded securities exemption.*

**TITLE V—ELIMINATING BARRIERS TO JOBS FOR LOAN ORIGINATORS**

*Sec. 501. Eliminating barriers to jobs for loan originators.*

*Sec. 502. Amendment to civil liability of the Bureau and other officials.*

*Sec. 503. Effective date.*

***Sec. 2. Securities and Exchange Commission Reserve Fund***

*Notwithstanding section 4(i)(2)(B)(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78d(i)(2)(B)(i)), the amount deposited in the Securities and Exchange Commission Reserve Fund for fiscal year 2018 may not exceed \$48,000,000.*

**[NOTE-- DELETED : ~~Section 1. Short title~~]**

## **Title I—TRID Improvement**

### **Sec. 2101. Amendments to mortgage disclosure requirements**

Section 4(a) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2603(a)) is amended—

- (1) by striking "itemize all charges" and inserting "itemize all actual charges";
- (2) by striking "and all charges imposed upon the seller in connection with the settlement and" and inserting "and the seller in connection with the settlement. Such forms"; and
- (3) by inserting after "or both." the following new sentence: "Charges for any title insurance premium disclosed on such forms shall be equal to the amount charged for each individual title insurance policy, subject to any discounts as required by State regulation or the title company rate filings."

## **Title II—Protection of Source Code**

### **Sec. 201. Procedure for obtaining certain intellectual property**

*(a) PERSONS UNDER SECURITIES ACT OF 1933.—*

*Section 8 of the Securities Act of 1933 (15 U.S.C. 77h) is amended by adding at the end the following:*

*"(g) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.— The Commission is not authorized to compel under this title a person to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena."*

*(b) PERSONS UNDER THE SECURITIES EXCHANGE ACT OF 1934.—*

*Section 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78w) is amended by adding at the end the following:*

*"(e) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.— The Commission is not authorized to compel under this title a person to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena."*

*(c) INVESTMENT COMPANIES.—*

*Section 31 of the Investment Company Act of 1940 (15 U.S.C. 80a–30) is amended by adding at the end the following:*

*"(e) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.— The Commission is not authorized to compel under this title an investment company to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena."*

*(d) INVESTMENT ADVISERS.— Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4) is amended*

*(1) by adding at the end the following:*

*"(f) PROCEDURE FOR OBTAINING CERTAIN INTELLECTUAL PROPERTY.— The Commission is not authorized to compel under this title an investment adviser to produce or furnish source code, including algorithmic trading source code or similar intellectual property that forms the basis for design of the source code, to the Commission unless the Commission first issues a subpoena."; and*

*(2) in the second subsection (d), by striking "(d)" and inserting "(e)".*

## **Title III—Fostering Innovation**

### **Sec. 301. Temporary exemption for low-revenue issuers**

*Section 404 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7262) is amended by adding at the end the following:*

*"(d) TEMPORARY EXEMPTION FOR LOW-REVENUE ISSUERS.—*

*"(1) LOW-REVENUE EXEMPTION.— Subsection (b) shall not apply with respect to an audit report prepared for an issuer that—*

*"(A) ceased to be an emerging growth company on the last day of the fiscal year of the issuer following the fifth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement under the Securities Act of 1933;*

*"(B) had average annual gross revenues of less than \$50,000,000 as of its most recently completed fiscal year; and*

*"(C) is not a large accelerated filer.*

*"(2) EXPIRATION OF TEMPORARY EXEMPTION.— An issuer ceases to be eligible for the exemption described under paragraph (1) at the earliest of—*

*"(A) the last day of the fiscal year of the issuer following the tenth anniversary of the date of the first sale of common equity securities of the issuer pursuant to an effective registration statement under the Securities Act of 1933;*

*"(B) the last day of the fiscal year of the issuer during which the average annual gross revenues of the issuer exceed \$50,000,000; or*

*"(C) the date on which the issuer becomes a large accelerated filer.*

*"(3) DEFINITIONS.— For purposes of this subsection:*

*"(A) AVERAGE ANNUAL GROSS REVENUES.— The term 'average annual gross revenues' means the total gross revenues of an issuer over its most recently completed three fiscal years divided by three.*

*"(B) EMERGING GROWTH COMPANY.— The term 'emerging growth company' has the meaning given such term under section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).*

*"(C) LARGE ACCELERATED FILER.— The term 'large accelerated filer' has the meaning given that term under section 240.12b–2 of title 17, Code of Federal Regulations, or any successor thereto."*

## **Title IV—National Securities Exchange Regulatory Parity**

### **Sec. 401. Nationally traded securities exemption**

*Section 18(b)(1) of the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is amended—*

*(1) by striking subparagraph (A);*

*(2) in subparagraph (B)—*

*(A) by inserting "a security designated as qualified for trading in the national market system pursuant to section 11A(a)(2) of the Securities Exchange Act of 1934 that is" before "listed"; and*

*(B) by striking "that has listing standards that the Commission determines by rule (on its own initiative or on the basis of a petition) are substantially similar to the listing standards applicable to securities described in subparagraph (A)";*

*(3) in subparagraph (C), by striking "or (B)"; and*

*(4) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.*

## **Title V—Eliminating barriers to jobs for loan originators**

### **Sec. 501. Eliminating barriers to jobs for loan originators**

*(a) IN GENERAL.—*

*The S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5101 et seq.) is amended by adding at the end the following:*

***"Sec. 1518. Employment transition of loan originators***

***"(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—***

"(1) IN GENERAL.— Upon employment by a State-licensed mortgage company, an individual who is a registered loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the individual—

"(A) has not had an application for a loan originator license denied, or had such a license revoked or suspended in any governmental jurisdiction;

"(B) has not been subject to or served with a cease and desist order in any governmental jurisdiction or as described in section 1514(c);

"(C) has not been convicted of a felony that would preclude licensure under the law of the application State;

"(D) has submitted an application to be a State-licensed loan originator in the application State; and

"(E) was registered in the Nationwide Mortgage Licensing System and Registry as a loan originator during the 12-month period preceding the date of submission of the information required under section 1505(a).

"(2) PERIOD.— The period described in paragraph (1) shall begin on the date that the individual submits the information required under section 1505(a) and shall end on the earliest of—

"(A) the date that the individual withdraws the application to be a State-licensed loan originator in the application State;

"(B) the date that the application State denies, or issues a notice of intent to deny, the application;

"(C) the date that the application State grants a State license; or

"(D) the date that is 120 days after the date on which the individual submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

"(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS FOR STATE-LICENSED LOAN ORIGINATORS MOVING INTERSTATE.

"(1) IN GENERAL.— A State-licensed loan originator shall be deemed to have temporary authority to act as a loan originator in an application State for the period described in paragraph (2) if the State-licensed loan originator—

"(A) meets the requirements of subparagraphs (A), (B), (C), and (D) of subsection (a)(1);

"(B) is employed by a State-licensed mortgage company in the application State; and

"(C) was licensed in a State that is not the application State during the 30-day period preceding the date of submission of the information required under section 1505(a) in connection with the application submitted to the application State.

"(2) PERIOD.— The period described in paragraph (1) shall begin on the date that the State-licensed loan originator submits the information required under section 1505(a) in connection with the application submitted to the application State and end on the earliest of—

"(A) the date that the State-licensed loan originator withdraws the application to be a State-licensed loan originator in the application State;

"(B) the date that the application State denies, or issues a notice of intent to deny, the application;

"(C) the date that the application State grants a State license; or

"(D) the date that is 120 days after the date on which the State-licensed loan originator submits the application, if the application is listed on the Nationwide Mortgage Licensing System and Registry as incomplete.

"(c) APPLICABILITY.—

"(1) Any person employing an individual who is deemed to have temporary authority to act as a loan originator in an application State pursuant to this section shall be subject to the requirements of this title and to applicable State law to the same extent as if such individual was a State-licensed loan originator licensed by the application State.

"(2) Any individual who is deemed to have temporary authority to act as a loan originator in an application State pursuant to this section and who engages in residential mortgage loan origination activities

*shall be subject to the requirements of this title and to applicable State law to the same extent as if such individual was a State-licensed loan originator licensed by the application State.*

*"(d) DEFINITIONS.— In this section, the following definitions shall apply:*

*"(1) STATE-LICENSED MORTGAGE COMPANY.— The term 'State-licensed mortgage company' means an entity licensed or registered under the law of any State to engage in residential mortgage loan origination and processing activities.*

*"(2) APPLICATION STATE.— The term 'application State' means a State in which a registered loan originator or a State-licensed loan originator seeks to be licensed."*

*(b) TABLE OF CONTENTS AMENDMENT.—*

*The table of contents in section 1(b) of the Housing and Economic Recovery Act of 2008 (42 U.S.C. 4501 note) is amended by inserting after the item relating to section 1517 the following:*

*"Sec. 1518. Employment transition of loan originators."*

***Sec. 502. Amendment to civil liability of the Bureau and other officials***

*Section 1513 of the S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. 5112) is amended by striking "are loan originators or are applying for licensing or registration as loan originators." and inserting "have applied, are applying, or are currently licensed or registered through the Nationwide Mortgage Licensing System and Registry. The previous sentence shall only apply to persons in an industry with respect to which persons were licensed or registered through the Nationwide Mortgage Licensing System and Registry on the date of the enactment of this sentence."*

***Sec. 503. Effective date***

*This title and the amendments made by this title shall take effect on the date that is 18 months after the date of the enactment of this Act.*

**Deleted Sections**

**~~Section 1. Short title~~**

~~This Act may be cited as the "TRID Improvement Act of 2017".~~

