

HOUSE PROPOSED AMENDMENTS TO TITLE IV

Page 454, strike lines 10 and 11 and insert the following:

- 1 (4) in paragraph (6)—
2 (A) in subparagraph (A), by striking “or”;
3 (B) in subparagraph (B), by striking the
4 period at the end and adding “; or”; and
5 (C) by adding at the end the following new
6 subparagraph:
7 “(C) a private fund; or”; and

Page 459, insert after line 22 the following (and redesignate succeeding paragraphs accordingly):

- 8 (8) DISCLOSURE OF PRIVATE FUND INFORMATION.—An investment adviser registered under this
9 Act shall provide such reports, records, and other
10 documents to investors, prospective investors,
11 counterparties, and creditors, of any private fund
12 advised by the investment adviser as the Commission, by rule or regulation, may prescribe as necessary or appropriate in the public interest and for
13 advised by the investment adviser as the Commission, by rule or regulation, may prescribe as necessary or appropriate in the public interest and for
14 sion, by rule or regulation, may prescribe as necessary or appropriate in the public interest and for
15 essary or appropriate in the public interest and for

1 the protection of investors or for the assessment of
2 systemic risk.

Page 463, line 6, strike “The” and insert “(1) The”.

Page 463, line 16, strike the closed quotation marks and following period and after such line insert the following (and redesignate succeeding sections and conform the table of contents accordingly):

3 “(2) Nothing in this Act shall relieve any per-
4 son of any obligation or duty, or affect the avail-
5 ability of any right or remedy available to the Com-
6 modity Futures Trading Commission or any private
7 party, arising under the Commodity Exchange Act
8 (7 U.S.C. 1 et seq.) governing commodity pools,
9 commodity pool operators, or commodity trading ad-
10 visors.”.

11 **SEC. 407. EXEMPTION OF AND REPORTING BY CERTAIN**
12 **PRIVATE FUND ADVISERS.**

13 Section 203 of the Investment Advisers Act of 1940
14 (15 U.S.C. 80b–3), as amended by section 5006, is further
15 amended by adding at the end the following new sub-
16 sections:

17 “(m) EXEMPTION OF AND REPORTING BY CERTAIN
18 PRIVATE FUND ADVISERS.—

1 “(1) IN GENERAL.—The Commission shall pro-
2 vide an exemption from the registration require-
3 ments under this section to any investment adviser
4 of private funds, if each of such investment adviser
5 acts solely as an adviser to private funds and has as-
6 sets under management in the United States of less
7 than \$150,000,000.

8 “(2) REPORTING.—The Commission shall re-
9 quire investment advisers exempted by reason of this
10 subsection to maintain such records and provide to
11 the Commission such annual or other reports as the
12 Commission determines necessary or appropriate in
13 the public interest or for the protection of investors.

14 “(n) REGISTRATION AND EXAMINATION OF MID-
15 SIZED PRIVATE FUND ADVISERS.—In prescribing regula-
16 tions to carry out the requirements of this section with
17 respect to investment advisers acting as investment advis-
18 ers to mid-sized private funds, the Commission shall take
19 into account the size, governance, and investment strategy
20 of such funds to determine whether they pose systemic
21 risk, and shall provide for registration and examination
22 procedures with respect to the investment advisers of such
23 funds which reflect the level of systemic risk posed by such
24 funds.”.

Page 463, line 17, insert “**AND REPORTING BY**”
after “**EXEMPTION OF**”.

Page 464, line 4, insert before the closed quotation
mark the following: “The Commission shall require such
advisers to maintain such records and provide to the
Commission such annual or other reports as the Commis-
sion determines necessary or appropriate in the public in-
terest or for the protection of investors.”.

Beginning on page 464, strike line 5 through page
465, line 6.

Page 466, strike lines 1 through 17 and insert the
following:

1 **SEC. 410. INVESTMENT ADVISERS SUBJECT TO STATE AU-**
2 **THORITIES.**

3 Section 203A(a) of the Investment Advisers Act of
4 1940 (15 U.S.C. 80b–3a(a)) is amended—

5 (1) by redesignating paragraph (2) as para-
6 graph (3); and

7 (2) by inserting after paragraph (1) the fol-
8 lowing new paragraph:

9 “(2) **TREATMENT OF CERTAIN MID-SIZED IN-**
10 **VESTMENT ADVISERS.**—Notwithstanding paragraph
11 (1), an investment adviser that is not exempt from
12 registration under section 203 and—

1 “(A) is regulated and examined, or re-
2 quired to be regulated and examined, in the
3 State where it maintains its principal office and
4 place of business; and

5 “(B) has assets under management be-
6 tween—

7 “(i) the amount specified under sub-
8 paragraph (A) of paragraph (1), as such
9 amount may have been adjusted by the
10 Commission pursuant to that subpara-
11 graph; and

12 “(ii) \$100,000,000, or such higher
13 amount as the Commission may, by rule,
14 deem appropriate in accordance with the
15 purposes of this title,

16 shall register with, and be subject to examina-
17 tion by, such State. The Commission shall pub-
18 lish a list of the States that regulate and exam-
19 ine, or require regulation and examination of,
20 investment advisers to which the requirements
21 of this paragraph apply. If no State in which an
22 investment adviser described in subparagraph
23 (B) is registered conducts such an examination,
24 the investment adviser must register with the
25 Commission. If, pursuant to this paragraph, an

1 investment adviser would be required to register
2 with 5 or more States, then the adviser may
3 maintain its registration with the Commis-
4 sion.”.

Page 466, strike lines 18 through 21 and insert the
following (and conform the table of contents accordingly):

5 SEC. 411. CUSTODIAL REQUIREMENTS.

6 (a) IN GENERAL.—Not later than 180 days after the
7 date of the enactment of this title, the Securities and Ex-
8 change Commission shall adopt a rule pursuant to its au-
9 thority under section 211(a) of the Investment Advisers
10 Act of 1940 making it unlawful under section 206(4) of
11 that Act for an investment adviser registered under such
12 Act to have custody of funds or securities of a client, un-
13 less—

14 (1) the funds and securities are maintained
15 with a qualified custodian either in a separate ac-
16 count for each client under the client’s name, or in
17 accounts that contain only client funds and securi-
18 ties under the name of the investment adviser as
19 agent or trustee for the client; and

20 (2) the qualified custodian does not directly or
21 indirectly provide investment advice with respect to
22 such funds or securities.

1 (b) EXCEPTIONS.—The rule adopted under sub-
2 section (a) shall include such exceptions as the Commis-
3 sion determines in the public interest and consistent with
4 the protection of investors. Any exemption granted under
5 this subsection shall ensure that at least once per year,
6 a client described in subsection (a) shall receive a report
7 from an independent entity with a fiduciary responsibility
8 to the client to verify that the assets in the client’s account
9 are in accord with those stated on the client’s account
10 statement.

11 (c) NO LIMITS ON OTHER ACTIONS.—Nothing in this
12 section shall be construed to limit other actions the Securi-
13 ties and Exchange Commission may take under this Act
14 to require the protection of client assets.

Page 472, after line 3, insert the following new sec-
tion (and redesignate the succeeding section and conform
the table of contents accordingly):

15 **SEC. 416. QUALIFIED CLIENT STANDARD.**

16 Section 205(e) of the Investment Advisers Act of
17 1940 (15 U.S.C. 80b–5(e)) is amended by adding at the
18 end the following: “With respect to any factor used in any
19 rule or regulation by the Commission in making a deter-
20 mination under this subsection, if the Commission uses
21 a dollar amount test in connection with such factor, such
22 as a net asset threshold, the Commission shall, by order,

1 not later than 1 year after the date of the enactment of
2 the Private Fund Investment Advisers Registration Act of
3 2009, and every 5 years thereafter, adjust for the effects
4 of inflation on such test. Any such adjustment that is not
5 a multiple of \$100,000 shall be rounded to the nearest
6 multiple of \$100,000.”.



TECHNICAL/MANAGER'S AMENDMENTS TO TITLE IV

Page 456, beginning on line 13, strike “a private fund” and insert “an investment adviser”.

Page 461, beginning on line 19, strike “includes—” and all that follows through line 22 and insert “includes sensitive, nonpublic information regarding—

- 1 (i) the investment or trading strate-
- 2 gies of the investment adviser;

Page 463, line 23, insert “that acts as an investment adviser solely to 1 or more venture capital funds” after “adviser”.



HOUSE PROPOSED AMENDMENTS TO SUBTITLE C OF TITLE IX

Page 1145, after line 11, insert the following (and redesignate succeeding paragraphs accordingly):

- 1 (1) in subsection (b)—
- 2 (A) in paragraph (1)(A), by striking “fur-
- 3 nished” and inserting “filed” and by striking
- 4 “furnishing” and inserting “filing”;
- 5 (B) in paragraph (1)(B), by striking “fur-
- 6 nishing” and inserting “filing”; and
- 7 (C) in the first sentence of paragraph (2),
- 8 by striking “furnish to” and inserting “file
- 9 with”;

Page 1147, after line 23, insert the following new subparagraph (and redesignate succeeding subparagraphs accordingly);

- 10 (C) in paragraph (2), by striking “fur-
- 11 nished to” and inserting “filed with”;

Page 1148, beginning on line 11, strike “redesignated,” and all that follows through line 12, and insert “redesignated—

- 1 (i) by striking “furnish” and inserting
2 “file”; and
3 (ii) by striking “or” at the end.

Page 1151, line 3, strike the closed quotation mark
and following period and after such line insert the fol-
lowing:

- 4 “(4) LOOK-BACK REQUIREMENT.—
5 “(A) REVIEW BY THE NATIONALLY RECOG-
6 NIZED STATISTICAL RATING ORGANIZATION.—
7 Each nationally recognized statistical rating or-
8 ganization shall establish, maintain, and enforce
9 policies and procedures reasonably designed to
10 ensure that, in any case in which an employee
11 of a person subject to a credit rating of the na-
12 tionally recognized statistical rating organiza-
13 tion or the issuer, underwriter, or sponsor of a
14 security or money market instrument subject to
15 a credit rating of the nationally recognized sta-
16 tistical rating organization was employed by the
17 nationally recognized statistical rating organiza-
18 tion and participated in any capacity in deter-
19 mining credit ratings for the person or the se-
20 curities or money market instruments during
21 the 1-year period preceding the date an action
22 was taken with respect to the credit rating, the

1 nationally recognized statistical rating organiza-
2 tion shall—

3 “(i) conduct a review to determine
4 whether any conflicts of interest of the em-
5 ployee influenced the credit rating; and

6 “(ii) take action to revise the rating if
7 appropriate, in accordance with such rules
8 as the Commission shall prescribe.

9 “(B) REVIEW BY COMMISSION.—

10 “(i) IN GENERAL.—The Commission
11 shall conduct periodic reviews of the poli-
12 cies described in subparagraph (A) and the
13 implementation of the policies at each na-
14 tionally recognized statistical rating orga-
15 nization to ensure they are reasonably de-
16 signed and implemented to most effectively
17 eliminate conflicts of interest.

18 “(ii) TIMING OF REVIEWS.—The Com-
19 mission shall review the code of ethics and
20 conflict of interest policy of each nationally
21 recognized statistical rating organization—

22 “(I) not less frequently than an-
23 nually; and

24 “(II) whenever such policies are
25 materially modified or amended.

1 “(5) REPORT TO COMMISSION ON CERTAIN EM-
2 PLOYMENT TRANSITIONS.—

3 “(A) REPORT REQUIRED.—Each nationally
4 recognized statistical rating organization shall
5 report to the Commission any case such organi-
6 zation knows or can reasonably be expected to
7 know where a person associated with such orga-
8 nization within the previous 5 years obtains em-
9 ployment with any obligor, issuer, underwriter,
10 or sponsor of a security or money market in-
11 strument for which the organization issued a
12 credit rating during the 12-month period prior
13 to such employment, if such employee—

14 “(i) was a senior officer of such orga-
15 nization;

16 “(ii) participated in any capacity in
17 determining credit ratings for such obligor,
18 issuer, underwriter, or sponsor; or

19 “(iii) supervised an employee de-
20 scribed in clause (ii).

21 “(B) PUBLIC DISCLOSURE.—Upon receiv-
22 ing such a report, the Commission shall make
23 such information publicly available.”.

Page 1153, line 11, strike “and” and insert the fol-
lowing:

1 (5) in subsection (k), by striking “furnish to”
2 and inserting “file with”;

3 (6) in subsection (l)(2)(A)(i), by striking “fur-
4 nished” and inserting “filed”; and

Page 1153, line 12, strike “(5)” and insert “(7)”.

Page 1171, line 9, strike the closed quotation mark
and following period and insert after such line the fol-
lowing:

5 “(u) PROHIBITED ACTIVITIES.—Beginning 180 days
6 from the date of enactment of the Investor Protection and
7 Securities Reform Act of 2010, it shall be unlawful for
8 a nationally recognized statistical rating organization, or
9 an affiliate of a nationally recognized statistical rating or-
10 ganization, or any person associated with a nationally rec-
11 ognized statistical rating organization, that provides a
12 credit rating for an issuer, underwriter, or placement
13 agent of a security to provide any non-rating service to
14 that issuer, underwriter, or placement agent in deter-
15 mining a credit rating, including—

16 “(1) risk management advisory services;

17 “(2) advice or consultation relating to any
18 merger, sales, or disposition of assets of the issuer;

1 “(3) ancillary assistance, advice, or consulting
2 services unrelated to any specific credit rating
3 issuance; and

4 “(4) such further activities or services as the
5 Commission may determine as necessary or appro-
6 priate in the public interest or for the protection of
7 investors.”.

Page 1171, strike line 10 through page 1173, line
4, and insert the following:

8 **SEC. 933. STANDARDS FOR PRIVATE ACTIONS.**

9 (a) IN GENERAL.—Section 21D(b)(2) of the Securi-
10 ties Exchange Act of 1934 (15 U.S.C. 78u–4(b)(2)) is
11 amended by inserting before the period at the end of the
12 following: “, and in the case of an action brought under
13 this title for money damages against a credit rating agen-
14 cy, it shall be sufficient for purposes of pleading any re-
15 quired state of mind for purposes of such action that the
16 complaint shall state with particularity facts giving rise
17 to a strong inference that the credit rating agency was
18 grossly negligent in violating the securities laws”.

19 (b) PLEADING STANDARD.—Section 15E(m) of the
20 Securities Exchange Act of 1934 (15 U.S.C. 78o–7(m))
21 amended to read as follows:

22 “(m) APPLICATION OF ENFORCEMENT PROVISIONS;
23 PLEADING STANDARD IN PRIVATE RIGHTS OF ACTION.—

1 Statements made by credit rating agencies shall not be
2 deemed forward looking statements for purposes of section
3 21E. In any private right of action commenced against
4 a credit rating agency under the securities laws, the same
5 pleading standards with respect to gross negligence shall
6 apply to the credit rating agency as would apply to any
7 other person in the same private right of action against
8 such person.”.

9 (c) REQUIREMENTS FOR LIABILITY.—Section 21D of
10 the Securities Exchange Act of 1934 (15 U.S.C. 78u–4)
11 is amended—

12 (1) by redesignating subsections (c) through (f)
13 as subsections (d) through (g), respectively; and

14 (2) by inserting after subsection (b) the fol-
15 lowing:

16 “(c) REQUIREMENTS FOR LIABILITY.—A purchaser
17 of a security given a rating by a credit rating agency shall
18 have the right to recover for damages if the process of
19 determining the credit rating was—

20 “(1) grossly negligent, based on the facts and
21 circumstances at the time the rating was issued; and

22 “(2) a substantial factor in the economic loss
23 suffered by the investor.

24 No action shall be maintained to enforce any liability cre-
25 ated under this subsection unless brought within 2 years

1 after the discovery of the facts constituting the violation
2 and within 3 years after the initial issuance of the rat-
3 ing.”.

Page 1181, after line 17, insert the following new
sections (and redesignate succeeding sections and con-
form the table of contents accordingly):

4 **SEC. 939A. REVIEW OF RELIANCE ON RATINGS.**

5 (a) AGENCY REVIEW.—

6 (1) REVIEW.—Not later than 1 year after the
7 date of the enactment of this subtitle, each Federal
8 agency listed in paragraph (4) shall, to the extent
9 applicable, review—

10 (A) any regulation issued by such agency
11 that requires the use of an assessment of the
12 credit-worthiness of a security or money market
13 instrument; and

14 (B) any references to or requirements in
15 such regulations regarding credit ratings.

16 (2) MODIFICATIONS REQUIRED.—Each such
17 agency shall modify any such regulations identified
18 by the review conducted under paragraph (1) to re-
19 move any reference to or requirement of reliance on
20 credit ratings and to substitute in such regulations
21 such standard of credit-worthiness as each respective
22 agency shall determine as appropriate for such regu-

1 lations. In making such determination, such agencies
2 shall seek to establish, to the extent feasible, uni-
3 form standards of credit-worthiness for use by each
4 such agency, taking into account the entities regu-
5 lated by each such agency and the purposes for
6 which such entities would rely on such standards of
7 credit-worthiness.

8 (3) REPORT.—Upon conclusion of the review
9 required under paragraph (1), each Federal agency
10 listed in paragraph (4) shall transmit a report to
11 Congress containing a description of any modifica-
12 tion of any regulation such agency made pursuant to
13 paragraph (2).

14 (4) APPLICABLE AGENCIES.—The agencies re-
15 quired to conduct the review and report required by
16 this subsection are—

17 (A) the Securities and Exchange Commis-
18 sion;

19 (B) the Federal Deposit Insurance Cor-
20 poration;

21 (C) the Office of Thrift Supervision;

22 (D) the Office of the Comptroller of the
23 Currency;

24 (E) the Board of Governors of the Federal
25 Reserve;

1 (F) the National Credit Union Administra-
2 tion; and

3 (G) the Federal Housing Finance Agency.

4 (b) GAO REVIEW OF OTHER AGENCIES.—

5 (1) REVIEW.—The Comptroller General shall
6 conduct a comprehensive review of the use of credit
7 ratings by Federal agencies other than those listed
8 in subsection (a)(3), including an analysis of the
9 provisions of law or regulation applicable to each
10 such agency that refer to and require the use of
11 credit ratings by the agency, and the policies and
12 practices of each agency with respect to credit rat-
13 ings.

14 (2) REPORT.—Not later than 18 months after
15 the date of the enactment of this subtitle, the Comp-
16 troller General shall transmit to Congress a report
17 on the findings of the study conducted pursuant to
18 paragraph (1), including recommendations for any
19 legislation or rulemaking necessary or appropriate in
20 order for such agencies to reduce their reliance on
21 credit ratings.

22 **SEC. 939B. ELIMINATION OF EXEMPTION FROM FAIR DIS-**
23 **CLOSURE RULE.**

24 Not later than 90 days after the date of enactment
25 of this subtitle, the Securities Exchange Commission shall

1 revise Regulation FD (17 C.F.R. 243.100) to remove from
2 such regulation the exemption for entities whose primary
3 business is the issuance of credit ratings (17 C.F.R.
4 243.100(b)(2)(iii)).

Page 1184, strike line 20 through page 1203, line
17, and insert the following (and conform the table of
contents accordingly):

5 **SEC. 939D. STUDY ON ASSIGNED CREDIT RATINGS.**

6 (a) STUDY.—The Securities and Exchange Commis-
7 sion shall undertake a study of the—

8 (1) ratings process for structured products and
9 the associated conflicts of interest in both the issuer-
10 pay and subscriber-pay models;

11 (2) feasibility of establishing a public or private
12 utility or self-regulatory agency that assigns nation-
13 ally recognized statistical ratings organizations to
14 determine the ratings of issuers and obligors of
15 structured products including—

16 (A) an assessment of potential mechanisms
17 for determining fees for the nationally recog-
18 nized statistical ratings organizations, if so as-
19 signed;

20 (B) appropriate methods for paying fees to
21 the assigned rating agencies;

1 (C) the extent to which the creation of
2 such a system would be viewed as creating
3 moral hazard on the part of the government;
4 and

5 (D) any constitutional and other issues
6 concerning the establishment of such a system;

7 (3) range of metrics by which to determine the
8 accuracy of ratings; and

9 (4) alternative means for compensating credit
10 rating agencies that would create incentives for ac-
11 curate credit ratings.

12 (b) REPORT AND RECOMMENDATION.—Not later
13 than 12 months after the date of enactment of this title,
14 the Securities and Exchange Commission shall submit to
15 Committee on Financial Services of the House of Rep-
16 resentatives and Committee on Banking, Housing and
17 Urban Development of the Senate, a report containing the
18 findings under the study required by subsection (a) and
19 any recommendations for either regulatory or statutory
20 changes that the Commission believes should be made to
21 implement the findings.

Page 1203, after line 17, insert the following new
section (and conform the table of contents accordingly):

1 **SEC. 6012. EFFECT OF RULE 436(G).**

2 Rule 436(g), promulgated by the Securities and Ex-
3 change Commission under the Securities Act of 1933,
4 shall have no force or effect.



TECHNICAL/MANAGER'S AMENDMENTS TO
SUBTITLE C OF TITLE IX

Page 1152, line 10, strike “; and” and insert a semicolon.

Page 1152, line 12, strike the period and insert “; and” and after such line insert the following:

1 “(C) COMPENSATION.—The compensation
2 of each compliance officer appointed under
3 paragraph (1) shall not be linked to the finan-
4 cial performance of the nationally recognized
5 statistical rating organization and shall be ar-
6 ranged so as to ensure the independence of the
7 officer’s judgment.”.

Page 1157, line 4, strike “subsection” and insert “section”.

Page 1157, line 7, strike “subsection” and insert “section”.

Page 1158, line 16, strike “; and” and insert a semicolon.

Page 1158, line 19, strike the period and insert “; and” and after such line insert the following:

1 “(F) each nationally recognized statistical
2 rating organization include an attestation with
3 any credit rating it issues affirming that no
4 part of the rating was influenced by any other
5 business activities, that the rating was based
6 solely on the merits of the instruments being
7 rated, and that such rating was an independent
8 evaluation of the risks and merits of the instru-
9 ment.”.

Page 1159, beginning on line 10, strike “or the senior” and all that follows through “organization” on line 11.

Page 1145, line 10, strike “Section” and insert “(a) IN GENERAL.—Section”.

Page 1171, after line 9, insert the following:

10 (b) CONFORMING AMENDMENT.—Section 3(a)(62) of
11 the Securities Exchange Act of 1934 (15 U.S.C.
12 78c(a)(62)) is amended by striking subparagraph (A) and
13 redesignating subparagraphs (B) and (C) as subpara-
14 graphs (A) and (B), respectively.



**** House Offer ****

Title: Title III

Matter: Transfer of Powers to the Comptroller of the Currency, the Corporation, and the Board of Governors

The House proposes the following amendments to the Base Text:

1. **Strike Senate provision** exempting the Office of the Comptroller of the Currency from the Federal Property and Administrative Services Act (Senate bill §319, Page 357, lines 10-23).
2. **Amend Senate provision** protecting employees from involuntary separation by increasing the protection period from 2 years to 3 years, extending the protection to OCC employees and clarifying pay-protection provisions (House bill § 1212, Page 163 line 17 – Page 164, line 20).
3. **Add House provision** requiring adoption of procedures and standards to ensure employee transfer requirements are met and to study implementation of such transfer requirements (House bill § 1212, Page 191, line 11 – Page 193, line 9).
4. **Add House provision** requiring an implementation plan and reporting requirements to ensure an orderly transfer of personnel and property from OTS (House bill §1220, Page 191-193).
5. **Add House provisions** enhancing Federal Deposit Insurance: elimination of pro-cyclical assessments; enhanced access to information for deposit insurance purposes; and transition reserve ratio requirement to reflect new assessment base (House bill §§ 1403-1405, Pages 308-310):
6. **Add provision** to insure noninterest bearing transaction accounts above standard FDIC limit, similar to current FDIC Transaction Account Guarantee Program (effectively makes permanent the TAG program).
7. **Add provision** to increase permanently FDIC and NCUSIF standard maximum deposit insurance amount to \$250,000 and make the increase retroactive to January 1, 2008.
8. **Add House provision** providing for Mutual National Bank and Federal Mutual Bank Holding Company Charters (House bill §1316, Pages 283-302).
9. **Amend base text provision** establishing the Office of Women and Minority Inclusion to: require the Director of the Office be a Senior Executive Service position; require the Director to coordinate technical assistance to minority-owned and women-owned businesses; require the assessment of the impact of the policies and regulations of each agency on minority-owned and women-owned businesses; and establish an Office of Women and Minority Inclusion in the Office of National Insurance (Senate bill § Page 384, line 20 – Page 390, line 16).

HOUSE PROPOSED AMENDMENTS TO TITLE III

[Page and line #s refer to Base text of proposed conference report]

Page 357, strike line 10 and all that follows through line 23.

Page 365, strike line 5 and all that follows through line 22, and insert the following new paragraphs:

1 (1) 3-YEAR PROTECTION.—

2 (A) IN GENERAL.—Except as provided in
3 paragraph (2), each affected employee shall not,
4 during the 3-year period beginning on the
5 transfer date, be involuntarily separated, or in-
6 voluntarily reassigned outside his or her locality
7 pay area.

8 (B) AFFECTED EMPLOYEES.—For pur-
9 poses of this paragraph, the term “affected em-
10 ployee” means—

11 (i) an employee transferred from the
12 Office of Thrift Supervision holding a per-
13 manent position on the day before the
14 transfer date; and

15 (ii) an employee of the Office of the
16 Comptroller of the Currency holding a per-

1 manent position on the day before the
2 transfer date.

3 (2) EXCEPTIONS.—Paragraph (1) does not
4 limit the right of the Office of the Comptroller of the
5 Currency or the Corporation to—

6 (A) separate an employee for cause or for
7 unacceptable performance; or

8 (B) terminate an appointment to a position
9 excepted from the competitive service because of
10 its confidential policy-making, policy-deter-
11 mining, or policy-advocating character.

Page 366, line 7, after the period add the following new sentence: “Notwithstanding the preceding sentence, if the employee was receiving a higher rate of basic pay on a temporary basis (because of a temporary assignment, temporary promotion, or other temporary action) immediately before the transfer, the Agency may reduce the rate of basic pay on the date the rate would have been reduced but for the transfer, and the protected rate for the remainder of the 2-year period will the reduced rate that would have applied but for the transfer.”.

Page 375, line 11, strike “and”.

Page 375, line 19, strike the period and insert a semicolon.

Page 375, after line 19, insert the following new paragraphs:

1 (3) shall, jointly with the Director of the Office
2 of Thrift Supervision, develop and adopt procedures
3 and safeguards designed to ensure that the require-
4 ments of this subsection are met; and

5 (4) shall conduct a study detailing the position
6 assignments of all employees transferred pursuant to
7 subsection (a), describing the procedures and safe-
8 guards adopted pursuant to paragraph (3), and
9 demonstrating that the requirements of this sub-
10 section have been met; and shall, not later than 365
11 days after the transfer date, submit a copy of such
12 study to Congress.

Page 381, after line 5, insert the following new section:

13 **SEC. 327. IMPLEMENTATION PLAN AND REPORTS.**

14 (a) **PLAN SUBMISSION.**—Within 90 days of the enact-
15 ment of the Restoring American Financial Stability Act
16 of 2010, the Secretary and the Corporation, in consulta-
17 tion with the Office of the Comptroller of the Currency
18 and the Office of Thrift Supervision, shall jointly submit
19 a plan to the Congress and the Inspectors General of the
20 Department of the Treasury and of the Corporation detail-

1 ing the steps the Secretary, the Corporation, the Office
2 of the Comptroller of the Currency, and the Office of
3 Thrift Supervision will take to implement the provisions
4 of sections 301 through 326, and the provisions of the
5 amendments made by such sections.

6 (b) INSPECTORS GENERAL REVIEW OF THE PLAN.—

7 Within 60 days of the date on which the Congress receives
8 the plan required under subsection (a), the Inspectors
9 General of the Department of the Treasury and of the
10 Corporation shall jointly provide a written report to the
11 Secretary and the Corporation and shall submit a copy
12 to the Congress detailing whether the plan conforms with
13 the intent of the provisions of sections 301 through 326,
14 and the provisions of the amendments made by such sec-
15 tions, including—

16 (1) whether the plan sufficiently takes into con-
17 sideration the orderly transfer of personnel;

18 (2) whether the plan describes procedures and
19 safeguards to ensure that the Office of Thrift Super-
20 vision employees are not unfairly disadvantaged rel-
21 ative to employees of the Office of the Comptroller
22 of the Currency and the Corporation;

23 (3) whether the plan sufficiently takes into con-
24 sideration the orderly transfer of authority and re-
25 sponsibilities;

1 (4) whether the plan sufficiently takes into con-
2 sideration the effective transfer of funds;

3 (5) whether the plan sufficiently takes in con-
4 sideration the orderly transfer of property; and

5 (6) any additional recommendations for an or-
6 derly and effective process.

7 (c) IMPLEMENTATION REPORTS.—Not later than 6
8 months after the date on which the Congress receives the
9 report required under subsection (b), and every 6 months
10 thereafter until all aspects of the plan have been imple-
11 mented, the Inspectors General of the Department of the
12 Treasury and the Corporation shall jointly provide a writ-
13 ten report on the status of the implementation of the plan
14 to the Secretary and the Corporation and shall submit a
15 copy to the Congress.

Page 382, after line 16, insert the following new sec-
tions (and redesignate the subsequent section accord-
ingly):

16 **SEC. 332. ELIMINATION OF PROCYCLICAL ASSESSMENTS.**

17 Section 7(e) of the Federal Deposit Insurance Act is
18 amended—

19 (1) in paragraph (2)—

20 (A) by amending subparagraph (B) to read
21 as follows:

1 “(B) LIMITATION.—The Board of Direc-
2 tors may, in its sole discretion, suspend or limit
3 the declaration of payment of dividends under
4 subparagraph (A).”;

5 (B) by amending subparagraph (C) to read
6 as follows:

7 “(C) NOTICE AND OPPORTUNITY FOR COM-
8 MENT.—The Corporation shall prescribe, by
9 regulation, after notice and opportunity for
10 comment, the method for the declaration, cal-
11 culation, distribution, and payment of dividends
12 under this paragraph”; and

13 (C) by striking subparagraphs (D) through
14 (G); and

15 (2) in paragraph (4)(A) by striking “para-
16 graphs (2)(D) and” and inserting “paragraphs (2)
17 and”.

18 **SEC. 333. ENHANCED ACCESS TO INFORMATION FOR DE-**
19 **POSIT INSURANCE PURPOSES.**

20 (a) Section 7(a)(2)(B) of the Federal Deposit Insur-
21 ance Act is amended by striking “, after agreement with
22 the Comptroller of the Currency, the Board of Governors
23 of the Federal Reserve System, and the Director of the
24 Office of Thrift Supervision, as appropriate,”.

1 (b) Section 7(b)(1)(E) of the Federal Deposit Insur-
2 ance Act is amended—

3 (1) in clause (i), by striking “such as” and in-
4 serting “including”; and

5 (2) by striking clause (iii).

6 **SEC. 334. TRANSITION RESERVE RATIO REQUIREMENTS TO**
7 **REFLECT NEW ASSESSMENT BASE.**

8 (a) Section 7(b)(3)(B) of the Federal Deposit Insur-
9 ance Act is amended to read as follows:

10 “(B) MINIMUM RESERVE RATIO.—The re-
11 serve ratio designated by the Board of Direc-
12 tors for any year may not be less than 1.15 per-
13 cent of estimated insured deposits, or the com-
14 parable percentage of the assessment base set
15 forth in paragraph (2)(C).”.

16 (b) Section 3(y)(3) of the Federal Deposit Insurance
17 Act is amended by inserting “, or such comparable per-
18 centage of the assessment base set forth in section
19 7(b)(2)(C)” before the period.

20 (c) For a period of not less than 5 years after the
21 date of the enactment of this title, the Federal Deposit
22 Insurance Corporation shall make available to the public
23 the reserve ratio and the designated reserve ratio using
24 both estimated insured deposits and the assessment base

1 under section 7(b)(2)(C) of the Federal Deposit Insurance
2 Act.

3 **SEC. 335. PERMANENT INCREASE IN DEPOSIT AND SHARE**
4 **INSURANCE.**

5 (a) PERMANENT INCREASE IN DEPOSIT INSUR-
6 ANCE.—Section 11(a)(1)(E) of the Federal Deposit Insur-
7 ance Act (12 U.S.C. 1821(a)(1)(E)) is amended—

8 (1) by striking “\$100,000” and inserting
9 “\$250,000”; and

10 (2) by adding at the end the following new sen-
11 tences: “Notwithstanding any other provision of law,
12 the increase in the standard maximum deposit insur-
13 ance amount to \$250,000 shall apply to depositors
14 in any institution for which the Corporation was ap-
15 pointed as receiver or conservator on or after Janu-
16 ary 1, 2008, and before October 3, 2008. The Cor-
17 poration shall take such actions as are necessary to
18 carry out the requirements of this section with re-
19 spect to such depositors, without regard to any time
20 limitations under this Act. In implementing this and
21 the preceding 2 sentences, any payment on a deposit
22 claim made by the Corporation as receiver or conser-
23 vator to a depositor above the standard maximum
24 deposit insurance amount in effect at the time of the
25 appointment of the Corporation as receiver or con-

1 servator shall be deemed to be part of the net
2 amount due to the depositor under subparagraph
3 (B).”

4 (b) PERMANENT INCREASE IN SHARE INSURANCE.—
5 Section 207(k)(5) of the Federal Credit Union Act (12
6 U.S.C. 1787(k)(5)) is amended by striking “\$100,000”
7 and inserting “\$250,000”.

8 (c) TECHNICAL AND CONFORMING AMENDMENT.—
9 Section 11(a)(1)(F)(i)(I) of the Federal Deposit Insurance
10 Act (12 U.S.C. 1821 (a)(1)(F)(i)(I)) is amended striking
11 “\$100,000” and inserting “\$250,000”.

12 **SEC. 336. PERMANENT EXTENSION OF THE TRANSACTION**
13 **ACCOUNT GUARANTY PROGRAM.**

14 (a) TAGP EXTENSION.—Section 11(a)(1) of the
15 Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is
16 amended—

17 (1) in subparagraph (B)—

18 (A) by striking “The net amount” and in-
19 serting the following:

20 “(i) IN GENERAL.—Subject to clause
21 (ii), the net amount”; and

22 (B) by adding at the end the following new
23 clauses:

24 “(ii) INSURANCE FOR NONINTEREST-
25 BEARING TRANSACTION ACCOUNTS.—Not-

1 withstanding clause (i), the Corporation
2 shall fully insure the net amount that any
3 depositor at an insured depository institu-
4 tion maintains in a noninterest-bearing
5 transaction account. Such amount shall
6 not be taken into account when computing
7 the net amount due to such depositor
8 under clause (i).

9 “(iii) NONINTEREST-BEARING TRANS-
10 ACTION ACCOUNT DEFINED.—For purposes
11 of this subparagraph, the term ‘non-
12 interest-bearing transaction account’
13 means a deposit or account maintained at
14 an insured depository institution—

15 “(I) with respect to which inter-
16 est is neither accrued nor paid;

17 “(II) on which the depositor or
18 account holder is permitted to make
19 withdrawals by negotiable or transfer-
20 able instrument, payment orders of
21 withdrawal, telephone or other elec-
22 tronic media transfers, or other simi-
23 lar items for the purpose of making
24 payments or transfers to third parties
25 or others; and

1 “(III) on which the insured de-
2 pository institution does not reserve
3 the right to require advance notice of
4 an intended withdrawal.”; and

5 (2) in subparagraph (C), by striking “subpara-
6 graph (B)” and inserting “subparagraph (B)(i)”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) shall take effect on December 31, 2010.

Page 383, after line 16, insert the following new sec-
tion (and redesignate subsequent sections accordingly):

9 **SEC. 341. MUTUAL NATIONAL BANKS AND FEDERAL MU-**
10 **TUAL BANK HOLDING COMPANIES AUTHOR-**
11 **IZED.**

12 (a) IN GENERAL.—Chapter one of title LXII of the
13 Revised Statutes of the United States (12 U.S.C. 21 et
14 seq.) is amended by inserting after section 5133 the fol-
15 lowing new sections:

16 **“SEC. 5133A. MUTUAL NATIONAL BANKS.**

17 “(a) IN GENERAL.—Notwithstanding the section des-
18 ignated the ‘Third’ of section 5134, in order to provide
19 mutual institutions for the deposit of funds, the extension
20 of credit, and provision of other services, the Comptroller
21 of the Currency may charter mutual national banks either
22 de novo or through a conversion of any insured depository
23 institution or any State mutual bank or credit union, sub-

1 ject to regulations prescribed by the Comptroller of the
2 Currency in accordance with this section. The powers con-
3 ferred by this section are intended to provide for the cre-
4 ation and maintenance of mutual national banks as bodies
5 corporate existing in perpetuity for the benefit of their de-
6 positors and the communities in which they operate.

7 “(b) REGULATIONS.—

8 “(1) REGULATIONS OF THE COMPTROLLER.—

9 The Comptroller of the Currency is authorized to
10 prescribe appropriate regulations for the organiza-
11 tion, incorporation, examination, operation, and reg-
12 ulation of mutual national banks. Except to the ex-
13 tent that such existing regulations conflict with sec-
14 tions 5133A and 5133B, mutual national banks
15 shall be subject to the regulations of the Director of
16 the Office of Thrift Supervision governing corporate
17 organization, governance, and conversion of mutual
18 institutions, as in effect on the date of the enact-
19 ment of the Restoring American Financial Stability
20 Act of 2010, including parts 543, 544, 546, 563b,
21 and 563c of chapter V of title 12, Code of Federal
22 Regulations (as in effect on that date), for up to 3
23 years beginning on the date of the enactment of the
24 Restoring American Financial Stability Act of 2010.

1 “(2) APPLICABILITY OF CAPITAL STOCK RE-
2 QUIREMENTS.—The Comptroller of the Currency
3 shall prescribe regulations regarding the manner in
4 which requirements of this title with respect to cap-
5 ital stock, and limitations imposed on national banks
6 under this title based on capital stock, shall apply to
7 mutual national banks.

8 “(c) CONVERSIONS.—

9 “(1) CONVERSION OF A MUTUAL DEPOSITORY
10 TO A MUTUAL NATIONAL BANK.—Subject to such
11 regulations as the Comptroller of the Currency may
12 prescribe for the protection of depositors’ rights and
13 for any other purpose the Comptroller of the Cur-
14 rency may consider appropriate, any mutual deposi-
15 tory may convert to a mutual national bank by filing
16 with the Comptroller of the Currency a notice of its
17 election to convert on a specified date that is not
18 earlier than 30 days after the date on which the no-
19 tice is filed, and the mutual depository shall be con-
20 verted to a mutual national bank charter on the date
21 specified in the notice.

22 “(2) CONVERSION TO STOCK NATIONAL
23 BANK.—Subject to such regulations as the Comp-
24 troller of the Currency may prescribe for the protec-
25 tion of depositors’ rights and for any other purpose

1 the Comptroller of the Currency may consider ap-
2 propriate, any national bank that is organized in the
3 mutual form under subsection (a) may reorganize as
4 a stock national bank.

5 “(3) CONVERSION TO STATE BANKS.—Any na-
6 tional mutual bank may convert to a State bank
7 charter in accordance with regulations prescribed by
8 the Comptroller of the Currency and applicable
9 State law.

10 “(d) TERMINATING MUTUALITY.—If a mutual na-
11 tional bank elects to terminate mutuality, it must do so
12 by—

13 “(1) liquidating; or

14 “(2) converting to a national banking associa-
15 tion operating in stock form.

16 “(e) STATUS AND RIGHTS OF MEMBERS.—

17 “(1) In general, the status of a member is pri-
18 marily that of a depositor and secondarily that of a
19 holder of a contingent right to participate in the eq-
20 uity of a mutual national bank upon a liquidation or
21 conversion.

22 “(2) Each member of a mutual national bank
23 shall have the following rights:

1 “(A) Such rights as may be agreed upon,
2 by contract, between the member and the mu-
3 tual national bank.

4 “(B) The right to vote for members of the
5 board of directors of the mutual national bank.

6 “(C) The right to attend any meeting of
7 members properly called by the board of direc-
8 tors of a mutual national bank.

9 “(D) In the event the board of directors,
10 in its sole discretion, determines a conversion of
11 a mutual national bank to a national banking
12 association operating in stock form is in the
13 best interests of the community in which the
14 bank operates and the members approve the
15 conversion through a special proxy, then the
16 members as of a record date set by the board
17 of directors shall have the first right to sub-
18 scribe for and purchase stock in the converted
19 bank.

20 “(E) In the event the board of directors, in
21 its sole discretion, determines a liquidation of
22 the mutual national bank is in the best inter-
23 ests of the community in which the bank oper-
24 ates and the members approve the liquidation,
25 or if for any other reason the bank is liquidated

1 by operation of law, then the members as of the
2 date of liquidation shall have the right to have
3 credited to their accounts, on a pro rata basis,
4 any residual assets left after the liquidation of
5 the mutual national bank.

6 “(3) In the consideration of all questions re-
7 quiring action by the members of a mutual national
8 bank, the bank may provide in its charter that each
9 member shall be permitted (i) one vote per member,
10 or (ii) to cast one vote for each \$100, or fraction
11 thereof, of the withdrawal value of the member’s ac-
12 count, but not more than 1,000 votes per member.

13 “(f) PROXIES.—

14 “(1) A member may give, in writing or elec-
15 tronically, a perpetual proxy to a committee of the
16 board of directors of a mutual depository, provided
17 that the member may revoke such a proxy in writing
18 or electronically, with such revocation to take effect
19 after 6 business days.

20 “(2) Such proxies may be used to vote on any
21 issue requiring approval of the members, including
22 the conversion of a mutual depository into a mutual
23 national bank and the reorganization of a mutual
24 national bank into a Federal mutual bank holding
25 company, except that, without a prior finding by the

1 regulator of the mutual national bank that such ac-
2 tion is needed to avoid loss to the Federal Deposit
3 Insurance Corporation's deposit insurance fund or to
4 protect the stability of the United States financial
5 system, such proxies may not be used to vote in
6 favor of—

7 “(A) terminating mutuality for a mutual
8 national bank or a Federal mutual bank holding
9 company;

10 “(B) permitting the modification of a Fed-
11 eral mutual bank holding company; or

12 “(C) issuing mutual capital certificates
13 (except when used to found a mutual national
14 bank or a Federal mutual bank holding com-
15 pany de novo).

16 “(3) Proxies given by a member, in writing or
17 electronically, to management of, or to a committee
18 of the board of directors of, a mutual depository
19 shall not be deemed to have been revoked solely be-
20 cause of, and shall continue to exist following, a con-
21 version to a mutual national bank and any concur-
22 rent or subsequent reorganization to a Federal mu-
23 tual bank holding company.

24 “(g) DEFINITIONS.—For purposes of this section, the
25 following definitions shall apply:

1 “(1) INSURED DEPOSITORY INSTITUTION.—The
2 term ‘insured depository institution’ has the same
3 meaning as in section 3 of the Federal Deposit In-
4 surance Act.

5 “(2) MUTUAL NATIONAL BANK.—The term
6 ‘mutual national bank’ means a national banking as-
7 sociation that operates in mutual form and is char-
8 tered by the Comptroller of the Currency under this
9 section.

10 “(3) MUTUAL DEPOSITORY.—The term ‘mutual
11 depository’ means a depository institution that is or-
12 ganized in non-stock form, including a Federal non-
13 stock depository and any form of non-stock deposi-
14 tory provided for under State law, the deposits of
15 which are insured by an instrumentality of the Fed-
16 eral Government.

17 “(4) MUTUALITY.—The term ‘mutuality’ means
18 the quality of being an insured depository institution
19 organized under a Federal or State law providing for
20 the organization of non-stock depository institutions,
21 or a holding company organized under a Federal or
22 State law providing for the organization of non-stock
23 entities that control one or more depository institu-
24 tions.

1 “(5) MEMBER.—The term ‘member’ means
2 each tax-liable depositor in a mutual depository’s
3 savings, demand, or other authorized depository ac-
4 counts and each tax-liable depositor in such an ac-
5 count in a depository subsidiary of a Federal mutual
6 bank holding company.

7 “(6) TAX LIABLE DEPOSITOR.—The term ‘tax
8 liable depositor’ means the single person responsible
9 for paying any Federal taxes due on any interest
10 paid on any deposits held within any savings, de-
11 mand, or other authorized depository account or ac-
12 counts with any mutual depository.

13 “(7) MEMBERSHIP RIGHTS.—The term ‘mem-
14 bership rights’ means the rights of each member
15 under this section.

16 “(h) CONFORMING REFERENCES.—Unless otherwise
17 provided by the Comptroller of the Currency—

18 “(1) any reference in any Federal law to a na-
19 tional bank operating in stock form, including a ref-
20 erence to the term ‘national banking association’,
21 ‘member bank’, ‘national bank’, ‘national associa-
22 tion’, ‘bank’, ‘insured bank’, ‘insured depository in-
23 stitution’, or ‘depository institution’, shall be deemed
24 to refer also to a mutual national bank;

1 “(2) any reference in any Federal law to the
2 term ‘board of directors’, ‘director’, or ‘directors’ of
3 a national bank operating in stock form shall be
4 deemed to refer also to the board of a mutual na-
5 tional bank; and

6 “(3) any terms in Federal law that may apply
7 only to a national bank operating in stock form, in-
8 cluding the terms ‘stock’, ‘shares’, ‘shares of stock’,
9 ‘capital stock’, ‘common stock’, ‘stock certificate’,
10 ‘stock certificates’, ‘certificates representing shares
11 of stock’, ‘stock dividend’, ‘transferable stock’, ‘each
12 class of stock’, ‘cumulate such shares’, ‘par value’,
13 ‘preferred stock’ shall not apply to a mutual national
14 bank, unless the Comptroller of the Currency deter-
15 mines that the context requires otherwise.

16 **“SEC. 5133B. FEDERAL MUTUAL BANK HOLDING COMPA-**
17 **NIES.**

18 “(a) REORGANIZATION OF MUTUAL NATIONAL BANK
19 AS A HOLDING COMPANY.—

20 “(1) IN GENERAL.—Subject to approval under
21 the Bank Holding Company Act of 1956, a mutual
22 national bank may reorganize so as to become a
23 Federal mutual bank holding company by submitting
24 a reorganization plan to the appropriate bank hold-
25 ing company regulator.

1 “(2) PLAN APPROVAL.—Upon the approval of
2 the reorganization plan by the appropriate bank
3 holding company regulator and the issuance of the
4 appropriate charters—

5 “(A) the substantial part of the mutual na-
6 tional bank’s assets and liabilities, including all
7 of the bank’s insured liabilities, shall be trans-
8 ferred to a national banking association, a ma-
9 jority of the shares of voting stock of which is
10 owned, directly or indirectly, by the mutual na-
11 tional bank that is to become a Federal mutual
12 bank holding company; and

13 “(B) the mutual national bank shall be-
14 come a Federal mutual bank holding company.

15 “(b) DIRECTORS AND CERTAIN ACCOUNT HOLDERS’
16 APPROVAL OF PLAN REQUIRED.—This subsection does
17 not authorize a reorganization unless—

18 “(1) a majority of the mutual national bank’s
19 board of directors has approved the plan providing
20 for such reorganization; and

21 “(2) a majority of members has approved the
22 plan at a meeting held at the call of the directors
23 under the procedures prescribed by the bank’s char-
24 ter and bylaws.

1 “(c) OWNERSHIP OF DEPOSITORY SUBSIDIARIES.—

2 To avoid terminating mutuality, a Federal mutual bank
3 holding company must own, directly or indirectly, a major-
4 ity of the shares of voting stock of each of its depository
5 subsidiaries.

6 “(d) NO TERMINATION OF MUTUALITY.—Neither a
7 reorganization of a mutual depository nor a modification
8 of a Federal mutual bank holding company shall cause a
9 termination of mutuality.

10 “(e) RETENTION OF CAPITAL.—In connection with a
11 transaction described in subsection (a), a mutual national
12 bank may, subject to the approval of the appropriate bank
13 holding company regulator, retain capital at the holding
14 company level to the extent that the capital retained at
15 the holding company level exceeds the amount of capital
16 required for the national banking association chartered as
17 a part of a transaction described in subsection (a) to meet
18 all relevant capital standards established by the Comp-
19 troller of the Currency for national banking associations.

20 “(f) TERMINATING MUTUALITY.—If a Federal mu-
21 tual bank holding company elects to terminate mutuality,
22 it must do so by either liquidating or converting to a bank
23 holding company operating in stock form.

24 “(g) MEMBERSHIP RIGHTS.—Holders of savings, de-
25 mand, or other authorized depository accounts in a deposi-

1 tory subsidiary of a Federal mutual bank holding company
2 shall have the same membership rights with respect to the
3 Federal mutual bank holding company as those holders
4 would have had if the depository subsidiary of the Federal
5 mutual bank holding company had been a mutual national
6 bank.

7 “(h) REGULATION.—A Federal mutual bank holding
8 company shall be—

9 “(1) chartered by the appropriate bank holding
10 company regulator and shall be subject to such regu-
11 lations as the appropriate bank holding company
12 regulator shall prescribe; and

13 “(2) regulated under the Bank Holding Com-
14 pany Act of 1956 on the same terms and subject to
15 the same limitations as any other company that con-
16 trols a bank.

17 “(i) CAPITAL IMPROVEMENT.—

18 “(1) PLEDGE OF STOCK OF NATIONAL BANK
19 SUBSIDIARY.—This section shall not prohibit a Fed-
20 eral mutual bank holding company from pledging all
21 or a portion of the stock of the national banking as-
22 sociation chartered as part of a transaction de-
23 scribed in subsection (a) to raise capital for such na-
24 tional banking association.

1 “(2) ISSUANCE OF NONVOTING SHARES.—This
2 section shall not prohibit a national banking associa-
3 tion chartered as part of a transaction described in
4 subsection (a) from issuing any nonvoting shares or
5 less than 50 percent of the voting shares of such
6 bank to any person other than the Federal mutual
7 bank holding company.

8 “(j) INSOLVENCY AND LIQUIDATION.—

9 “(1) IN GENERAL.—Notwithstanding any other
10 provision of law, the appropriate bank holding com-
11 pany regulator may file a petition under chapter 7
12 of title 11, United States Code, with respect to a
13 Federal mutual bank holding company upon—

14 “(A) the default of any national bank—

15 “(i) the stock of which is owned by
16 the Federal mutual bank holding company;
17 and

18 “(ii) that was chartered in a trans-
19 action described in subsection (a); or

20 “(B) a foreclosure on a pledge by the Fed-
21 eral mutual bank holding company described in
22 subsection (i)(1).

23 “(2) DISTRIBUTION OF NET PROCEEDS.—Ex-
24 cept as provided in paragraph (3), the net proceeds
25 of any liquidation of any Federal mutual bank hold-

1 ing company under paragraph (1) shall be trans-
2 ferred to persons who hold membership interests in
3 such Federal mutual bank holding company.

4 “(3) RECOVERY BY FDIC.—If the Federal De-
5 posit Insurance Corporation incurs a loss as a result
6 of the default of any insured bank subsidiary of a
7 Federal mutual bank holding company that is liq-
8 uidated under paragraph (1), the Federal Deposit
9 Insurance Corporation shall succeed to the interests
10 of the depositors of the bank as members in the
11 Federal mutual bank holding company, to the extent
12 of the Federal Deposit Insurance Corporation’s loss.

13 “(k) DEFINITIONS.—

14 “(1) FEDERAL MUTUAL BANK HOLDING COM-
15 PANY.—The term ‘Federal mutual bank holding
16 company’ means a holding company that is orga-
17 nized in mutual form and owns, directly or indi-
18 rectly, a majority of the shares of voting stock of
19 one or more depository subsidiaries of a Federal mu-
20 tual bank holding company.

21 “(2) DEPOSITORY SUBSIDIARY OF A FEDERAL
22 MUTUAL BANK HOLDING COMPANY.—The term ‘de-
23 pository subsidiary of a Federal mutual bank hold-
24 ing company’ means a depository institution orga-
25 nized in stock form that is insured by the Federal

1 Deposit Insurance Corporation, the majority of the
2 shares of voting stock of which are owned by the
3 Federal mutual bank holding company or its wholly
4 owned subsidiaries and none of the shares of stock
5 of which are pledged or otherwise subjected to lien
6 except as permitted in subsection (i).

7 “(3) REORGANIZATION OF A MUTUAL DEPOSI-
8 TORY.—The term ‘reorganization of a mutual deposi-
9 tory’ means the conversion of a mutual depository
10 into a depository subsidiary of a Federal mutual
11 bank holding company.

12 “(4) MODIFICATION OF A FEDERAL MUTUAL
13 BANK HOLDING COMPANY.—The term ‘modification
14 of a Federal mutual bank holding company’ means
15 either: (A) the sale of shares of common or preferred
16 stock in a depository subsidiary of a Federal mutual
17 bank holding company to any party other than the
18 subsidiary’s parent Federal mutual bank holding
19 company or a wholly owned subsidiary of that par-
20 ent; or (B) the voluntary grant of a lien on shares
21 of common or preferred stock in a depository sub-
22 sidiary of a Federal mutual bank holding company.

23 “(5) DEFAULT.—With respect to a national
24 bank, the term ‘default’ means an adjudication or
25 other official determination by any court of com-

1 petent jurisdiction, the Comptroller of the Currency,
2 or other public authority pursuant to which a con-
3 servator, receiver, or other legal custodian is ap-
4 pointed for the national bank.

5 “(1) CONFORMING REFERENCES.—Unless otherwise
6 provided by the appropriate bank holding company regu-
7 lator—

8 “(1) any reference in any Federal law to a bank
9 holding company operating in stock form shall be
10 deemed to refer also to a Federal mutual bank hold-
11 ing company;

12 “(2) any reference in any Federal law to the
13 term ‘board of directors’, ‘director’, or ‘directors’ of
14 a national bank operating in stock form shall be
15 deemed to refer also to the board of a Federal mu-
16 tual bank holding company; and

17 “(3) any terms in Federal law that may apply
18 only to a national bank operating in stock form, in-
19 cluding the terms ‘stock’, ‘shares’, ‘shares of stock’,
20 ‘capital stock’, ‘common stock’, ‘stock certificate’,
21 ‘stock certificates’, ‘certificates representing shares
22 of stock’, ‘stock dividend’, ‘transferable stock’, ‘each
23 class of stock’, ‘cumulate such shares’, ‘par value’,
24 ‘preferred stock’ shall not apply to a Federal mutual
25 bank holding company, unless the appropriate bank

1 holding company regulator determines that the con-
2 text requires otherwise.”.

3 (b) LIMITATION ON FEDERAL REGULATION OF
4 STATE BANKS.—Except as otherwise provided in Federal
5 law, the Comptroller of the Currency, the Board of Gov-
6 ernors of the Federal Reserve System, and the Federal
7 Deposit Insurance Corporation may not adopt or enforce
8 any regulation that contravenes the corporate governance
9 rules prescribed by State law or regulation for State banks
10 unless the Director, Board, or Corporation finds that the
11 Federal regulation is necessary to assure the safety and
12 soundness of the State banks.

13 (c) TECHNICAL AMENDMENT.—The table of sections
14 for chapter one of title LXII of the Revised Statutes of
15 the United States (12 U.S.C. 21 et seq.) is amended by
16 inserting after the item relating to section 5133 the fol-
17 lowing new items:

“5133A. Mutual national banks.

“5133B. Federal mutual bank holding companies.”.

18 (d) APPROPRIATE FEDERAL BANKING AGENCY FOR
19 FEDERAL MUTUAL BANK HOLDING COMPANIES.—Sec-
20 tion 3(q)(1) of the Federal Deposit Insurance Act (12
21 U.S.C. 1813(q)(2)) is amended by inserting after subpara-
22 graph (F) the following new subparagraph:

23 “(G) supervisory or regulatory proceedings
24 arising from the authority given to the appro-

1 priate bank holding company regulator under
2 section 5133B of the Revised Statutes of the
3 United States.”.

4 (e) MUTUAL HOLDING COMPANY CONVERSION.—

5 (1) IN GENERAL.—Any mutual holding com-
6 pany, including any form of mutual depository hold-
7 ing company provided for under State law, may con-
8 vert to a Federal mutual bank holding company by
9 filing with the appropriate bank holding company
10 regulator a notice of its election to convert on a
11 specified date that is not earlier than 30 days after
12 the date on which the notice is filed, and the mutual
13 holding company shall be converted to a Federal mu-
14 tual holding company charter on the date specified
15 in the notice.

16 (2) DEFINITIONS.—For purposes of this sub-
17 section, the following definitions shall apply:

18 (A) FEDERAL MUTUAL BANK HOLDING
19 COMPANY.—The term “Federal mutual bank
20 holding company” has the same meaning as in
21 section 5133B of the Revised Statutes of the
22 United States (as added by this section); and

23 (B) MUTUAL HOLDING COMPANY.—The
24 term “mutual holding company” has the same
25 meaning as in section 10(o)(10)(A) of the

- 1 Home Owners Loan Act as in effect on the day
2 before the date of enactment of this Act.
3 (f) EFFECTIVE DATE.—This section shall take effect
4 on the date of enactment of this Act.

Page 385, line 10, after the period insert the following new sentence: “The position of Director shall be a career reserved position in the Senior Executive Service, as that position is defined in section 3132 of title 5, United States Code.”.

Page 385, line 18, insert “, including the coordination of technical assistance to such businesses” before the period.

Page 385, after line 20, insert the following new paragraph:

- 5 (3) OTHER DUTIES.—Each Director shall ad-
6 vise the agency administrator on the impact of the
7 policies and regulations of the agency on minority-
8 owned and women-owned businesses.

Page 390, line 15, strike “and” after the semicolon.

Page 390, line 16, strike the period and insert “; and”.

Page 390, after line 16, insert the following new subparagraph:

1

(J) the Office of National Insurance.



TECHNICAL / MANAGERS AMENDMENT TO TITLE

III

[Page and line #s refer to Base Text of Proposed Conference Report]

Page 343, strike line 5 and all that follows through line 8 and insert the following:

1 (c) CONFORMING AMENDMENTS.—Section 3 of the
2 Federal Deposit Insurance Act (12 U.S.C. 1813) is
3 amended—

4 (1) in subsection (q)—

Page 344, line 19, strike the 2nd period and insert “; and”.

Page 344, after line 19, insert the following new paragraph:

5 (2) in paragraphs (1) and (3) of subsection (u),
6 by striking “(other than a bank holding company”
7 and inserting “(other than a bank holding company
8 or savings and loan holding company”.

Page 353, line 2, insert “, unless modified, terminated, set aside, or superseded in accordance with applicable law by the Office of the Comptroller of the Currency or the Board of Governors, as appropriate, by any

court of competent jurisdiction, or by operation of law” before the period at the end.

Page 356, line 2, after “the” insert “supervisory and regulatory”.

Page 357, beginning on line 3, strike “, or as the Corporation determines is necessary or appropriate to carry out the responsibilities of the Corporation”.

Page 376, strike line 19, and all that follows through page 377, line 5, and insert the following new subsection:

1 (b) PROPERTY OF THE OFFICE OF THRIFT SUPER-
2 VISION.—

3 (1) IN GENERAL.—No later than 90 days after
4 the transfer date, all property of the Office of Thrift
5 Supervision (other than property described under
6 paragraph (b)(2)) that the Comptroller of the Cur-
7 rency and the Chairperson of the Corporation jointly
8 determine is used, on the day before the transfer
9 date, to perform or support the functions of the Of-
10 fice of Thrift Supervision transferred to the Office
11 of the Comptroller of the Currency or the Corpora-
12 tion under this title, shall be transferred to the Of-
13 fice of the Comptroller of the Currency or the Cor-

1 poration in a manner consistent with the transfer of
2 employees under this subtitle.

3 (2) PERSONAL PROPERTY.—All books, ac-
4 counts, records, reports, files, memoranda, papers,
5 documents, reports of examination, work papers, and
6 correspondence of the Office of Thrift Supervision
7 that the Comptroller of the Currency, the Chair-
8 person of the Corporation, and the Chairman of the
9 Board of Governors jointly determine is used, on the
10 day before the transfer date, to perform or support
11 the functions of the Office of Thrift Supervision
12 transferred to the Board of Governors under this
13 title shall be transferred to the Board of Governors
14 in a manner consistent with the purposes of this
15 title.

Page 386, line 1, insert “fair” before “inclusion”.

Page 386, line 6, strike “processes” and insert “pro-
cedures”.

Page 386, line 7, strike “for contract” and insert
“of contract”.

Page 386, line 9, insert “, to the extent consistent
with applicable law,” before “a component”.

Page 386, line 10, insert after the period the fol-
lowing: “Such procedure shall include a written state-

ment, in a form and with such content as the Director shall prescribe, that a contractor shall ensure, to the maximum extent possible, the fair inclusion of women and minorities in the workforce of the contractor and, as applicable, subcontractors.”.

Page 386, line 14, strike “paragraph (1)” and insert “this subsection”.

Page 386, line 15, strike “that” and insert “whether”.

Page 386, line 16, after “contractor” insert the following: “and, as applicable, a subcontractor”.

Page 386, line 17, strike “the” and insert “their”.

Page 386, line 18, strike “of the contractor”.

Page 386, beginning on line 18, strike “Such procedure” and all that follows through the end of line 25.

Page 389, beginning on line 3, strike “, at all levels of” and all that follows through “Federal Government, which” on line 5, and insert “at all levels of the agency in a manner consistent with applicable law. Such steps”.

Page 391, strike line 19 and all that follows through page 392, line 4.

Page 396, after line 19, insert the following new subparagraph (and redesignate subsequent subparagraphs accordingly):

- 1 (A) by inserting after “an insured bank,”
2 the following: “a savings association,”;

Page 396, line 24, strike “and” after the semicolon.

Page 396, after line 24, insert the following new paragraph (and redesignate the subsequent paragraph accordingly):

- 3 (2) in section 1(b)(5), by striking “term ‘in-
4 sured depository institution’ has the same meaning
5 as in section 3(c)” and inserting “terms ‘depository
6 institution’ and ‘savings association’ have the same
7 meanings as in section 3”; and

Page 398, line 7, strike “noninsured” and insert “insured”.

Page 398, line 22, insert “and inserting ‘the Comptroller of the Currency’ before the semicolon at the end”.

Page 401, line 10, strike “1781” and insert “1751”.

Page 406, after line 2, insert the following new subparagraphs (and redesignate subsequent subparagraphs accordingly):

1 (B) in subsection (b)(3)—

2 (i) by inserting “any savings and loan
3 holding company and any subsidiary (other
4 than a depository institution) of a savings
5 and loan holding company (as such terms
6 are defined in section 10 of Home Owners’
7 Loan Act)), any noninsured State member
8 bank” after “Bank Holding Company Act
9 of 1956,”; and

10 (ii) by inserting “or against a savings
11 and loan holding company or any sub-
12 sidiary thereof (other than a depository in-
13 stitution or a subsidiary of such depository
14 institution)” before the period at the end;

15 (C) by striking paragraph (9) of subsection
16 (b) and inserting the following new paragraph:
17 “(9) [Repealed]”.

Page 406, line 22, strike “(C)” and insert “(D)”.

Page 406, after line 22, insert the following new
clause (and redesignate subsequent clauses accordingly):

18 (i) in paragraph (2), by striking “, or
19 as a savings association under subsection
20 (b)(9) of this section”;

Page 407, line 2, strike “period” and insert “comma”.

Page 407, line 8, insert “and the” after the opening quotation marks.

Page 408, strike line 16 and all that follows through line 24, and insert the following new subelause:

1 (III) by amending subparagraph
2 (B) to read as follows:
3 “(B) RECEIVER.—The Corporation may,
4 at the discretion of the Comptroller of the Cur-
5 rency, be appointed receiver and the Corpora-
6 tion may accept any such appointment.”.

Page 409, line 5, strike the semicolon after the opening quotation mark.

Page 410, strike line 14 and all that follows through line 17, and insert the following new clause:

7 (v) in paragraph (12)(B)—
8 (I) by inserting “as” after “shall
9 appoint the Corporation”;
10 (II) by striking “or the Director
11 of the Office of Thrift Supervision, as
12 appropriate,” each place such term
13 appears;

Page 411, line 22, insert “(1)” after “(g)” and strike “and” after the opening quotation marks.

Page 414, line 25, strike “and”.

Page 414, after line 25, insert the following (and re-designate the subsequent item accordingly):

- 1 (cc) by inserting a comma
- 2 after “soundness”; and

Page 415, line 12, strike “and”.

Page 416, line 20, strike the period and insert “; and”.

Page 416, after line 20, insert the following new paragraph:

- 3 (10) in section 33(e)—
- 4 (A) by inserting “and” after “Finance
- 5 Board,”; and
- 6 (B) by striking “and the Director of the
- 7 Office of Thrift Supervision”.

Page 423, line 4, after “as so redesignated,” insert “in the heading by striking ‘OF THE DIRECTOR’ and”.

Page 423, strike lines 11 and 12 and insert “by striking ‘Director’ and inserting ‘appropriate Federal banking agency’; and”.

Page 425, after line 24, insert the following new subparagraphs (and redesignate subsequent subparagraphs accordingly):

- 1 (A) in subsection (a), by striking “Direc-
- 2 tor”, each place such term appears and insert-
- 3 ing “appropriate Federal banking agency”;
- 4 (B) in subsection (b), by striking “Direc-
- 5 tor”, each place such term appears and insert-
- 6 ing “appropriate Federal banking agency”;

Page 426, strike lines 5 through 13 and insert the following:

- 7 (II) in subparagraph (B), by
- 8 striking “The Director” and inserting
- 9 “The appropriate Federal banking
- 10 agency”; and

Page 428, after line 4, insert the following new clause (and redesignate subsequent clauses accordingly):

- 11 (iii) in paragraph (3), in subpara-
- 12 graph (A), by striking “Director”, each
- 13 place such term appears, and inserting
- 14 “Comptroller”;

Page 428, line 7, strike “and”.

Page 428, line 9, strike the semicolon at the end and insert “; and”.

Page 428, after line 9, insert the following new sub-clause:

- 1 (III) by striking “Director” and
2 inserting “Comptroller”;

Page 429, after line 17, insert the following new subparagraph (and redesignate subsequent paragraphs accordingly):

- 3 (C) in subsection (e)(2), strike “Director”
4 and insert “Comptroller”;

Page 429, after line 18, insert the following new clause (and redesignate subsequent clauses accordingly):

- 5 (i) by striking “Director”, each place
6 such term appears, and inserting “Comp-
7 troller”;

Page 429, line 21, strike “and”.

Page 429, line 23, add “and” at the end.

Page 429, after line 23, insert the following new clause:

- 8 (iv) except as provided in clauses (i)
9 through (iii), by striking “Director” each

1 place such term appears and inserting
2 “Comptroller”;

Page 430, strike lines 1 through 3 and insert the following:

3 (D) in subsection (o)—
4 (i) in paragraph (1), by striking “Di-
5 rector” and inserting “Comptroller”; and
6 (ii) in paragraph (2)(B), by striking
7 “Director’s determination” and inserting
8 “determination of the Comptroller”;

Page 430 after line 3, insert the following new sub-
paragraph (and redesignate subsequent subparagraphs
accordingly):

9 (F) in subsections (m), (n), (o), and (p),
10 by striking “Director”, each place such term
11 appears, and inserting “Comptroller”;

Page 430, line 7, strike “and”.

Page 430, line 9, insert “and” after the semicolon.

Page 430, after line 9, insert the following new
clause:

- 1 (iii) by inserting “in consultation with
2 the Comptroller and the Corporation,” be-
3 fore considers;

Page 430, after line 9, insert the following new sub-
paragraph (and redesignate subsequent subparagraphs
accordingly):

- 4 (F) in subsection (r)(3), by striking “Di-
5 rector” each place such term appears and in-
6 serting “Board”;

Page 430, after line 10, insert the following new
clauses (and redesignate subsequent clauses accordingly):

- 7 (i) in paragraph (1), strike “Director”
8 and insert “appropriate Federal banking
9 agency”;
10 (ii) in paragraph (2), strike “Direc-
11 tor” and insert “appropriate Federal bank-
12 ing agency”;

Page 430, line 20, insert “by striking ‘Director’,
each place such term appears, and inserting ‘appropriate
Federal banking agency’ and” after “paragraph (5),”.

Page 430, line 24 strike “subparagraph” and insert
“subsection”.

Page 435, after line 6, insert the following new subparagraph (and redesignate subsequent subparagraphs accordingly):

1 (B) in subsection (b), by striking “Direc-
2 tor”, each place such term appears, and insert-
3 ing “Comptroller or Corporation, as appro-
4 priate”;

Page 438, after line 6, insert the following new subparagraphs (and redesignate subsequent subparagraphs accordingly):

5 (G) in subsection (p)—
6 (i) in paragraph (1)—
7 (I) by striking “Director deter-
8 mines” the 1st place such term ap-
9 pears and inserting “Board or the ap-
10 propriate Federal banking agency for
11 the savings association determines”;
12 (II) by striking “Director may”
13 and inserting “Board may”; and
14 (III) by striking “Director deter-
15 mines” the 2nd place such term ap-
16 pears and inserting “Board, in con-
17 sultation with the appropriate Federal

- 1 banking agency for the savings asso-
2 ciation determines”; and
3 (ii) in paragraph (2), by striking “Di-
4 rector”, each place such term appears, and
5 inserting “Board”;
6 (H) in subsection (q), by striking “Direc-
7 tor”, each place such term appears, and insert-
8 ing “Board”;
9 (I) in subsection (r), by striking “Direc-
10 tor”, each place such term appears, and insert-
11 ing “Board or appropriate Federal banking
12 agency”;

Page 438, line 21, strike “through (G)” and insert
“through (J)”.

Page 438, line 25, strike “and”.

Page 439, line 3, strike the period and insert “;
and”.

Page 439, after line 3, insert the following new
paragraph:

- 13 (11) in section 13 (12 U.S.C. 1468a) is amend-
14 ed by striking “Director” and inserting “a Federal
15 banking agency”.

Page 440, beginning on line 9, strike “and inserting
‘Comptroller of the Currency,’”.



FINANCIAL REFORM CONFERENCE:

HOUSE OFFER FOR TITLE V

{Page and line numbers refer to Conference Base Text}

Page 472, strike line 13 and 14 and insert the following:

1 **Subtitle A—Federal Insurance**
2 **Office**

Page 472, lines 16 and 17, strike “Office of National Insurance” and insert “Federal Insurance Office”.

Page 472, strike lines 18 and 19, and insert the following:

3 **SEC. 502. FEDERAL INSURANCE OFFICE.**

Page 473, strike line 3 and insert the following:

4 **“SEC. 313. FEDERAL INSURANCE OFFICE.”.**

Page 473, lines 5 and 6, strike “Office of National Insurance” and insert “Federal Insurance Office”.

Page 474, lines 24 and 25, strike “International Insurance Agreements on Prudential Matters” and insert “covered agreements (as such term is defined in subsection (r))”.

Page 475, lines 3 and 4, strike “International Insurance Agreements on Prudential Matters” and insert “covered agreements”.

Page 475, after line 15 insert the following:

1 “(3) ADVISORY CAPACITY ON COUNCIL.—The
2 Director shall serve in an advisory capacity on the
3 Financial Stability Oversight Council established
4 under the Financial Stability Act of 2010.”.

Page 475, lines 17 and 18, strike “as such insurance is determined by the Secretary” and insert “as determined by the Secretary in coordination with the Secretary of Health and Human Services”.

Page 477, strike lines 4 through 18 and insert the following:

5 “(4) ADVANCE COORDINATION.—Before col-
6 lecting any data or information under paragraph (2)
7 from an insurer, or affiliate of an insurer, the Office
8 shall coordinate with each relevant Federal agency
9 and State insurance regulator (or other relevant
10 Federal or State regulatory agency, if any, in the
11 case of an affiliate of an insurer) and any publicly
12 available sources to determine if the information to
13 be collected is available from, and may be obtained
14 in a timely manner by, such Federal agency or State

1 insurance regulator, individually or collectively, other
2 regulatory agency, or publicly available sources. If
3 the Director determines that such data or informa-
4 tion is available, and may be obtained in a timely
5 manner, from such an agency, regulator, regulatory
6 agency, or source, the Director shall obtain the data
7 or information from such agency, regulator, regu-
8 latory agency, or source. If the Director determines
9 that such data or information is not so available, the
10 Director may collect such data or information from
11 an insurer (or affiliate) only if the Director complies
12 with the requirements of subchapter I of chapter 35
13 of title 44, United States Code (relating to Federal
14 information policy; commonly known as the Paper-
15 work Reduction Act) in collecting such data or infor-
16 mation. Notwithstanding any other provision of law,
17 each such relevant Federal agency and State insur-
18 ance regulator or other Federal or State regulatory
19 agency is authorized to provide to the Office such
20 data or information.”.

Page 480, line 7, after “preempted” insert “pursu-
ant to this section or section 314”.

Page 480, lines 12 through 14, strike “an inter-
national insurance agreement on prudential measures”
and insert “a covered agreement”.

Page 480, lines 17 and 18, strike “International Insurance Agreements on Prudential Matters” and insert “covered agreements”.

Page 480, after line 25, insert the following new clause (and redesignate succeeding clauses accordingly):

1 “(ii) notify and consult with the
2 United States Trade Representative re-
3 garding any potential inconsistency or pre-
4 emption;”.

Page 481, lines 6 and 7, strike “International Insurance Agreements on Prudential Matters” and insert “covered agreements”.

Page 482, strike lines 3 through 7 and insert the following:

5 “(iii) notify the Committees on Finan-
6 cial Services and Ways and Means of the
7 House of Representatives and the Commit-
8 tees on Banking, Housing, and Urban Af-
9 fairs and Finance of the Senate.”.

Page 482, line 25, before the period insert the following: “, except that in any action for judicial review of a determination of inconsistency, the court shall determine the matter de novo”.

Page 484, strike lines 12 through 22 and insert the following new subsections (and redesignate succeeding subsections accordingly):

1 “(l) RETENTION OF AUTHORITY OF FEDERAL FI-
2 NANCIAL REGULATORY AGENCIES.—Nothing in this sec-
3 tion or section 314 shall be construed to limit the author-
4 ity of any Federal financial regulatory agency, including
5 the authority to develop and coordinate policy, negotiate,
6 and enter into agreements with foreign governments, au-
7 thorities, regulators, and multi-national regulatory com-
8 mittees and to preempt State measures to affect uni-
9 formity with international regulatory agreements.

10 “(m) RETENTION OF AUTHORITY OF UNITED
11 STATES TRADE REPRESENTATIVE.—Nothing in this sec-
12 tion or section 314 shall be construed to affect the author-
13 ity of the Office of the United States Trade Representative
14 pursuant to section 141 of the Trade Act of 1974 (19
15 U.S.C. 2171) or any other provision of law, including au-
16 thority over the development and coordination of United
17 States international trade policy and the administration
18 of the United States trade agreements program.

19 “(n) ANNUAL REPORTS TO CONGRESS.—

20 “(1) SECTION 313(f) REPORTS.—Beginning
21 September 30, 2011, the Director shall submit a re-
22 port on or before September 30 of each calendar

1 year to the President and to the Committees on Fi-
2 nancial Services and Ways and Means of the House
3 of Representatives and the Committees on Banking,
4 Housing, and Urban Affairs and Finance of the
5 Senate on any actions taken by the Office pursuant
6 to subsection (f) (regarding preemption of incon-
7 sistent State insurance measures).

8 “(2) INSURANCE INDUSTRY.—Beginning Sep-
9 tember 30, 2011, the Director shall submit a report
10 on or before September 30 of each calendar year to
11 the President and to the Committee on Financial
12 Services of the House of Representatives and the
13 Committee on Banking, Housing, and Urban Affairs
14 of the Senate on the insurance industry and any
15 other information as deemed relevant by the Direc-
16 tor or requested by such Committees.

17 “(o) REPORTS ON U.S. AND GLOBAL REINSURANCE
18 MARKET.—The Director shall submit to the Committee
19 on Financial Services of the House of Representatives and
20 the Committee on Banking, Housing, and Urban Affairs
21 of the Senate—

22 “(1) a report received not later than September
23 30, 2012, describing the breadth and scope of the
24 global reinsurance market and the critical role such

1 market plays in supporting insurance in the United
2 States; and

3 “(2) a report received not later than January 1,
4 2013, and updated not later than January 1, 2015,
5 describing the impact of Subtitle B of the Non-Ad-
6 mitted and Reinsurance Reform Act of 2010 on the
7 ability of State regulators to access reinsurance in-
8 formation for regulated companies in their jurisdic-
9 tions.”.

Page 488, lines 3 and 4, strike “National Associa-
tion of Insurance Commissioners” and insert “State in-
surance regulators”.

Page 488, line 11, before the period insert “and the
Secretary shall dedicate specific personnel to the Office”.

Page 488, after line 17, insert the following new
paragraph (and redesignate succeeding paragraphs ac-
cordingly):

10 “(2) COVERED AGREEMENT.—The term ‘cov-
11 ered agreement’ means a written bilateral or multi-
12 lateral recognition agreement that—

13 “(A) is entered into between the United
14 States and one or more foreign governments,
15 authorities, or regulatory entities; and

1 “(B) provides for recognition of prudential
2 measures with respect to the business of insur-
3 ance or reinsurance that achieves a level of pro-
4 tection for insurance or reinsurance consumers
5 that is substantially equivalent to the level of
6 protection achieved under State insurance or re-
7 insurance regulation.”.

Strike line 21 on page 488 and all that follows
through page 489, line 3, and insert the following new
paragraph:

8 “(4) FEDERAL FINANCIAL REGULATORY AGEN-
9 CY.—The term ‘Federal financial regulatory agency’
10 means the Department of the Treasury, the Board
11 of Governors of the Federal Reserve System, the Of-
12 fice of the Comptroller of the Currency, the Office
13 of Thrift Supervision, the Securities and Exchange
14 Commission, the Commodity Futures Trading Com-
15 mission, the Federal Deposit Insurance Corporation,
16 the Federal Housing Finance Agency, or the Na-
17 tional Credit Union Administration.”.

Page 489, lines 9 and 10, strike “Office of National
Insurance” and insert “Federal Insurance Office”.

Page 490, strike lines 6 through 24 and insert the
following:

1 **“SEC. 314. COVERED AGREEMENTS.**

2 “(a) AUTHORITY.—The Secretary and the United
3 States Trade Representative are authorized, jointly, to ne-
4 gotiate and enter into covered agreements on behalf of the
5 United States.

6 “(b) REQUIREMENTS FOR CONSULTATION WITH
7 CONGRESS.—

8 “(1) IN GENERAL.—Before initiating negotia-
9 tions to enter into a covered agreement under sub-
10 section (a), during such negotiations, and before en-
11 tering into any such agreement, the Secretary and
12 the United States Trade Representative shall jointly
13 consult with the Committee on Financial Services
14 and the Committee on Ways and Means of the
15 House of Representatives and the Committee on
16 Banking, Housing, and Urban Affairs and the Com-
17 mittee on Finance of the Senate.

18 “(2) SCOPE.—The consultation described in
19 paragraph (1) shall include consultation with respect
20 to—

21 “(A) the nature of the agreement;

22 “(B) how and to what extent the agree-
23 ment will achieve the applicable purposes, poli-
24 cies, priorities, and objectives of section 313
25 and this section; and

1 “(C) the implementation of the agreement,
2 including the general effect of the agreement on
3 existing State laws.

4 “(c) SUBMISSION AND LAYOVER PROVISIONS.—A
5 covered agreement under subsection (a) may enter into
6 force with respect to the United States only if—

7 “(1) the Secretary and the United States Trade
8 Representative jointly submit to the congressional
9 committees specified in subsection (b)(1), on a day
10 on which both Houses of Congress are in session, a
11 copy of the final legal text of the agreement; and

12 “(2) a period of 90 calendar days beginning on
13 the date on which the copy of the final legal text of
14 the agreement is submitted to the congressional
15 committees under paragraph (1) has expired.”.

Page 491, after line 16, in the item relating to section 313, strike “Office of National Insurance” and insert “Federal Insurance Office”.

Page 507, after line 8, insert the following:

16 (15) STATE.—The term “State” includes any
17 State of the United States, the District of Columbia,
18 the Commonwealth of Puerto Rico, Guam, the
19 Northern Mariana Islands, the Virgin Islands, and
20 American Samoa.

Page 510, after line 19, insert the following:

1 (5) STATE.—The term “State” includes any
2 State of the United States, the District of Columbia,
3 the Commonwealth of Puerto Rico, Guam, the
4 Northern Mariana Islands, the Virgin Islands, and
5 American Samoa.

