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[Report No. 115–153, Part I]

To create hope and opportunity for investors, consumers, and entrepreneurs by ending bailouts and Too Big to Fail, holding Washington and Wall Street accountable, eliminating red tape to increase access to capital and credit, and repealing the provisions of the Dodd-Frank Act that make America less prosperous, less stable, and less free, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2017

Mr. HENSARLING (for himself, Mr. MCHENRY, Mr. HUIZENGA, Mr. LUETKEMEYER, Mr. DUFFY, Mr. BARR, Mrs. WAGNER, and Mr. PEARCE) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Agriculture, Ways and Means, the Judiciary, Oversight and Government Reform, Transportation and Infrastructure, Rules, the Budget, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

MAY 25, 2017

Additional sponsors: Mr. BANKS of Indiana, Mr. LOUDERMILK, Mr. MEADOWS, Mr. KUSTOFF of Tennessee, Mr. WILLIAMS, Mr. HILL, Mr. HOLLINGSWORTH, Mr. WALKER, Mr. PITTENGER, Mr. ROTHFUS, Mr. DAVIDSON, Mr. ARRINGTON, Mr. MCCLINTOCK, Mr. FRANKS of Arizona, Mr. BUDD, Mr. WITTMAN, Mr. FLORES, Mr. PALMER, Mr. TROTT, Mrs. LOVE, Mr. TIPTON, Mr. MOONEY of West Virginia, Mr. POSEY, Mr. ZELDIN, Mr. THORNBERRY, Mr. STIVERS, Mr. MACARTHUR, Ms. TENNEY, Mr. SMITH of Nebraska, Mr. ESTES of Kansas, Mr. EMMER, Mr. KING of New York, and Mr. ROYCE of California

MAY 25, 2017

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

MAY 25, 2017

The Committees on Agriculture, Ways and Means, the Judiciary, Oversight and Government Reform, Transportation and Infrastructure, Rules, the Budget, and Education and the Workforce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 26, 2017]

A BILL

To create hope and opportunity for investors, consumers, and entrepreneurs by ending bailouts and Too Big to Fail, holding Washington and Wall Street accountable, eliminating red tape to increase access to capital and credit, and repealing the provisions of the Dodd-Frank Act that make America less prosperous, less stable, and less free, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the “Fi-*
 5 *nancial CHOICE Act of 2017”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—ENDING “TOO BIG TO FAIL” AND BANK BAILOUTS

Subtitle A—Repeal of the Orderly Liquidation Authority

Sec. 111. Repeal of the orderly liquidation authority.

Subtitle B—Financial Institution Bankruptcy

Sec. 121. General provisions relating to covered financial corporations.

Sec. 122. Liquidation, reorganization, or recapitalization of a covered financial corporation.

Sec. 123. Amendments to title 28, United States Code.

Subtitle C—Ending Government Guarantees

Sec. 131. Repeal of obligation guarantee program.

Sec. 132. Repeal of systemic risk determination in resolutions.

Sec. 133. Restrictions on use of the Exchange Stabilization Fund.

Subtitle D—Eliminating Financial Market Utility Designations

Sec. 141. Repeal of title VIII.

Subtitle E—Reform of the Financial Stability Act of 2010

Sec. 151. Repeal and modification of provisions of the Financial Stability Act of 2010.

Sec. 152. Operational risk capital requirements for banking organizations.

TITLE II—DEMANDING ACCOUNTABILITY FROM WALL STREET

Subtitle A—SEC Penalties Modernization

Sec. 211. Enhancement of civil penalties for securities laws violations.

Sec. 212. Updated civil money penalties of Public Company Accounting Oversight Board.

Sec. 213. Updated civil money penalty for controlling persons in connection with insider trading.

Sec. 214. Update of certain other penalties.

Sec. 215. Monetary sanctions to be used for the relief of victims.

Sec. 216. GAO report on use of civil money penalty authority by Commission.

Subtitle B—FIRREA Penalties Modernization

Sec. 221. Increase of civil and criminal penalties originally established in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

*TITLE III—DEMANDING ACCOUNTABILITY FROM FINANCIAL REGULATORS AND DEVOLVING POWER AWAY FROM WASHINGTON**Subtitle A—Cost-Benefit Analyses*

Sec. 311. Definitions.
Sec. 312. Required regulatory analysis.
Sec. 313. Rule of construction.
Sec. 314. Public availability of data and regulatory analysis.
Sec. 315. Five-year regulatory impact analysis.
Sec. 316. Retrospective review of existing rules.
Sec. 317. Judicial review.
Sec. 318. Chief Economists Council.
Sec. 319. Conforming amendments.
Sec. 320. Other regulatory entities.
Sec. 321. Avoidance of duplicative or unnecessary analyses.

Subtitle B—Congressional Review of Federal Financial Agency Rulemaking

Sec. 331. Congressional review.
Sec. 332. Congressional approval procedure for major rules.
Sec. 333. Congressional disapproval procedure for nonmajor rules.
Sec. 334. Definitions.
Sec. 335. Judicial review.
Sec. 336. Effective date of certain rules.
Sec. 337. Budgetary effects of rules subject to section 332 of the Financial CHOICE Act of 2017.

Subtitle C—Judicial Review of Agency Actions

Sec. 341. Scope of judicial review of agency actions.

Subtitle D—Leadership of Financial Regulators

Sec. 351. Federal Deposit Insurance Corporation.
Sec. 352. Federal Housing Finance Agency.

Subtitle E—Congressional Oversight of Appropriations

Sec. 361. Bringing the Federal Deposit Insurance Corporation into the appropriations process.
Sec. 362. Bringing the Federal Housing Finance Agency into the appropriations process.
Sec. 363. Bringing the National Credit Union Administration into the appropriations process.
Sec. 364. Bringing the Office of the Comptroller of the Currency into the appropriations process.
Sec. 365. Bringing the non-monetary policy related functions of the Board of Governors of the Federal Reserve System into the appropriations process.

*Subtitle F—International Processes**Sec. 371. Requirements for international processes.**Subtitle G—Unfunded Mandates Reform**Sec. 381. Definitions.**Sec. 382. Statements to accompany significant regulatory actions.**Sec. 383. Small government agency plan.**Sec. 384. State, local, and tribal government and private sector input.**Sec. 385. Least burdensome option or explanation required.**Sec. 386. Assistance to the Office of Information and Regulatory Affairs.**Sec. 387. Office of Information and Regulatory Affairs responsibilities.**Sec. 388. Judicial review.**Subtitle H—Enforcement Coordination**Sec. 391. Policies to minimize duplication of enforcement efforts.**Subtitle I—Penalties for Unauthorized Disclosures**Sec. 392. Criminal penalty for unauthorized disclosures.**Subtitle II—Stop Settlement Slush Funds**Sec. 393. Limitation on donations made pursuant to settlement agreements to which certain departments or agencies are a party.***TITLE IV—UNLEASHING OPPORTUNITIES FOR SMALL BUSINESSES,
INNOVATORS, AND JOB CREATORS BY FACILITATING CAPITAL
FORMATION***Subtitle A—Small Business Mergers, Acquisitions, Sales, and Brokerage
Simplification**Sec. 401. Registration exemption for merger and acquisition brokers.**Sec. 402. Effective date.**Subtitle B—Encouraging Employee Ownership**Sec. 406. Increased threshold for disclosures relating to compensatory benefit plans.**Subtitle C—Small Company Disclosure Simplification**Sec. 411. Exemption from XBRL requirements for emerging growth companies and other smaller companies.**Sec. 412. Analysis by the SEC.**Sec. 413. Report to Congress.**Sec. 414. Definitions.**Subtitle D—Securities and Exchange Commission Overpayment Credit**Sec. 416. Refunding or crediting overpayment of section 31 fees.**Subtitle E—Fair Access to Investment Research**Sec. 421. Safe harbor for investment fund research.*

Subtitle F—Accelerating Access to Capital

Sec. 426. Expanded eligibility for use of Form S-3.

Subtitle G—Enhancing the RAISE Act

Sec. 431. Certain accredited investor transactions.

Subtitle H—Small Business Credit Availability

Sec. 436. Business development company ownership of securities of investment advisers and certain financial companies.

Sec. 437. Expanding access to capital for business development companies.

Sec. 438. Parity for business development companies regarding offering and proxy rules.

Subtitle I—Fostering Innovation

Sec. 441. Temporary exemption for low-revenue issuers.

Subtitle J—Small Business Capital Formation Enhancement

Sec. 446. Annual review of government-business forum on capital formation.

Subtitle K—Helping Angels Lead Our Startups

Sec. 451. Definition of angel investor group.

Sec. 452. Clarification of general solicitation.

Subtitle L—Main Street Growth

Sec. 456. Venture exchanges.

Subtitle M—Micro Offering Safe Harbor

Sec. 461. Exemptions for micro-offerings.

Subtitle N—Private Placement Improvement

Sec. 466. Revisions to SEC Regulation D.

Subtitle O—Supporting America’s Innovators

Sec. 471. Investor limitation for qualifying venture capital funds.

Subtitle P—Fix Crowdfunding

Sec. 476. Crowdfunding exemption.

Sec. 477. Exclusion of crowdfunding investors from shareholder cap.

Sec. 478. Preemption of State law.

Sec. 479. Treatment of funding portals.

Subtitle Q—Corporate Governance Reform and Transparency

Sec. 481. Definitions.

Sec. 482. Registration of proxy advisory firms.

Sec. 483. Commission annual report.

Subtitle R—Senior Safe

Sec. 491. Immunity.

Sec. 492. Training required.
Sec. 493. Relationship to State law.

Subtitle S—National Securities Exchange Regulatory Parity

Sec. 496. Application of exemption.

Subtitle T—Private Company Flexibility and Growth

Sec. 497. Shareholder threshold for registration.

Subtitle U—Small Company Capital Formation Enhancements

Sec. 498. JOBS Act-related exemption.

Subtitle V—Encouraging Public Offerings

Sec. 499. Expanding testing the waters and confidential submissions.

**TITLE V—REGULATORY RELIEF FOR MAIN STREET AND
 COMMUNITY FINANCIAL INSTITUTIONS**

Subtitle A—Preserving Access to Manufactured Housing

Sec. 501. Mortgage originator definition.
Sec. 502. High-Cost mortgage definition.

Subtitle B—Mortgage Choice

Sec. 506. Definition of points and fees.

Subtitle C—Financial Institution Customer Protection

Sec. 511. Requirements for deposit account termination requests and orders.
Sec. 512. Amendments to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Subtitle D—Portfolio Lending and Mortgage Access

Sec. 516. Safe harbor for certain loans held on portfolio.

Subtitle E—Application of the Expedited Funds Availability Act

Sec. 521. Application of the Expedited Funds Availability Act.

Subtitle F—Small Bank Holding Company Policy Statement

Sec. 526. Changes required to small bank holding company policy statement on assessment of financial and managerial factors.

Subtitle G—Community Institution Mortgage Relief

Sec. 531. Community financial institution mortgage relief.

Subtitle H—Financial Institutions Examination Fairness and Reform

Sec. 536. Timeliness of examination reports.

Subtitle I—National Credit Union Administration Budget Transparency

Sec. 541. Budget transparency for the NCUA.

*Subtitle J—Taking Account of Institutions With Low Operation Risk**Sec. 546. Regulations appropriate to business models.**Subtitle K—Federal Savings Association Charter Flexibility**Sec. 551. Option for Federal savings associations to operate as a covered savings association.**Subtitle L—SAFE Transitional Licensing**Sec. 556. Eliminating barriers to jobs for loan originators.**Subtitle M—Right to Lend**Sec. 561. Small business loan data collection requirement.**Subtitle N—Community Bank Reporting Relief**Sec. 566. Short form call report.**Subtitle O—Homeowner Information Privacy Protection**Sec. 571. Study regarding privacy of information collected under the Home Mortgage Disclosure Act of 1975.**Subtitle P—Home Mortgage Disclosure Adjustment**Sec. 576. Depository institutions subject to maintenance of records and disclosure requirements.**Subtitle Q—Protecting Consumers' Access to Credit**Sec. 581. Rate of interest after transfer of loan.**Subtitle R—NCUA Overhead Transparency**Sec. 586. Fund transparency.**Subtitle S—Housing Opportunities Made Easier**Sec. 591. Clarification of donated services to non-profits.***TITLE VI—REGULATORY RELIEF FOR STRONGLY CAPITALIZED,
WELL MANAGED BANKING ORGANIZATIONS***Sec. 601. Capital election.**Sec. 602. Regulatory relief.**Sec. 603. Contingent capital study.**Sec. 604. Study on altering the current prompt corrective action rules.**Sec. 605. Definitions.***TITLE VII—EMPOWERING AMERICANS TO ACHIEVE FINANCIAL
INDEPENDENCE***Subtitle A—Separation of Powers and Liberty Enhancements**Sec. 711. Consumer Law Enforcement Agency.**Sec. 712. Authority of the Office of Information and Regulatory Affairs.**Sec. 713. Bringing the Agency into the regular appropriations process.**Sec. 714. Consumer Law Enforcement Agency Inspector General Reform.*

- Sec. 715. Private parties authorized to compel the Agency to seek sanctions by filing civil actions; Adjudications deemed actions.*
- Sec. 716. Civil investigative demands to be appealed to courts.*
- Sec. 717. Agency dual mandate and economic analysis.*
- Sec. 718. No deference to Agency interpretation.*

Subtitle B—Administrative Enhancements

- Sec. 721. Advisory opinions.*
- Sec. 722. Reform of Consumer Financial Civil Penalty Fund.*
- Sec. 723. Agency pay fairness.*
- Sec. 724. Elimination of market monitoring functions.*
- Sec. 725. Reforms to mandatory functional units.*
- Sec. 726. Repeal of mandatory advisory board.*
- Sec. 727. Elimination of supervision authority.*
- Sec. 728. Transfer of old OTS building from OCC to GSA.*
- Sec. 729. Limitation on Agency authority.*

Subtitle C—Policy Enhancements

- Sec. 731. Consumer right to financial privacy.*
- Sec. 732. Repeal of Council authority to set aside Agency rules and requirement of safety and soundness considerations when issuing rules.*
- Sec. 733. Removal of authority to regulate small-dollar credit.*
- Sec. 734. Reforming indirect auto financing guidance.*
- Sec. 735. Prohibition of Government price controls for payment card transactions.*
- Sec. 736. Removal of Agency UDAAP authority.*
- Sec. 737. Preservation of UDAP authority for Federal banking regulators.*
- Sec. 738. Repeal of authority to restrict arbitration.*

TITLE VIII—CAPITAL MARKETS IMPROVEMENTS

Subtitle A—SEC Reform, Restructuring, and Accountability

- Sec. 801. Authorization of appropriations.*
- Sec. 802. Report on unobligated appropriations.*
- Sec. 803. SEC Reserve Fund abolished.*
- Sec. 804. Fees to offset appropriations.*
- Sec. 805. Commission relocation funding prohibition.*
- Sec. 806. Implementation of recommendations.*
- Sec. 807. Office of Credit Ratings to report to the Division of Trading and Markets.*
- Sec. 808. Office of Municipal Securities to report to the Division of Trading and Markets.*
- Sec. 809. Independence of Commission Ombudsman.*
- Sec. 810. Investor Advisory Committee improvements.*
- Sec. 811. Duties of Investor Advocate.*
- Sec. 812. Elimination of exemption of Small Business Capital Formation Advisory Committee from Federal Advisory Committee Act.*
- Sec. 813. Internal risk controls.*
- Sec. 814. Applicability of notice and comment requirements of the Administrative Procedure Act to guidance voted on by the Commission.*
- Sec. 815. Limitation on pilot programs.*
- Sec. 816. Procedure for obtaining certain intellectual property.*
- Sec. 817. Process for closing investigations.*
- Sec. 818. Enforcement Ombudsman.*

- Sec. 819. Adequate notice.*
- Sec. 820. Advisory committee on Commission's enforcement policies and practices.*
- Sec. 821. Process to permit recipient of Wells notification to appear before Commission staff in-person.*
- Sec. 822. Publication of enforcement manual.*
- Sec. 823. Private parties authorized to compel the Securities and Exchange Commission to seek sanctions by filing civil actions.*
- Sec. 824. Certain findings required to approve civil money penalties against issuers.*
- Sec. 825. Repeal of authority of the Commission to prohibit persons from serving as officers or directors.*
- Sec. 826. Subpoena duration and renewal.*
- Sec. 827. Elimination of automatic disqualifications.*
- Sec. 828. Denial of award to culpable whistleblowers.*
- Sec. 829. Confidentiality of records obtained from foreign securities and law enforcement authorities.*
- Sec. 830. Clarification of authority to impose sanctions on persons associated with a broker or dealer.*
- Sec. 831. Complaint and burden of proof requirements for certain actions for breach of fiduciary duty.*
- Sec. 832. Congressional access to information held by the Public Company Accounting Oversight Board.*
- Sec. 833. Abolishing Investor Advisory Group.*
- Sec. 834. Repeal of requirement for Public Company Accounting Oversight Board to use certain funds for merit scholarship program.*
- Sec. 835. Reallocation of fines for violations of rules of municipal securities rule-making board.*

Subtitle B—Eliminating Excessive Government Intrusion in the Capital Markets

- Sec. 841. Repeal of Department of Labor fiduciary rule and requirements prior to rulemaking relating to standards of conduct for brokers and dealers.*
- Sec. 842. Exemption from risk retention requirements for nonresidential mortgage.*
- Sec. 843. Frequency of shareholder approval of executive compensation.*
- Sec. 844. Shareholder Proposals.*
- Sec. 845. Prohibition on requiring a single ballot.*
- Sec. 846. Requirement for municipal advisor for issuers of municipal securities.*
- Sec. 847. Small issuer exemption from internal control evaluation.*
- Sec. 848. Streamlining of applications for an exemption from the Investment Company Act of 1940.*
- Sec. 849. Restriction on recovery of erroneously awarded compensation.*
- Sec. 850. Exemptive authority for certain provisions relating to registration of nationally recognized statistical rating organizations.*
- Sec. 851. Risk-based examinations of Nationally Recognized Statistical Rating Organizations.*
- Sec. 852. Transparency of credit rating methodologies.*
- Sec. 853. Repeal of certain attestation requirements relating to credit ratings.*
- Sec. 854. Look-back review by NRSRO.*
- Sec. 855. Approval of credit rating procedures and methodologies.*
- Sec. 856. Exception for providing certain material information relating to a credit rating.*
- Sec. 857. Repeals.*

- Sec. 858. Exemption of and reporting by private equity fund advisers.*
Sec. 859. Records and reports of private funds.
Sec. 860. Definition of accredited investor.
Sec. 861. Repeal of certain provisions requiring a study and report to Congress.
Sec. 862. Repeal.

Subtitle C—Harmonization of Derivatives Rules

- Sec. 871. Commissions review and harmonization of rules relating to the regulation of over-the-counter swaps markets.*
Sec. 872. Treatment of transactions between affiliates.

TITLE IX—REPEAL OF THE VOLCKER RULE AND OTHER PROVISIONS

- Sec. 901. Repeals.*

TITLE X—FED OVERSIGHT REFORM AND MODERNIZATION

- Sec. 1001. Requirements for policy rules of the Federal Open Market Committee.*
Sec. 1002. Federal Open Market Committee blackout period.
Sec. 1003. Public transcripts of FOMC meetings.
Sec. 1004. Membership of Federal Open Market Committee.
Sec. 1005. Frequency of testimony of the Chairman of the Board of Governors of the Federal Reserve System to Congress.
Sec. 1006. Vice Chairman for Supervision report requirement.
Sec. 1007. Salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System.
Sec. 1008. Amendments to powers of the Board of Governors of the Federal Reserve System.
Sec. 1009. Interest rates on balances maintained at a Federal Reserve bank by depository institutions established by Federal Open Market Committee.
Sec. 1010. Audit reform and transparency for the Board of Governors of the Federal Reserve System.
Sec. 1011. Establishment of a Centennial Monetary Commission.

TITLE XI—IMPROVING INSURANCE COORDINATION THROUGH AN INDEPENDENT ADVOCATE

- Sec. 1101. Repeal of the Federal Insurance Office; Creation of the Office of the Independent Insurance Advocate.*
Sec. 1102. Treatment of covered agreements.

TITLE XII—TECHNICAL CORRECTIONS

- Sec. 1201. Table of contents; Definitional corrections.*
Sec. 1202. Antitrust savings clause corrections.
Sec. 1203. Title I corrections.
Sec. 1204. Title III corrections.
Sec. 1205. Title IV correction.
Sec. 1206. Title VI corrections.
Sec. 1207. Title VII corrections.
Sec. 1208. Title IX corrections.
Sec. 1209. Title X corrections.
Sec. 1210. Title XII correction.

Sec. 1211. Title XIV correction.

Sec. 1212. Technical corrections to other statutes.

1 **TITLE I—ENDING “TOO BIG TO**
 2 **FAIL” AND BANK BAILOUTS**
 3 **Subtitle A—Repeal of the Orderly**
 4 **Liquidation Authority**

5 **SEC. 111. REPEAL OF THE ORDERLY LIQUIDATION AUTHOR-**
 6 **ITY.**

7 (a) *IN GENERAL.*—*Title II of the Dodd-Frank Wall*
 8 *Street Reform and Consumer Protection Act is hereby re-*
 9 *pealed and any Federal law amended by such title shall,*
 10 *on and after the effective date of this Act, be effective as*
 11 *if title II of the Dodd-Frank Wall Street Reform and Con-*
 12 *sumer Protection Act had not been enacted.*

13 (b) *CONFORMING AMENDMENTS.*—

14 (1) *DODD-FRANK WALL STREET REFORM AND*
 15 *CONSUMER PROTECTION ACT.*—*The Dodd-Frank Wall*
 16 *Street Reform and Consumer Protection Act is*
 17 *amended—*

18 (A) *in the table of contents for such Act, by*
 19 *striking all items relating to title II;*

20 (B) *in section 165(d)—*

21 (i) *in paragraph (1), by striking “, the*
 22 *Council, and the Corporation” and insert-*
 23 *ing “and the Council”;*

1 (ii) in paragraph (2), by striking “,
2 the Council, and the Corporation” and in-
3 serting “and the Council”;

4 (iii) in paragraph (3), by striking
5 “and the Corporation”;

6 (iv) in paragraph (4)—

7 (I) by striking “and the Corpora-
8 tion jointly determine” and inserting
9 “determines”;

10 (II) by striking “their” and in-
11 serting “its”;

12 (III) in subparagraph (A), by
13 striking “and the Corporation”; and

14 (IV) in subparagraph (B), by
15 striking “and the Corporation”;

16 (v) in paragraph (5)—

17 (I) in subparagraph (A), by strik-
18 ing “and the Corporation may jointly”
19 and inserting “may”; and

20 (II) in subparagraph (B)—

21 (aa) by striking “and the
22 Corporation” each place such
23 term appears;

24 (bb) by striking “may joint-
25 ly” and inserting “may”;

1 (cc) by striking “have joint-
2 ly” and inserting “has”;

3 (vi) in paragraph (6), by striking “, a
4 receiver appointed under title II,”; and

5 (vii) by amending paragraph (8) to
6 read as follows:

7 “(8) *RULES.*—Not later than 12 months after en-
8 actment of this paragraph, the Board of Governors
9 shall issue final rules implementing this section.”;
10 and

11 (C) in section 716(g), by striking “or a cov-
12 ered financial company under title II”.

13 (2) *FEDERAL DEPOSIT INSURANCE ACT.*—Section
14 10(b)(3) of the Federal Deposit Insurance Act (12
15 U.S.C. 1820(b)(3)) is amended by striking “, or of
16 such nonbank financial company supervised by the
17 Board of Governors or bank holding company de-
18 scribed in section 165(a) of the Financial Stability
19 Act of 2010, for the purpose of implementing its au-
20 thority to provide for orderly liquidation of any such
21 company under title II of that Act”.

22 (3) *FEDERAL RESERVE ACT.*—Section 13(3) of
23 the Federal Reserve Act is amended—

24 (A) in subparagraph (B)—

1 (i) in clause (ii), by striking “, resolu-
 2 tion under title II of the Dodd-Frank Wall
 3 Street Reform and Consumer Protection
 4 Act, or” and inserting “or is subject to reso-
 5 lution under”; and

6 (ii) in clause (iii), by striking “, reso-
 7 lution under title II of the Dodd-Frank
 8 Wall Street Reform and Consumer Protec-
 9 tion Act, or” and inserting “or resolution
 10 under”; and

11 (B) by striking subparagraph (E).

12 ***Subtitle B—Financial Institution***
 13 ***Bankruptcy***

14 ***SEC. 121. GENERAL PROVISIONS RELATING TO COVERED FI-***
 15 ***NANCIAL CORPORATIONS.***

16 (a) *DEFINITION.*—Section 101 of title 11, United
 17 States Code, is amended by inserting the following after
 18 paragraph (9):

19 “(9A) The term ‘covered financial corporation’
 20 means any corporation incorporated or organized
 21 under any Federal or State law, other than a stock-
 22 broker, a commodity broker, or an entity of the kind
 23 specified in paragraph (2) or (3) of section 109(b),
 24 that is—

1 “(A) a bank holding company, as defined in
2 section 2(a) of the Bank Holding Company Act
3 of 1956; or

4 “(B) a corporation that exists for the pri-
5 mary purpose of owning, controlling and financ-
6 ing its subsidiaries, that has total consolidated
7 assets of \$50,000,000,000 or greater, and for
8 which, in its most recently completed fiscal
9 year—

10 “(i) annual gross revenues derived by
11 the corporation and all of its subsidiaries
12 from activities that are financial in nature
13 (as defined in section 4(k) of the Bank
14 Holding Company Act of 1956) and, if ap-
15 plicable, from the ownership or control of
16 one or more insured depository institutions,
17 represents 85 percent or more of the consoli-
18 dated annual gross revenues of the corpora-
19 tion; or

20 “(ii) the consolidated assets of the cor-
21 poration and all of its subsidiaries related
22 to activities that are financial in nature (as
23 defined in section 4(k) of the Bank Holding
24 Company Act of 1956) and, if applicable,
25 related to the ownership or control of one or

1 *more insured depository institutions, rep-*
2 *resents 85 percent or more of the consoli-*
3 *dated assets of the corporation.”.*

4 *(b) APPLICABILITY OF CHAPTERS.—Section 103 of*
5 *title 11, United States Code, is amended by adding at the*
6 *end the following:*

7 *“(l) Subchapter V of chapter 11 of this title applies*
8 *only in a case under chapter 11 concerning a covered finan-*
9 *cial corporation.”.*

10 *(c) WHO MAY BE A DEBTOR.—Section 109 of title 11,*
11 *United States Code, is amended—*

12 *(1) in subsection (b)—*

13 *(A) in paragraph (2), by striking “or” at*
14 *the end;*

15 *(B) in paragraph (3)(B), by striking the pe-*
16 *riod at the end and inserting “; or”; and*

17 *(C) by adding at the end the following:*

18 *“(4) a covered financial corporation.”; and*

19 *(2) in subsection (d)—*

20 *(A) by striking “and” before “an uninsured*
21 *State member bank”;*

22 *(B) by striking “or” before “a corporation”;*

23 *and*

1 (C) by inserting “, or a covered financial
2 corporation” after “Federal Deposit Insurance
3 Corporation Improvement Act of 1991”.

4 (d) *CONVERSION TO CHAPTER 7.*—Section 1112 of title
5 11, United States Code, is amended by adding at the end
6 the following:

7 “(g) Notwithstanding section 109(b), the court may
8 convert a case under subchapter V to a case under chapter
9 7 if—

10 “(1) a transfer approved under section 1185 has
11 been consummated;

12 “(2) the court has ordered the appointment of a
13 special trustee under section 1186; and

14 “(3) the court finds, after notice and a hearing,
15 that conversion is in the best interest of the creditors
16 and the estate.”.

17 (e)(1) Section 726(a)(1) of title 11, United States
18 Code, is amended by inserting after “first,” the following:
19 “in payment of any unpaid fees, costs, and expenses of a
20 special trustee appointed under section 1186, and then”.

21 (2) Section 1129(a) of title 11, United States Code,
22 is amended by inserting after paragraph (16) the following:

23 “(17) In a case under subchapter V, all payable
24 fees, costs, and expenses of the special trustee have
25 been paid or the plan provides for the payment of all

1 *such fees, costs, and expenses on the effective date of*
2 *the plan.*

3 *“(18) In a case under subchapter V, confirma-*
4 *tion of the plan is not likely to cause serious adverse*
5 *effects on financial stability in the United States.”.*

6 *(f) Section 322(b)(2) of title 11, United States Code,*
7 *is amended by striking “The” and inserting “In cases under*
8 *subchapter V, the United States trustee shall recommend to*
9 *the court, and in all other cases, the”.*

10 **SEC. 122. LIQUIDATION, REORGANIZATION, OR RECAPITAL-**
11 **IZATION OF A COVERED FINANCIAL COR-**
12 **PORATION.**

13 *Chapter 11 of title 11, United States Code, is amended*
14 *by adding at the end the following (and conforming the*
15 *table of contents for such chapter accordingly):*

16 **“SUBCHAPTER V—LIQUIDATION, REORGANIZA-**
17 **TION, OR RECAPITALIZATION OF A COVERED**
18 **FINANCIAL CORPORATION**

19 **“§ 1181. Inapplicability of other sections**

20 *“Sections 303 and 321(c) do not apply in a case under*
21 *this subchapter concerning a covered financial corporation.*
22 *Section 365 does not apply to a transfer under section 1185,*
23 *1187, or 1188.*

1 **“§ 1182. Definitions for this subchapter**

2 *“In this subchapter, the following definitions shall*
3 *apply:*

4 *“(1) The term ‘Board’ means the Board of Gov-*
5 *ernors of the Federal Reserve System.*

6 *“(2) The term ‘bridge company’ means a newly*
7 *formed corporation to which property of the estate*
8 *may be transferred under section 1185(a) and the eq-*
9 *uity securities of which may be transferred to a spe-*
10 *cial trustee under section 1186(a).*

11 *“(3) The term ‘capital structure debt’ means all*
12 *unsecured debt of the debtor for borrowed money for*
13 *which the debtor is the primary obligor, other than a*
14 *qualified financial contract and other than debt se-*
15 *cured by a lien on property of the estate that is to*
16 *be transferred to a bridge company pursuant to an*
17 *order of the court under section 1185(a).*

18 *“(4) The term ‘contractual right’ means a con-*
19 *tractual right of a kind defined in section 555, 556,*
20 *559, 560, or 561.*

21 *“(5) The term ‘qualified financial contract’*
22 *means any contract of a kind defined in paragraph*
23 *(25), (38A), (47), or (53B) of section 101, section*
24 *741(7), or paragraph (4), (5), (11), or (13) of section*
25 *761.*

1 “(6) *The term ‘special trustee’ means the trustee*
2 *of a trust formed under section 1186(a)(1).*

3 **“§1183. Commencement of a case concerning a cov-**
4 **ered financial corporation**

5 “(a) *A case under this subchapter concerning a covered*
6 *financial corporation may be commenced by the filing of*
7 *a petition with the court by the debtor under section 301*
8 *only if the debtor states to the best of its knowledge under*
9 *penalty of perjury in the petition that it is a covered finan-*
10 *cial corporation.*

11 “(b) *The commencement of a case under subsection (a)*
12 *constitutes an order for relief under this subchapter.*

13 “(c) *The members of the board of directors (or body*
14 *performing similar functions) of a covered financial com-*
15 *pany shall have no liability to shareholders, creditors, or*
16 *other parties in interest for a good faith filing of a petition*
17 *to commence a case under this subchapter, or for any rea-*
18 *sonable action taken in good faith in contemplation of such*
19 *a petition or a transfer under section 1185 or section 1186,*
20 *whether prior to or after commencement of the case.*

21 “(d) *Counsel to the debtor shall provide, to the greatest*
22 *extent practicable without disclosing the identity of the po-*
23 *tential debtor, sufficient confidential notice to the chief*
24 *judge of the court of appeals for the circuit embracing the*
25 *district in which such counsel intends to file a petition to*

1 *commence a case under this subchapter regarding the poten-*
2 *tial commencement of such case. The chief judge of such*
3 *court shall randomly assign to preside over such case a*
4 *bankruptcy judge selected from among the bankruptcy*
5 *judges designated by the Chief Justice of the United States*
6 *under section 298 of title 28.*

7 **“§ 1184. Regulators**

8 *“The Board, the Securities Exchange Commission, the*
9 *Office of the Comptroller of the Currency of the Department*
10 *of the Treasury, the Commodity Futures Trading Commis-*
11 *sion, and the Federal Deposit Insurance Corporation may*
12 *raise and may appear and be heard on any issue in any*
13 *case or proceeding under this subchapter.*

14 **“§ 1185. Special transfer of property of the estate**

15 *“(a) On request of the trustee, and after notice and*
16 *a hearing that shall occur not less than 24 hours after the*
17 *order for relief, the court may order a transfer under this*
18 *section of property of the estate, and the assignment of exec-*
19 *utory contracts, unexpired leases, and qualified financial*
20 *contracts of the debtor, to a bridge company. Upon the entry*
21 *of an order approving such transfer, any property trans-*
22 *ferred, and any executory contracts, unexpired leases, and*
23 *qualified financial contracts assigned under such order*
24 *shall no longer be property of the estate. Except as provided*

1 *under this section, the provisions of section 363 shall apply*
2 *to a transfer and assignment under this section.*

3 “(b) *Unless the court orders otherwise, notice of a re-*
4 *quest for an order under subsection (a) shall consist of elec-*
5 *tronic or telephonic notice of not less than 24 hours to—*

6 “(1) *the debtor;*

7 “(2) *the holders of the 20 largest secured claims*
8 *against the debtor;*

9 “(3) *the holders of the 20 largest unsecured*
10 *claims against the debtor;*

11 “(4) *counterparties to any debt, executory con-*
12 *tract, unexpired lease, and qualified financial con-*
13 *tract requested to be transferred under this section;*

14 “(5) *the Board;*

15 “(6) *the Federal Deposit Insurance Corporation;*

16 “(7) *the Secretary of the Treasury and the Office*
17 *of the Comptroller of the Currency of the Treasury;*

18 “(8) *the Commodity Futures Trading Commis-*
19 *sion;*

20 “(9) *the Securities and Exchange Commission;*

21 “(10) *the United States trustee or bankruptcy*
22 *administrator; and*

23 “(11) *each primary financial regulatory agency,*
24 *as defined in section 2(12) of the Dodd-Frank Wall*
25 *Street Reform and Consumer Protection Act, with re-*

1 *spect to any affiliate the equity securities of which are*
2 *proposed to be transferred under this section.*

3 *“(c) The court may not order a transfer under this*
4 *section unless the court determines, based upon a prepon-*
5 *derance of the evidence, that—*

6 *“(1) the transfer under this section is necessary*
7 *to prevent serious adverse effects on financial stability*
8 *in the United States;*

9 *“(2) the transfer does not provide for the as-*
10 *sumption of any capital structure debt by the bridge*
11 *company;*

12 *“(3) the transfer does not provide for the transfer*
13 *to the bridge company of any property of the estate*
14 *that is subject to a lien securing a debt, executory*
15 *contract, unexpired lease or agreement (including a*
16 *qualified financial contract) of the debtor unless—*

17 *“(A)(i) the bridge company assumes such*
18 *debt, executory contract, unexpired lease or*
19 *agreement (including a qualified financial con-*
20 *tract), including any claims arising in respect*
21 *thereof that would not be allowed secured claims*
22 *under section 506(a)(1) and after giving effect to*
23 *such transfer, such property remains subject to*
24 *the lien securing such debt, executory contract,*

1 *unexpired lease or agreement (including a quali-*
2 *fied financial contract); and*

3 “(i) *the court has determined that assump-*
4 *tion of such debt, executory contract, unexpired*
5 *lease or agreement (including a qualified finan-*
6 *cial contract) by the bridge company is in the*
7 *best interests of the estate; or*

8 “(B) *such property is being transferred to*
9 *the bridge company in accordance with the pro-*
10 *visions of section 363;*

11 “(4) *the transfer does not provide for the as-*
12 *sumption by the bridge company of any debt, execu-*
13 *tory contract, unexpired lease or agreement (includ-*
14 *ing a qualified financial contract) of the debtor se-*
15 *cured by a lien on property of the estate unless the*
16 *transfer provides for such property to be transferred*
17 *to the bridge company in accordance with paragraph*
18 *(3)(A) of this subsection;*

19 “(5) *the transfer does not provide for the transfer*
20 *of the equity of the debtor;*

21 “(6) *the trustee has demonstrated that the bridge*
22 *company is not likely to fail to meet the obligations*
23 *of any debt, executory contract, qualified financial*
24 *contract, or unexpired lease assumed and assigned to*
25 *the bridge company;*

1 “(7) the transfer provides for the transfer to a
2 special trustee all of the equity securities in the bridge
3 company and appointment of a special trustee in ac-
4 cordance with section 1186;

5 “(8) after giving effect to the transfer, adequate
6 provision has been made for the fees, costs, and ex-
7 penses of the estate and special trustee; and

8 “(9) the bridge company will have governing
9 documents, and initial directors and senior officers,
10 that are in the best interest of creditors and the estate.

11 “(d) Immediately before a transfer under this section,
12 the bridge company that is the recipient of the transfer
13 shall—

14 “(1) not have any property, executory contracts,
15 unexpired leases, qualified financial contracts, or
16 debts, other than any property acquired or executory
17 contracts, unexpired leases, or debts assumed when
18 acting as a transferee of a transfer under this section;
19 and

20 “(2) have equity securities that are property of
21 the estate, which may be sold or distributed in accord-
22 ance with this title.

23 **“§ 1186. Special trustee**

24 “(a)(1) An order approving a transfer under section
25 1185 shall require the trustee to transfer to a qualified and

1 *independent special trustee, who is appointed by the court,*
2 *all of the equity securities in the bridge company that is*
3 *the recipient of a transfer under section 1185 to hold in*
4 *trust for the sole benefit of the estate, subject to satisfaction*
5 *of the special trustee’s fees, costs, and expenses. The trust*
6 *of which the special trustee is the trustee shall be a newly*
7 *formed trust governed by a trust agreement approved by*
8 *the court as in the best interests of the estate, and shall*
9 *exist for the sole purpose of holding and administering, and*
10 *shall be permitted to dispose of, the equity securities of the*
11 *bridge company in accordance with the trust agreement.*

12 “(2) *In connection with the hearing to approve a*
13 *transfer under section 1185, the trustee shall confirm to the*
14 *court that the Board has been consulted regarding the iden-*
15 *tity of the proposed special trustee and advise the court of*
16 *the results of such consultation.*

17 “(b) *The trust agreement governing the trust shall pro-*
18 *vide—*

19 “(1) *for the payment of the fees, costs, expenses,*
20 *and indemnities of the special trustee from the assets*
21 *of the debtor’s estate;*

22 “(2) *that the special trustee provide—*

23 “(A) *quarterly reporting to the estate, which*
24 *shall be filed with the court; and*

1 “(B) information about the bridge company
2 reasonably requested by a party in interest to
3 prepare a disclosure statement for a plan pro-
4 viding for distribution of any securities of the
5 bridge company if such information is necessary
6 to prepare such disclosure statement;

7 “(3) that for as long as the equity securities of
8 the bridge company are held by the trust, the special
9 trustee shall file a notice with the court in connection
10 with—

11 “(A) any change in a director or senior offi-
12 cer of the bridge company;

13 “(B) any modification to the governing doc-
14 uments of the bridge company; and

15 “(C) any material corporate action of the
16 bridge company, including—

17 “(i) recapitalization;

18 “(ii) a material borrowing;

19 “(iii) termination of an intercompany
20 debt or guarantee;

21 “(iv) a transfer of a substantial por-
22 tion of the assets of the bridge company; or

23 “(v) the issuance or sale of any securi-
24 ties of the bridge company;

1 “(4) that any sale of any equity securities of the
2 bridge company shall not be consummated until the
3 special trustee consults with the Federal Deposit In-
4 surance Corporation and the Board regarding such
5 sale and discloses the results of such consultation with
6 the court;

7 “(5) that, subject to reserves for payments per-
8 mitted under paragraph (1) provided for in the trust
9 agreement, the proceeds of the sale of any equity secu-
10 rities of the bridge company by the special trustee be
11 held in trust for the benefit of or transferred to the
12 estate;

13 “(6) the process and guidelines for the replace-
14 ment of the special trustee; and

15 “(7) that the property held in trust by the spe-
16 cial trustee is subject to distribution in accordance
17 with subsection (c).

18 “(c)(1) The special trustee shall distribute the assets
19 held in trust—

20 “(A) if the court confirms a plan in the case, in
21 accordance with the plan on the effective date of the
22 plan; or

23 “(B) if the case is converted to a case under
24 chapter 7, as ordered by the court.

1 “(2) *As soon as practicable after a final distribution*
2 *under paragraph (1), the office of the special trustee shall*
3 *terminate, except as may be necessary to wind up and con-*
4 *clude the business and financial affairs of the trust.*

5 “(d) *After a transfer to the special trustee under this*
6 *section, the special trustee shall be subject only to applicable*
7 *nonbankruptcy law, and the actions and conduct of the spe-*
8 *cial trustee shall no longer be subject to approval by the*
9 *court in the case under this subchapter.*

10 **“§ 1187. *Temporary and supplemental automatic stay;***
11 ***assumed debt***

12 “(a)(1) *A petition filed under section 1183 operates*
13 *as a stay, applicable to all entities, of the termination, ac-*
14 *celeration, or modification of any debt, contract, lease, or*
15 *agreement of the kind described in paragraph (2), or of any*
16 *right or obligation under any such debt, contract, lease, or*
17 *agreement, solely because of—*

18 “(A) *a default by the debtor under any such*
19 *debt, contract, lease, or agreement; or*

20 “(B) *a provision in such debt, contract, lease, or*
21 *agreement, or in applicable nonbankruptcy law, that*
22 *is conditioned on—*

23 “(i) *the insolvency or financial condition of*
24 *the debtor at any time before the closing of the*
25 *case;*

1 “(ii) the commencement of a case under this
2 title concerning the debtor;

3 “(iii) the appointment of or taking posses-
4 sion by a trustee in a case under this title con-
5 cerning the debtor or by a custodian before the
6 commencement of the case; or

7 “(iv) a credit rating agency rating, or ab-
8 sence or withdrawal of a credit rating agency
9 rating—

10 “(I) of the debtor at any time after the
11 commencement of the case;

12 “(II) of an affiliate during the period
13 from the commencement of the case until 48
14 hours after such order is entered;

15 “(III) of the bridge company while the
16 trustee or the special trustee is a direct or
17 indirect beneficial holder of more than 50
18 percent of the equity securities of—

19 “(aa) the bridge company; or

20 “(bb) the affiliate, if all of the di-
21 rect or indirect interests in the affiliate
22 that are property of the estate are
23 transferred under section 1185; or

24 “(IV) of an affiliate while the trustee
25 or the special trustee is a direct or indirect

1 *beneficial holder of more than 50 percent of*
2 *the equity securities of—*

3 *“(aa) the bridge company; or*

4 *“(bb) the affiliate, if all of the di-*
5 *rect or indirect interests in the affiliate*
6 *that are property of the estate are*
7 *transferred under section 1185.*

8 *“(2) A debt, contract, lease, or agreement described in*
9 *this paragraph is—*

10 *“(A) any debt (other than capital structure*
11 *debt), executory contract, or unexpired lease of the*
12 *debtor (other than a qualified financial contract);*

13 *“(B) any agreement under which the debtor*
14 *issued or is obligated for debt (other than capital*
15 *structure debt);*

16 *“(C) any debt, executory contract, or unexpired*
17 *lease of an affiliate (other than a qualified financial*
18 *contract); or*

19 *“(D) any agreement under which an affiliate*
20 *issued or is obligated for debt.*

21 *“(3) The stay under this subsection terminates—*

22 *“(A) for the benefit of the debtor, upon the ear-*
23 *liest of—*

24 *“(i) 48 hours after the commencement of the*
25 *case;*

1 “(i) assumption of the debt, contract, lease,
2 or agreement by the bridge company under an
3 order authorizing a transfer under section 1185;

4 “(iii) a final order of the court denying the
5 request for a transfer under section 1185; or

6 “(iv) the time the case is dismissed; and

7 “(B) for the benefit of an affiliate, upon the ear-
8 liest of—

9 “(i) the entry of an order authorizing a
10 transfer under section 1185 in which the direct
11 or indirect interests in the affiliate that are
12 property of the estate are not transferred under
13 section 1185;

14 “(ii) a final order by the court denying the
15 request for a transfer under section 1185;

16 “(iii) 48 hours after the commencement of
17 the case if the court has not ordered a transfer
18 under section 1185; or

19 “(iv) the time the case is dismissed.

20 “(4) Subsections (d), (e), (f), and (g) of section 362
21 apply to a stay under this subsection.

22 “(b) A debt, executory contract (other than a qualified
23 financial contract), or unexpired lease of the debtor, or an
24 agreement under which the debtor has issued or is obligated
25 for any debt, may be assumed by a bridge company in a

1 *transfer under section 1185 notwithstanding any provision*
2 *in an agreement or in applicable nonbankruptcy law*
3 *that—*

4 “(1) *prohibits, restricts, or conditions the assign-*
5 *ment of the debt, contract, lease, or agreement; or*

6 “(2) *accelerates, terminates, or modifies, or per-*
7 *mits a party other than the debtor to terminate or*
8 *modify, the debt, contract, lease, or agreement on ac-*
9 *count of—*

10 “(A) *the assignment of the debt, contract,*
11 *lease, or agreement; or*

12 “(B) *a change in control of any party to the*
13 *debt, contract, lease, or agreement.*

14 “(c)(1) *A debt, contract, lease, or agreement of the kind*
15 *described in subparagraph (A) or (B) of subsection (a)(2)*
16 *may not be accelerated, terminated, or modified, and any*
17 *right or obligation under such debt, contract, lease, or agree-*
18 *ment may not be accelerated, terminated, or modified, as*
19 *to the bridge company solely because of a provision in the*
20 *debt, contract, lease, or agreement or in applicable non-*
21 *bankruptcy law—*

22 “(A) *of the kind described in subsection (a)(1)(B)*
23 *as applied to the debtor;*

1 “(B) that prohibits, restricts, or conditions the
2 assignment of the debt, contract, lease, or agreement;
3 or

4 “(C) that accelerates, terminates, or modifies, or
5 permits a party other than the debtor to terminate or
6 modify, the debt, contract, lease or agreement on ac-
7 count of—

8 “(i) the assignment of the debt, contract,
9 lease, or agreement; or

10 “(ii) a change in control of any party to the
11 debt, contract, lease, or agreement.

12 “(2) If there is a default by the debtor under a provi-
13 sion other than the kind described in paragraph (1) in a
14 debt, contract, lease or agreement of the kind described in
15 subparagraph (A) or (B) of subsection (a)(2), the bridge
16 company may assume such debt, contract, lease, or agree-
17 ment only if the bridge company—

18 “(A) shall cure the default;

19 “(B) compensates, or provides adequate assur-
20 ance in connection with a transfer under section 1185
21 that the bridge company will promptly compensate, a
22 party other than the debtor to the debt, contract, lease,
23 or agreement, for any actual pecuniary loss to the
24 party resulting from the default; and

1 “(C) provides adequate assurance in connection
2 with a transfer under section 1185 of future perform-
3 ance under the debt, contract, lease, or agreement, as
4 determined by the court under section 1185(c)(4).

5 **“§ 1188. Treatment of qualified financial contracts**
6 **and affiliate contracts**

7 “(a) Notwithstanding sections 362(b)(6), 362(b)(7),
8 362(b)(17), 362(b)(27), 362(o), 555, 556, 559, 560, and 561,
9 a petition filed under section 1183 operates as a stay, dur-
10 ing the period specified in section 1187(a)(3)(A), applicable
11 to all entities, of the exercise of a contractual right—

12 “(1) to cause the modification, liquidation, ter-
13 mination, or acceleration of a qualified financial con-
14 tract of the debtor or an affiliate;

15 “(2) to offset or net out any termination value,
16 payment amount, or other transfer obligation arising
17 under or in connection with a qualified financial con-
18 tract of the debtor or an affiliate; or

19 “(3) under any security agreement or arrange-
20 ment or other credit enhancement forming a part of
21 or related to a qualified financial contract of the debt-
22 or or an affiliate.

23 “(b)(1) During the period specified in section
24 1187(a)(3)(A), the trustee or the affiliate shall perform all
25 payment and delivery obligations under such qualified fi-

1 *nancial contract of the debtor or the affiliate, as the case*
2 *may be, that become due after the commencement of the*
3 *case. The stay provided under subsection (a) terminates as*
4 *to a qualified financial contract of the debtor or an affiliate*
5 *immediately upon the failure of the trustee or the affiliate,*
6 *as the case may be, to perform any such obligation during*
7 *such period.*

8 “(2) *Any failure by a counterparty to any qualified*
9 *financial contract of the debtor or any affiliate to perform*
10 *any payment or delivery obligation under such qualified*
11 *financial contract, including during the pendency of the*
12 *stay provided under subsection (a), shall constitute a breach*
13 *of such qualified financial contract by the counterparty.*

14 “(c) *Subject to the court’s approval, a qualified finan-*
15 *cial contract between an entity and the debtor may be as-*
16 *signed to or assumed by the bridge company in a transfer*
17 *under, and in accordance with, section 1185 if and only*
18 *if—*

19 “(1) *all qualified financial contracts between the*
20 *entity and the debtor are assigned to and assumed by*
21 *the bridge company in the transfer under section*
22 *1185;*

23 “(2) *all claims of the entity against the debtor*
24 *in respect of any qualified financial contract between*
25 *the entity and the debtor (other than any claim that,*

1 *under the terms of the qualified financial contract, is*
2 *subordinated to the claims of general unsecured credi-*
3 *tors) are assigned to and assumed by the bridge com-*
4 *pany;*

5 *“(3) all claims of the debtor against the entity*
6 *under any qualified financial contract between the*
7 *entity and the debtor are assigned to and assumed by*
8 *the bridge company; and*

9 *“(4) all property securing or any other credit en-*
10 *hancement furnished by the debtor for any qualified*
11 *financial contract described in paragraph (1) or any*
12 *claim described in paragraph (2) or (3) under any*
13 *qualified financial contract between the entity and*
14 *the debtor is assigned to and assumed by the bridge*
15 *company.*

16 *“(d) Notwithstanding any provision of a qualified fi-*
17 *nancial contract or of applicable nonbankruptcy law, a*
18 *qualified financial contract of the debtor that is assumed*
19 *or assigned in a transfer under section 1185 may not be*
20 *accelerated, terminated, or modified, after the entry of the*
21 *order approving a transfer under section 1185, and any*
22 *right or obligation under the qualified financial contract*
23 *may not be accelerated, terminated, or modified, after the*
24 *entry of the order approving a transfer under section 1185*
25 *solely because of a condition described in section 1187(c)(1),*

1 *other than a condition of the kind specified in section*
2 *1187(b) that occurs after property of the estate no longer*
3 *includes a direct beneficial interest or an indirect beneficial*
4 *interest through the special trustee, in more than 50 percent*
5 *of the equity securities of the bridge company.*

6 “(e) *Notwithstanding any provision of any agreement*
7 *or in applicable nonbankruptcy law, an agreement of an*
8 *affiliate (including an executory contract, an unexpired*
9 *lease, qualified financial contract, or an agreement under*
10 *which the affiliate issued or is obligated for debt) and any*
11 *right or obligation under such agreement may not be accel-*
12 *erated, terminated, or modified, solely because of a condi-*
13 *tion described in section 1187(c)(1), other than a condition*
14 *of the kind specified in section 1187(b) that occurs after*
15 *the bridge company is no longer a direct or indirect bene-*
16 *ficial holder of more than 50 percent of the equity securities*
17 *of the affiliate, at any time after the commencement of the*
18 *case if—*

19 “(1) *all direct or indirect interests in the affil-*
20 *iate that are property of the estate are transferred*
21 *under section 1185 to the bridge company within the*
22 *period specified in subsection (a);*

23 “(2) *the bridge company assumes—*

1 “(A) any guarantee or other credit enhance-
2 ment issued by the debtor relating to the agree-
3 ment of the affiliate; and

4 “(B) any obligations in respect of rights of
5 setoff, netting arrangement, or debt of the debtor
6 that directly arises out of or directly relates to
7 the guarantee or credit enhancement; and

8 “(3) any property of the estate that directly
9 serves as collateral for the guarantee or credit en-
10 hancement is transferred to the bridge company.

11 **“§ 1189. Licenses, permits, and registrations**

12 “(a) Notwithstanding any otherwise applicable non-
13 bankruptcy law, if a request is made under section 1185
14 for a transfer of property of the estate, any Federal, State,
15 or local license, permit, or registration that the debtor or
16 an affiliate had immediately before the commencement of
17 the case and that is proposed to be transferred under section
18 1185 may not be accelerated, terminated, or modified at
19 any time after the request solely on account of—

20 “(1) the insolvency or financial condition of the
21 debtor at any time before the closing of the case;

22 “(2) the commencement of a case under this title
23 concerning the debtor;

24 “(3) the appointment of or taking possession by
25 a trustee in a case under this title concerning the

1 debtor or by a custodian before the commencement of
2 the case; or

3 “(4) a transfer under section 1185.

4 “(b) Notwithstanding any otherwise applicable non-
5 bankruptcy law, any Federal, State, or local license, permit,
6 or registration that the debtor had immediately before the
7 commencement of the case that is included in a transfer
8 under section 1185 shall be valid and all rights and obliga-
9 tions thereunder shall vest in the bridge company.

10 **“§ 1190. Exemption from securities laws**

11 “For purposes of section 1145, a security of the bridge
12 company shall be deemed to be a security of a successor
13 to the debtor under a plan if the court approves the disclo-
14 sure statement for the plan as providing adequate informa-
15 tion (as defined in section 1125(a)) about the bridge com-
16 pany and the security.

17 **“§ 1191. Inapplicability of certain avoiding powers**

18 “A transfer made or an obligation incurred by the
19 debtor to an affiliate prior to or after the commencement
20 of the case, including any obligation released by the debtor
21 or the estate to or for the benefit of an affiliate, in con-
22 templation of or in connection with a transfer under section
23 1185 is not avoidable under section 544, 547, 548(a)(1)(B),
24 or 549, or under any similar nonbankruptcy law.

1 **“§ 1192. Consideration of financial stability**

2 *“The court may consider the effect that any decision*
3 *in connection with this subchapter may have on financial*
4 *stability in the United States.”.*

5 **SEC. 123. AMENDMENTS TO TITLE 28, UNITED STATES**
6 **CODE.**

7 *(a) AMENDMENT TO CHAPTER 13.—Chapter 13 of title*
8 *28, United States Code, is amended by adding at the end*
9 *the following:*

10 **“§ 298. Judge for a case under subchapter V of chap-**
11 **ter 11 of title 11**

12 *“(a)(1) Notwithstanding section 295, the Chief Justice*
13 *of the United States shall designate not fewer than 10 bank-*
14 *ruptcy judges to be available to hear a case under sub-*
15 *chapter V of chapter 11 of title 11. Bankruptcy judges may*
16 *request to be considered by the Chief Justice of the United*
17 *States for such designation.*

18 *“(2) Notwithstanding section 155, a case under sub-*
19 *chapter V of chapter 11 of title 11 shall be heard under*
20 *section 157 by a bankruptcy judge designated under para-*
21 *graph (1), who shall be randomly assigned to hear such case*
22 *by the chief judge of the court of appeals for the circuit*
23 *embracing the district in which the case is pending. To the*
24 *greatest extent practicable, the approvals required under*
25 *section 155 should be obtained.*

1 “(3) *If the bankruptcy judge assigned to hear a case*
2 *under paragraph (2) is not assigned to the district in which*
3 *the case is pending, the bankruptcy judge shall be tempo-*
4 *rarily assigned to the district.*”

5 “(b) *A case under subchapter V of chapter 11 of title*
6 *11, and all proceedings in the case, shall take place in the*
7 *district in which the case is pending.*”

8 “(c) *In this section, the term ‘covered financial cor-*
9 *poration’ has the meaning given that term in section*
10 *101(9A) of title 11.’.*”

11 (b) *AMENDMENT TO SECTION 1334 OF TITLE 28.—Sec-*
12 *tion 1334 of title 28, United States Code, is amended by*
13 *adding at the end the following:*

14 “(f) *This section does not grant jurisdiction to the dis-*
15 *trict court after a transfer pursuant to an order under sec-*
16 *tion 1185 of title 11 of any proceeding related to a special*
17 *trustee appointed, or to a bridge company formed, in con-*
18 *nection with a case under subchapter V of chapter 11 of*
19 *title 11.’.*”

20 (c) *TECHNICAL AND CONFORMING AMENDMENT.—The*
21 *table of sections for chapter 13 of title 28, United States*
22 *Code, is amended by adding at the end the following:*

“298. *Judge for a case under subchapter V of chapter 11 of title 11.’.*”

1 **Subtitle C—Ending Government**
2 **Guarantees**

3 **SEC. 131. REPEAL OF OBLIGATION GUARANTEE PROGRAM.**

4 (a) *IN GENERAL.*—*The following sections of the Dodd-*
5 *Frank Wall Street Reform and Consumer Protection Act*
6 *(12 U.S.C. 5301 et seq.) are repealed:*

7 (1) *Section 1104.*

8 (2) *Section 1105.*

9 (3) *Section 1106.*

10 (b) *CLERICAL AMENDMENT.*—*The table of contents*
11 *under section 1(b) of the Dodd-Frank Wall Street Reform*
12 *and Consumer Protection Act is amended by striking the*
13 *items relating to sections 1104, 1105, and 1106.*

14 **SEC. 132. REPEAL OF SYSTEMIC RISK DETERMINATION IN**
15 **RESOLUTIONS.**

16 Section 13(c)(4)(G) of the *Federal Deposit Insurance*
17 *Act (12 U.S.C. 1823(c)(4)(G)) is hereby repealed.*

18 **SEC. 133. RESTRICTIONS ON USE OF THE EXCHANGE STA-**
19 **BILIZATION FUND.**

20 (a) *IN GENERAL.*—*Section 5302 of title 31, United*
21 *States Code, is amended by adding at the end the following:*

22 “(e) *Amounts in the fund may not be used for the es-*
23 *tablishment of a guaranty program for any nongovern-*
24 *mental entity.*”.

1 (b) *CONFORMING AMENDMENT.*—Section 131(b) of the
2 *Emergency Economic Stabilization Act of 2008* (12 U.S.C.
3 5236(b)) is amended by inserting “, or for the purposes of
4 preventing the liquidation or insolvency of any entity” be-
5 fore the period.

6 ***Subtitle D—Eliminating Financial***
7 ***Market Utility Designations***

8 ***SEC. 141. REPEAL OF TITLE VIII.***

9 (a) *REPEAL.*—Title VIII of the *Dodd-Frank Wall*
10 *Street Reform and Consumer Protection Act* (12 U.S.C.
11 5461 *et seq.*) is repealed, and provisions of law amended
12 by such title are restored and revived as if such title had
13 never been enacted.

14 (b) *CLERICAL AMENDMENT.*—The table of contents in
15 section 1(b) of the *Dodd-Frank Wall Street Reform and*
16 *Consumer Protection Act* is amended by striking the items
17 relating to title VIII.

18 ***Subtitle E—Reform of the Financial***
19 ***Stability Act of 2010***

20 ***SEC. 151. REPEAL AND MODIFICATION OF PROVISIONS OF***
21 ***THE FINANCIAL STABILITY ACT OF 2010.***

22 (a) *REPEALS.*—The following provisions of the *Finan-*
23 *cial Stability Act of 2010* are repealed, and the provisions
24 of law amended or repealed by such provisions are restored
25 or revived as if such provisions had not been enacted:

- 1 (1) *Subtitle B.*
- 2 (2) *Section 113.*
- 3 (3) *Section 114.*
- 4 (4) *Section 115.*
- 5 (5) *Section 116.*
- 6 (6) *Section 117.*
- 7 (7) *Section 119.*
- 8 (8) *Section 120.*
- 9 (9) *Section 121.*
- 10 (10) *Section 161.*
- 11 (11) *Section 162.*
- 12 (12) *Section 164.*
- 13 (13) *Section 166.*
- 14 (14) *Section 167.*
- 15 (15) *Section 168.*
- 16 (16) *Section 170.*
- 17 (17) *Section 172.*
- 18 (18) *Section 174.*
- 19 (19) *Section 175.*

20 (b) *ADDITIONAL MODIFICATIONS.—The Financial Sta-*
21 *bility Act of 2010 (12 U.S.C. 5311 et seq.) is amended—*

22 (1) *in section 102(a), by striking paragraph (5);*

23 (2) *in section 111—*

24 (A) *in subsection (b)—*

25 (i) *in paragraph (1)—*

1 (I) by striking “who shall each”
2 and inserting “who shall, except as
3 provided below, each”; and

4 (II) by striking subparagraphs
5 (B) through (J) and inserting the fol-
6 lowing:

7 “(B) each member of the Board of Gov-
8 ernors, who shall collectively have 1 vote on the
9 Council;

10 “(C) the Comptroller of the Currency;

11 “(D) the Director of the Consumer Law En-
12 forcement Agency;

13 “(E) each member of the Commission, who
14 shall collectively have 1 vote on the Council;

15 “(F) each member of the Corporation, who
16 shall collectively have 1 vote on the Council;

17 “(G) each member of the Commodity Fu-
18 tures Trading Commission, who shall collectively
19 have 1 vote on the Council;

20 “(H) the Director of the Federal Housing
21 Finance Agency;

22 “(I) each member of the National Credit
23 Union Administration Board, who shall collec-
24 tively have 1 vote on the Council; and

25 “(J) the Independent Insurance Advocate.”;

1 (ii) in paragraph (2)—

2 (I) by striking subparagraphs (A)

3 and (B); and

4 (II) by redesignating subpara-

5 graphs (C), (D), and (E) as subpara-

6 graphs (A), (B), and (C), respectively;

7 and

8 (iii) by adding at the end the fol-

9 lowing:

10 “(4) VOTING BY MULTI-PERSON ENTITY.—

11 “(A) VOTING WITHIN THE ENTITY.—An en-

12 tity described under subparagraph (B), (E), (F),

13 (G), or (I) of paragraph (1) shall determine the

14 entity’s Council vote by using the voting process

15 normally applicable to votes by the entity’s mem-

16 bers.

17 “(B) CASTING OF ENTITY VOTE.—The 1 col-

18 lective Council vote of an entity described under

19 subparagraph (A) shall be cast by the head of

20 such agency or, in the event such head is unable

21 to cast such vote, the next most senior member of

22 the entity available.”;

23 (B) in subsection (c), by striking “subpara-

24 graphs (C), (D), and (E)” and inserting “sub-

25 paragraphs (B), (C), and (D)”;

1 (C) in subsection (e), by adding at the end
2 the following:

3 “(3) *STAFF ACCESS.*—Any member of the Coun-
4 cil may select to have one or more individuals on the
5 member’s staff attend a meeting of the Council, in-
6 cluding any meeting of representatives of the member
7 agencies other than the members themselves.

8 “(4) *CONGRESSIONAL OVERSIGHT.*—All meetings
9 of the Council, whether or not open to the public, shall
10 be open to the attendance by members of the Com-
11 mittee on Financial Services of the House of Rep-
12 resentatives and the Committee on Banking, Housing,
13 and Urban Affairs of the Senate.

14 “(5) *MEMBER AGENCY MEETINGS.*—Any meeting
15 of representatives of the member agencies other than
16 the members themselves shall be open to attendance by
17 staff of the Committee on Financial Services of the
18 House of Representatives and the Committee on
19 Banking, Housing, and Urban Affairs of the Senate.”;

20 (D) by striking subsection (g) (relating to
21 the nonapplicability of FACA);

22 (E) by inserting after subsection (f) the fol-
23 lowing:

24 “(g) *OPEN MEETING REQUIREMENT.*—The Council
25 shall be an agency for purposes of section 552b of title 5,

1 *United States Code (commonly referred to as the ‘Govern-*
2 *ment in the Sunshine Act’).*

3 “(h) *CONFIDENTIAL CONGRESSIONAL BRIEFINGS.—At*
4 *the request of the Chairman of the Committee on Financial*
5 *Services of the House of Representatives or the Chairman*
6 *of the Committee on Banking, Housing, and Urban Affairs*
7 *of the Senate, the Chairperson shall appear before Congress*
8 *to provide a confidential briefing.”; and*

9 (F) *by redesignating subsections (h) through*
10 *(j) as subsections (i) through (k), respectively;*

11 (3) *in section 112—*

12 (A) *in subsection (a)(2)—*

13 (i) *in subparagraph (A), by striking*
14 *“the Federal Insurance Office and, if nec-*
15 *essary to assess risks to the United States fi-*
16 *nancial system, direct the Office of Finan-*
17 *cial Research to” and inserting “and, if*
18 *necessary to assess risks to the United*
19 *States financial system,”;*

20 (ii) *by striking subparagraphs (B),*
21 *(H), (I), and (J);*

22 (iii) *by redesignating subparagraphs*
23 *(C), (D), (E), (F), (G), (K), (L), (M), and*
24 *(N) as subparagraphs (B), (C), (D), (E),*
25 *(F), (G), (H), (I), and (J), respectively;*

1 *(iv) in subparagraph (J), as so redesi-*
2 *gnated—*

3 *(I) in clause (iii), by adding*
4 *“and” at the end;*

5 *(II) by striking clauses (iv) and*
6 *(v); and*

7 *(III) by redesignating clause (vi)*
8 *as clause (iv); and*

9 *(B) in subsection (d)—*

10 *(i) in paragraph (1), by striking “the*
11 *Office of Financial Research, member agen-*
12 *cies, and the Federal Insurance Office” and*
13 *inserting “member agencies”;*

14 *(ii) in paragraph (2), by striking “the*
15 *Office of Financial Research, any member*
16 *agency, and the Federal Insurance Office,”*
17 *and inserting “member agencies”;*

18 *(iii) in paragraph (3)—*

19 *(I) by striking “, acting through*
20 *the Office of Financial Research,” each*
21 *place it appears; and*

22 *(II) in subparagraph (B), by*
23 *striking “the Office of Financial Re-*
24 *search or”;* and

1 (iv) in paragraph (5)(A), by striking
2 “, the Office of Financial Research,”;

3 (4) by amending section 118 to read as follows:

4 **“SEC. 118. COUNCIL FUNDING.**

5 *“There is authorized to be appropriated to the Council*
6 *\$4,000,000 for fiscal year 2017 and each fiscal year there-*
7 *after to carry out the duties of the Council.”;*

8 (5) in section 163—

9 (A) by striking subsection (a);

10 (B) by redesignating subsection (b) as sub-
11 section (a); and

12 (C) in subsection (a), as so redesignated—

13 (i) by striking “or a nonbank financial
14 company supervised by the Board of Gov-
15 ernors” each place such term appears;

16 (ii) in paragraph (4), by striking “In
17 addition” and inserting the following:

18 “(A) *IN GENERAL.—In addition*”; and

19 (iii) by adding at the end the fol-
20 lowing:

21 “(B) *EXCEPTION FOR QUALIFYING BANKING*
22 *ORGANIZATION.—Subparagraph (A) shall not*
23 *apply to a proposed acquisition by a qualifying*
24 *banking organization, as defined under section*

1 605 of the *Financial CHOICE Act of 2017.*”;

2 *and*

3 (6) *in section 165—*

4 (A) *by striking “nonbank financial compa-*
5 *nies supervised by the Board of Governors and”*
6 *each place such term appears;*

7 (B) *by striking “nonbank financial com-*
8 *pany supervised by the Board of Governors and”*
9 *each place such term appears;*

10 (C) *in subsection (a), by amending para-*
11 *graph (2) to read as follows:*

12 “(2) *TAILORED APPLICATION.—In prescribing*
13 *more stringent prudential standards under this sec-*
14 *tion, the Board of Governors may differentiate among*
15 *companies on an individual basis or by category, tak-*
16 *ing into consideration their capital structure, riski-*
17 *ness, complexity, financial activities (including the fi-*
18 *nancial activities of their subsidiaries), size, and any*
19 *other risk-related factors that the Board of Governors*
20 *deems appropriate.”;*

21 (D) *in subsection (b)—*

22 (i) *in paragraph (1)(B)(iv), by strik-*
23 *ing “, on its own or pursuant to a rec-*
24 *ommendation made by the Council in ac-*
25 *cordance with section 115,”;*

1 (ii) in paragraph (2)—

2 (I) by striking “foreign nonbank
3 financial company supervised by the
4 Board of Governors or”;

5 (II) by striking “shall—” and all
6 that follows through “give due” and in-
7 serting “shall give due”;

8 (III) in subparagraph (A), by
9 striking “; and” and inserting a pe-
10 riod; and

11 (IV) by striking subparagraph
12 (B);

13 (iii) in paragraph (3)—

14 (I) in subparagraph (A)—

15 (aa) by striking clause (i);

16 (bb) by redesignating clauses
17 (ii), (iii), and (iv) as clauses (i),
18 (ii), and (iii), respectively; and

19 (cc) in clause (iii), as so re-
20 designating, by adding “and” at
21 the end;

22 (II) by striking subparagraphs
23 (B) and (C); and

24 (III) by redesignating subpara-
25 graph (D) as subparagraph (B); and

1 (iv) in paragraph (4), by striking “a
2 nonbank financial company supervised by
3 the Board of Governors or”;

4 (E) in subsection (c)—

5 (i) in paragraph (1), by striking
6 “under section 115(c)”; and

7 (ii) in paragraph (2)—

8 (I) by amending subparagraph

9 (A) to read as follows:

10 “(A) any recommendations of the Council;”;

11 and

12 (II) in subparagraph (D), by

13 striking “nonbank financial company

14 supervised by the Board of Governors

15 or”;

16 (F) in subsection (d)—

17 (i) by striking “a nonbank financial
18 company supervised by the Board of Gov-
19 ernors or” each place such term appears;

20 (ii) in paragraph (1), by striking “pe-
21 riodically” and inserting “not more often
22 than every 2 years”;

23 (iii) in paragraph (3)—

24 (I) by striking “The Board” and
25 inserting the following:

1 “(A) *IN GENERAL.—The Board*”;

2 (II) *by striking “shall review”*

3 *and inserting the following: “shall—*

4 *“(i) review”;*

5 (III) *by striking the period and*

6 *inserting “; and”; and*

7 (IV) *by adding at the end the fol-*

8 *lowing:*

9 *“(ii) not later than the end of the 6-*

10 *month period beginning on the date the*

11 *bank holding company submits the resolu-*

12 *tion plan, provide feedback to the bank*

13 *holding company on such plan.*

14 “(B) *DISCLOSURE OF ASSESSMENT FRAME-*

15 *WORK.—The Board of Governors shall publicly*

16 *disclose the assessment framework that is used to*

17 *review information under this paragraph and*

18 *shall provide the public with a notice and com-*

19 *ment period before finalizing such assessment*

20 *framework.”.*

21 (iiv) *in paragraph (6), by striking*

22 *“nonbank financial company supervised by*

23 *the Board, any bank holding company,”*

24 *and inserting “bank holding company”;*

25 (G) *in subsection (e)—*

1 (i) in paragraph (1), by striking “a
2 nonbank financial company supervised by
3 the Board of Governors or”;

4 (ii) in paragraph (3), by striking “the
5 nonbank financial company supervised by
6 the Board of Governors or” each place such
7 term appears; and

8 (iii) in paragraph (4), by striking “a
9 nonbank financial company supervised by
10 the Board of Governors or”;

11 (H) in subsection (g)(1), by striking “and
12 any nonbank financial company supervised by
13 the Board of Governors”;

14 (I) in subsection (h)—

15 (i) by striking paragraph (1);

16 (ii) by redesignating paragraphs (2),
17 (3), and (4) as paragraphs (1), (2), and (3),
18 respectively;

19 (iii) in paragraph (1), as so redesign-
20 ated, by striking “paragraph (3)” each
21 place such term appears and inserting
22 “paragraph (2)”; and

23 (iv) in paragraph (2), as so redesign-
24 ated—

1 (I) in subparagraph (A), by strik-
2 ing “the nonbank financial company
3 supervised by the Board of Governors
4 or bank holding company described in
5 subsection (a), as applicable” and in-
6 serting “a bank holding company de-
7 scribed in subsection (a)”; and

8 (II) in subparagraph (B), by
9 striking “the nonbank financial com-
10 pany supervised by the Board of Gov-
11 ernors or a bank holding company de-
12 scribed in subsection (a), as applica-
13 ble” and inserting “a bank holding
14 company described in subsection (a)”;
15

(J) in subsection (i)—

16 (i) in paragraph (1)—

17 (I) in subparagraph (A), by strik-
18 ing “, in coordination with the appro-
19 priate primary financial regulatory
20 agencies and the Federal Insurance Of-
21 fice,”;

22 (II) in subparagraph (B)—

23 (aa) by amending clause (i)

24 to read as follows:

25 “(i) shall—

1 “(I) issue regulations, after pro-
2 viding for public notice and comment,
3 that provide for at least 3 different sets
4 of conditions under which the evalua-
5 tion required by this subsection shall
6 be conducted, including baseline, ad-
7 verse, and severely adverse, and meth-
8 odologies, including models used to es-
9 timate losses on certain assets, and the
10 Board of Governors shall not carry out
11 any such evaluation until 60 days
12 after such regulations are issued; and

13 “(II) provide copies of such regu-
14 lations to the Comptroller General of
15 the United States and the Panel of
16 Economic Advisors of the Congres-
17 sional Budget Office before publishing
18 such regulations;”;

19 (bb) in clause (ii), by strik-
20 ing “and nonbank financial com-
21 panies”;

22 (cc) in clause (iv), by strik-
23 ing “and” at the end;

24 (dd) in clause (v), by strik-
25 ing the period and inserting the

1 following: “, including any results
2 of a resubmitted test;” and

3 (ee) by adding at the end the
4 following:

5 “(vi) shall, in establishing the severely
6 adverse condition under clause (i), provide
7 detailed consideration of the model’s effects
8 on financial stability and the cost and
9 availability of credit;

10 “(vii) shall, in developing the models
11 and methodologies and providing them for
12 notice and comment under this subpara-
13 graph, publish a process to test the models
14 and methodologies for their potential to
15 magnify systemic and institutional risks in-
16 stead of facilitating increased resiliency;

17 “(viii) shall design and publish a proc-
18 ess to test and document the sensitivity and
19 uncertainty associated with the model sys-
20 tem’s data quality, specifications, and as-
21 sumptions; and

22 “(ix) shall communicate the range and
23 sources of uncertainty surrounding the mod-
24 els and methodologies.”; and

1 (III) by adding at the end the fol-
2 lowing:

3 “(C) CCAR REQUIREMENTS.—

4 “(i) PARAMETERS AND CONSEQUENCES
5 APPLICABLE TO CCAR.—The requirements of
6 subparagraph (B) shall apply to CCAR.

7 “(ii) TWO-YEAR LIMITATION.—The
8 Board of Governors may not subject a com-
9 pany to CCAR more than once every two
10 years.

11 “(iii) MID-CYCLE RESUBMISSION.—If a
12 company receives a quantitative objection
13 to, or otherwise desires to amend the com-
14 pany’s capital plan, the company may file
15 a new streamlined plan at any time after
16 a capital planning exercise has been com-
17 pleted and before a subsequent capital plan-
18 ning exercise.

19 “(iv) LIMITATION ON QUALITATIVE
20 CAPITAL PLANNING OBJECTIONS.—In car-
21 rying out CCAR, the Board of Governors
22 may not object to a company’s capital plan
23 on the basis of qualitative deficiencies in the
24 company’s capital planning process.

1 “(v) *COMPANY INQUIRIES.*—*The Board*
2 *of Governors shall establish and publish*
3 *procedures for responding to inquiries from*
4 *companies subject to CCAR, including es-*
5 *tablishing the time frame in which such re-*
6 *sponses will be made, and make such proce-*
7 *dures publicly available.*

8 “(vi) *CCAR DEFINED.*—*For purposes*
9 *of this subparagraph and subparagraph*
10 *(E), the term ‘CCAR’ means the Com-*
11 *prehensive Capital Analysis and Review es-*
12 *tablished by the Board of Governors.’; and*

13 *(ii) in paragraph (2)—*

14 *(I) in subparagraph (A)—*

15 *(aa) by striking “a bank*
16 *holding company” and inserting*
17 *“bank holding company”;*

18 *(bb) by striking “semi-*
19 *annual” and inserting “annual”;*

20 *(cc) by striking “All other fi-*
21 *nancial companies” and inserting*
22 *“All other bank holding compa-*
23 *nies”;* and

1 (dd) by striking “and are
2 regulated by a primary Federal
3 financial regulatory agency”;

4 (II) in subparagraph (B)—

5 (aa) by striking “and to its
6 primary financial regulatory
7 agency”; and

8 (bb) by striking “primary fi-
9 nancial regulatory agency” the
10 second time it appears and insert-
11 ing “Board of Governors”; and

12 (III) in subparagraph (C)—

13 (aa) by striking “Each Fed-
14 eral primary financial regulatory
15 agency, in coordination with the
16 Board of Governors and the Fed-
17 eral Insurance Office,” and insert-
18 ing “The Board of Governors”;
19 and

20 (bb) by striking “consistent
21 and comparable”.

22 (K) in subsection (j)—

23 (i) in paragraph (1), by striking “or a
24 nonbank financial company supervised by
25 the Board of Governors”; and

1 (ii) in paragraph (2), by striking “the
2 factors described in subsections (a) and (b)
3 of section 113 and any other” and inserting
4 “any”;

5 (L) in subsection (k)(1), by striking “or
6 nonbank financial company supervised by the
7 Board of Governors”; and

8 (M) by adding at the end the following:

9 “(l) *EXEMPTION FOR QUALIFYING BANKING ORGANI-*
10 *ZATIONS.—This section shall not apply to a proposed acqui-*
11 *sition by a qualifying banking organization, as defined*
12 *under section 605 of the Financial CHOICE Act of 2017.”.*

13 (c) *TREATMENT OF OTHER RESOLUTION PLAN RE-*
14 *QUIREMENTS.—*

15 (1) *IN GENERAL.—With respect to an appro-*
16 *priate Federal banking agency that requires a bank-*
17 *ing organization to submit to the agency a resolution*
18 *plan not described under section 165(d) of the Dodd-*
19 *Frank Wall Street Reform and Consumer Protection*
20 *Act—*

21 (A) *the agency shall comply with the re-*
22 *quirements of paragraphs (3) and (4) of such*
23 *section 165(d);*

1 (B) the agency may not require the submis-
2 sion of such a resolution plan more often than
3 every 2 years; and

4 (C) paragraphs (6) and (7) of such section
5 165(d) shall apply to such a resolution plan.

6 (2) *DEFINITIONS.*—For purposes of this sub-
7 section, the terms “appropriate Federal banking agen-
8 cy” and “banking organization” have the meaning
9 given those terms, respectively, under section 105.

10 (d) *ACTIONS TO CREATE A BANK HOLDING COM-*
11 *PANY.*—Section 3(b)(1) of the Bank Holding Company Act
12 of 1956 (12 U.S.C. 1842(b)(1)) is amended—

13 (1) by striking “Upon receiving” and inserting
14 the following:

15 “(A) *IN GENERAL.*—Upon receiving”;

16 (2) by striking “Notwithstanding any other pro-
17 vision” and inserting the following:

18 “(B) *IMMEDIATE ACTION.*—

19 “(i) *IN GENERAL.*—Notwithstanding
20 any other provision”; and

21 (3) by adding at the end the following:

22 “(ii) *EXCEPTION.*—The Board may not
23 take any action pursuant to clause (i) on
24 an application that would cause any com-
25 pany to become a bank holding company

1 *unless such application involves the com-*
2 *pany acquiring a bank that is critically*
3 *undercapitalized (as such term is defined*
4 *under section 38(b) of the Federal Deposit*
5 *Insurance Act).”.*

6 *(e) CONCENTRATION LIMITS APPLIED ONLY TO BANK-*
7 *ING ORGANIZATIONS.—Section 14 of the Bank Holding*
8 *Company Act of 1956 (12 U.S.C. 1852) is amended—*

9 *(1) by striking “financial company” each place*
10 *such term appears and inserting “banking organiza-*
11 *tion”;*

12 *(2) in subsection (a)—*

13 *(A) by amending paragraph (2) to read as*
14 *follows:*

15 *“(2) the term ‘banking organization’ means—*

16 *“(A) an insured depository institution;*

17 *“(B) a bank holding company;*

18 *“(C) a savings and loan holding company;*

19 *“(D) a company that controls an insured*
20 *depository institution; and*

21 *“(E) a foreign bank or company that is*
22 *treated as a bank holding company for purposes*
23 *of this Act; and”;*

24 *(B) in paragraph (3)—*

1 (i) in subparagraph (A)(ii), by adding
2 “and” at the end;

3 (ii) in subparagraph (B)(ii), by strik-
4 ing “; and” and inserting a period; and

5 (iii) by striking subparagraph (C);
6 and

7 (3) in subsection (b), by striking “financial com-
8 panies” and inserting “banking organizations”.

9 (f) **CONFORMING AMENDMENT.**—Section 3502(5) of
10 title 44, United States Code, is amended by striking “the
11 Office of Financial Research,”.

12 (g) **CLERICAL AMENDMENT.**—The table of contents
13 under section 1(b) of the Dodd-Frank Wall Street Reform
14 and Consumer Protection Act is amended by striking the
15 items relating to subtitle B of title I and 113, 114, 115,
16 116, 117, 119, 120, 121, 161, 162, 164, 166, 167, 168, 170,
17 172, 174, and 175.

18 **SEC. 152. OPERATIONAL RISK CAPITAL REQUIREMENTS**

19 **FOR BANKING ORGANIZATIONS.**

20 (a) **IN GENERAL.**—An appropriate Federal banking
21 agency may not establish an operational risk capital re-
22 quirement for banking organizations, unless such require-
23 ment—

24 (1) is based on the risks posed by a banking or-
25 ganization’s current activities and businesses;

1 (2) *is appropriately sensitive to the risks posed*
 2 *by such current activities and businesses;*

3 (3) *is determined under a forward-looking assess-*
 4 *ment of potential losses that may arise out of a bank-*
 5 *ing organization’s current activities and businesses,*
 6 *which is not solely based on a banking organization’s*
 7 *historical losses; and*

8 (4) *permits adjustments based on qualifying*
 9 *operational risk mitigants.*

10 (b) *DEFINITIONS.—For purposes of this section, the*
 11 *terms “appropriate Federal banking agency” and “banking*
 12 *organization” have the meaning given those terms, respec-*
 13 *tively, under section 605.*

14 **TITLE II—DEMANDING AC-**
 15 **COUNTABILITY FROM WALL**
 16 **STREET**

17 **Subtitle A—SEC Penalties**
 18 **Modernization**

19 **SEC. 211. ENHANCEMENT OF CIVIL PENALTIES FOR SECURI-**
 20 **TIES LAWS VIOLATIONS.**

21 (a) *UPDATED CIVIL MONEY PENALTIES.—*

22 (1) *SECURITIES ACT OF 1933.—*

23 (A) *MONEY PENALTIES IN ADMINISTRATIVE*
 24 *ACTIONS.—Section 8A(g)(2) of the Securities Act*
 25 *of 1933 (15 U.S.C. 77h–1(g)(2)) is amended—*

1 (i) in subparagraph (A)—

2 (I) by striking “\$7,500” and in-
3 serting “\$10,000”; and

4 (II) by striking “\$75,000” and in-
5 serting “\$100,000”;

6 (ii) in subparagraph (B)—

7 (I) by striking “\$75,000” and in-
8 serting “\$100,000”; and

9 (II) by striking “\$375,000” and
10 inserting “\$500,000”; and

11 (iii) by striking subparagraph (C) and
12 inserting the following:

13 “(C) *THIRD TIER.*—

14 “(i) *IN GENERAL.*—Notwithstanding
15 subparagraphs (A) and (B), the amount of
16 penalty for each such act or omission shall
17 not exceed the amount specified in clause
18 (ii) if—

19 “(I) the act or omission described
20 in paragraph (1) involved fraud, de-
21 ceit, manipulation, or deliberate or
22 reckless disregard of a regulatory re-
23 quirement; and

24 “(II) such act or omission directly
25 or indirectly resulted in—

1 “(aa) substantial losses or
2 created a significant risk of sub-
3 stantial losses to other persons; or

4 “(bb) substantial pecuniary
5 gain to the person who committed
6 the act or omission.

7 “(i) *MAXIMUM AMOUNT OF PEN-*
8 *ALTY.—The amount referred to in clause (i)*
9 *is the greatest of—*

10 “(I) \$300,000 for a natural per-
11 son or \$1,450,000 for any other person;

12 “(II) 3 times the gross amount of
13 pecuniary gain to the person who com-
14 mitted the act or omission; or

15 “(III) the amount of losses in-
16 curred by victims as a result of the act
17 or omission.”.

18 (B) *MONEY PENALTIES IN CIVIL ACTIONS.—*
19 *Section 20(d)(2) of the Securities Act of 1933 (15*
20 *U.S.C. 77t(d)(2)) is amended—*

21 (i) *in subparagraph (A)—*

22 (I) *by striking “\$5,000” and in-*
23 *serting “\$10,000”; and*

24 (II) *by striking “\$50,000” and in-*
25 *serting “\$100,000”;*

1 (ii) in subparagraph (B)—

2 (I) by striking “\$50,000” and in-
3 serting “\$100,000”; and

4 (II) by striking “\$250,000” and
5 inserting “\$500,000”; and

6 (iii) by striking subparagraph (C) and
7 inserting the following:

8 “(C) *THIRD TIER.*—

9 “(i) *IN GENERAL.*—Notwithstanding
10 subparagraphs (A) and (B), the amount of
11 penalty for each such violation shall not ex-
12 ceed the amount specified in clause (ii) if—

13 “(I) the violation described in
14 paragraph (1) involved fraud, deceit,
15 manipulation, or deliberate or reckless
16 disregard of a regulatory requirement;
17 and

18 “(II) such violation directly or in-
19 directly resulted in substantial losses
20 or created a significant risk of substan-
21 tial losses to other persons.

22 “(ii) *MAXIMUM AMOUNT OF PEN-*
23 *ALTY.*—The amount referred to in clause (i)
24 is the greatest of—

1 “(I) \$300,000 for a natural per-
2 son or \$1,450,000 for any other person;

3 “(II) 3 times the gross amount of
4 pecuniary gain to such defendant as a
5 result of the violation; or

6 “(III) the amount of losses in-
7 curred by victims as a result of the vio-
8 lation.”.

9 (2) *SECURITIES EXCHANGE ACT OF 1934.*—

10 (A) *MONEY PENALTIES IN CIVIL ACTIONS.*—

11 Section 21(d)(3)(B) of the Securities Exchange
12 Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amend-
13 ed—

14 (i) in clause (i)—

15 (I) by striking “\$5,000” and in-
16 serting “\$10,000”; and

17 (II) by striking “\$50,000” and in-
18 serting “\$100,000”;

19 (ii) in clause (ii)—

20 (I) by striking “\$50,000” and in-
21 serting “\$100,000”; and

22 (II) by striking “\$250,000” and
23 inserting “\$500,000”; and

24 (iii) by striking clause (iii) and insert-
25 ing the following:

1 “(iii) *THIRD TIER.*—

2 “(I) *IN GENERAL.*—*Notwithstanding*
3 *clauses (i) and (ii), the amount of penalty*
4 *for each such violation shall not exceed the*
5 *amount specified in subclause (II) if—*

6 “(aa) *the violation described in*
7 *subparagraph (A) involved fraud, de-*
8 *ceit, manipulation, or deliberate or*
9 *reckless disregard of a regulatory re-*
10 *quirement; and*

11 “(bb) *such violation directly or*
12 *indirectly resulted in substantial losses*
13 *or created a significant risk of substan-*
14 *tial losses to other persons.*

15 “(II) *MAXIMUM AMOUNT OF PEN-*
16 *ALTY.*—*The amount referred to in subclause*
17 *(I) is the greatest of—*

18 “(aa) *\$300,000 for a natural per-*
19 *son or \$1,450,000 for any other person;*

20 “(bb) *3 times the gross amount of*
21 *pecuniary gain to such defendant as a*
22 *result of the violation; or*

23 “(cc) *the amount of losses in-*
24 *curring by victims as a result of the vio-*
25 *lation.”.*

1 (B) *MONEY PENALTIES IN ADMINISTRATIVE*
2 *ACTIONS.*—Section 21B(b) of the Securities Ex-
3 *change Act of 1934 (15 U.S.C. 78u-2(b)) is*
4 *amended—*

5 (i) *in paragraph (1)—*

6 (I) *by striking “\$5,000” and in-*
7 *serting “\$10,000”; and*

8 (II) *by striking “\$50,000” and in-*
9 *serting “\$100,000”;*

10 (ii) *in paragraph (2)—*

11 (I) *by striking “\$50,000” and in-*
12 *serting “\$100,000”; and*

13 (II) *by striking “\$250,000” and*
14 *inserting “\$500,000”; and*

15 (iii) *by striking paragraph (3) and in-*
16 *serting the following:*

17 “(3) *THIRD TIER.*—

18 “(A) *IN GENERAL.*—Notwithstanding para-
19 *graphs (1) and (2), the amount of penalty for*
20 *each such act or omission shall not exceed the*
21 *amount specified in subparagraph (B) if—*

22 “(i) *the act or omission described in*
23 *subsection (a) involved fraud, deceit, ma-*
24 *nipulation, or deliberate or reckless dis-*
25 *regard of a regulatory requirement; and*

1 “(ii) such act or omission directly or
2 indirectly resulted in substantial losses or
3 created a significant risk of substantial
4 losses to other persons or resulted in sub-
5 stantial pecuniary gain to the person who
6 committed the act or omission.

7 “(B) *MAXIMUM AMOUNT OF PENALTY.*—The
8 amount referred to in subparagraph (A) is the
9 greatest of—

10 “(i) \$300,000 for a natural person or
11 \$1,450,000 for any other person;

12 “(ii) 3 times the gross amount of pecu-
13 niary gain to the person who committed the
14 act or omission; or

15 “(iii) the amount of losses incurred by
16 victims as a result of the act or omission.”.

17 (3) *INVESTMENT COMPANY ACT OF 1940.*—

18 (A) *MONEY PENALTIES IN ADMINISTRATIVE*
19 *ACTIONS.*—Section 9(d)(2) of the *Investment*
20 *Company Act of 1940 (15 U.S.C. 80a-9(d)(2))* is
21 amended—

22 (i) in subparagraph (A)—

23 (I) by striking “\$5,000” and in-
24 serting “\$10,000”; and

1 (II) by striking “\$50,000” and in-
2 serting “\$100,000”;

3 (ii) in subparagraph (B)—

4 (I) by striking “\$50,000” and in-
5 serting “\$100,000”; and

6 (II) by striking “\$250,000” and
7 inserting “\$500,000”; and

8 (iii) by striking subparagraph (C) and
9 inserting the following:

10 “(C) *THIRD TIER.*—

11 “(i) *IN GENERAL.*—Notwithstanding
12 subparagraphs (A) and (B), the amount of
13 penalty for each such act or omission shall
14 not exceed the amount specified in clause
15 (ii) if—

16 “(I) the act or omission described
17 in paragraph (1) involved fraud, de-
18 ceit, manipulation, or deliberate or
19 reckless disregard of a regulatory re-
20 quirement; and

21 “(II) such act or omission directly
22 or indirectly resulted in substantial
23 losses or created a significant risk of
24 substantial losses to other persons or
25 resulted in substantial pecuniary gain

1 to the person who committed the act or
2 omission.

3 “(ii) *MAXIMUM AMOUNT OF PEN-*
4 *ALTY.—The amount referred to in clause (i)*
5 *is the greatest of—*

6 “(I) \$300,000 for a natural per-
7 son or \$1,450,000 for any other person;

8 “(II) 3 times the gross amount of
9 pecuniary gain to the person who com-
10 mitted the act or omission; or

11 “(III) the amount of losses in-
12 curred by victims as a result of the act
13 or omission.”.

14 (B) *MONEY PENALTIES IN CIVIL ACTIONS.—*
15 Section 42(e)(2) of the Investment Company Act
16 of 1940 (15 U.S.C. 80a–41(e)(2)) is amended—

17 (i) in subparagraph (A)—

18 (I) by striking “\$5,000” and in-
19 serting “\$10,000”; and

20 (II) by striking “\$50,000” and in-
21 serting “\$100,000”;

22 (ii) in subparagraph (B)—

23 (I) by striking “\$50,000” and in-
24 serting “\$100,000”; and

1 (II) by striking “\$250,000” and
2 inserting “\$500,000”; and

3 (iii) by striking subparagraph (C) and
4 inserting the following:

5 “(C) *THIRD TIER.*—

6 “(i) *IN GENERAL.*—Notwithstanding
7 subparagraphs (A) and (B), the amount of
8 penalty for each such violation shall not ex-
9 ceed the amount specified in clause (i) if—

10 “(I) the violation described in
11 paragraph (1) involved fraud, deceit,
12 manipulation, or deliberate or reckless
13 disregard of a regulatory requirement;
14 and

15 “(II) such violation directly or in-
16 directly resulted in substantial losses
17 or created a significant risk of substan-
18 tial losses to other persons.

19 “(ii) *MAXIMUM AMOUNT OF PEN-*
20 *ALTY.*—The amount referred to in clause (i)
21 is the greatest of—

22 “(I) \$300,000 for a natural per-
23 son or \$1,450,000 for any other person;

1 “(II) 3 times the gross amount of
2 pecuniary gain to such defendant as a
3 result of the violation; or

4 “(III) the amount of losses in-
5 curred by victims as a result of the vio-
6 lation.”.

7 (4) INVESTMENT ADVISERS ACT OF 1940.—

8 (A) MONEY PENALTIES IN ADMINISTRATIVE
9 ACTIONS.—Section 203(i)(2) of the Investment
10 Advisers Act of 1940 (15 U.S.C. 80b–3(i)(2)) is
11 amended—

12 (i) in subparagraph (A)—

13 (I) by striking “\$5,000” and in-
14 serting “\$10,000”; and

15 (II) by striking “\$50,000” and in-
16 serting “\$100,000”;

17 (ii) in subparagraph (B)—

18 (I) by striking “\$50,000” and in-
19 serting “\$100,000”; and

20 (II) by striking “\$250,000” and
21 inserting “\$500,000”; and

22 (iii) by striking subparagraph (C) and
23 inserting the following:

24 “(C) THIRD TIER.—

1 “(i) *IN GENERAL.*—Notwithstanding
2 subparagraphs (A) and (B), the amount of
3 penalty for each such act or omission shall
4 not exceed the amount specified in clause
5 (ii) if—

6 “(I) the act or omission described
7 in paragraph (1) involved fraud, de-
8 ceit, manipulation, or deliberate or
9 reckless disregard of a regulatory re-
10 quirement; and

11 “(II) such act or omission directly
12 or indirectly resulted in substantial
13 losses or created a significant risk of
14 substantial losses to other persons or
15 resulted in substantial pecuniary gain
16 to the person who committed the act or
17 omission.

18 “(ii) *MAXIMUM AMOUNT OF PEN-*
19 *ALTY.*—The amount referred to in clause (i)
20 is the greatest of—

21 “(I) \$300,000 for a natural per-
22 son or \$1,450,000 for any other person;

23 “(II) 3 times the gross amount of
24 pecuniary gain to the person who com-
25 mitted the act or omission; or

1 “(III) the amount of losses in-
2 curred by victims as a result of the act
3 or omission.”.

4 (B) *MONEY PENALTIES IN CIVIL ACTIONS.*—
5 Section 209(e)(2) of the Investment Advisers Act
6 of 1940 (15 U.S.C. 80b-9(e)(2)) is amended—

7 (i) in subparagraph (A)—

8 (I) by striking “\$5,000” and in-
9 serting “\$10,000”; and

10 (II) by striking “\$50,000” and in-
11 serting “\$100,000”;

12 (ii) in subparagraph (B)—

13 (I) by striking “\$50,000” and in-
14 serting “\$100,000”; and

15 (II) by striking “\$250,000” and
16 inserting “\$500,000”; and

17 (iii) by striking subparagraph (C) and
18 inserting the following:

19 “(C) *THIRD TIER.*—

20 “(i) *IN GENERAL.*—Notwithstanding
21 subparagraphs (A) and (B), the amount of
22 penalty for each such violation shall not ex-
23 ceed the amount specified in clause (ii) if—

24 “(I) the violation described in
25 paragraph (1) involved fraud, deceit,

1 *manipulation, or deliberate or reckless*
2 *disregard of a regulatory requirement;*
3 *and*

4 *“(II) such violation directly or in-*
5 *directly resulted in substantial losses*
6 *or created a significant risk of substan-*
7 *tial losses to other persons.*

8 *“(ii) MAXIMUM AMOUNT OF PEN-*
9 *ALTY.—The amount referred to in clause (i)*
10 *is the greatest of—*

11 *“(I) \$300,000 for a natural per-*
12 *son or \$1,450,000 for any other person;*

13 *“(II) 3 times the gross amount of*
14 *pecuniary gain to such defendant as a*
15 *result of the violation; or*

16 *“(III) the amount of losses in-*
17 *curring by victims as a result of the vio-*
18 *lation.”.*

19 *(b) PENALTIES FOR RECIDIVISTS.—*

20 *(1) SECURITIES ACT OF 1933.—*

21 *(A) MONEY PENALTIES IN ADMINISTRATIVE*
22 *ACTIONS.—Section 8A(g)(2) of the Securities Act*
23 *of 1933 (15 U.S.C. 77h–1(g)(2)) is amended by*
24 *adding at the end the following:*

1 “(D) *FOURTH TIER.*—Notwithstanding sub-
2 paragraphs (A), (B), and (C), the maximum
3 amount of penalty for each such act or omission
4 shall be 3 times the otherwise applicable amount
5 in such subparagraphs if, within the 5-year pe-
6 riod preceding such act or omission, the person
7 who committed the act or omission was crimi-
8 nally convicted for securities fraud or became
9 subject to a judgment or order imposing mone-
10 etary, equitable, or administrative relief in any
11 Commission action alleging fraud by that per-
12 son.”.

13 (B) *MONEY PENALTIES IN CIVIL ACTIONS.*—
14 Section 20(d)(2) of the Securities Act of 1933 (15
15 U.S.C. 77t(d)(2)) is amended by adding at the
16 end the following:

17 “(D) *FOURTH TIER.*—Notwithstanding sub-
18 paragraphs (A), (B), and (C), the maximum
19 amount of penalty for each such violation shall
20 be 3 times the otherwise applicable amount in
21 such subparagraphs if, within the 5-year period
22 preceding such violation, the defendant was
23 criminally convicted for securities fraud or be-
24 came subject to a judgment or order imposing
25 monetary, equitable, or administrative relief in

1 *any Commission action alleging fraud by that*
2 *defendant.”.*

3 (2) *SECURITIES EXCHANGE ACT OF 1934.—*

4 (A) *MONEY PENALTIES IN CIVIL ACTIONS.—*

5 *Section 21(d)(3)(B) of the Securities Exchange*
6 *Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended*
7 *by adding at the end the following:*

8 “(iv) *FOURTH TIER.—Notwithstanding*
9 *clauses (i), (ii), and (iii), the maximum*
10 *amount of penalty for each such violation*
11 *shall be 3 times the otherwise applicable*
12 *amount in such clauses if, within the 5-year*
13 *period preceding such violation, the defend-*
14 *ant was criminally convicted for securities*
15 *fraud or became subject to a judgment or*
16 *order imposing monetary, equitable, or ad-*
17 *ministrative relief in any Commission ac-*
18 *tion alleging fraud by that defendant.”.*

19 (B) *MONEY PENALTIES IN ADMINISTRATIVE*

20 *ACTIONS.—Section 21B(b) of the Securities Ex-*
21 *change Act of 1934 (15 U.S.C. 78u-2(b)) is*
22 *amended by adding at the end the following:*

23 “(4) *FOURTH TIER.—Notwithstanding para-*
24 *graphs (1), (2), and (3), the maximum amount of*
25 *penalty for each such act or omission shall be 3 times*

1 *the otherwise applicable amount in such paragraphs*
2 *if, within the 5-year period preceding such act or*
3 *omission, the person who committed the act or omis-*
4 *sion was criminally convicted for securities fraud or*
5 *became subject to a judgment or order imposing mon-*
6 *etary, equitable, or administrative relief in any Com-*
7 *mission action alleging fraud by that person.”.*

8 (3) *INVESTMENT COMPANY ACT OF 1940.*—

9 (A) *MONEY PENALTIES IN ADMINISTRATIVE*
10 *ACTIONS.*—*Section 9(d)(2) of the Investment*
11 *Company Act of 1940 (15 U.S.C. 80a–9(d)(2)) is*
12 *amended by adding at the end the following:*

13 “(D) *FOURTH TIER.*—*Notwithstanding sub-*
14 *paragraphs (A), (B), and (C), the maximum*
15 *amount of penalty for each such act or omission*
16 *shall be 3 times the otherwise applicable amount*
17 *in such subparagraphs if, within the 5-year pe-*
18 *riod preceding such act or omission, the person*
19 *who committed the act or omission was crimi-*
20 *nally convicted for securities fraud or became*
21 *subject to a judgment or order imposing mone-*
22 *etary, equitable, or administrative relief in any*
23 *Commission action alleging fraud by that per-*
24 *son.”.*

1 (B) *MONEY PENALTIES IN CIVIL ACTIONS.*—
2 Section 42(e)(2) of the Investment Company Act
3 of 1940 (15 U.S.C. 80a-41(e)(2)) is amended by
4 adding at the end the following:

5 “(D) *FOURTH TIER.*—Notwithstanding sub-
6 paragraphs (A), (B), and (C), the maximum
7 amount of penalty for each such violation shall
8 be 3 times the otherwise applicable amount in
9 such subparagraphs if, within the 5-year period
10 preceding such violation, the defendant was
11 criminally convicted for securities fraud or be-
12 came subject to a judgment or order imposing
13 monetary, equitable, or administrative relief in
14 any Commission action alleging fraud by that
15 defendant.”.

16 (4) *INVESTMENT ADVISERS ACT OF 1940.*—

17 (A) *MONEY PENALTIES IN ADMINISTRATIVE*
18 *ACTIONS.*—Section 203(i)(2) of the Investment
19 Advisers Act of 1940 (15 U.S.C. 80b-3(i)(2)) is
20 amended by adding at the end the following:

21 “(D) *FOURTH TIER.*—Notwithstanding sub-
22 paragraphs (A), (B), and (C), the maximum
23 amount of penalty for each such act or omission
24 shall be 3 times the otherwise applicable amount
25 in such subparagraphs if, within the 5-year pe-

1 *riod preceding such act or omission, the person*
2 *who committed the act or omission was crimi-*
3 *nally convicted for securities fraud or became*
4 *subject to a judgment or order imposing mone-*
5 *etary, equitable, or administrative relief in any*
6 *Commission action alleging fraud by that per-*
7 *son.”.*

8 *(B) MONEY PENALTIES IN CIVIL ACTIONS.—*
9 *Section 209(e)(2) of the Investment Advisers Act*
10 *of 1940 (15 U.S.C. 80b–9(e)(2)) is amended by*
11 *adding at the end the following:*

12 *“(D) FOURTH TIER.—Notwithstanding sub-*
13 *paragraphs (A), (B), and (C), the maximum*
14 *amount of penalty for each such violation shall*
15 *be 3 times the otherwise applicable amount in*
16 *such subparagraphs if, within the 5-year period*
17 *preceding such violation, the defendant was*
18 *criminally convicted for securities fraud or be-*
19 *came subject to a judgment or order imposing*
20 *monetary, equitable, or administrative relief in*
21 *any Commission action alleging fraud by that*
22 *defendant.”.*

23 *(c) VIOLATIONS OF INJUNCTIONS AND BARS.—*

1 (1) *SECURITIES ACT OF 1933.*—Section 20(d) of
2 *the Securities Act of 1933 (15 U.S.C. 77t(d)) is*
3 *amended—*

4 (A) *in paragraph (1), by inserting after*
5 *“the rules or regulations thereunder,” the fol-*
6 *lowing: “a Federal court injunction or a bar ob-*
7 *tained or entered by the Commission under this*
8 *title,”; and*

9 (B) *by striking paragraph (4) and inserting*
10 *the following:*

11 “(4) *SPECIAL PROVISIONS RELATING TO A VIOLA-*
12 *TION OF AN INJUNCTION OR CERTAIN ORDERS.—*

13 “(A) *IN GENERAL.—Each separate violation*
14 *of an injunction or order described in subpara-*
15 *graph (B) shall be a separate offense, except that*
16 *in the case of a violation through a continuing*
17 *failure to comply with such injunction or order,*
18 *each day of the failure to comply with the in-*
19 *junction or order shall be deemed a separate of-*
20 *fense.*

21 “(B) *INJUNCTIONS AND ORDERS.—Subpara-*
22 *graph (A) shall apply with respect to any action*
23 *to enforce—*

24 “(i) *a Federal court injunction ob-*
25 *tained pursuant to this title;*

1 “(ii) an order entered or obtained by
2 the Commission pursuant to this title that
3 bars, suspends, places limitations on the ac-
4 tivities or functions of, or prohibits the ac-
5 tivities of, a person; or

6 “(iii) a cease-and-desist order entered
7 by the Commission pursuant to section
8 8A.”.

9 (2) *SECURITIES EXCHANGE ACT OF 1934.*—Sec-
10 tion 21(d)(3) of the Securities Exchange Act of 1934
11 (15 U.S.C. 78u(d)(3)) is amended—

12 (A) in subparagraph (A), by inserting after
13 “the rules or regulations thereunder,” the fol-
14 lowing: “a Federal court injunction or a bar ob-
15 tained or entered by the Commission under this
16 title,”; and

17 (B) by striking subparagraph (D) and in-
18 serting the following:

19 “(D) *SPECIAL PROVISIONS RELATING TO A VIO-*
20 *LATION OF AN INJUNCTION OR CERTAIN ORDERS.*—

21 “(i) *IN GENERAL.*—Each separate violation
22 of an injunction or order described in clause (ii)
23 shall be a separate offense, except that in the case
24 of a violation through a continuing failure to
25 comply with such injunction or order, each day

1 *of the failure to comply with the injunction or*
2 *order shall be deemed a separate offense.*

3 “(i) *INJUNCTIONS AND ORDERS.*—*Clause*
4 *(i) shall apply with respect to an action to en-*
5 *force—*

6 “(I) *a Federal court injunction ob-*
7 *tained pursuant to this title;*

8 “(II) *an order entered or obtained by*
9 *the Commission pursuant to this title that*
10 *bars, suspends, places limitations on the ac-*
11 *tivities or functions of, or prohibits the ac-*
12 *tivities of, a person; or*

13 “(III) *a cease-and-desist order entered*
14 *by the Commission pursuant to section*
15 *21C.”.*

16 (3) *INVESTMENT COMPANY ACT OF 1940.*—*Section*
17 *42(e) of the Investment Company Act of 1940 (15*
18 *U.S.C. 80a-41(e)) is amended—*

19 (A) *in paragraph (1), by inserting after*
20 *“the rules or regulations thereunder,” the fol-*
21 *lowing: “a Federal court injunction or a bar ob-*
22 *tained or entered by the Commission under this*
23 *title,”; and*

24 (B) *by striking paragraph (4) and inserting*
25 *the following:*

1 “(4) *SPECIAL PROVISIONS RELATING TO A VIOLA-*
2 *TION OF AN INJUNCTION OR CERTAIN ORDERS.—*

3 “(A) *IN GENERAL.—Each separate violation*
4 *of an injunction or order described in subpara-*
5 *graph (B) shall be a separate offense, except that*
6 *in the case of a violation through a continuing*
7 *failure to comply with such injunction or order,*
8 *each day of the failure to comply with the in-*
9 *junction or order shall be deemed a separate of-*
10 *fense.*

11 “(B) *INJUNCTIONS AND ORDERS.—Subpara-*
12 *graph (A) shall apply with respect to any action*
13 *to enforce—*

14 “(i) *a Federal court injunction ob-*
15 *tained pursuant to this title;*

16 “(ii) *an order entered or obtained by*
17 *the Commission pursuant to this title that*
18 *bars, suspends, places limitations on the ac-*
19 *tivities or functions of, or prohibits the ac-*
20 *tivities of, a person; or*

21 “(iii) *a cease-and-desist order entered*
22 *by the Commission pursuant to section*
23 *9(f).”.*

1 (4) *INVESTMENT ADVISERS ACT OF 1940.*—Section
2 tion 209(e) of the Investment Advisers Act of 1940 (15
3 U.S.C. 80b–9(e)) is amended—

4 (A) in paragraph (1), by inserting after
5 “the rules or regulations thereunder,” the fol-
6 lowing: “a Federal court injunction or a bar ob-
7 tained or entered by the Commission under this
8 title,”; and

9 (B) by striking paragraph (4) and inserting
10 the following:

11 “(4) *SPECIAL PROVISIONS RELATING TO A VIOLA-*
12 *TION OF AN INJUNCTION OR CERTAIN ORDERS.*—

13 “(A) *IN GENERAL.*—Each separate violation
14 of an injunction or order described in subpara-
15 graph (B) shall be a separate offense, except that
16 in the case of a violation through a continuing
17 failure to comply with such injunction or order,
18 each day of the failure to comply with the in-
19 junction or order shall be deemed a separate of-
20 fense.

21 “(B) *INJUNCTIONS AND ORDERS.*—Subpara-
22 graph (A) shall apply with respect to any action
23 to enforce—

24 “(i) a Federal court injunction ob-
25 tained pursuant to this title;

1 “(ii) an order entered or obtained by
2 the Commission pursuant to this title that
3 bars, suspends, places limitations on the ac-
4 tivities or functions of, or prohibits the ac-
5 tivities of, a person; or

6 “(iii) a cease-and-desist order entered
7 by the Commission pursuant to section
8 203(k).”.

9 (d) *EFFECTIVE DATE.*—The amendments made by this
10 section shall apply with respect to conduct that occurs after
11 the date of the enactment of this Act.

12 **SEC. 212. UPDATED CIVIL MONEY PENALTIES OF PUBLIC**
13 **COMPANY ACCOUNTING OVERSIGHT BOARD.**

14 (a) *IN GENERAL.*—Section 105(c)(4)(D) of the Sar-
15 banes-Oxley Act of 2002 (15 U.S.C. 7215(c)(4)(D)) is
16 amended—

17 (1) in clause (i)—

18 (A) by striking “\$100,000” and inserting
19 “\$200,000”; and

20 (B) by striking “\$2,000,000” and inserting
21 “\$4,000,000”; and

22 (2) in clause (ii)—

23 (A) by striking “\$750,000” and inserting
24 “\$1,500,000”; and

1 (B) by striking “\$15,000,000” and inserting
2 “\$22,000,000”.

3 (b) *EFFECTIVE DATE.*—*The amendments made by this*
4 *section shall apply with respect to conduct that occurs after*
5 *the date of the enactment of this Act.*

6 **SEC. 213. UPDATED CIVIL MONEY PENALTY FOR CONTROL-**
7 **LING PERSONS IN CONNECTION WITH IN-**
8 **SIDER TRADING.**

9 (a) *IN GENERAL.*—*Section 21A(a)(3) of the Securities*
10 *Exchange Act of 1934 (15 U.S.C. 78u-1(a)(3)) is amended*
11 *by striking “\$1,000,000” and inserting “\$2,500,000”.*

12 (b) *EFFECTIVE DATE.*—*The amendment made by this*
13 *section shall apply with respect to conduct that occurs after*
14 *the date of the enactment of this Act.*

15 **SEC. 214. UPDATE OF CERTAIN OTHER PENALTIES.**

16 (a) *IN GENERAL.*—*Section 32 of the Securities Ex-*
17 *change Act of 1934 (15 U.S.C. 78ff) is amended—*

18 (1) *in subsection (a), by striking “\$5,000,000”*
19 *and inserting “\$7,000,000”; and*

20 (2) *in subsection (c)—*

21 (A) *in paragraph (1)—*

22 (i) *in subparagraph (A), by striking*
23 *“\$2,000,000” and inserting “\$4,000,000”;*

24 *and*

1 (ii) in subparagraph (B), by striking
2 “\$10,000” and inserting “\$50,000”; and
3 (B) in paragraph (2)—

4 (i) in subparagraph (A), by striking
5 “\$100,000” and inserting “\$250,000”; and

6 (ii) in subparagraph (B), by striking
7 “\$10,000” and inserting “\$50,000”.

8 (b) *EFFECTIVE DATE.*—The amendments made by this
9 section shall apply with respect to conduct that occurs after
10 the date of the enactment of this Act.

11 **SEC. 215. MONETARY SANCTIONS TO BE USED FOR THE RE-**
12 **LIEF OF VICTIMS.**

13 (a) *IN GENERAL.*—Section 308(a) of the Sarbanes-
14 Oxley Act of 2002 (15 U.S.C. 7246(a)) is amended to read
15 as follows:

16 “(a) *MONETARY SANCTIONS TO BE USED FOR THE*
17 *RELIEF OF VICTIMS.*—

18 “(1) *IN GENERAL.*—If, in any judicial or admin-
19 istrative action brought by the Commission under the
20 securities laws, the Commission obtains a monetary
21 sanction (as defined in section 21F(a) of the Securi-
22 ties Exchange Act of 1934) against any person for a
23 violation of such laws, or such person agrees, in settle-
24 ment of any such action, to such monetary sanction,
25 the amount of such monetary sanction shall, on the

1 *motion or at the direction of the Commission, be*
2 *added to and become part of a disgorgement fund or*
3 *other fund established for the benefit of the victims of*
4 *such violation.*

5 *“(2) DEFINITION OF VICTIM.—In this subsection,*
6 *the term ‘victim’ has the meaning given the term*
7 *‘crime victim’ in section 3771(e) of title 18, United*
8 *States Code.”.*

9 *(b) MONETARY SANCTION DEFINED.—Section*
10 *21F(a)(4)(A) of the Securities Exchange Act of 1934 (15*
11 *U.S.C. 78u–6(a)(4)(A)) is amended by striking “ordered”*
12 *and inserting “required”.*

13 *(c) EFFECTIVE DATE.—The amendments made by this*
14 *section apply with respect to any monetary sanction or-*
15 *dered or required to be paid before or after the date of enact-*
16 *ment of this Act.*

17 **SEC. 216. GAO REPORT ON USE OF CIVIL MONEY PENALTY**
18 **AUTHORITY BY COMMISSION.**

19 *(a) IN GENERAL.—Not later than 2 years after the*
20 *date of the enactment of this Act, the Comptroller General*
21 *of the United States shall submit to the Committee on Fi-*
22 *nancial Services of the House of Representatives and the*
23 *Committee on Banking, Housing, and Urban Affairs of the*
24 *Senate a report on the use by the Commission of the author-*
25 *ity to impose or obtain civil money penalties for violations*

1 *of the securities laws during the period beginning on June*
2 *1, 2010, and ending on the date of the enactment of this*
3 *Act.*

4 (b) *MATTERS REQUIRED TO BE INCLUDED.—The*
5 *matters covered by the report required by subsection (a)*
6 *shall include the following:*

7 (1) *The types of violations for which civil money*
8 *penalties were imposed or obtained.*

9 (2) *The types of persons on whom civil money*
10 *penalties were imposed or from whom such penalties*
11 *were obtained.*

12 (3) *The number and dollar amount of civil*
13 *money penalties imposed or obtained, disaggregated*
14 *as follows:*

15 (A) *Penalties imposed in administrative ac-*
16 *tions and penalties obtained in judicial actions.*

17 (B) *Penalties imposed on or obtained from*
18 *issuers (individual and aggregate filers) and*
19 *penalties imposed on or obtained from other per-*
20 *sons.*

21 (C) *Penalties permitted to be retained for*
22 *use by the Commission and penalties deposited*
23 *in the general fund of the Treasury of the United*
24 *States.*

1 (4) *For penalties imposed on or obtained from*
2 *issuers:*

3 (A) *Whether the violations involved resulted*
4 *in direct economic benefit to the issuers.*

5 (B) *The impact of the penalties on the*
6 *shareholders of the issuers.*

7 (c) *DEFINITIONS.—In this section, the terms “Commis-*
8 *sion”, “issuer”, and “securities laws” have the meanings*
9 *given such terms in section 3(a) of the Securities Exchange*
10 *Act of 1934 (15 U.S.C. 78c(a)).*

11 ***Subtitle B—FIRREA Penalties***
12 ***Modernization***

13 ***SEC. 221. INCREASE OF CIVIL AND CRIMINAL PENALTIES***
14 ***ORIGINALLY ESTABLISHED IN THE FINAN-***
15 ***CIAL INSTITUTIONS REFORM, RECOVERY,***
16 ***AND ENFORCEMENT ACT OF 1989.***

17 (a) *AMENDMENTS TO FIRREA.—Section 951(b) of the*
18 *Financial Institutions Reform, Recovery, and Enforcement*
19 *Act of 1989 (12 U.S.C. 1833a(b)) is amended—*

20 (1) *in paragraph (1), by striking “\$1,000,000”*
21 *and inserting “\$1,500,000”; and*

22 (2) *in paragraph (2), by striking “\$1,000,000*
23 *per day or \$5,000,000” and inserting “\$1,500,000 per*
24 *day or \$7,500,000”.*

1 (b) *AMENDMENTS TO THE HOME OWNERS' LOAN*
2 *ACT.—The Home Owners' Loan Act (12 U.S.C. 1461 et*
3 *seq.) is amended—*

4 (1) *in section 5(v)(6), by striking “\$1,000,000”*
5 *and inserting “\$1,500,000”; and*

6 (2) *in section 10—*

7 (A) *in subsection (r)(3), by striking*
8 *“\$1,000,000” and inserting “\$1,500,000”; and*

9 (B) *in subsection (i)(1)(B), by striking*
10 *“\$1,000,000” and inserting “\$1,500,000”.*

11 (c) *AMENDMENTS TO THE FEDERAL DEPOSIT INSUR-*
12 *ANCE ACT.—The Federal Deposit Insurance Act (12 U.S.C.*
13 *1811 et seq.) is amended—*

14 (1) *in section 7—*

15 (A) *in subsection (a)(1), by striking*
16 *“\$1,000,000” and inserting “\$1,500,000”; and*

17 (B) *in subsection (j)(16)(D), by striking*
18 *“\$1,000,000” each place such term appears and*
19 *inserting “\$1,500,000”;*

20 (2) *in section 8—*

21 (A) *in subsection (i)(2)(D), by striking*
22 *“\$1,000,000” each place such term appears and*
23 *inserting “\$1,500,000”; and*

24 (B) *in subsection (j), by striking*
25 *“\$1,000,000” and inserting “\$1,500,000”; and*

1 (3) in section 19(b), by striking “\$1,000,000”
2 and inserting “\$1,500,000”.

3 (d) *AMENDMENTS TO THE FEDERAL CREDIT UNION*
4 *ACT.—The Federal Credit Union Act (12 U.S.C. 1751 et*
5 *seq.) is amended—*

6 (1) in section 202(a)(3), by striking
7 “\$1,000,000” and inserting “\$1,500,000”;

8 (2) in section 205(d)(3), by striking
9 “\$1,000,000” and inserting “\$1,500,000”; and

10 (3) in section 206—

11 (A) in subsection (k)(2)(D), by striking
12 “\$1,000,000” each place such term appears and
13 inserting “\$1,500,000”; and

14 (B) in subsection (l), by striking
15 “\$1,000,000” and inserting “\$1,500,000”.

16 (e) *AMENDMENTS TO THE REVISED STATUTES OF THE*
17 *UNITED STATES.—Title LXII of the Revised Statutes of the*
18 *United States is amended—*

19 (1) in section 5213(c), by striking “\$1,000,000”
20 and inserting “\$1,500,000”; and

21 (2) in section 5239(b)(4), by striking
22 “\$1,000,000” each place such term appears and in-
23 serting “\$1,500,000”.

1 (f) *AMENDMENTS TO THE FEDERAL RESERVE ACT.*—
2 *The Federal Reserve Act (12 U.S.C. 221 et seq.) is amend-*
3 *ed—*

4 (1) *in the 6th undesignated paragraph of section*
5 *9, by striking “\$1,000,000” and inserting*
6 *“\$1,500,000”;*

7 (2) *in section 19(l)(4), by striking “\$1,000,000”*
8 *each place such term appears and inserting*
9 *“\$1,500,000”; and*

10 (3) *in section 29(d), by striking “\$1,000,000”*
11 *each place such term appears and inserting*
12 *“\$1,500,000”.*

13 (g) *AMENDMENTS TO THE BANK HOLDING COMPANY*
14 *ACT AMENDMENTS OF 1970.*—*Section 106(b)(2)(F)(iv) of*
15 *the Bank Holding Company Act Amendments of 1970 (12*
16 *U.S.C. 1978(b)(2)(F)(iv)) is amended by striking*
17 *“\$1,000,000” each place such term appears and inserting*
18 *“\$1,500,000”.*

19 (h) *AMENDMENTS TO THE BANK HOLDING COMPANY*
20 *ACT OF 1956.*—*Section 8 of the Bank Holding Company*
21 *Act of 1956 (12 U.S.C. 1847) is amended—*

22 (1) *in subsection (a)(2), by striking*
23 *“\$1,000,000” and inserting “\$1,500,000”; and*

24 (2) *in subsection (d)(3), by striking*
25 *“\$1,000,000” and inserting “\$1,500,000”.*

1 (i) *AMENDMENTS TO TITLE 18, UNITED STATES*

2 *CODE.—Title 18, United States Code, is amended—*

3 (1) *in section 215(a) of chapter 11, by striking*
4 *“\$1,000,000” and inserting “\$1,500,000”;*

5 (2) *in chapter 31—*

6 (A) *in section 656, by striking “\$1,000,000”*
7 *and inserting “\$1,500,000”; and*

8 (B) *in section 657, by striking “\$1,000,000”*
9 *and inserting “\$1,500,000”;*

10 (3) *in chapter 47—*

11 (A) *in section 1005, by striking*
12 *“\$1,000,000” and inserting “\$1,500,000”;*

13 (B) *in section 1006, by striking*
14 *“\$1,000,000” and inserting “\$1,500,000”;*

15 (C) *in section 1007, by striking*
16 *“\$1,000,000” and inserting “\$1,500,000”; and*

17 (D) *in section 1014, by striking*
18 *“\$1,000,000” and inserting “\$1,500,000”; and*

19 (4) *in chapter 63—*

20 (A) *in section 1341, by striking*
21 *“\$1,000,000” and inserting “\$1,500,000”;*

22 (B) *in section 1343, by striking*
23 *“\$1,000,000” and inserting “\$1,500,000”; and*

24 (C) *in section 1344, by striking*
25 *“\$1,000,000” and inserting “\$1,500,000”.*

1 **TITLE III—DEMANDING AC-**
2 **COUNTABILITY FROM FINAN-**
3 **CIAL REGULATORS AND DE-**
4 **VOLVING POWER AWAY FROM**
5 **WASHINGTON**

6 **Subtitle A—Cost-Benefit Analyses**

7 **SEC. 311. DEFINITIONS.**

8 *As used in this subtitle—*

9 (1) *the term “agency” means the Board of Gov-*
10 *ernors of the Federal Reserve System, the Consumer*
11 *Law Enforcement Agency, the Commodity Futures*
12 *Trading Commission, the Federal Deposit Insurance*
13 *Corporation, the Federal Housing Finance Agency,*
14 *the Office of the Comptroller of the Currency, the Na-*
15 *tional Credit Union Administration, and the Securi-*
16 *ties and Exchange Commission;*

17 (2) *the term “chief economist” means—*

18 (A) *with respect to the Board of Governors*
19 *of the Federal Reserve System, the Director of the*
20 *Division of Research and Statistics, or an em-*
21 *ployee of the agency with comparable authority;*

22 (B) *with respect to the Consumer Law En-*
23 *forcement Agency, the Head of the Office of Eco-*
24 *nomics Analysis, or an employee of the agency*
25 *with comparable authority;*

1 (C) with respect to the Commodity Futures
2 Trading Commission, the Chief Economist, or an
3 employee of the agency with comparable author-
4 ity;

5 (D) with respect to the Federal Deposit In-
6 surance Corporation, the Director of the Division
7 of Insurance and Research, or an employee of the
8 agency with comparable authority;

9 (E) with respect to the Federal Housing Fi-
10 nance Agency, the Chief Economist, or an em-
11 ployee of the agency with comparable authority;

12 (F) with respect to the Office of the Comp-
13 troller of the Currency, the Director for Policy
14 Analysis, or an employee of the agency with
15 comparable authority;

16 (G) with respect to the National Credit
17 Union Administration, the Chief Economist, or
18 an employee of the agency with comparable au-
19 thority; and

20 (H) with respect to the Securities and Ex-
21 change Commission, the Director of the Division
22 of Economic and Risk Analysis, or an employee
23 of the agency with comparable authority;

24 (3) the term “Council” means the Chief Econo-
25 mists Council established under section 318; and

1 (4) *the term “regulation”*—

2 (A) *means an agency statement of general*
3 *applicability and future effect that is designed to*
4 *implement, interpret, or prescribe law or policy*
5 *or to describe the procedure or practice require-*
6 *ments of an agency, including rules, orders of*
7 *general applicability, interpretive releases, and*
8 *other statements of general applicability that the*
9 *agency intends to have the force and effect of*
10 *law; and*

11 (B) *does not include*—

12 (i) *a regulation issued in accordance*
13 *with the formal rulemaking provisions of*
14 *section 556 or 557 of title 5, United States*
15 *Code;*

16 (ii) *a regulation that is limited to*
17 *agency organization, management, or per-*
18 *sonnel matters;*

19 (iii) *a regulation promulgated pursu-*
20 *ant to statutory authority that expressly*
21 *prohibits compliance with this provision;*

22 (iv) *a regulation that is certified by*
23 *the agency to be an emergency action, if*
24 *such certification is published in the Fed-*
25 *eral Register;*

1 (v) a regulation that is promulgated by
2 the Board of Governors of the Federal Re-
3 serve System or the Federal Open Market
4 Committee under section 10A, 10B, 13,
5 13A, or 19 of the Federal Reserve Act, or
6 any of subsections (a) through (f) of section
7 14 of that Act; or

8 (vi) a regulation filed with the Com-
9 mission by the Public Company Accounting
10 Oversight Board, the Municipal Securities
11 Rulemaking Board, or any national securi-
12 ties association registered under section 15A
13 of the Securities Exchange Act of 1934 (15
14 U.S.C. 78o-4(a)) for which the board or as-
15 sociation has itself conducted the cost-benefit
16 analysis and otherwise complied with the
17 requirements of section 312.

18 **SEC. 312. REQUIRED REGULATORY ANALYSIS.**

19 (a) *REQUIREMENTS FOR NOTICES OF PROPOSED*
20 *RULEMAKING.*—An agency may not issue a notice of pro-
21 posed rulemaking unless the agency includes in the notice
22 of proposed rulemaking an analysis that contains, at a
23 minimum, with respect to each regulation that is being pro-
24 posed—

1 (1) *an identification of the need for the regula-*
2 *tion and the regulatory objective, including identifica-*
3 *tion of the nature and significance of the market fail-*
4 *ure, regulatory failure, or other problem that neces-*
5 *sitates the regulation;*

6 (2) *an explanation of why the private market or*
7 *State, local, or tribal authorities cannot adequately*
8 *address the identified market failure or other problem;*

9 (3) *an analysis of the adverse impacts to regu-*
10 *lated entities, other market participants, economic ac-*
11 *tivity, or agency effectiveness that are engendered by*
12 *the regulation and the magnitude of such adverse im-*
13 *pacts;*

14 (4) *a quantitative and qualitative assessment of*
15 *all anticipated direct and indirect costs and benefits*
16 *of the regulation (as compared to a benchmark that*
17 *assumes the absence of the regulation), including—*

18 (A) *compliance costs;*

19 (B) *effects on economic activity, net job cre-*
20 *ation (excluding jobs related to ensuring compli-*
21 *ance with the regulation), efficiency, competi-*
22 *tion, and capital formation;*

23 (C) *regulatory administrative costs; and*

1 (D) costs imposed by the regulation on
2 State, local, or tribal governments or other regu-
3 latory authorities;

4 (5) if quantified benefits do not outweigh quan-
5 titative costs, a justification for the regulation;

6 (6) an identification and assessment of all avail-
7 able alternatives to the regulation, including modi-
8 fication of an existing regulation or statute, together
9 with—

10 (A) an explanation of why the regulation
11 meets the objectives of the regulation more effec-
12 tively than the alternatives, and if the agency is
13 proposing multiple alternatives, an explanation
14 of why a notice of proposed rulemaking, rather
15 than an advanced notice of proposed rulemaking,
16 is appropriate; and

17 (B) if the regulation is not a pilot program,
18 an explanation of why a pilot program is not
19 appropriate;

20 (7) if the regulation specifies the behavior or
21 manner of compliance, an explanation of why the
22 agency did not instead specify performance objectives;

23 (8) an assessment of how the burden imposed by
24 the regulation will be distributed among market par-
25 ticipants, including whether consumers, investors,

1 *small businesses, or independent financial firms and*
2 *advisors will be disproportionately burdened;*

3 *(9) an assessment of the extent to which the regu-*
4 *lation is inconsistent, incompatible, or duplicative*
5 *with the existing regulations of the agency or those of*
6 *other domestic and international regulatory authori-*
7 *ties with overlapping jurisdiction;*

8 *(10) a description of any studies, surveys, or*
9 *other data relied upon in preparing the analysis;*

10 *(11) an assessment of the degree to which the key*
11 *assumptions underlying the analysis are subject to*
12 *uncertainty; and*

13 *(12) an explanation of predicted changes in*
14 *market structure and infrastructure and in behavior*
15 *by market participants, including consumers and in-*
16 *vestors, assuming that they will pursue their economic*
17 *interests.*

18 *(b) REQUIREMENTS FOR NOTICES OF FINAL RULE-*
19 *MAKING.—*

20 *(1) IN GENERAL.—Notwithstanding any other*
21 *provision of law, an agency may not issue a notice*
22 *of final rulemaking with respect to a regulation un-*
23 *less the agency—*

24 *(A) has issued a notice of proposed rule-*
25 *making for the relevant regulation;*

1 (B) has conducted and includes in the no-
2 tice of final rulemaking an analysis that con-
3 tains, at a minimum, the elements required
4 under subsection (a); and

5 (C) includes in the notice of final rule-
6 making regulatory impact metrics selected by the
7 chief economist to be used in preparing the re-
8 port required pursuant to section 315.

9 (2) *CONSIDERATION OF COMMENTS.*—The agency
10 shall incorporate in the elements described in para-
11 graph (1)(B) the data and analyses provided to the
12 agency by commenters during the comment period, or
13 explain why the data or analyses are not being incor-
14 porated.

15 (3) *COMMENT PERIOD.*—An agency shall not
16 publish a notice of final rulemaking with respect to
17 a regulation, unless the agency—

18 (A) has allowed at least 90 days from the
19 date of publication in the *Federal Register* of the
20 notice of proposed rulemaking for the submission
21 of public comments; or

22 (B) includes in the notice of final rule-
23 making an explanation of why the agency was
24 not able to provide a 90-day comment period.

25 (4) *PROHIBITED RULES.*—

1 (A) *IN GENERAL.*—An agency may not pub-
2 lish a notice of final rulemaking if the agency,
3 in its analysis under paragraph (1)(B), deter-
4 mines that the quantified costs are greater than
5 the quantified benefits under subsection (a)(5).

6 (B) *PUBLICATION OF ANALYSIS.*—If the
7 agency is precluded by subparagraph (A) from
8 publishing a notice of final rulemaking, the
9 agency shall publish in the *Federal Register* and
10 on the public website of the agency its analysis
11 under paragraph (1)(B), and provide the anal-
12 ysis to each House of Congress.

13 (C) *CONGRESSIONAL WAIVER.*—If the agen-
14 cy is precluded by subparagraph (A) from pub-
15 lishing a notice of final rulemaking, Congress, by
16 joint resolution pursuant to the procedures set
17 forth for joint resolutions in section 802 of title
18 5, *United States Code*, may direct the agency to
19 publish a notice of final rulemaking notwith-
20 standing the prohibition contained in subpara-
21 graph (A). In applying section 802 of title 5,
22 *United States Code*, for purposes of this para-
23 graph, section 802(e)(2) shall not apply and the
24 terms—

1 (i) “joint resolution” or “joint resolu-
2 tion described in subsection (a)” means only
3 a joint resolution introduced during the pe-
4 riod beginning on the submission or publi-
5 cation date and ending 60 days thereafter
6 (excluding days either House of Congress is
7 adjourned for more than 3 days during a
8 session of Congress), the matter after the re-
9 solving clause of which is as follows: “That
10 Congress directs, notwithstanding the prohi-
11 bition contained in section 312(b)(4)(A) of
12 the Financial CHOICE Act of 2017, the
13 _____ to publish the notice of final rule-
14 making for the regulation or regulations
15 that were the subject of the analysis sub-
16 mitted by the _____ to Congress on _____.”
17 (The blank spaces being appropriately filled
18 in.); and

19 (ii) “submission or publication date”
20 means—

21 (I) the date on which the analysis
22 under paragraph (1)(B) is submitted
23 to Congress under paragraph (4)(B);
24 or

1 (II) if the analysis is submitted to
2 Congress less than 60 session days or
3 60 legislative days before the date on
4 which the Congress adjourns a session
5 of Congress, the date on which the
6 same or succeeding Congress first con-
7 venes its next session.

8 **SEC. 313. RULE OF CONSTRUCTION.**

9 For purposes of the Paperwork Reduction Act (44
10 U.S.C. 3501 et seq.), obtaining, causing to be obtained, or
11 soliciting information for purposes of complying with sec-
12 tion 312 with respect to a proposed rulemaking shall not
13 be construed to be a collection of information, provided that
14 the agency has first issued an advanced notice of proposed
15 rulemaking in connection with the regulation, identifies
16 that advanced notice of proposed rulemaking in its solicita-
17 tion of information, and informs the person from whom the
18 information is obtained or solicited that the provision of
19 information is voluntary.

20 **SEC. 314. PUBLIC AVAILABILITY OF DATA AND REGULATORY**
21 **ANALYSIS.**

22 (a) *IN GENERAL.*—At or before the commencement of
23 the public comment period with respect to a regulation, the
24 agency shall make available on its public website sufficient
25 information about the data, methodologies, and assump-

1 tions underlying the analyses performed pursuant to section
2 312 so that the analytical results of the agency are capable
3 of being substantially reproduced, subject to an acceptable
4 degree of imprecision or error.

5 (b) *CONFIDENTIALITY.*—The agency shall comply with
6 subsection (a) in a manner that preserves the confiden-
7 tiality of nonpublic information, including confidential
8 trade secrets, confidential commercial or financial informa-
9 tion, and confidential information about positions, trans-
10 actions, or business practices.

11 **SEC. 315. FIVE-YEAR REGULATORY IMPACT ANALYSIS.**

12 (a) *IN GENERAL.*—Not later than 5 years after the
13 date of publication in the Federal Register of a notice of
14 final rulemaking, the chief economist of the agency shall
15 issue a report that examines the economic impact of the
16 subject regulation, including the direct and indirect costs
17 and benefits of the regulation.

18 (b) *REGULATORY IMPACT METRICS.*—In preparing the
19 report required by subsection (a), the chief economist shall
20 employ the regulatory impact metrics included in the notice
21 of final rulemaking pursuant to section 312(b)(1)(C).

22 (c) *REPRODUCIBILITY.*—The report shall include the
23 data, methodologies, and assumptions underlying the eval-
24 uation so that the agency’s analytical results are capable

1 *of being substantially reproduced, subject to an acceptable*
2 *degree of imprecision or error.*

3 (d) *CONFIDENTIALITY.*—*The agency shall comply with*
4 *subsection (c) in a manner that preserves the confidentiality*
5 *of nonpublic information, including confidential trade se-*
6 *crets, confidential commercial or financial information,*
7 *and confidential information about positions, transactions,*
8 *or business practices.*

9 (e) *REPORT.*—*The agency shall submit the report re-*
10 *quired by subsection (a) to the Committee on Banking,*
11 *Housing, and Urban Affairs of the Senate and the Com-*
12 *mittee on Financial Services of the House of Representa-*
13 *tives and post it on the public website of the agency. The*
14 *Commodity Futures Trading Commission shall also submit*
15 *its report to the Committee on Agriculture, Nutrition, and*
16 *Forestry of the Senate and the Committee on Agriculture*
17 *of the House of Representatives.*

18 **SEC. 316. RETROSPECTIVE REVIEW OF EXISTING RULES.**

19 (a) *REGULATORY IMPROVEMENT PLAN.*—*Not later*
20 *than 1 year after the date of enactment of this Act and*
21 *every 5 years thereafter, each agency shall develop, submit*
22 *to the Committee on Banking, Housing, and Urban Affairs*
23 *of the Senate and the Committee on Financial Services of*
24 *the House of Representatives, and post on the public website*
25 *of the agency a plan, consistent with law and its resources*

1 *and regulatory priorities, under which the agency will mod-*
2 *ify, streamline, expand, or repeal existing regulations so as*
3 *to make the regulatory program of the agency more effective*
4 *or less burdensome in achieving the regulatory objectives.*
5 *The Commodity Futures Trading Commission shall also*
6 *submit its plan to the Committee on Agriculture, Nutrition,*
7 *and Forestry of the Senate and the Committee on Agri-*
8 *culture of the House of Representatives.*

9 **(b) IMPLEMENTATION PROGRESS REPORT.**—*Two*
10 *years after the date of submission of each plan required*
11 *under subsection (a), each agency shall develop, submit to*
12 *the Committee on Banking, Housing, and Urban Affairs*
13 *of the Senate and the Committee on Financial Services of*
14 *the House of Representatives, and post on the public website*
15 *of the agency a report of the steps that it has taken to imple-*
16 *ment the plan, steps that remain to be taken to implement*
17 *the plan, and, if any parts of the plan will not be imple-*
18 *mented, reasons for not implementing those parts of the*
19 *plan. The Commodity Futures Trading Commission shall*
20 *also submit its plan to the Committee on Agriculture, Nu-*
21 *trition, and Forestry of the Senate and the Committee on*
22 *Agriculture of the House of Representatives.*

23 **SEC. 317. JUDICIAL REVIEW.**

24 **(a) IN GENERAL.**—*Notwithstanding any other provi-*
25 *sion of law, during the period beginning on the date on*

1 *which a notice of final rulemaking for a regulation is pub-*
2 *lished in the Federal Register and ending 1 year later, a*
3 *person that is adversely affected or aggrieved by the regula-*
4 *tion is entitled to bring an action in the United States*
5 *Court of Appeals for the District of Columbia Circuit for*
6 *judicial review of agency compliance with the requirements*
7 *of section 312.*

8 (b) *STAY.*—*The court may stay the effective date of the*
9 *regulation or any provision thereof.*

10 (c) *RELIEF.*—*If the court finds that an agency has not*
11 *complied with the requirements of section 312, the court*
12 *shall vacate the subject regulation, unless the agency shows*
13 *by clear and convincing evidence that vacating the regula-*
14 *tion would result in irreparable harm. Nothing in this sec-*
15 *tion affects other limitations on judicial review or the power*
16 *or duty of the court to dismiss any action or deny relief*
17 *on any other appropriate legal or equitable ground.*

18 **SEC. 318. CHIEF ECONOMISTS COUNCIL.**

19 (a) *ESTABLISHMENT.*—*There is established the Chief*
20 *Economists Council.*

21 (b) *MEMBERSHIP.*—*The Council shall consist of the*
22 *chief economist of each agency. The members of the Council*
23 *shall select the first chairperson of the Council. Thereafter*
24 *the position of Chairperson shall rotate annually among the*
25 *members of the Council.*

1 (c) *MEETINGS.*—*The Council shall meet at the call of*
2 *the Chairperson, but not less frequently than quarterly.*

3 (d) *REPORT.*—*One year after the effective date of this*
4 *Act and annually thereafter, the Council shall prepare and*
5 *submit to the Committee on Banking, Housing, and Urban*
6 *Affairs and the Committee on Agriculture, Nutrition, and*
7 *Forestry of the Senate and the Committee on Financial*
8 *Services and the Committee on Agriculture of the House*
9 *of Representatives a report on—*

10 (1) *the benefits and costs of regulations adopted*
11 *by the agencies during the past 12 months;*

12 (2) *the regulatory actions planned by the agen-*
13 *cies for the upcoming 12 months;*

14 (3) *the cumulative effect of the existing regula-*
15 *tions of the agencies on economic activity, innovation,*
16 *international competitiveness of entities regulated by*
17 *the agencies, and net job creation (excluding jobs re-*
18 *lated to ensuring compliance with the regulation);*

19 (4) *the training and qualifications of the persons*
20 *who prepared the cost-benefit analyses of each agency*
21 *during the past 12 months;*

22 (5) *the sufficiency of the resources available to*
23 *the chief economists during the past 12 months for the*
24 *conduct of the activities required by this subtitle; and*

1 (6) recommendations for legislative or regulatory
2 action to enhance the efficiency and effectiveness of fi-
3 nancial regulation in the United States.

4 **SEC. 319. CONFORMING AMENDMENTS.**

5 Section 15(a) of the Commodity Exchange Act (7
6 U.S.C. 19(a)) is amended—

7 (1) by striking paragraph (1);

8 (2) in paragraph (2), by striking “(2)” and all
9 that follows through “light of—” and inserting the
10 following:

11 “(1) *CONSIDERATIONS.*—Before promulgating a
12 regulation under this chapter or issuing an order (ex-
13 cept as provided in paragraph (2)), the Commission
14 shall take into consideration—”;

15 (3) in paragraph (1), as so redesignated—

16 (A) in subparagraph (B), by striking “fu-
17 tures” and inserting “the relevant”;

18 (B) in subparagraph (C), by adding “and”
19 at the end;

20 (C) in subparagraph (D), by striking “;
21 and” and inserting a period; and

22 (D) by striking subparagraph (E); and

23 (4) by redesignating paragraph (3) as para-
24 graph (2).

1 **SEC. 320. OTHER REGULATORY ENTITIES.**

2 *Not later than 1 year after the date of enactment of*
3 *this Act, the Securities and Exchange Commission shall*
4 *provide to the Committee on Banking, Housing, and Urban*
5 *Affairs of the Senate and the Committee on Financial Serv-*
6 *ices of the House of Representatives a report setting forth*
7 *a plan for subjecting the Public Company Accounting Over-*
8 *sight Board, the Municipal Securities Rulemaking Board,*
9 *and any national securities association registered under*
10 *section 15A of the Securities Exchange Act of 1934 (15*
11 *U.S.C. 78o-4(a)) to the requirements of this subtitle, other*
12 *than direct representation on the Council.*

13 **SEC. 321. AVOIDANCE OF DUPLICATIVE OR UNNECESSARY**
14 **ANALYSES.**

15 *An agency may perform the analyses required by this*
16 *subtitle in conjunction with, or as a part of, any other agen-*
17 *da or analysis required by any other provision of law, if*
18 *such other analysis satisfies the provisions of this subtitle.*

19 **Subtitle B—Congressional Review**
20 **of Federal Financial Agency**
21 **Rulemaking**

22 **SEC. 331. CONGRESSIONAL REVIEW.**

23 *(a)(1)(A) Before a rule may take effect, a Federal fi-*
24 *nancial agency shall publish in the Federal Register a list*
25 *of information on which the rule is based, including data,*
26 *scientific and economic studies, and cost-benefit analyses,*

1 *and identify how the public can access such information*
2 *online, and shall submit to each House of the Congress and*
3 *to the Comptroller General a report containing—*

4 *(i) a copy of the rule;*

5 *(ii) a concise general statement relating to the*
6 *rule;*

7 *(iii) a classification of the rule as a major or*
8 *nonmajor rule, including an explanation of the classi-*
9 *fication specifically addressing each criteria for a*
10 *major rule contained within subparagraphs (A)*
11 *through (C) of section 334(2);*

12 *(iv) a list of any other related regulatory actions*
13 *intended to implement the same statutory provision*
14 *or regulatory objective as well as the individual and*
15 *aggregate economic effects of those actions; and*

16 *(v) the proposed effective date of the rule.*

17 *(B) On the date of the submission of the report under*
18 *subparagraph (A), the Federal financial agency shall sub-*
19 *mit to the Comptroller General and make available to each*
20 *House of Congress—*

21 *(i) a complete copy of the cost-benefit analysis of*
22 *the rule, if any, including an analysis of any jobs*
23 *added or lost, differentiating between public and pri-*
24 *vate sector jobs;*

1 (ii) the Federal financial agency's actions pursu-
2 ant to sections 603, 604, 605, 607, and 609 of title
3 5, United States Code;

4 (iii) the Federal financial agency's actions pur-
5 suant to sections 202, 203, 204, and 205 of the Un-
6 funded Mandates Reform Act of 1995; and

7 (iv) any other relevant information or require-
8 ments under any other Act and any relevant Execu-
9 tive orders.

10 (C) Upon receipt of a report submitted under subpara-
11 graph (A), each House shall provide copies of the report
12 to the chairman and ranking member of each standing com-
13 mittee with jurisdiction under the rules of the House of Rep-
14 resentatives or the Senate to report a bill to amend the pro-
15 vision of law under which the rule is issued.

16 (2)(A) The Comptroller General shall provide a report
17 on each major rule to the committees of jurisdiction by the
18 end of 15 calendar days after the submission or publication
19 date. The report of the Comptroller General shall include
20 an assessment of the Federal financial agency's compliance
21 with procedural steps required by paragraph (1)(B) and
22 an assessment of whether the major rule imposes any new
23 limits or mandates on private-sector activity.

1 *(B) Federal financial agencies shall cooperate with the*
2 *Comptroller General by providing information relevant to*
3 *the Comptroller General’s report under subparagraph (A).*

4 *(3) A major rule relating to a report submitted under*
5 *paragraph (1) shall take effect upon enactment of a joint*
6 *resolution of approval described in section 332 or as pro-*
7 *vided for in the rule following enactment of a joint resolu-*
8 *tion of approval described in section 332, whichever is later.*

9 *(4) A nonmajor rule shall take effect as provided by*
10 *section 333 after submission to Congress under paragraph*
11 *(1).*

12 *(5) If a joint resolution of approval relating to a major*
13 *rule is not enacted within the period provided in subsection*
14 *(b)(2), then a joint resolution of approval relating to the*
15 *same rule may not be considered under this subtitle in the*
16 *same Congress by either the House of Representatives or the*
17 *Senate.*

18 *(b)(1) A major rule shall not take effect unless the Con-*
19 *gress enacts a joint resolution of approval described under*
20 *section 332.*

21 *(2) If a joint resolution described in subsection (a) is*
22 *not enacted into law by the end of 70 session days or legisla-*
23 *tive days, as applicable, beginning on the date on which*
24 *the report referred to in subsection (a)(1)(A) is received by*
25 *Congress (excluding days either House of Congress is ad-*

1 *journe*d for more than 3 days during a session of Congress),
2 then the rule described in that resolution shall be deemed
3 not to be approved and such rule shall not take effect.

4 (c)(1) Notwithstanding any other provision of this sec-
5 tion (except subject to paragraph (3)), a major rule may
6 take effect for one 90-calendar-day period if the President
7 makes a determination under paragraph (2) and submits
8 written notice of such determination to the Congress.

9 (2) Paragraph (1) applies to a determination made
10 by the President by Executive order that the major rule
11 should take effect because such rule is—

12 (A) necessary because of an imminent threat to
13 health or safety or other emergency;

14 (B) necessary for the enforcement of criminal
15 laws;

16 (C) necessary for national security; or

17 (D) issued pursuant to any statute implementing
18 an international trade agreement.

19 (3) An exercise by the President of the authority under
20 this subsection shall have no effect on the procedures under
21 section 332.

22 (d)(1) In addition to the opportunity for review other-
23 wise provided under this subtitle, in the case of any rule
24 for which a report was submitted in accordance with sub-

1 *section (a)(1)(A) during the period beginning on the date*
2 *occurring—*

3 *(A) in the case of the Senate, 60 session days; or*

4 *(B) in the case of the House of Representatives,*
5 *60 legislative days,*

6 *before the date the Congress is scheduled to adjourn a session*
7 *of Congress through the date on which the same or suc-*
8 *ceeding Congress first convenes its next session, sections 332*
9 *and 333 shall apply to such rule in the succeeding session*
10 *of Congress.*

11 *(2)(A) In applying sections 332 and 333 for purposes*
12 *of such additional review, a rule described under paragraph*
13 *(1) shall be treated as though—*

14 *(i) such rule were published in the Federal Reg-*
15 *ister on—*

16 *(I) in the case of the Senate, the 15th ses-*
17 *sion day; or*

18 *(II) in the case of the House of Representa-*
19 *tives, the 15th legislative day,*

20 *after the succeeding session of Congress first convenes;*
21 *and*

22 *(ii) a report on such rule were submitted to Con-*
23 *gress under subsection (a)(1) on such date.*

1 (B) Nothing in this paragraph shall be construed to
2 affect the requirement under subsection (a)(1) that a report
3 shall be submitted to Congress before a rule can take effect.

4 (3) A rule described under paragraph (1) shall take
5 effect as otherwise provided by law (including other sub-
6 sections of this section).

7 **SEC. 332. CONGRESSIONAL APPROVAL PROCEDURE FOR**
8 **MAJOR RULES.**

9 (a)(1) For purposes of this section, the term “joint res-
10 olution” means only a joint resolution addressing a report
11 classifying a rule as major pursuant to section
12 331(a)(1)(A)(iii) that—

13 (A) bears no preamble;

14 (B) bears the following title (with blanks filled as
15 appropriate): “Approving the rule submitted by
16 _____ relating to _____.”;

17 (C) includes after its resolving clause only the
18 following (with blanks filled as appropriate): “That
19 Congress approves the rule submitted by _____ re-
20 lating to _____.”; and

21 (D) is introduced pursuant to paragraph (2).

22 (2) After a House of Congress receives a report
23 classifying a rule as major pursuant to section
24 331(a)(1)(A)(iii), the majority leader of that House (or his

1 *or her respective designee) shall introduce (by request, if ap-*
2 *propriate) a joint resolution described in paragraph (1)—*

3 *(A) in the case of the House of Representatives,*
4 *within 3 legislative days; and*

5 *(B) in the case of the Senate, within 3 session*
6 *days.*

7 *(3) A joint resolution described in paragraph (1) shall*
8 *not be subject to amendment at any stage of proceeding.*

9 *(b) A joint resolution described in subsection (a) shall*
10 *be referred in each House of Congress to the committees hav-*
11 *ing jurisdiction over the provision of law under which the*
12 *rule is issued.*

13 *(c) In the Senate, if the committee or committees to*
14 *which a joint resolution described in subsection (a) has been*
15 *referred have not reported it at the end of 15 session days*
16 *after its introduction, such committee or committees shall*
17 *be automatically discharged from further consideration of*
18 *the resolution and it shall be placed on the calendar. A vote*
19 *on final passage of the resolution shall be taken on or before*
20 *the close of the 15th session day after the resolution is re-*
21 *ported by the committee or committees to which it was re-*
22 *ferred, or after such committee or committees have been dis-*
23 *charged from further consideration of the resolution.*

24 *(d)(1) In the Senate, when the committee or commit-*
25 *tees to which a joint resolution is referred have reported,*

1 *or when a committee or committees are discharged (under*
2 *subsection (c)) from further consideration of a joint resolu-*
3 *tion described in subsection (a), it is at any time thereafter*
4 *in order (even though a previous motion to the same effect*
5 *has been disagreed to) for a motion to proceed to the consid-*
6 *eration of the joint resolution, and all points of order*
7 *against the joint resolution (and against consideration of*
8 *the joint resolution) are waived. The motion is not subject*
9 *to amendment, or to a motion to postpone, or to a motion*
10 *to proceed to the consideration of other business. A motion*
11 *to reconsider the vote by which the motion is agreed to or*
12 *disagreed to shall not be in order. If a motion to proceed*
13 *to the consideration of the joint resolution is agreed to, the*
14 *joint resolution shall remain the unfinished business of the*
15 *Senate until disposed of.*

16 (2) *In the Senate, debate on the joint resolution, and*
17 *on all debatable motions and appeals in connection there-*
18 *with, shall be limited to not more than 2 hours, which shall*
19 *be divided equally between those favoring and those oppos-*
20 *ing the joint resolution. A motion to further limit debate*
21 *is in order and not debatable. An amendment to, or a mo-*
22 *tion to postpone, or a motion to proceed to the consideration*
23 *of other business, or a motion to recommit the joint resolu-*
24 *tion is not in order.*

1 (3) *In the Senate, immediately following the conclu-*
2 *sion of the debate on a joint resolution described in sub-*
3 *section (a), and a single quorum call at the conclusion of*
4 *the debate if requested in accordance with the rules of the*
5 *Senate, the vote on final passage of the joint resolution shall*
6 *occur.*

7 (4) *Appeals from the decisions of the Chair relating*
8 *to the application of the rules of the Senate to the procedure*
9 *relating to a joint resolution described in subsection (a)*
10 *shall be decided without debate.*

11 (e) *In the House of Representatives, if any committee*
12 *to which a joint resolution described in subsection (a) has*
13 *been referred has not reported it to the House at the end*
14 *of 15 legislative days after its introduction, such committee*
15 *shall be discharged from further consideration of the joint*
16 *resolution, and it shall be placed on the appropriate cal-*
17 *endar. On the second and fourth Thursdays of each month*
18 *it shall be in order at any time for the Speaker to recognize*
19 *a Member who favors passage of a joint resolution that has*
20 *appeared on the calendar for at least 5 legislative days to*
21 *call up that joint resolution for immediate consideration*
22 *in the House without intervention of any point of order.*
23 *When so called up a joint resolution shall be considered as*
24 *read and shall be debatable for 1 hour equally divided and*
25 *controlled by the proponent and an opponent, and the pre-*

1 *vious question shall be considered as ordered to its passage*
2 *without intervening motion. It shall not be in order to re-*
3 *consider the vote on passage. If a vote on final passage of*
4 *the joint resolution has not been taken by the third Thurs-*
5 *day on which the Speaker may recognize a Member under*
6 *this subsection, such vote shall be taken on that day.*

7 *(f)(1) If, before passing a joint resolution described in*
8 *subsection (a), one House receives from the other a joint*
9 *resolution having the same text, then—*

10 *(A) the joint resolution of the other House shall*
11 *not be referred to a committee; and*

12 *(B) the procedure in the receiving House shall be*
13 *the same as if no joint resolution had been received*
14 *from the other House until the vote on passage, when*
15 *the joint resolution received from the other House*
16 *shall supplant the joint resolution of the receiving*
17 *House.*

18 *(2) This subsection shall not apply to the House of*
19 *Representatives if the joint resolution received from the Sen-*
20 *ate is a revenue measure.*

21 *(g) If either House has not taken a vote on final pas-*
22 *sage of the joint resolution by the last day of the period*
23 *described in section 331(b)(2), then such vote shall be taken*
24 *on that day.*

1 (h) *This section and section 333 are enacted by Con-*
2 *gress—*

3 (1) *as an exercise of the rulemaking power of the*
4 *Senate and House of Representatives, respectively,*
5 *and as such is deemed to be part of the rules of each*
6 *House, respectively, but applicable only with respect*
7 *to the procedure to be followed in that House in the*
8 *case of a joint resolution described in subsection (a)*
9 *and superseding other rules only where explicitly so;*
10 *and*

11 (2) *with full recognition of the Constitutional*
12 *right of either House to change the rules (so far as*
13 *they relate to the procedure of that House) at any*
14 *time, in the same manner and to the same extent as*
15 *in the case of any other rule of that House.*

16 **SEC. 333. CONGRESSIONAL DISAPPROVAL PROCEDURE FOR**
17 **NONMAJOR RULES.**

18 (a) *For purposes of this section, the term “joint resolu-*
19 *tion” means only a joint resolution introduced in the period*
20 *beginning on the date on which the report referred to in*
21 *section 331(a)(1)(A) is received by Congress and ending 60*
22 *days thereafter (excluding days either House of Congress is*
23 *adjourned for more than 3 days during a session of Con-*
24 *gress), the matter after the resolving clause of which is as*
25 *follows: “That Congress disapproves the nonmajor rule sub-*

1 mitted by the _____ relating to _____, and such rule
2 shall have no force or effect.” (The blank spaces being appro-
3 priately filled in).

4 (b) A joint resolution described in subsection (a) shall
5 be referred to the committees in each House of Congress with
6 jurisdiction.

7 (c) In the Senate, if the committee to which is referred
8 a joint resolution described in subsection (a) has not re-
9 ported such joint resolution (or an identical joint resolu-
10 tion) at the end of 15 session days after the date of introduc-
11 tion of the joint resolution, such committee may be dis-
12 charged from further consideration of such joint resolution
13 upon a petition supported in writing by 30 Members of the
14 Senate, and such joint resolution shall be placed on the cal-
15 endar.

16 (d)(1) In the Senate, when the committee to which a
17 joint resolution is referred has reported, or when a com-
18 mittee is discharged (under subsection (c)) from further con-
19 sideration of a joint resolution described in subsection (a),
20 it is at any time thereafter in order (even though a previous
21 motion to the same effect has been disagreed to) for a motion
22 to proceed to the consideration of the joint resolution, and
23 all points of order against the joint resolution (and against
24 consideration of the joint resolution) are waived. The mo-
25 tion is not subject to amendment, or to a motion to post-

1 *pone, or to a motion to proceed to the consideration of other*
2 *business. A motion to reconsider the vote by which the mo-*
3 *tion is agreed to or disagreed to shall not be in order. If*
4 *a motion to proceed to the consideration of the joint resolu-*
5 *tion is agreed to, the joint resolution shall remain the unfin-*
6 *ished business of the Senate until disposed of.*

7 (2) *In the Senate, debate on the joint resolution, and*
8 *on all debatable motions and appeals in connection there-*
9 *with, shall be limited to not more than 10 hours, which*
10 *shall be divided equally between those favoring and those*
11 *opposing the joint resolution. A motion to further limit de-*
12 *bate is in order and not debatable. An amendment to, or*
13 *a motion to postpone, or a motion to proceed to the consid-*
14 *eration of other business, or a motion to recommit the joint*
15 *resolution is not in order.*

16 (3) *In the Senate, immediately following the conclu-*
17 *sion of the debate on a joint resolution described in sub-*
18 *section (a), and a single quorum call at the conclusion of*
19 *the debate if requested in accordance with the rules of the*
20 *Senate, the vote on final passage of the joint resolution shall*
21 *occur.*

22 (4) *Appeals from the decisions of the Chair relating*
23 *to the application of the rules of the Senate to the procedure*
24 *relating to a joint resolution described in subsection (a)*
25 *shall be decided without debate.*

1 (e) *In the Senate, the procedure specified in subsection*
2 *(c) or (d) shall not apply to the consideration of a joint*
3 *resolution respecting a nonmajor rule—*

4 (1) *after the expiration of the 60 session days be-*
5 *ginning with the applicable submission or publication*
6 *date; or*

7 (2) *if the report under section 331(a)(1)(A) was*
8 *submitted during the period referred to in section*
9 *331(d)(1), after the expiration of the 60 session days*
10 *beginning on the 15th session day after the succeeding*
11 *session of Congress first convenes.*

12 (f) *If, before the passage by one House of a joint resolu-*
13 *tion of that House described in subsection (a), that House*
14 *receives from the other House a joint resolution described*
15 *in subsection (a), then the following procedures shall apply:*

16 (1) *The joint resolution of the other House shall*
17 *not be referred to a committee.*

18 (2) *With respect to a joint resolution described in*
19 *subsection (a) of the House receiving the joint resolu-*
20 *tion—*

21 (A) *the procedure in that House shall be the*
22 *same as if no joint resolution had been received*
23 *from the other House; but*

24 (B) *the vote on final passage shall be on the*
25 *joint resolution of the other House.*

1 **SEC. 334. DEFINITIONS.**

2 *For purposes of this subtitle:*

3 (1) *The term “Federal financial agency” means*
4 *the Consumer Law Enforcement Agency, Board of*
5 *Governors of the Federal Reserve System, the Com-*
6 *modity Futures Trading Commission, the Federal De-*
7 *posit Insurance Corporation, the Federal Housing Fi-*
8 *nance Agency, the Office of the Comptroller of the*
9 *Currency, the National Credit Union Administration,*
10 *and the Securities and Exchange Commission.*

11 (2) *The term “major rule” means any rule, in-*
12 *cluding an interim final rule, that the Administrator*
13 *of the Office of Information and Regulatory Affairs of*
14 *the Office of Management and Budget finds has re-*
15 *sulted in or is likely to result in—*

16 (A) *an annual effect on the economy of \$100*
17 *million or more;*

18 (B) *a major increase in costs or prices for*
19 *consumers, individual industries, Federal, State,*
20 *or local government agencies, or geographic re-*
21 *gions; or*

22 (C) *significant adverse effects on competi-*
23 *tion, employment, investment, productivity, in-*
24 *novation, or on the ability of United States-*
25 *based enterprises to compete with foreign-based*
26 *enterprises in domestic and export markets.*

1 (3) *The term “nonmajor rule” means any rule*
2 *that is not a major rule.*

3 (4) *The term “rule” has the meaning given such*
4 *term in section 551 of title 5, United States Code, ex-*
5 *cept that such term does not include—*

6 (A) *any rule of particular applicability, in-*
7 *cluding a rule that approves or prescribes for the*
8 *future rates, wages, prices, services, or allow-*
9 *ances therefore, corporate or financial structures,*
10 *reorganizations, mergers, or acquisitions thereof,*
11 *or accounting practices or disclosures bearing on*
12 *any of the foregoing;*

13 (B) *any rule relating to agency manage-*
14 *ment or personnel; or*

15 (C) *any rule of agency organization, proce-*
16 *dure, or practice that does not substantially af-*
17 *fect the rights or obligations of non-agency par-*
18 *ties.*

19 (5) *The term “submission date or publication*
20 *date”, except as otherwise provided in this subtitle,*
21 *means—*

22 (A) *in the case of a major rule, the date on*
23 *which the Congress receives the report submitted*
24 *under section 331(a)(1)(A); and*

1 (B) *in the case of a nonmajor rule, the later*
2 *of—*

3 (i) *the date on which the Congress re-*
4 *ceives the report submitted under section*
5 *331(a)(1)(A); and*

6 (ii) *the date on which the nonmajor*
7 *rule is published in the Federal Register, if*
8 *so published.*

9 **SEC. 335. JUDICIAL REVIEW.**

10 (a) *No determination, finding, action, or omission*
11 *under this subtitle shall be subject to judicial review.*

12 (b) *Notwithstanding subsection (a), a court may deter-*
13 *mine whether a Federal financial agency has completed the*
14 *necessary requirements under this subtitle for a rule to take*
15 *effect.*

16 (c) *The enactment of a joint resolution of approval*
17 *under section 332 shall not be interpreted to serve as a*
18 *grant or modification of statutory authority by Congress*
19 *for the promulgation of a rule, shall not extinguish or affect*
20 *any claim, whether substantive or procedural, against any*
21 *alleged defect in a rule, and shall not form part of the record*
22 *before the court in any judicial proceeding concerning a*
23 *rule except for purposes of determining whether or not the*
24 *rule is in effect.*

1 **SEC. 336. EFFECTIVE DATE OF CERTAIN RULES.**

2 *Notwithstanding section 331—*

3 *(1) any rule that establishes, modifies, opens,*
4 *closes, or conducts a regulatory program for a com-*
5 *mercial, recreational, or subsistence activity related to*
6 *hunting, fishing, or camping, or*

7 *(2) any rule other than a major rule which the*
8 *Federal financial agency for good cause finds (and*
9 *incorporates the finding and a brief statement of rea-*
10 *sons therefore in the rule issued) that notice and pub-*
11 *lic procedure thereon are impracticable, unnecessary,*
12 *or contrary to the public interest,*
13 *shall take effect at such time as the Federal financial agency*
14 *promulgating the rule determines.*

15 **SEC. 337. BUDGETARY EFFECTS OF RULES SUBJECT TO**
16 **SECTION 332 OF THE FINANCIAL CHOICE ACT**
17 **OF 2017.**

18 *Section 257(b)(2) of the Balanced Budget and Emer-*
19 *gency Deficit Control Act of 1985 is amended by adding*
20 *at the end the following new subparagraph:*

21 *“(E) BUDGETARY EFFECTS OF RULES SUBJECT*
22 *TO SECTION 332 OF THE FINANCIAL CHOICE ACT OF*
23 *2017.—Any rules subject to the congressional approval*
24 *procedure set forth in section 332 of the Financial*
25 *CHOICE Act of 2017 affecting budget authority, out-*

1 *lays, or receipts shall be assumed to be effective unless*
2 *it is not approved in accordance with such section.”.*

3 ***Subtitle C—Judicial Review of***
4 ***Agency Actions***

5 ***SEC. 341. SCOPE OF JUDICIAL REVIEW OF AGENCY AC-***
6 ***TIONS.***

7 *(a) IN GENERAL.—Notwithstanding any other provi-*
8 *sion of law, in any judicial review of an agency action pur-*
9 *suant to chapter 7 of title 5, United States Code, to the*
10 *extent necessary to decision and when presented, the review-*
11 *ing court shall determine the meaning or applicability of*
12 *the terms of an agency action and decide de novo all rel-*
13 *evant questions of law, including the interpretation of con-*
14 *stitutional and statutory provisions, and rules made by an*
15 *agency. Notwithstanding any other provision of law, this*
16 *section shall apply in any action for judicial review of*
17 *agency action authorized under any provision of law. No*
18 *law may exempt any such civil action from the application*
19 *of this section except by specific reference to this section.*

20 *(b) AGENCY DEFINED.—For purposes of this section,*
21 *the term “agency” means the Consumer Law Enforcement*
22 *Agency, the Board of Governors of the Federal Reserve Sys-*
23 *tem, the Commodity Futures Trading Commission, the Fed-*
24 *eral Deposit Insurance Corporation, the Federal Housing*
25 *Finance Agency, the Office of the Comptroller of the Cur-*

1 rency, the National Credit Union Administration, and the
2 Securities and Exchange Commission.

3 (c) *EFFECTIVE DATE.*—Subsection (a) shall take effect
4 after the end of the 2-year period beginning on the date
5 of the enactment of this Act.

6 ***Subtitle D—Leadership of***
7 ***Financial Regulators***

8 ***SEC. 351. FEDERAL DEPOSIT INSURANCE CORPORATION.***

9 Section 2 of the Federal Deposit Insurance Act (12
10 U.S.C. 1812) is amended—

11 (1) in subsection (a)(1), by striking “5 members”
12 and all that follows through “3 of whom” and insert-
13 ing the following: “5 members, who”;

14 (2) by amending subsection (d) to read as fol-
15 lows:

16 “(d) *VACANCY.*—Any vacancy on the Board of Direc-
17 tors shall be filled in the manner in which the original ap-
18 pointment was made.”; and

19 (3) in subsection (f)—

20 (A) by striking paragraph (2); and

21 (B) by redesignating paragraph (3) as
22 paragraph (2).

1 **SEC. 352. FEDERAL HOUSING FINANCE AGENCY.**

2 *Section 1312(b)(2) of the Federal Housing Enterprises*
3 *Financial Safety and Soundness Act of 1992 (12 U.S.C.*
4 *4512) is amended by striking “for cause”.*

5 **Subtitle E—Congressional**
6 **Oversight of Appropriations**

7 **SEC. 361. BRINGING THE FEDERAL DEPOSIT INSURANCE**
8 **CORPORATION INTO THE APPROPRIATIONS**
9 **PROCESS.**

10 *(a) IN GENERAL.—Section 10(a) of the Federal De-*
11 *posit Insurance Act (12 U.S.C. 1820(a)) is amended—*

12 *(1) by striking “(a) The” and inserting the fol-*
13 *lowing:*

14 *“(a) POWERS.—*

15 *“(1) IN GENERAL.—The”;*

16 *(2) by inserting “, subject to paragraph (2),”*
17 *after “The Board of Directors of the Corporation”;*
18 *and*

19 *(3) by adding at the end the following new para-*
20 *graph:*

21 *“(2) APPROPRIATIONS REQUIREMENT.—*

22 *“(A) OPERATING FUND.—There is estab-*
23 *lished an Operating Fund, to which Congress*
24 *shall provide annual appropriations to the Cor-*
25 *poration, which shall be separate from the De-*
26 *posit Insurance Fund.*

1 “(B) *RECOVERY OF COSTS OF ANNUAL AP-*
2 *PROPRIATION.—The Corporation shall collect as-*
3 *sessments and other fees, as provided under this*
4 *Act, that are designed to recover the costs to the*
5 *Government of the annual appropriation to the*
6 *Corporation by Congress. Except as provided in*
7 *(E) and subject to subparagraph (F), the Cor-*
8 *poration may only incur obligations, or allow*
9 *and pay expenses, from the Operating Fund pur-*
10 *suant to an appropriations Act.*

11 “(C) *DEPOSITS.—Assessments and other fees*
12 *described under subparagraph (B) for any fiscal*
13 *year—*

14 “(i) *shall be deposited in the Operating*
15 *Fund; and*

16 “(ii) *except as provided in subpara-*
17 *graph (E), shall not be collected for any fis-*
18 *cal year except to the extent provided in ad-*
19 *vance in appropriation Acts.*

20 “(D) *CREDITS.—Amounts deposited in the*
21 *Operating Fund during a fiscal year shall be*
22 *credited as offsetting the amount appropriated to*
23 *the Operating Fund for such fiscal year.*

24 “(E) *LAPSE OF APPROPRIATION.—If on the*
25 *first day of a fiscal year an appropriation to the*

1 *Corporation has not been enacted, the Corpora-*
2 *tion shall continue to collect the assessments and*
3 *other fees described under subparagraph (B) at*
4 *the rate in effect during the preceding fiscal*
5 *year, until 60 days after the date such an appro-*
6 *priation is enacted.*

7 “(F) *EXCEPTION FOR CERTAIN PRO-*
8 *GRAMS.—This paragraph shall not apply to the*
9 *Corporation’s Insurance Business Line Programs*
10 *and Receivership Management Business Line*
11 *Programs, as in existence on the date of enact-*
12 *ment of this paragraph.”.*

13 (b) *CONFORMING AMENDMENT.—Subsection (d) of sec-*
14 *tion 7 of the Federal Deposit Insurance Act (12 U.S.C.*
15 *1817) is amended to read as follows:*

16 “(d) *DEPOSIT INSURANCE FUND EXEMPT FROM AP-*
17 *PORTIONMENT.—Notwithstanding any other provision of*
18 *law, amounts received pursuant to any assessments or other*
19 *fees that are deposited into the Deposit Insurance Fund*
20 *shall not be subject to apportionment for the purposes of*
21 *chapter 15 of title 31, United States Code, or under any*
22 *other authority.”.*

23 (c) *EFFECTIVE DATE.—The amendments made by this*
24 *section shall apply with respect to expenses paid and fees*
25 *collected on or after the date that is 90 days after the date*

1 *of the enactment of the first appropriation Act that provides*
 2 *for appropriations to the Federal Deposit Insurance Cor-*
 3 *poration and that is enacted after the date of the enactment*
 4 *of this Act.*

5 **SEC. 362. BRINGING THE FEDERAL HOUSING FINANCE**
 6 **AGENCY INTO THE APPROPRIATIONS PROC-**
 7 **ESS.**

8 *(a) IN GENERAL.—Section 1316 of the Housing and*
 9 *Community Development Act of 1992 (12 U.S.C. 4516) is*
 10 *amended—*

11 *(1) by amending subsection (a) to read as fol-*
 12 *lows:*

13 *“(a) APPROPRIATIONS REQUIREMENT.—*

14 *“(1) RECOVERY OF COSTS OF ANNUAL APPRO-*
 15 *PRIATION.—The Agency shall collect assessments and*
 16 *other fees that are designed to recover the costs to the*
 17 *Government of the annual appropriation to the Agen-*
 18 *cy by Congress.*

19 *“(2) OFFSETTING COLLECTIONS.—Assessments*
 20 *and other fees described under paragraph (1) for any*
 21 *fiscal year—*

22 *“(A) shall be deposited and credited as off-*
 23 *setting collections to the account providing ap-*
 24 *propriations to the Agency; and*

1 “(B) except as provided in paragraph (3),
2 shall not be collected for any fiscal year except
3 to the extent provided in advance in appropria-
4 tion Acts.

5 “(3) *LAPSE OF APPROPRIATION.*—If on the first
6 day of a fiscal year an appropriation to the Agency
7 has not been enacted, the Agency shall continue to col-
8 lect (as offsetting collections) the assessments and
9 other fees described under paragraph (1) at the rate
10 in effect during the preceding fiscal year, until 60
11 days after the date such an appropriation is en-
12 acted.”; and

13 (2) by striking subsection (f).

14 (b) *EFFECTIVE DATE.*—The amendments made by this
15 section shall apply with respect to expenses paid and assess-
16 ments and other fees collected on or after the date that is
17 90 days after the date of the enactment of the first approp-
18 riation Act that provides for appropriations to the Federal
19 Housing Finance Agency and that is enacted after the date
20 of the enactment of this Act.

21 **SEC. 363. BRINGING THE NATIONAL CREDIT UNION ADMIN-**
22 **ISTRATION INTO THE APPROPRIATIONS**
23 **PROCESS.**

24 (a) *IN GENERAL.*—Section 105 of the Federal Credit
25 Union Act (12 U.S.C. 1755) is amended—

1 (1) *by amending subsections (a) and (b) to read*
2 *as follows:*

3 “(a) *PAYMENT BY FEDERAL CREDIT UNIONS TO AD-*
4 *MINISTRATION.—Each insured credit union shall pay to the*
5 *Administration an annual fee.*

6 “(b) *DETERMINATIONS OF ASSESSMENT PERIODS AND*
7 *PAYMENT DATES.—The Board shall determine the periods*
8 *for which the fee referred to under subsection (a) shall be*
9 *assessed and the date for the payment of such fee or incre-*
10 *ments thereof.”;*

11 (2) *in subsection (c), by striking “operating”;*

12 (3) *by amending subsection (d) to read as fol-*
13 *lows:*

14 “(d) *APPROPRIATIONS REQUIREMENT.—*

15 “(1) *RECOVERY OF COSTS OF ANNUAL APPRO-*
16 *PRIATION.—The Administration shall collect fees other*
17 *than those fees referred to under subsection (a) from*
18 *each insured credit union, as provided under this Act,*
19 *in an amount stated as a percentage of insured shares*
20 *of each insured credit union (which percentage shall*
21 *be the same for all insured credit unions). Such fees*
22 *shall be designed to recover the costs to the Govern-*
23 *ment of the annual appropriation to the Administra-*
24 *tion by Congress.*

1 “(2) *OFFSETTING COLLECTIONS.*—*Fees described*
2 *under paragraph (1) for any fiscal year—*

3 “(A) *shall be deposited and credited as off-*
4 *setting collections to the account providing ap-*
5 *propriations to the Administration; and*

6 “(B) *except as provided in paragraph (3),*
7 *shall not be collected for any fiscal year except*
8 *to the extent provided in advance in appropria-*
9 *tion Acts.*

10 “(3) *LAPSE OF APPROPRIATION.*—*If on the first*
11 *day of a fiscal year an appropriation to the Adminis-*
12 *tration has not been enacted, the Administration shall*
13 *continue to collect (as offsetting collections) the fees*
14 *described under paragraph (1) at the rate in effect*
15 *during the preceding fiscal year, until 60 days after*
16 *the date such an appropriation is enacted.*

17 “(4) *EXCEPTION FOR INSURANCE FUNCTIONS.*—
18 *This subsection shall not apply to the National Credit*
19 *Union Share Insurance Fund, including assessments*
20 *and other fees that are deposited into, and amounts*
21 *paid from, the National Credit Union Share Insur-*
22 *ance Fund.”; and*

23 (4) *by striking subsection (e).*

24 (b) *CONFORMING AMENDMENTS.*—*The Federal Credit*
25 *Union Act (12 U.S.C. 1751 et seq.) is amended—*

1 (1) *in section 120(j), by striking paragraph (3);*

2 (2) *by amending section 128 to read as follows:*

3 **“SEC. 128. NATIONAL CREDIT UNION SHARE INSURANCE**

4 **FUND EXEMPT FROM APPORTIONMENT.**

5 *“Notwithstanding any other provision of law, amounts*
6 *received pursuant to any assessments or other fees that are*
7 *deposited into the National Credit Union Share Insurance*
8 *Fund or the Temporary Corporate Credit Union Stabiliza-*
9 *tion Fund shall not be subject to apportionment for the pur-*
10 *poses of chapter 15 of title 31, United States Code, or under*
11 *any other authority.”; and*

12 (3) *in section 203(a), by striking “and for such*
13 *administrative and other expenses incurred in car-*
14 *rying out the purposes of this title”.*

15 (c) **EFFECTIVE DATE.**—*The amendments made by this*
16 *section shall apply with respect to expenses paid and fees*
17 *collected on or after the date that is 90 days after the date*
18 *of the enactment of the first appropriation Act that provides*
19 *for appropriations to the National Credit Union Adminis-*
20 *tration and that is enacted after the date of the enactment*
21 *of this Act.*

1 **SEC. 364. BRINGING THE OFFICE OF THE COMPTROLLER OF**
 2 **THE CURRENCY INTO THE APPROPRIATIONS**
 3 **PROCESS.**

4 (a) *IN GENERAL.*—Section 5240A of the Revised Stat-
 5 *utes of the United States (12 U.S.C. 16) is amended—*

6 (1) *by striking “Sec. 5240A. The Comptroller of*
 7 *the Currency may collect an assessment, fee, or other*
 8 *charge from any entity described in section 3(q)(1) of*
 9 *the Federal Deposit Insurance Act (12 U.S.C.*
 10 *1813(q)(1)), as the Comptroller determines is nec-*
 11 *essary or appropriate to carry out the responsibilities*
 12 *of the Office of the Comptroller of the Currency. In*
 13 *establishing the amount of an assessment, fee, or*
 14 *charge collected from an entity under this section,”*
 15 *and inserting the following:*

16 **“SEC. 5240A. COLLECTION OF FEES; APPROPRIATIONS RE-**
 17 **QUIREMENT.**

18 *“(a) IN GENERAL.—In establishing the amount of an*
 19 *assessment, fee, or charge collected from an entity under*
 20 *subsection (b),”;*

21 (2) *by striking “Funds derived” and all that fol-*
 22 *lows through the end of the section; and*

23 (3) *by adding at the end the following:*

24 **“(b) APPROPRIATIONS REQUIREMENT.—**

25 **“(1) RECOVERY OF COSTS OF ANNUAL APPRO-**
 26 **PRIATION.—The Comptroller of the Currency shall**

1 *impose and collect assessments, fees, or other charges*
2 *that are designed to recover the costs to the Govern-*
3 *ment of the annual appropriation to the Office of the*
4 *Comptroller of the Currency by Congress.*

5 “(2) *OFFSETTING COLLECTIONS.—Assessments*
6 *and other fees described under paragraph (1) for any*
7 *fiscal year—*

8 *“(A) shall be deposited and credited as off-*
9 *setting collections to the account providing ap-*
10 *propriations to the Office of the Comptroller of*
11 *the Currency; and*

12 *“(B) except as provided in paragraph (3),*
13 *shall not be collected for any fiscal year except*
14 *to the extent provided in advance in appropria-*
15 *tion Acts.*

16 “(3) *LAPSE OF APPROPRIATION.—If on the first*
17 *day of a fiscal year an appropriation to the Office of*
18 *the Comptroller of the Currency has not been enacted,*
19 *the Comptroller of the Currency shall continue to col-*
20 *lect (as offsetting collections) the assessments and*
21 *other fees described under paragraph (1) at the rate*
22 *in effect during the preceding fiscal year, until 60*
23 *days after the date such an appropriation is en-*
24 *acted.”.*

1 (b) *CONFORMING AMENDMENT.*—Section 5240 (12
 2 *U.S.C. 481 et seq.*) of the Revised Statutes of the United
 3 States is amended by striking the fourth undesignated para-
 4 graph.

5 (c) *EFFECTIVE DATE.*—The amendments made by this
 6 section shall apply with respect to expenses paid and fees
 7 collected on or after the date that is 90 days after the date
 8 of the enactment of the first appropriation Act that provides
 9 for appropriations to the Comptroller of the Currency and
 10 that is enacted after the date of the enactment of this Act.

11 **SEC. 365. BRINGING THE NON-MONETARY POLICY RELATED**
 12 **FUNCTIONS OF THE BOARD OF GOVERNORS**
 13 **OF THE FEDERAL RESERVE SYSTEM INTO**
 14 **THE APPROPRIATIONS PROCESS.**

15 (a) *IN GENERAL.*—The Federal Reserve Act is amend-
 16 ed by inserting after section 11B the following:

17 **“SEC. 11C. APPROPRIATIONS REQUIREMENT FOR NON-MON-**
 18 **ETARY POLICY RELATED ADMINISTRATIVE**
 19 **COSTS.**

20 “(a) *APPROPRIATIONS REQUIREMENT.*—

21 “(1) *RECOVERY OF COSTS OF ANNUAL APPRO-*
 22 *PRIATION.*—The Board of Governors of the Federal
 23 Reserve System and the Federal reserve banks shall
 24 collect assessments and other fees, as provided under
 25 this Act, that are designed to recover the costs to the

1 *Government of the annual appropriation to the Board*
2 *of Governors of the Federal Reserve System by Con-*
3 *gress. The Board of Governors of the Federal Reserve*
4 *System and the Federal reserve banks may only incur*
5 *obligations or allow and pay expenses with respect to*
6 *non-monetary policy related administrative costs pur-*
7 *suant to an appropriations Act.*

8 “(2) *OFFSETTING COLLECTIONS.—Assessments*
9 *and other fees described under paragraph (1) for any*
10 *fiscal year—*

11 “(A) *shall be deposited and credited as off-*
12 *setting collections to the account providing ap-*
13 *propriations to the Board of Governors of the*
14 *Federal Reserve System; and*

15 “(B) *except as provided in paragraph (3),*
16 *shall not be collected for any fiscal year except*
17 *to the extent provided in advance in appropria-*
18 *tion Acts.*

19 “(3) *LAPSE OF APPROPRIATION.—If on the first*
20 *day of a fiscal year an appropriation to the Board*
21 *of Governors of the Federal Reserve System has not*
22 *been enacted, the Board of Governors of the Federal*
23 *Reserve System shall continue to collect (as offsetting*
24 *collections) the assessments and other fees described*
25 *under paragraph (1) at the rate in effect during the*

1 *preceding fiscal year, until 60 days after the date*
2 *such an appropriation is enacted.*

3 “(4) *LIMITATION.*—*This subsection shall only*
4 *apply to the non-monetary policy related administra-*
5 *tive costs of the Board of Governors of the Federal Re-*
6 *serve System.*

7 “(b) *DEFINITIONS.*—*For purposes of this section:*

8 “(1) *MONETARY POLICY.*—*The term ‘monetary*
9 *policy’ means a strategy for producing a generally ac-*
10 *ceptable exchange medium that supports the produc-*
11 *tive employment of economic resources by reliably*
12 *servicing as both a unit of account and store of value.*

13 “(2) *NON-MONETARY POLICY RELATED ADMINIS-*
14 *TRATIVE COSTS.*—*The term ‘non-monetary policy re-*
15 *lated administrative costs’ means administrative costs*
16 *not related to the conduct of monetary policy, and in-*
17 *cludes—*

18 “(A) *direct operating expenses for super-*
19 *vising and regulating entities supervised and*
20 *regulated by the Board of Governors of the Fed-*
21 *eral Reserve System, including conducting ex-*
22 *aminations, conducting stress tests, commu-*
23 *nicating with the entities regarding supervisory*
24 *matters and laws, and regulations;*

1 “(B) operating expenses for activities inte-
 2 gral to carrying out supervisory and regulatory
 3 responsibilities, such as training staff in the su-
 4 pervisory function, research and analysis func-
 5 tions including library subscription services, and
 6 collecting and processing regulatory reports filed
 7 by supervised institutions; and

8 “(C) support, overhead, and pension ex-
 9 penses related to the items described under sub-
 10 paragraphs (A) and (B).”.

11 (b) *EFFECTIVE DATE.*—The amendments made by this
 12 section shall apply with respect to expenses paid and fees
 13 collected on or after the date that is 90 days after the date
 14 of the enactment of the first appropriation Act that provides
 15 for appropriations to the Board of Governors of the Federal
 16 Reserve System and that is enacted after the date of the
 17 enactment of this Act.

18 **Subtitle F—International Processes**

19 **SEC. 371. REQUIREMENTS FOR INTERNATIONAL PROC-** 20 **ESSES.**

21 (a) *BOARD OF GOVERNORS REQUIREMENTS.*—Section
 22 11 of the Federal Reserve Act (12 U.S.C. 248), as amended
 23 by section 1007(a), is further amended by adding at the
 24 end the following new subsection:

25 “(w) *INTERNATIONAL PROCESSES.*—

1 “(1) *NOTICE OF PROCESS; CONSULTATION.*—At
2 *least 30 calendar days before any member or em-*
3 *ployee of the Board of Governors of the Federal Re-*
4 *serve System participates in a process of setting fi-*
5 *nancial standards as a part of any foreign or multi-*
6 *national entity, the Board of Governors shall—*

7 “(A) *issue a notice of the process, including*
8 *the subject matter, scope, and goals of the proc-*
9 *ess, to the Committee on Financial Services of*
10 *the House of Representatives and the Committee*
11 *on Banking, Housing, and Urban Affairs of the*
12 *Senate;*

13 “(B) *make such notice available to the pub-*
14 *lic, including on the website of the Board of Gov-*
15 *ernors; and*

16 “(C) *solicit public comment, and consult*
17 *with the committees described under subpara-*
18 *graph (A), with respect to the subject matter,*
19 *scope, and goals of the process.*

20 “(2) *PUBLIC REPORTS ON PROCESS.*—*After the*
21 *end of any process described under paragraph (1), the*
22 *Board of Governors shall issue a public report on the*
23 *topics that were discussed during the process and any*
24 *new or revised rulemakings or policy changes that the*

1 *Board of Governors believes should be implemented as*
2 *a result of the process.*

3 “(3) *NOTICE OF AGREEMENTS; CONSULTATION.*—
4 *At least 90 calendar days before any member or em-*
5 *ployee of the Board of Governors of the Federal Re-*
6 *serve System participates in a process of setting fi-*
7 *nancial standards as a part of any foreign or multi-*
8 *national entity, the Board of Governors shall—*

9 “(A) *issue a notice of agreement to the Com-*
10 *mittee on Financial Services of the House of*
11 *Representatives and the Committee on Banking,*
12 *Housing, and Urban Affairs of the Senate;*

13 “(B) *make such notice available to the pub-*
14 *lic, including on the website of the Board of Gov-*
15 *ernors; and*

16 “(C) *consult with the committees described*
17 *under subparagraph (A) with respect to the na-*
18 *ture of the agreement and any anticipated effects*
19 *such agreement will have on the economy.*

20 “(4) *DEFINITION.*—*For purposes of this sub-*
21 *section, the term ‘process’ shall include any official*
22 *proceeding or meeting on financial regulation of a*
23 *recognized international organization with authority*
24 *to set financial standards on a global or regional*
25 *level, including the Financial Stability Board, the*

1 *Basel Committee on Banking Supervision (or a simi-*
2 *lar organization), and the International Association*
3 *of Insurance Supervisors (or a similar organiza-*
4 *tion).”.*

5 *(b) FDIC REQUIREMENTS.—The Federal Deposit In-*
6 *surance Act (12 U.S.C. 1811 et seq.) is amended by adding*
7 *at the end the following new section:*

8 **“SEC. 51. INTERNATIONAL PROCESSES.**

9 *“(a) NOTICE OF PROCESS; CONSULTATION.—At least*
10 *30 calendar days before the Board of Directors participates*
11 *in a process of setting financial standards as a part of any*
12 *foreign or multinational entity, the Board of Directors*
13 *shall—*

14 *“(1) issue a notice of the process, including the*
15 *subject matter, scope, and goals of the process, to the*
16 *Committee on Financial Services of the House of Rep-*
17 *resentatives and the Committee on Banking, Housing,*
18 *and Urban Affairs of the Senate;*

19 *“(2) make such notice available to the public, in-*
20 *cluding on the website of the Corporation; and*

21 *“(3) solicit public comment, and consult with the*
22 *committees described under paragraph (1), with re-*
23 *spect to the subject matter, scope, and goals of the*
24 *process.*

1 “(b) *PUBLIC REPORTS ON PROCESS.*—After the end of
2 any process described under subsection (a), the Board of
3 Directors shall issue a public report on the topics that were
4 discussed at the process and any new or revised rulemakings
5 or policy changes that the Board of Directors believes should
6 be implemented as a result of the process.

7 “(c) *NOTICE OF AGREEMENTS; CONSULTATION.*—At
8 least 90 calendar days before the Board of Directors partici-
9 pates in a process of setting financial standards as a part
10 of any foreign or multinational entity, the Board of Direc-
11 tors shall—

12 “(1) issue a notice of agreement to the Committee
13 on Financial Services of the House of Representatives
14 and the Committee on Banking, Housing, and Urban
15 Affairs of the Senate;

16 “(2) make such notice available to the public, in-
17 cluding on the website of the Corporation; and

18 “(3) consult with the committees described under
19 paragraph (1) with respect to the nature of the agree-
20 ment and any anticipated effects such agreement will
21 have on the economy.

22 “(d) *DEFINITION.*—For purposes of this section, the
23 term ‘process’ shall include any official proceeding or meet-
24 ing on financial regulation of a recognized international
25 organization with authority to set financial standards on

1 *a global or regional level, including the Financial Stability*
2 *Board, the Basel Committee on Banking Supervision (or*
3 *a similar organization), and the International Association*
4 *of Insurance Supervisors (or a similar organization).”.*

5 *(c) TREASURY REQUIREMENTS.—Section 325 of title*
6 *31, United States Code, is amended by adding at the end*
7 *the following new subsection:*

8 *“(d) INTERNATIONAL PROCESSES.—*

9 *“(1) NOTICE OF PROCESS; CONSULTATION.—At*
10 *least 30 calendar days before the Secretary partici-*
11 *pates in a process of setting financial standards as a*
12 *part of any foreign or multinational entity, the Sec-*
13 *retary shall—*

14 *“(A) issue a notice of the process, including*
15 *the subject matter, scope, and goals of the proc-*
16 *ess, to the Committee on Financial Services of*
17 *the House of Representatives and the Committee*
18 *on Banking, Housing, and Urban Affairs of the*
19 *Senate;*

20 *“(B) make such notice available to the pub-*
21 *lic, including on the website of the Department*
22 *of the Treasury; and*

23 *“(C) solicit public comment, and consult*
24 *with the committees described under subpara-*

1 *graph (A), with respect to the subject matter,*
2 *scope, and goals of the process.*

3 “(2) *PUBLIC REPORTS ON PROCESS.*—*After the*
4 *end of any process described under paragraph (1), the*
5 *Secretary shall issue a public report on the topics*
6 *that were discussed at the process and any new or re-*
7 *vised rulemakings or policy changes that the Sec-*
8 *retary believes should be implemented as a result of*
9 *the process.*

10 “(3) *NOTICE OF AGREEMENTS; CONSULTATION.*—
11 *At least 90 calendar days before the Secretary partici-*
12 *pates in a process of setting financial standards as a*
13 *part of any foreign or multinational entity, the Sec-*
14 *retary shall—*

15 “(A) *issue a notice of agreement to the Com-*
16 *mittee on Financial Services of the House of*
17 *Representatives and the Committee on Banking,*
18 *Housing, and Urban Affairs of the Senate;*

19 “(B) *make such notice available to the pub-*
20 *lic, including on the website of the Department*
21 *of the Treasury; and*

22 “(C) *consult with the committees described*
23 *under subparagraph (A) with respect to the na-*
24 *ture of the agreement and any anticipated effects*
25 *such agreement will have on the economy.*

1 “(4) *DEFINITION.*—For purposes of this sub-
2 section, the term ‘process’ shall include any official
3 proceeding or meeting on financial regulation of a
4 recognized international organization with authority
5 to set financial standards on a global or regional
6 level, including the Financial Stability Board, the
7 Basel Committee on Banking Supervision (or a simi-
8 lar organization), and the International Association
9 of Insurance Supervisors (or a similar organiza-
10 tion).”.

11 (d) *OCC REQUIREMENTS.*—Chapter one of title LXII
12 of the Revised Statutes of the United States (12 U.S.C. 21
13 et seq.) is amended—

14 (1) by adding at the end the following new sec-
15 tion:

16 “**SEC. 5156B. INTERNATIONAL PROCESSES.**

17 “(a) *NOTICE OF PROCESS; CONSULTATION.*—At least
18 30 calendar days before the Comptroller of the Currency
19 participates in a process of setting financial standards as
20 a part of any foreign or multinational entity, the Board
21 of Directors shall—

22 “(1) issue a notice of the process, including the
23 subject matter, scope, and goals of the process, to the
24 Committee on Financial Services of the House of Rep-

1 *representatives and the Committee on Banking, Housing,*
2 *and Urban Affairs of the Senate;*

3 *“(2) make such notice available to the public, in-*
4 *cluding on the website of the Office of the Comptroller*
5 *of the Currency; and*

6 *“(3) solicit public comment, and consult with the*
7 *committees described under paragraph (1), with re-*
8 *spect to the subject matter, scope, and goals of the*
9 *process.*

10 *“(b) PUBLIC REPORTS ON PROCESS.—After the end of*
11 *any process described under subsection (a), the Board of*
12 *Directors shall issue a public report on the topics that were*
13 *discussed at the process and any new or revised rulemakings*
14 *or policy changes that the Board of Directors believes should*
15 *be implemented as a result of the process.*

16 *“(c) NOTICE OF AGREEMENTS; CONSULTATION.—At*
17 *least 90 calendar days before the Board of Directors partici-*
18 *pates in a process of setting financial standards as a part*
19 *of any foreign or multinational entity, the Board of Direc-*
20 *tors shall—*

21 *“(1) issue a notice of agreement to the Committee*
22 *on Financial Services of the House of Representatives*
23 *and the Committee on Banking, Housing, and Urban*
24 *Affairs of the Senate;*

1 “(2) make such notice available to the public, in-
2 cluding on the website of the Office of the Comptroller
3 of the Currency; and

4 “(3) consult with the committees described under
5 paragraph (1) with respect to the nature of the agree-
6 ment and any anticipated effects such agreement will
7 have on the economy.

8 “(d) *DEFINITION.*—For purposes of this section, the
9 term ‘process’ shall include any official proceeding or meet-
10 ing on financial regulation of a recognized international
11 organization with authority to set financial standards on
12 a global or regional level, including the Financial Stability
13 Board, the Basel Committee on Banking Supervision (or
14 a similar organization), and the International Association
15 of Insurance Supervisors (or a similar organization).”; and

16 (2) in the table of contents for such chapter, by
17 adding at the end the following new item:

“5156B. *International processes.*”.

18 (e) *SECURITIES AND EXCHANGE COMMISSION RE-*
19 *QUIREMENTS.*—Section 4 of the Securities Exchange Act of
20 1934 (15 U.S.C. 78d), as amended by section 818(a), is fur-
21 ther amended by adding at the end the following new sub-
22 section:

23 “(j) *INTERNATIONAL PROCESSES.*—

24 “(1) *NOTICE OF PROCESS; CONSULTATION.*—At
25 least 30 calendar days before the Commission partici-

1 *pates in a process of setting financial standards as a*
2 *part of any foreign or multinational entity, the Com-*
3 *mission shall—*

4 *“(A) issue a notice of the process, including*
5 *the subject matter, scope, and goals of the proc-*
6 *ess, to the Committee on Financial Services of*
7 *the House of Representatives and the Committee*
8 *on Banking, Housing, and Urban Affairs of the*
9 *Senate;*

10 *“(B) make such notice available to the pub-*
11 *lic, including on the website of the Commission;*
12 *and*

13 *“(C) solicit public comment, and consult*
14 *with the committees described under subpara-*
15 *graph (A), with respect to the subject matter,*
16 *scope, and goals of the process.*

17 *“(2) PUBLIC REPORTS ON PROCESS.—After the*
18 *end of any process described under paragraph (1), the*
19 *Commission shall issue a public report on the topics*
20 *that were discussed at the process and any new or re-*
21 *vised rulemakings or policy changes that the Commis-*
22 *sion believes should be implemented as a result of the*
23 *process.*

24 *“(3) NOTICE OF AGREEMENTS; CONSULTATION.—*
25 *At least 90 calendar days before the Commission par-*

1 *ticipates in a process of setting financial standards as*
2 *a part of any foreign or multinational entity, the*
3 *Commission shall—*

4 *“(A) issue a notice of agreement to the Com-*
5 *mittee on Financial Services of the House of*
6 *Representatives and the Committee on Banking,*
7 *Housing, and Urban Affairs of the Senate;*

8 *“(B) make such notice available to the pub-*
9 *lic, including on the website of the Commission;*
10 *and*

11 *“(C) consult with the committees described*
12 *under subparagraph (A) with respect to the na-*
13 *ture of the agreement and any anticipated effects*
14 *such agreement will have on the economy.*

15 *“(4) DEFINITION.—For purposes of this sub-*
16 *section, the term ‘process’ shall include any official*
17 *proceeding or meeting on financial regulation of a*
18 *recognized international organization with authority*
19 *to set financial standards on a global or regional*
20 *level, including the Financial Stability Board, the*
21 *Basel Committee on Banking Supervision (or a simi-*
22 *lar organization), and the International Association*
23 *of Insurance Supervisors (or a similar organiza-*
24 *tion).”.*

1 (f) *COMMODITY FUTURES TRADING COMMISSION RE-*
2 *QUIREMENTS.*—*Section 2 of the Commodity Exchange Act*
3 *(7 U.S.C. 2) is amended by adding at the end the following:*

4 “(k) *INTERNATIONAL PROCESSES.*—

5 “(1) *NOTICE OF PROCESS; CONSULTATION.*—*At*
6 *least 30 calendar days before the Commission partici-*
7 *pates in a process of setting financial standards as a*
8 *part of any foreign or multinational entity, the Com-*
9 *mission shall—*

10 “(A) *issue a notice of the process, including*
11 *the subject matter, scope, and goals of the proc-*
12 *ess, to—*

13 “(i) *the Committees on Financial Serv-*
14 *ices and Agriculture of the House of Rep-*
15 *resentatives; and*

16 “(ii) *the Committees on Banking,*
17 *Housing, and Urban Affairs and Agri-*
18 *culture, Nutrition, and Forestry of the Sen-*
19 *ate;*

20 “(B) *make such notice available to the pub-*
21 *lic, including on the website of the Commission;*
22 *and*

23 “(C) *solicit public comment, and consult*
24 *with the committees described under subpara-*

1 *graph (A), with respect to the subject matter,*
2 *scope, and goals of the process.*

3 “(2) *PUBLIC REPORTS ON PROCESS.*—*After the*
4 *end of any process described under paragraph (1), the*
5 *Commission shall issue a public report on the topics*
6 *that were discussed during the process and any new*
7 *or revised rulemakings or policy changes that the*
8 *Commission believes should be implemented as a re-*
9 *sult of the process.*

10 “(3) *NOTICE OF AGREEMENTS; CONSULTATION.*—
11 *At least 90 calendar days before the Commission par-*
12 *ticipates in a process of setting financial standards as*
13 *a part of any foreign or multinational entity, the*
14 *Commission shall—*

15 “(A) *issue a notice of agreement to—*

16 “(i) *the Committees on Financial Serv-*
17 *ices and Agriculture of the House of Rep-*
18 *resentatives; and*

19 “(ii) *the Committees on Banking,*
20 *Housing, and Urban Affairs and Agri-*
21 *culture, Nutrition, and Forestry of the Sen-*
22 *ate;*

23 “(B) *make such notice available to the pub-*
24 *lic, including on the website of the Commission;*
25 *and*

1 “(C) consult with the committees described
2 under subparagraph (A) with respect to the na-
3 ture of the agreement and any anticipated effects
4 such agreement will have on the economy.

5 “(4) DEFINITION.—For purposes of this sub-
6 section, the term ‘process’ shall include any official
7 proceeding or meeting on financial regulation of a
8 recognized international organization with authority
9 to set financial standards on a global or regional
10 level, including the Financial Stability Board, the
11 Basel Committee on Banking Supervision (or a simi-
12 lar organization), and the International Association
13 of Insurance Supervisors (or a similar organiza-
14 tion).”.

15 **Subtitle G—Unfunded Mandates** 16 **Reform**

17 **SEC. 381. DEFINITIONS.**

18 For purposes of this title:

19 (1) AGENCY.—The term “agency” has the mean-
20 ing given such term under section 311.

21 (2) OTHER DEFINITIONS.—Except as provided
22 under paragraph (1), the definitions under section
23 421 of the Congressional Budget and Impoundment
24 Control Act of 1974 shall apply to this title.

1 **SEC. 382. STATEMENTS TO ACCOMPANY SIGNIFICANT REG-**
2 **ULATORY ACTIONS.**

3 (a) *IN GENERAL.*—Unless otherwise expressly prohib-
4 ited by law, before promulgating any general notice of pro-
5 posed rulemaking or any final rule, or within six months
6 after promulgating any final rule that was not preceded
7 by a general notice of proposed rulemaking, if the proposed
8 rulemaking or final rule includes a Federal mandate that
9 may result in an annual effect on State, local, or tribal
10 governments, or to the private sector, in the aggregate of
11 \$100,000,000 or more in any 1 year, the agency shall pre-
12 pare a written statement containing the following:

13 (1) *The text of the draft proposed rulemaking or*
14 *final rule, together with the information required*
15 *under subsections (a) and (b)(1) of section 312, as ap-*
16 *plicable, including an explanation of the manner in*
17 *which the proposed rulemaking or final rule is con-*
18 *sistent with the statutory requirement and avoids*
19 *undue interference with State, local, and tribal gov-*
20 *ernments in the exercise of their governmental func-*
21 *tions.*

22 (2) *Estimates by the agency, if and to the extent*
23 *that the agency determines that accurate estimates*
24 *are reasonably feasible, of—*

25 (A) *the future compliance costs of the Fed-*
26 *eral mandate; and*

1 (B) any disproportionate budgetary effects
2 of the Federal mandate upon any particular re-
3 gions of the nation or particular State, local, or
4 tribal governments, urban or rural or other types
5 of communities, or particular segments of the
6 private sector.

7 (3)(A) A detailed description of the extent of the
8 agency's prior consultation with the private sector
9 and elected representatives (under section 384) of the
10 affected State, local, and tribal governments.

11 (B) A detailed summary of the comments and
12 concerns that were presented by the private sector and
13 State, local, or tribal governments either orally or in
14 writing to the agency.

15 (C) A detailed summary of the agency's evalua-
16 tion of those comments and concerns.

17 (4) A detailed summary of how the agency com-
18 plied with each of the regulatory principles described
19 under section 312, as applicable.

20 (b) PROMULGATION.—In promulgating a general no-
21 tice of proposed rulemaking or a final rule for which a
22 statement under subsection (a) is required, the agency shall
23 include in the promulgation a summary of the information
24 contained in the statement.

1 (c) *PREPARATION IN CONJUNCTION WITH OTHER*
2 *STATEMENT.*—*Any agency may prepare any statement re-*
3 *quired under subsection (a) in conjunction with or as a*
4 *part of any other statement or analysis, provided that the*
5 *statement or analysis satisfies the provisions of subsection*
6 *(a).*

7 **SEC. 383. SMALL GOVERNMENT AGENCY PLAN.**

8 *Before establishing any regulatory requirements that*
9 *might significantly or uniquely affect small governments,*
10 *agencies shall have developed a plan under which the agen-*
11 *cy shall—*

12 (1) *provide notice of the requirements to poten-*
13 *tially affected small governments, if any;*

14 (2) *enable officials of affected small governments*
15 *to provide meaningful and timely input in the devel-*
16 *opment of regulatory proposals containing significant*
17 *Federal intergovernmental mandates; and*

18 (3) *inform, educate, and advise small govern-*
19 *ments on compliance with the requirements.*

20 **SEC. 384. STATE, LOCAL, AND TRIBAL GOVERNMENT AND**
21 **PRIVATE SECTOR INPUT.**

22 (a) *IN GENERAL.*—*Each agency shall, to the extent*
23 *permitted in law, develop an effective process to permit*
24 *elected officers of State, local, and tribal governments (or*
25 *their designated employees with authority to act on their*

1 *behalf), and impacted parties within the private sector (in-*
2 *cluding small business), to provide meaningful and timely*
3 *input in the development of regulatory proposals containing*
4 *significant Federal mandates.*

5 *(b) MEETINGS BETWEEN STATE, LOCAL, TRIBAL AND*
6 *FEDERAL OFFICERS.—The Federal Advisory Committee*
7 *Act (5 U.S.C. App.) shall not apply to actions in support*
8 *of intergovernmental communications where—*

9 *(1) meetings are held exclusively between Federal*
10 *officials and elected officers of State, local, and tribal*
11 *governments (or their designated employees with au-*
12 *thority to act on their behalf) acting in their official*
13 *capacities; and*

14 *(2) such meetings are solely for the purposes of*
15 *exchanging views, information, or advice relating to*
16 *the management or implementation of Federal pro-*
17 *grams established pursuant to public law that explic-*
18 *itly or inherently share intergovernmental respon-*
19 *sibilities or administration.*

20 *(c) GUIDELINES.—For appropriate implementation of*
21 *subsections (a) and (b) consistent with applicable laws and*
22 *regulations, the following guidelines shall be followed:*

23 *(1) Consultations shall take place as early as*
24 *possible, before issuance of a notice of proposed rule-*

1 *making, continue through the final rule stage, and be*
2 *integrated explicitly into the rulemaking process.*

3 *(2) Agencies shall consult with a wide variety of*
4 *State, local, and tribal officials and impacted parties*
5 *within the private sector (including small businesses).*
6 *Geographic, political, and other factors that may dif-*
7 *ferentiate varying points of view should be considered.*

8 *(3) Agencies should estimate benefits and costs to*
9 *assist with these consultations. The scope of the con-*
10 *sultation should reflect the cost and significance of the*
11 *Federal mandate being considered.*

12 *(4) Agencies shall, to the extent practicable—*

13 *(A) seek out the views of State, local, and*
14 *tribal governments, and impacted parties within*
15 *the private sector (including small business), on*
16 *costs, benefits, and risks; and*

17 *(B) solicit ideas about alternative methods*
18 *of compliance and potential flexibilities, and*
19 *input on whether the Federal regulation will*
20 *harmonize with and not duplicate similar laws*
21 *in other levels of government.*

22 *(5) Consultations shall address the cumulative*
23 *impact of regulations on the affected entities.*

24 *(6) Agencies may accept electronic submissions of*
25 *comments by relevant parties but may not use those*

1 *comments as the sole method of satisfying the guide-*
2 *lines in this subsection.*

3 **SEC. 385. LEAST BURDENSOME OPTION OR EXPLANATION**
4 **REQUIRED.**

5 (a) *IN GENERAL.*—*Except as provided in subsection*
6 *(b), before promulgating any rule for which a written state-*
7 *ment is required under section 382, the agency shall iden-*
8 *tify and consider a reasonable number of regulatory alter-*
9 *natives and from those alternatives select the least costly,*
10 *most cost-effective or least burdensome alternative that*
11 *achieves the objectives of the rule, for—*

12 (1) *State, local, and tribal governments, in the*
13 *case of a rule containing a Federal intergovernmental*
14 *mandate; and*

15 (2) *the private sector, in the case of a rule con-*
16 *taining a Federal private sector mandate.*

17 (b) *EXCEPTION.*—*The provisions of subsection (a) shall*
18 *apply unless—*

19 (1) *the head of the affected agency publishes with*
20 *the final rule an explanation of why the least costly,*
21 *most cost-effective or least burdensome method of*
22 *achieving the objectives of the rule was not adopted;*
23 *or*

24 (2) *the provisions are inconsistent with law.*

1 (c) *CERTIFICATION.*—No later than 1 year after the
2 date of the enactment of this Act, the Administrator of the
3 Office of Information and Regulatory Affairs shall certify
4 to Congress, with a written explanation, agency compliance
5 with this section and include in that certification agencies
6 and rulemakings that fail to adequately comply with this
7 section.

8 **SEC. 386. ASSISTANCE TO THE OFFICE OF INFORMATION**
9 **AND REGULATORY AFFAIRS.**

10 The Administrator of the Office of Information and
11 Regulatory Affairs shall—

12 (1) collect from agencies the statements prepared
13 under section 382; and

14 (2) periodically forward copies of such state-
15 ments to the Director of the Congressional Budget Of-
16 fice on a reasonably timely basis after promulgation
17 of the general notice of proposed rulemaking or of the
18 final rule for which the statement was prepared.

19 **SEC. 387. OFFICE OF INFORMATION AND REGULATORY AF-**
20 **FAIRS RESPONSIBILITIES.**

21 (a) *IN GENERAL.*—The Administrator of the Office of
22 Information and Regulatory Affairs shall provide meaning-
23 ful guidance and oversight so that each agency's regulations
24 for which a written statement is required under section 382
25 are consistent with the principles and requirements of this

1 *title, as well as other applicable laws, and do not conflict*
2 *with the policies or actions of another agency. If the Admin-*
3 *istrator determines that an agency's regulations for which*
4 *a written statement is required under section 382 do not*
5 *comply with such principles and requirements, are not con-*
6 *sistent with other applicable laws, or conflict with the poli-*
7 *cies or actions of another agency, the Administrator shall*
8 *identify areas of non-compliance, notify the agency, and re-*
9 *quest that the agency comply before the agency finalizes the*
10 *regulation concerned.*

11 *(b) ANNUAL STATEMENTS TO CONGRESS ON AGENCY*
12 *COMPLIANCE.—The Administrator of the Office of Informa-*
13 *tion and Regulatory Affairs annually shall submit to Con-*
14 *gress a written report detailing compliance by each agency*
15 *with the requirements of this title that relate to regulations*
16 *for which a written statement is required by section 382,*
17 *including activities undertaken at the request of the Admin-*
18 *istrator to improve compliance, during the preceding re-*
19 *porting period. The report shall also contain an appendix*
20 *detailing compliance by each agency with section 384.*

21 **SEC. 388. JUDICIAL REVIEW.**

22 *(a) AGENCY STATEMENTS ON SIGNIFICANT REGU-*
23 *LATORY ACTIONS.—*

24 *(1) IN GENERAL.—Compliance or noncompliance*
25 *by any agency with the provisions of section 382,*

1 *paragraphs (1) and (2) of section 383(a), and sub-*
2 *sections (a) and (b) of section 385 shall be subject to*
3 *judicial review in accordance with this section.*

4 *(2) LIMITED REVIEW OF AGENCY COMPLIANCE OR*
5 *NONCOMPLIANCE.—*

6 *(A) Agency compliance or noncompliance*
7 *with the provisions of section 382, paragraphs*
8 *(1) and (2) of section 383(a), and subsections (a)*
9 *and (b) of section 385 shall be subject to judicial*
10 *review under section 706(1) of title 5, United*
11 *States Code, and as provided under subpara-*
12 *graph (B).*

13 *(B) If an agency fails to prepare the writ-*
14 *ten statement (including the preparation of the*
15 *estimates, analyses, statements, or descriptions)*
16 *under section 382, prepare the written plan*
17 *under paragraphs (1) and (2) of section 383(a),*
18 *or comply with subsections (a) and (b) of section*
19 *385, a court may compel the agency to prepare*
20 *such written statement, prepare such written*
21 *plan, or comply with such section;*

22 *(3) REVIEW OF AGENCY RULES.—In any judicial*
23 *review under any other Federal law of an agency rule*
24 *for which a written statement under section 382, a*
25 *written plan under paragraphs (1) and (2) of section*

1 383(a), or compliance with subsections (a) and (b) of
2 section 385 is required, the inadequacy or failure to
3 prepare such statement (including the inadequacy or
4 failure to prepare any estimate, analysis, statement,
5 or description), to prepare such written plan, or to
6 comply with such section may be used as a basis for
7 staying, enjoining, invalidating or otherwise affecting
8 such agency rule.

9 (4) CERTAIN INFORMATION AS PART OF
10 RECORD.—Any information generated under section
11 382, paragraphs (1) and (2) of section 383(a), and
12 subsections (a) and (b) of section 385 that is part of
13 the rulemaking record for judicial review under the
14 provisions of any other Federal law may be consid-
15 ered as part of the record for judicial review con-
16 ducted under such other provisions of Federal law.

17 (5) APPLICATION OF OTHER FEDERAL LAW.—For
18 any petition under paragraph (2) the provisions of
19 such other Federal law shall control all other matters,
20 such as exhaustion of administrative remedies, the
21 time for and manner of seeking review and venue, ex-
22 cept that if such other Federal law does not provide
23 a limitation on the time for filing a petition for judi-
24 cial review that is less than 180 days, such limitation

1 shall be 180 days after a final rule is promulgated by
2 the appropriate agency.

3 (6) *EFFECTIVE DATE.*—This subsection shall
4 apply to any agency rule for which a general notice
5 of proposed rulemaking is promulgated on or after the
6 date of the enactment of this Act.

7 (b) *JUDICIAL REVIEW AND RULE OF CONSTRU-*
8 *CTION.*—Except as provided in subsection (a)—

9 (1) any estimate, analysis, statement, description
10 or report prepared under this title, and any compli-
11 ance or noncompliance with the provisions of this
12 title, and any determination concerning the applica-
13 bility of the provisions of this title shall not be subject
14 to judicial review; and

15 (2) no provision of this title shall be construed
16 to create any right or benefit, substantive or proce-
17 dural, enforceable by any person in any administra-
18 tive or judicial action.

19 ***Subtitle H—Enforcement***

20 ***Coordination***

21 ***SEC. 391. POLICIES TO MINIMIZE DUPLICATION OF EN-***
22 ***FORCEMENT EFFORTS.***

23 *Each agency (as defined under section 311) shall, not*
24 *later than the end of the 90-day period beginning on the*

1 *date of the enactment of this Act, implement policies and*
2 *procedures—*

3 *(1) to minimize duplication of efforts with other*
4 *Federal or State authorities when bringing an ad-*
5 *ministrative or judicial action against an individual*
6 *or entity;*

7 *(2) to establish when joint investigations, admin-*
8 *istrative actions, or judicial actions or the coordina-*
9 *tion of law enforcement activities are necessary and*
10 *appropriate and in the public interest; and*

11 *(3) to, in the course of a joint investigation, ad-*
12 *ministrative action, or judicial action, establish a*
13 *lead agency to avoid duplication of efforts and unnec-*
14 *essary burdens and to ensure consistent enforcement,*
15 *as necessary and appropriate and in the public inter-*
16 *est.*

17 ***Subtitle I—Penalties for***
18 ***Unauthorized Disclosures***

19 ***SEC. 392. CRIMINAL PENALTY FOR UNAUTHORIZED DISCLO-***
20 ***SURES.***

21 *Section 165 of the Financial Stability Act of 2010 (12*
22 *U.S.C. 5365), as amended by section 151(b)(6)(M), is fur-*
23 *ther amended by adding at the end the following:*

24 *“(m) CRIMINAL PENALTY FOR UNAUTHORIZED DIS-*
25 *CLOSURES.—*

1 “(1) *IN GENERAL.*—Any officer or employee of a
2 *Federal department or agency, who by virtue of such*
3 *officer or employee’s employment or official position,*
4 *has possession of, or access to, agency records which*
5 *contain individually identifiable information sub-*
6 *mitted pursuant to the requirements of this section,*
7 *the disclosure of which is prohibited by Federal stat-*
8 *ute, rule, or regulation, and who knowing that disclo-*
9 *sure of the specific material is so prohibited, willfully*
10 *discloses the material in any manner to any person*
11 *or agency not entitled to receive it, shall be guilty of*
12 *a misdemeanor and fined not more than \$5,000.*

13 “(2) *OBTAINING RECORDS UNDER FALSE PRE-*
14 *TENSES.*—Any person who knowingly and willfully
15 *requests or obtains information described under para-*
16 *graph (1) from a Federal department or agency under*
17 *false pretenses shall be guilty of a misdemeanor and*
18 *fined not more than \$5,000.*

19 “(3) *TREATMENT OF DETERMINATIONS.*—For
20 *purposes of this subsection, a determination made*
21 *under subsection (d) or (i) based on individually*
22 *identifiable information submitted pursuant to the re-*
23 *quirements of this section shall be deemed individ-*
24 *ually identifiable information, the disclosure of which*
25 *is prohibited by Federal statute.”.*

1 ***Subtitle II—Stop Settlement Slush***
2 ***Funds***

3 ***SEC. 393. LIMITATION ON DONATIONS MADE PURSUANT TO***
4 ***SETTLEMENT AGREEMENTS TO WHICH CER-***
5 ***TAIN DEPARTMENTS OR AGENCIES ARE A***
6 ***PARTY.***

7 *(a) LIMITATION ON REQUIRED DONATIONS.—No settle-*
8 *ment to which a department or agency is a party may di-*
9 *rect or provide for a payment to any person who is not*
10 *a victim of the alleged wrongdoing.*

11 *(b) PENALTY.—Any Executive branch official or agent*
12 *thereof who enters into or enforces a settlement in violation*
13 *of subsection (a), shall be subject to the same penalties that*
14 *would apply in the case of a violation of section 3302 of*
15 *title 31, United States Code.*

16 *(c) EFFECTIVE DATE.—Subsections (a) and (b) apply*
17 *only in the case of a settlement agreement concluded on or*
18 *after the date of enactment of this Act.*

19 *(d) DEFINITIONS.—*

20 *(1) The term “department or agency”—*

21 *(A) has the meaning given the term “agen-*
22 *cy” under section 311; and*

23 *(B) means the Department of Housing and*
24 *Urban Development, the Department of Justice,*

1 *and the Rural Housing Service of the Depart-*
2 *ment of Agriculture.*

3 (2) *The term “settlement agreement” means a*
4 *settlement agreement resolving a civil action or poten-*
5 *tial civil action, a plea agreement, a deferred prosecu-*
6 *tion agreement, or a non-prosecution agreement.*

7 (3) *The term “payment” means a payment or*
8 *loan.*

9 (4) *The term “payment to any person who is not*
10 *a victim” means any payment other than a pay-*
11 *ment—*

12 (A) *to a person who is party to the lawsuit*
13 *or settlement;*

14 (B) *that provides restitution for or other-*
15 *wise directly remedies actual harm (including to*
16 *the environment) directly and proximately*
17 *caused by the party making the payment as a*
18 *result of that party’s alleged wrongdoing;*

19 (C) *that constitutes payment for services*
20 *rendered in connection with the case; or*

21 (D) *made pursuant to section 3663 of title*
22 *18, United States Code.*

1 **TITLE IV—UNLEASHING OPPOR-**
2 **TUNITIES FOR SMALL BUSI-**
3 **NESSES, INNOVATORS, AND**
4 **JOB CREATORS BY FACILI-**
5 **TATING CAPITAL FORMATION**
6 **Subtitle A—Small Business Merg-**
7 **ers, Acquisitions, Sales, and Bro-**
8 **kerage Simplification**

9 **SEC. 401. REGISTRATION EXEMPTION FOR MERGER AND AC-**
10 **QUISITION BROKERS.**

11 *Section 15(b) of the Securities Exchange Act of 1934*
12 *(15 U.S.C. 78o(b)) is amended by adding at the end the*
13 *following:*

14 *“(13) REGISTRATION EXEMPTION FOR MERGER*
15 *AND ACQUISITION BROKERS.—*

16 *“(A) IN GENERAL.—Except as provided in*
17 *subparagraph (B), an M&A broker shall be ex-*
18 *empt from registration under this section.*

19 *“(B) EXCLUDED ACTIVITIES.—An M&A*
20 *broker is not exempt from registration under this*
21 *paragraph if such broker does any of the fol-*
22 *lowing:*

23 *“(i) Directly or indirectly, in connec-*
24 *tion with the transfer of ownership of an el-*
25 *igible privately held company, receives,*

1 *holds, transmits, or has custody of the funds*
2 *or securities to be exchanged by the parties*
3 *to the transaction.*

4 “(ii) *Engages on behalf of an issuer in*
5 *a public offering of any class of securities*
6 *that is registered, or is required to be reg-*
7 *istered, with the Commission under section*
8 *12 or with respect to which the issuer files,*
9 *or is required to file, periodic information,*
10 *documents, and reports under subsection*
11 *(d).*

12 “(iii) *Engages on behalf of any party*
13 *in a transaction involving a public shell*
14 *company.*

15 “(C) *DISQUALIFICATIONS.—An M&A broker*
16 *is not exempt from registration under this para-*
17 *graph if such broker is subject to—*

18 “(i) *suspension or revocation of reg-*
19 *istration under paragraph (4);*

20 “(ii) *a statutory disqualification de-*
21 *scribed in section 3(a)(39);*

22 “(iii) *a disqualification under the*
23 *rules adopted by the Commission under sec-*
24 *tion 926 of the Investor Protection and Se-*

1 *curities Reform Act of 2010 (15 U.S.C. 77d*
2 *note); or*

3 “(iv) *a final order described in para-*
4 *graph (4)(H).*

5 “(D) *RULE OF CONSTRUCTION.—Nothing in*
6 *this paragraph shall be construed to limit any*
7 *other authority of the Commission to exempt any*
8 *person, or any class of persons, from any provi-*
9 *sion of this title, or from any provision of any*
10 *rule or regulation thereunder.*

11 “(E) *DEFINITIONS.—In this paragraph:*

12 “(i) *CONTROL.—The term ‘control’*
13 *means the power, directly or indirectly, to*
14 *direct the management or policies of a com-*
15 *pany, whether through ownership of securi-*
16 *ties, by contract, or otherwise. There is a*
17 *presumption of control for any person*
18 *who—*

19 “(I) *is a director, general partner,*
20 *member or manager of a limited liabil-*
21 *ity company, or officer exercising exec-*
22 *utive responsibility (or has similar sta-*
23 *tus or functions);*

24 “(II) *has the right to vote 20 per-*
25 *cent or more of a class of voting securi-*

1 *ties or the power to sell or direct the*
2 *sale of 20 percent or more of a class of*
3 *voting securities; or*

4 *“(III) in the case of a partnership*
5 *or limited liability company, has the*
6 *right to receive upon dissolution, or*
7 *has contributed, 20 percent or more of*
8 *the capital.*

9 *“(ii) ELIGIBLE PRIVATELY HELD COM-*
10 *PANY.—The term ‘eligible privately held*
11 *company’ means a privately held company*
12 *that meets both of the following conditions:*

13 *“(I) The company does not have*
14 *any class of securities registered, or re-*
15 *quired to be registered, with the Com-*
16 *mission under section 12 or with re-*
17 *spect to which the company files, or is*
18 *required to file, periodic information,*
19 *documents, and reports under sub-*
20 *section (d).*

21 *“(II) In the fiscal year ending im-*
22 *mediately before the fiscal year in*
23 *which the services of the M&A broker*
24 *are initially engaged with respect to*
25 *the securities transaction, the company*

1 *meets either or both of the following*
2 *conditions (determined in accordance*
3 *with the historical financial account-*
4 *ing records of the company):*

5 *“(aa) The earnings of the*
6 *company before interest, taxes, de-*
7 *preciation, and amortization are*
8 *less than \$25,000,000.*

9 *“(bb) The gross revenues of*
10 *the company are less than*
11 *\$250,000,000.*

12 *“(iii) M&A BROKER.—The term ‘M&A*
13 *broker’ means a broker, and any person as-*
14 *sociated with a broker, engaged in the busi-*
15 *ness of effecting securities transactions sole-*
16 *ly in connection with the transfer of owner-*
17 *ship of an eligible privately held company,*
18 *regardless of whether the broker acts on be-*
19 *half of a seller or buyer, through the pur-*
20 *chase, sale, exchange, issuance, repurchase,*
21 *or redemption of, or a business combination*
22 *involving, securities or assets of the eligible*
23 *privately held company, if the broker rea-*
24 *sonably believes that—*

1 “(I) upon consummation of the
2 transaction, any person acquiring se-
3 curities or assets of the eligible pri-
4 vately held company, acting alone or
5 in concert, will control and, directly or
6 indirectly, will be active in the man-
7 agement of the eligible privately held
8 company or the business conducted
9 with the assets of the eligible privately
10 held company; and

11 “(II) if any person is offered secu-
12 rities in exchange for securities or as-
13 sets of the eligible privately held com-
14 pany, such person will, prior to becom-
15 ing legally bound to consummate the
16 transaction, receive or have reasonable
17 access to the most recent fiscal year-
18 end financial statements of the issuer
19 of the securities as customarily pre-
20 pared by the management of the issuer
21 in the normal course of operations and,
22 if the financial statements of the issuer
23 are audited, reviewed, or compiled, any
24 related statement by the independent
25 accountant, a balance sheet dated not

1 *more than 120 days before the date of*
2 *the offer, and information pertaining*
3 *to the management, business, results of*
4 *operations for the period covered by the*
5 *foregoing financial statements, and*
6 *material loss contingencies of the*
7 *issuer.*

8 “(iv) *PUBLIC SHELL COMPANY.*—*The*
9 *term ‘public shell company’ is a company*
10 *that at the time of a transaction with an el-*
11 *igible privately held company—*

12 “(I) *has any class of securities*
13 *registered, or required to be registered,*
14 *with the Commission under section 12*
15 *or that is required to file reports pur-*
16 *suant to subsection (d);*

17 “(II) *has no or nominal oper-*
18 *ations; and*

19 “(III) *has—*

20 “(aa) *no or nominal assets;*

21 “(bb) *assets consisting solely*
22 *of cash and cash equivalents; or*

23 “(cc) *assets consisting of any*
24 *amount of cash and cash equiva-*
25 *lents and nominal other assets.*

1 “(F) *INFLATION ADJUSTMENT.*—

2 “*(i) IN GENERAL.*—On the date that is
3 5 years after the date of the enactment of
4 this paragraph, and every 5 years there-
5 after, each dollar amount in subparagraph
6 (E)(i)(II) shall be adjusted by—

7 “*(I) dividing the annual value of*
8 *the Employment Cost Index For Wages*
9 *and Salaries, Private Industry Work-*
10 *ers (or any successor index), as pub-*
11 *lished by the Bureau of Labor Statis-*
12 *tics, for the calendar year preceding*
13 *the calendar year in which the adjust-*
14 *ment is being made by the annual*
15 *value of such index (or successor) for*
16 *the calendar year ending December 31,*
17 *2012; and*

18 “*(II) multiplying such dollar*
19 *amount by the quotient obtained under*
20 *subclause (I).*

21 “*(ii) ROUNDING.*—Each dollar amount
22 determined under clause (i) shall be round-
23 ed to the nearest multiple of \$100,000.”.

1 **SEC. 402. EFFECTIVE DATE.**

2 *This subtitle and any amendment made by this sub-*
3 *title shall take effect on the date that is 90 days after the*
4 *date of the enactment of this Act.*

5 **Subtitle B—Encouraging Employee**
6 **Ownership**

7 **SEC. 406. INCREASED THRESHOLD FOR DISCLOSURES RE-**
8 **LATING TO COMPENSATORY BENEFIT PLANS.**

9 *Not later than 60 days after the date of the enactment*
10 *of this Act, the Securities and Exchange Commission shall*
11 *revise section 230.701(e) of title 17, Code of Federal Regula-*
12 *tions, so as to increase from \$5,000,000 to \$20,000,000 the*
13 *aggregate sales price or amount of securities sold during*
14 *any consecutive 12-month period in excess of which the*
15 *issuer is required under such section to deliver an addi-*
16 *tional disclosure to investors. The Commission shall index*
17 *for inflation such aggregate sales price or amount every 5*
18 *years to reflect the change in the Consumer Price Index for*
19 *All Urban Consumers published by the Bureau of Labor*
20 *Statistics, rounding to the nearest \$1,000,000.*

1 **Subtitle C—Small Company**
2 **Disclosure Simplification**

3 **SEC. 411. EXEMPTION FROM XBRL REQUIREMENTS FOR**
4 **EMERGING GROWTH COMPANIES AND OTHER**
5 **SMALLER COMPANIES.**

6 (a) *EXEMPTION FOR EMERGING GROWTH COMPANIES.*—Emerging growth companies are exempted from the
7 requirements to use Extensible Business Reporting Lan-
8 guage (XBRL) for financial statements and other periodic
9 reporting required to be filed with the Commission under
10 the securities laws. Such companies may elect to use XBRL
11 for such reporting.
12

13 (b) *EXEMPTION FOR OTHER SMALLER COMPANIES.*—
14 Issuers with total annual gross revenues of less than
15 \$250,000,000 are exempt from the requirements to use
16 XBRL for financial statements and other periodic reporting
17 required to be filed with the Commission under the securi-
18 ties laws. Such issuers may elect to use XBRL for such re-
19 porting. An exemption under this subsection shall continue
20 in effect until—

21 (1) the date that is five years after the date of
22 enactment of this Act; or

23 (2) the date that is two years after a determina-
24 tion by the Commission, by order after conducting the
25 analysis required by section 3, that the benefits of

1 *such requirements to such issuers outweigh the costs,*
2 *but no earlier than three years after enactment of this*
3 *Act.*

4 *(c) MODIFICATIONS TO REGULATIONS.—Not later than*
5 *60 days after the date of enactment of this Act, the Commis-*
6 *sion shall revise its regulations under parts 229, 230, 232,*
7 *239, 240, and 249 of title 17, Code of Federal Regulations,*
8 *to reflect the exemptions set forth in subsections (a) and*
9 *(b).*

10 **SEC. 412. ANALYSIS BY THE SEC.**

11 *The Commission shall conduct an analysis of the costs*
12 *and benefits to issuers described in section 411(b) of the re-*
13 *quirements to use XBRL for financial statements and other*
14 *periodic reporting required to be filed with the Commission*
15 *under the securities laws. Such analysis shall include an*
16 *assessment of—*

17 *(1) how such costs and benefits may differ from*
18 *the costs and benefits identified by the Commission in*
19 *the order relating to interactive data to improve fi-*
20 *nancial reporting (dated January 30, 2009; 74 Fed.*
21 *Reg. 6776) because of the size of such issuers;*

22 *(2) the effects on efficiency, competition, capital*
23 *formation, and financing and on analyst coverage of*
24 *such issuers (including any such effects resulting from*
25 *use of XBRL by investors);*

1 (3) *the costs to such issuers of—*

2 (A) *submitting data to the Commission in*
3 *XBRL;*

4 (B) *posting data on the website of the issuer*
5 *in XBRL;*

6 (C) *software necessary to prepare, submit,*
7 *or post data in XBRL; and*

8 (D) *any additional consulting services or*
9 *filing agent services;*

10 (4) *the benefits to the Commission in terms of*
11 *improved ability to monitor securities markets, assess*
12 *the potential outcomes of regulatory alternatives, and*
13 *enhance investor participation in corporate govern-*
14 *ance and promote capital formation; and*

15 (5) *the effectiveness of standards in the United*
16 *States for interactive filing data relative to the stand-*
17 *ards of international counterparts.*

18 **SEC. 413. REPORT TO CONGRESS.**

19 *Not later than one year after the date of enactment*
20 *of this Act, the Commission shall provide the Committee*
21 *on Financial Services of the House of Representatives and*
22 *the Committee on Banking, Housing, and Urban Affairs*
23 *of the Senate a report regarding—*

24 (1) *the progress in implementing XBRL report-*
25 *ing within the Commission;*

1 (2) *the use of XBRL data by Commission offi-*
2 *cials;*

3 (3) *the use of XBRL data by investors;*

4 (4) *the results of the analysis required by section*
5 *412; and*

6 (5) *any additional information the Commission*
7 *considers relevant for increasing transparency, de-*
8 *creasing costs, and increasing efficiency of regulatory*
9 *filings with the Commission.*

10 **SEC. 414. DEFINITIONS.**

11 *As used in this subtitle, the terms “Commission”,*
12 *“emerging growth company”, “issuer”, and “securities*
13 *laws” have the meanings given such terms in section 3 of*
14 *the Securities Exchange Act of 1934 (15 U.S.C. 78c).*

15 **Subtitle D—Securities and Ex-**
16 **change Commission Overpay-**
17 **ment Credit**

18 **SEC. 416. REFUNDING OR CREDITING OVERPAYMENT OF**

19 **SECTION 31 FEES.**

20 (a) *IN GENERAL.*—*Section 31 of the Securities Ex-*
21 *change Act of 1934 (15 U.S.C. 78ee) is amended by adding*
22 *at the end the following:*

23 “(n) *OVERPAYMENT.*—*If a national securities ex-*
24 *change or national securities association pays to the Com-*
25 *mission an amount in excess of fees and assessments due*

1 *under this section and informs the Commission of such*
2 *amount paid in excess within 10 years of the date of the*
3 *payment, the Commission shall offset future fees and assess-*
4 *ments due by such exchange or association in an amount*
5 *equal to such excess amount.”.*

6 (b) *APPLICABILITY.—The amendment made by this*
7 *section shall apply to any fees and assessments paid before,*
8 *on, or after the date of enactment of this section.*

9 ***Subtitle E—Fair Access to***
10 ***Investment Research***

11 ***SEC. 421. SAFE HARBOR FOR INVESTMENT FUND RE-***
12 ***SEARCH.***

13 (a) *EXPANSION OF THE SAFE HARBOR.—Not later*
14 *than the end of the 45-day period beginning on the date*
15 *of enactment of this Act, the Securities and Exchange Com-*
16 *mission shall propose, and not later than the end of the*
17 *120-day period beginning on such date, the Commission*
18 *shall adopt, upon such terms, conditions, or requirements*
19 *as the Commission may determine necessary or appropriate*
20 *in the public interest, for the protection of investors, and*
21 *for the promotion of capital formation, revisions to section*
22 *230.139 of title 17, Code of Federal Regulations, to provide*
23 *that a covered investment fund research report that is pub-*
24 *lished or distributed by a broker or dealer—*

1 (1) shall be deemed, for purposes of sections
2 2(a)(10) and 5(c) of the Securities Act of 1933 (15
3 U.S.C. 77b(a)(10), 77e(c)), not to constitute an offer
4 for sale or an offer to sell a security that is the subject
5 of an offering pursuant to a registration statement
6 that is effective, even if the broker or dealer is partici-
7 pating or will participate in the registered offering of
8 the covered investment fund’s securities; and

9 (2) shall be deemed to satisfy the conditions of
10 subsection (a)(1) or (a)(2) of section 230.139 of title
11 17, Code of Federal Regulations, or any successor pro-
12 visions, for purposes of the Commission’s rules and
13 regulations under the Federal securities laws and the
14 rules of any self-regulatory organization.

15 (b) IMPLEMENTATION OF SAFE HARBOR.—In imple-
16 menting the safe harbor pursuant to subsection (a), the
17 Commission shall—

18 (1) not, in the case of a covered investment fund
19 with a class of securities in substantially continuous
20 distribution, condition the safe harbor on whether the
21 broker’s or dealer’s publication or distribution of a
22 covered investment fund research report constitutes
23 such broker’s or dealer’s initiation or reinitiation of
24 research coverage on such covered investment fund or
25 its securities;

1 (2) *not—*

2 (A) *require the covered investment fund to*
3 *have been registered as an investment company*
4 *under the Investment Company Act of 1940 (15*
5 *U.S.C. 80a–1 et seq.) or subject to the reporting*
6 *requirements of section 13 or 15(d) of the Securi-*
7 *ties Exchange Act of 1934 (15 U.S.C. 78m,*
8 *78o(d)) for any period exceeding the period of*
9 *time referenced under paragraph (a)(1)(i)(A)(1)*
10 *of section 230.139 of title 17, Code of Federal*
11 *Regulations; or*

12 (B) *impose a minimum float provision ex-*
13 *ceeding that referenced in paragraph*
14 *(a)(1)(i)(A)(1)(i) of section 230.139 of title 17,*
15 *Code of Federal Regulations;*

16 (3) *provide that a self-regulatory organization*
17 *may not maintain or enforce any rule that would—*

18 (A) *prohibit the ability of a member to pub-*
19 *lish or distribute a covered investment fund re-*
20 *search report solely because the member is also*
21 *participating in a registered offering or other*
22 *distribution of any securities of such covered in-*
23 *vestment fund; or*

24 (B) *prohibit the ability of a member to par-*
25 *ticipate in a registered offering or other distribu-*

1 *tion of securities of a covered investment fund*
2 *solely because the member has published or dis-*
3 *tributed a covered investment fund research re-*
4 *port about such covered investment fund or its*
5 *securities; and*

6 *(4) provide that a covered investment fund re-*
7 *search report shall not be subject to section 24(b) of*
8 *the Investment Company Act of 1940 (15 U.S.C. 80a-*
9 *24(b)) or the rules and regulations thereunder, except*
10 *that such report may still be subject to such section*
11 *and the rules and regulations thereunder to the extent*
12 *that it is otherwise not subject to the content stand-*
13 *ards in the rules of any self-regulatory organization*
14 *related to research reports, including those contained*
15 *in the rules governing communications with the pub-*
16 *lic regarding investment companies or substantially*
17 *similar standards.*

18 *(c) RULES OF CONSTRUCTION.—Nothing in this Act*
19 *shall be construed as in any way limiting—*

20 *(1) the applicability of the antifraud or*
21 *antimanipulation provisions of the Federal securities*
22 *laws and rules adopted thereunder to a covered invest-*
23 *ment fund research report, including section 17 of the*
24 *Securities Act of 1933 (15 U.S.C. 77q), section 34(b)*
25 *of the Investment Company Act of 1940 (15 U.S.C.*

1 80a–33), and sections 9 and 10 of the Securities Ex-
2 change Act of 1934 (15 U.S.C. 78i, 78j); or

3 (2) the authority of any self-regulatory organiza-
4 tion to examine or supervise a member’s practices in
5 connection with such member’s publication or dis-
6 tribution of a covered investment fund research report
7 for compliance with applicable provisions of the Fed-
8 eral securities laws or self-regulatory organization
9 rules related to research reports, including those con-
10 tained in rules governing communications with the
11 public.

12 (d) *INTERIM EFFECTIVENESS OF SAFE HARBOR.*—

13 (1) *IN GENERAL.*—From and after the 120-day
14 period beginning on the date of enactment of this Act,
15 if the Commission has not adopted revisions to section
16 230.139 of title 17, Code of Federal Regulations, as
17 required by subsection (a), and until such time as the
18 Commission has done so, a broker or dealer distrib-
19 uting or publishing a covered investment fund re-
20 search report after such date shall be able to rely on
21 the provisions of section 230.139 of title 17, Code of
22 Federal Regulations, and the broker or dealer’s publi-
23 cation of such report shall be deemed to satisfy the
24 conditions of subsection (a)(1) or (a)(2) of section
25 230.139 of title 17, Code of Federal Regulations, if the

1 covered investment fund that is the subject of such re-
2 port satisfies the reporting history requirements
3 (without regard to Form S-3 or Form F-3 eligi-
4 bility) and minimum float provisions of such sub-
5 sections for purposes of the Commission's rules and
6 regulations under the Federal securities laws and the
7 rules of any self-regulatory organization, as if revised
8 and implemented in accordance with subsections (a)
9 and (b).

10 (2) *STATUS OF COVERED INVESTMENT FUND.*—

11 After such period and until the Commission has
12 adopted revisions to section 230.139 and FINRA has
13 revised rule 2210, for purposes of subsection (c)(7)(O)
14 of such rule, a covered investment fund shall be
15 deemed to be a security that is listed on a national
16 securities exchange and that is not subject to section
17 24(b) of the Investment Company Act of 1940 (15
18 U.S.C. 80a-24(b)). Communications concerning only
19 covered investment funds that fall within the scope of
20 such section shall not be required to be filed with
21 FINRA.

22 (e) *DEFINITIONS.*—For purposes of this section:

23 (1) The term “covered investment fund research
24 report” means a research report published or distrib-
25 uted by a broker or dealer about a covered investment

1 *fund or any securities issued by the covered invest-*
2 *ment fund, but not including a research report to the*
3 *extent that it is published or distributed by the cov-*
4 *ered investment fund or any affiliate of the covered*
5 *investment fund.*

6 (2) *The term “covered investment fund” means—*

7 (A) *an investment company registered*
8 *under, or that has filed an election to be treated*
9 *as a business development company under, the*
10 *Investment Company Act of 1940 and that has*
11 *filed a registration statement under the Securi-*
12 *ties Act of 1933 for the public offering of a class*
13 *of its securities, which registration statement has*
14 *been declared effective by the Commission; and*

15 (B) *a trust or other person—*

16 (i) *issuing securities in an offering*
17 *registered under the Securities Act of 1933*
18 *and which class of securities is listed for*
19 *trading on a national securities exchange;*

20 (ii) *the assets of which consist pri-*
21 *marily of commodities, currencies, or deriv-*
22 *ative instruments that reference commod-*
23 *ities or currencies, or interests in the fore-*
24 *going; and*

1 (iii) that provides in its registration
2 statement under the Securities Act of 1933
3 that a class of its securities are purchased
4 or redeemed, subject to conditions or limita-
5 tions, for a ratable share of its assets.

6 (3) The term “FINRA” means the Financial In-
7 dustry Regulatory Authority.

8 (4) The term “research report” has the meaning
9 given that term under section 2(a)(3) of the Securities
10 Act of 1933 (15 U.S.C. 77b(a)(3)), except that such
11 term shall not include an oral communication.

12 (5) The term “self-regulatory organization” has
13 the meaning given to that term under section 3(a)(26)
14 of the Securities Exchange Act of 1934 (15 U.S.C.
15 78c(a)(26)).

16 ***Subtitle F—Accelerating Access to*** 17 ***Capital***

18 ***SEC. 426. EXPANDED ELIGIBILITY FOR USE OF FORM S-3.***

19 *Not later than 45 days after the date of the enactment*
20 *of this Act, the Securities and Exchange Commission shall*
21 *revise Form S-3—*

22 (1) *so as to permit securities to be registered*
23 *pursuant to General Instruction I.B.1. of such form*
24 *provided that either—*

1 (A) the aggregate market value of the voting
2 and non-voting common equity held by non-af-
3 filiates of the registrant is \$75,000,000 or more;
4 or

5 (B) the registrant has at least one class of
6 common equity securities listed and registered on
7 a national securities exchange; and

8 (2) so as to remove the requirement of paragraph
9 (c) from General Instruction I.B.6. of such form.

10 ***Subtitle G—Enhancing the RAISE***
11 ***Act***

12 **SEC. 431. CERTAIN ACCREDITED INVESTOR TRANSACTIONS.**

13 Section 4 of the Securities Act of 1933 (15 U.S.C. 77d)
14 is amended—

15 (1) by amending subsection (d) to read as fol-
16 lows:

17 “(d)(1) The transactions referred to in subsection
18 (a)(7) are transactions where—

19 “(A) each purchaser is an accredited inves-
20 tor, as that term is defined in section 230.501(a)
21 of title 17, Code of Federal Regulations (or any
22 successor thereto); and

23 “(B) if any securities sold in reliance on
24 subsection (a)(7) are offered by means of any
25 general solicitation or general advertising, all

1 *such sales are made through a platform available*
2 *only to accredited investors.*

3 “(2) *Securities sold in reliance on subsection (a)(7)*
4 *shall be deemed to have been acquired in a transaction not*
5 *involving any public offering.*

6 “(3) *The exemption provided by this subsection shall*
7 *not be available for a transaction where the seller is—*

8 “(A) *an issuer, its subsidiaries or parent;*

9 “(B) *an underwriter acting on behalf of the*
10 *issuer, its subsidiaries or parent, which receives com-*
11 *penetration from the issuer with respect to such sale; or*

12 “(C) *a dealer.*

13 “(4) *A transaction meeting the requirements of this*
14 *subsection shall be deemed not to be a distribution for pur-*
15 *poses of section 2(a)(11).”;* and

16 (2) *by striking subsection (e).*

17 ***Subtitle H—Small Business Credit***
18 ***Availability***

19 ***SEC. 436. BUSINESS DEVELOPMENT COMPANY OWNERSHIP***
20 ***OF SECURITIES OF INVESTMENT ADVISERS***
21 ***AND CERTAIN FINANCIAL COMPANIES.***

22 (a) *IN GENERAL.—Section 60 of the Investment Com-*
23 *pany Act of 1940 (15 U.S.C. 80a–59) is amended—*

24 (1) *by striking “Notwithstanding” and inserting*

25 “(a) *Notwithstanding”;*

1 (2) by striking “except that the Commission shall
2 not” and inserting the following: “except that—

3 “(1) section 12 shall not apply to the pur-
4 chasing, otherwise acquiring, or holding by a business
5 development company of any security issued by, or
6 any other interest in the business of, any person who
7 is an investment adviser registered under title II of
8 this Act, who is an investment adviser to an invest-
9 ment company, or who is an eligible portfolio com-
10 pany; and

11 “(2) the Commission shall not”;

12 (3) by adding at the end the following:

13 “(b) Nothing in this section shall prevent the Commis-
14 sion from issuing rules to address potential conflicts of in-
15 terest between business development companies and invest-
16 ment advisers.”.

17 (b) *DEFINITION OF ELIGIBLE PORTFOLIO COMPANY.*—
18 Section 2(a)(46)(B) of the Investment Company Act of 1940
19 (15 U.S.C. 80a-2(a)(46)(B)) is amended by inserting before
20 the semicolon the following: “(unless it is described in para-
21 graph (2), (3), (4), (5), (6), or (9) of such section)”.

22 (c) *INVESTMENT THRESHOLD.*—Section 55(a) of the
23 Investment Company Act of 1940 is amended by inserting
24 before the colon the following: “, provided that no more than

1 50 percent of its total assets are assets described in section
2 3(c)”.

3 **SEC. 437. EXPANDING ACCESS TO CAPITAL FOR BUSINESS**
4 **DEVELOPMENT COMPANIES.**

5 (a) *IN GENERAL.*—Section 61(a) of the Investment
6 Company Act of 1940 (15 U.S.C. 80a–60(a)) is amended—

7 (1) by redesignating paragraphs (2) through (4)
8 as paragraphs (3) through (5), respectively;

9 (2) by striking paragraph (1) and inserting the
10 following:

11 “(1) Except as provided in paragraph (2), the
12 asset coverage requirements of subparagraphs (A) and
13 (B) of section 18(a)(1) (and any related rule promul-
14 gated under this Act) applicable to business develop-
15 ment companies shall be 200 percent.

16 “(2) The asset coverage requirements of subpara-
17 graphs (A) and (B) of section 18(a)(1) and of sub-
18 paragraphs (A) and (B) of section 18(a)(2) (and any
19 related rule promulgated under this Act) applicable to
20 a business development company shall be 150 percent
21 if—

22 “(A) within five business days of the ap-
23 proval of the adoption of the asset coverage re-
24 quirements described in clause (ii), the business
25 development company discloses such approval

1 *and the date of its effectiveness in a Form 8-K*
2 *filed with the Commission and in a notice on its*
3 *website and discloses in its periodic filings made*
4 *under section 13 of the Securities and Exchange*
5 *Act of 1934 (15 U.S.C. 78m)—*

6 *“(i) the aggregate value of the senior*
7 *securities issued by such company and the*
8 *asset coverage percentage as of the date of*
9 *such company’s most recent financial state-*
10 *ments; and*

11 *“(ii) that such company has adopted*
12 *the asset coverage requirements of this sub-*
13 *paragraph and the effective date of such re-*
14 *quirements;*

15 *“(B) with respect to a business development*
16 *company that issues equity securities that are*
17 *registered on a national securities exchange, the*
18 *periodic filings of the company under section*
19 *13(a) of the Securities Exchange Act of 1934 (15*
20 *U.S.C. 78m) include disclosures reasonably de-*
21 *signed to ensure that shareholders are informed*
22 *of—*

23 *“(i) the amount of indebtedness and*
24 *asset coverage ratio of the company, deter-*
25 *mined as of the date of the financial state-*

1 ments of the company dated on or most re-
2 cently before the date of such filing; and

3 “(ii) the principal risk factors associ-
4 ated with such indebtedness, to the extent
5 such risk is incurred by the company; and

6 “(C)(i) the application of this paragraph to
7 the company is approved by the required major-
8 ity (as defined in section 57(o)) of the directors
9 of or general partners of such company who are
10 not interested persons of the business develop-
11 ment company, which application shall become
12 effective on the date that is 1 year after the date
13 of the approval, and, with respect to a business
14 development company that issues equity securi-
15 ties that are not registered on a national securi-
16 ties exchange, the company extends, to each per-
17 son who is a shareholder as of the date of the ap-
18 proval, an offer to repurchase the equity securi-
19 ties held by such person as of such approval date,
20 with 25 percent of such securities to be repur-
21 chased in each of the four quarters following such
22 approval date; or

23 “(ii) the company obtains, at a special or
24 annual meeting of shareholders or partners at
25 which a quorum is present, the approval of more

1 *than 50 percent of the votes cast of the applica-*
2 *tion of this paragraph to the company, which*
3 *application shall become effective on the date im-*
4 *mediately after the date of the approval.”;*

5 *(3) in paragraph (3) (as redesignated), by in-*
6 *serting “or which is a stock” after “indebtedness”;*

7 *(4) in subparagraph (A) of paragraph (4) (as re-*
8 *designated)—*

9 *(A) in the matter preceding clause (i), by*
10 *striking “voting”; and*

11 *(B) by amending clause (iii) to read as fol-*
12 *lows:*

13 *“(iii) the exercise or conversion price*
14 *at the date of issuance of such warrants, op-*
15 *tions, or rights is not less than—*

16 *“(I) the market value of the secu-*
17 *rities issuable upon the exercise of such*
18 *warrants, options, or rights at the date*
19 *of issuance of such warrants, options,*
20 *or rights; or*

21 *“(II) if no such market value ex-*
22 *ists, the net asset value of the securities*
23 *issuable upon the exercise of such war-*
24 *rants, options, or rights at the date of*

1 *issuance of such warrants, options, or*
2 *rights; and”;* and

3 *(5) by adding at the end the following:*

4 *“(6)(A) Except as provided in subparagraph*
5 *(B), the following shall not apply to a business devel-*
6 *opment company:*

7 *“(i) Subparagraphs (C) and (D) of section*
8 *18(a)(2).*

9 *“(ii) Subparagraph (E) of section 18(a)(2),*
10 *to the extent such subparagraph requires any*
11 *priority over any other class of stock as to dis-*
12 *tribution of assets upon liquidation.*

13 *“(iii) With respect to a senior security*
14 *which is a stock, subsections (c) and (i) of sec-*
15 *tion 18.*

16 *“(B) Subparagraph (A) shall not apply with re-*
17 *spect to preferred stock issued to a person who is not*
18 *known by the company to be a qualified institutional*
19 *buyer (as defined in section 3(a) of the Securities Ex-*
20 *change Act of 1934).”.*

21 *(b) CONFORMING AMENDMENTS.—The Investment*
22 *Company Act of 1940 (15 U.S.C. 80a–1 et seq.) is amend-*
23 *ed—*

24 *(1) in section 57—*

1 (A) in subsection (j)(1), by striking “section
2 61(a)(3)(B)” and inserting “section
3 61(a)(4)(B)”; and

4 (B) in subsection (n)(2), by striking “sec-
5 tion 61(a)(3)(B)” and inserting “section
6 61(a)(4)(B)”; and

7 (2) in section 63(3), by striking “section
8 61(a)(3)” and inserting “section 61(a)(4)”.

9 **SEC. 438. PARITY FOR BUSINESS DEVELOPMENT COMPA-**
10 **NIES REGARDING OFFERING AND PROXY**
11 **RULES.**

12 (a) *REVISION TO RULES.*—Not later than 1 year after
13 the date of enactment of this Act, the Securities and Ex-
14 change Commission shall revise any rules to the extent nec-
15 essary to allow a business development company that has
16 filed an election pursuant to section 54 of the Investment
17 Company Act of 1940 (15 U.S.C. 80a–53) to use the securi-
18 ties offering and proxy rules that are available to other
19 issuers that are required to file reports under section 13
20 or section 15(d) of the Securities Exchange Act of 1934 (15
21 U.S.C. 78m; 78o(d)). Any action that the Commission takes
22 pursuant to this subsection shall include the following:

23 (1) *The Commission shall revise rule 405 under*
24 *the Securities Act of 1933 (17 C.F.R. 230.405)—*

1 (A) to remove the exclusion of a business de-
2 velopment company from the definition of a
3 well-known seasoned issuer provided by that rule;
4 and

5 (B) to add registration statements filed on
6 Form N-2 to the definition of automatic shelf
7 registration statement provided by that rule.

8 (2) The Commission shall revise rules 168 and
9 169 under the Securities Act of 1933 (17 C.F.R.
10 230.168 and 230.169) to remove the exclusion of a
11 business development company from an issuer that
12 can use the exemptions provided by those rules.

13 (3) The Commission shall revise rules 163 and
14 163A under the Securities Act of 1933 (17 C.F.R.
15 230.163 and 230.163A) to remove a business develop-
16 ment company from the list of issuers that are ineli-
17 gible to use the exemptions provided by those rules.

18 (4) The Commission shall revise rule 134 under
19 the Securities Act of 1933 (17 C.F.R. 230.134) to re-
20 move the exclusion of a business development com-
21 pany from that rule.

22 (5) The Commission shall revise rules 138 and
23 139 under the Securities Act of 1933 (17 C.F.R.
24 230.138 and 230.139) to specifically include a busi-

1 *ness development company as an issuer to which those*
2 *rules apply.*

3 *(6) The Commission shall revise rule 164 under*
4 *the Securities Act of 1933 (17 C.F.R. 230.164) to re-*
5 *move a business development company from the list*
6 *of issuers that are excluded from that rule.*

7 *(7) The Commission shall revise rule 433 under*
8 *the Securities Act of 1933 (17 C.F.R. 230.433) to spe-*
9 *cifically include a business development company that*
10 *is a well-known seasoned issuer as an issuer to which*
11 *that rule applies.*

12 *(8) The Commission shall revise rule 415 under*
13 *the Securities Act of 1933 (17 C.F.R. 230.415)—*

14 *(A) to state that the registration for securi-*
15 *ties provided by that rule includes securities reg-*
16 *istered by a business development company on*
17 *Form N-2; and*

18 *(B) to provide an exception for a business*
19 *development company from the requirement that*
20 *a Form N-2 registrant must furnish the under-*
21 *takings required by item 34.4 of Form N-2.*

22 *(9) The Commission shall revise rule 497 under*
23 *the Securities Act of 1933 (17 C.F.R. 230.497) to in-*
24 *clude a process for a business development company*
25 *to file a form of prospectus that is parallel to the*

1 *process for filing a form of prospectus under rule*
2 *424(b).*

3 *(10) The Commission shall revise rules 172 and*
4 *173 under the Securities Act of 1933 (17 C.F.R.*
5 *230.172 and 230.173) to remove the exclusion of an*
6 *offering of a business development company from*
7 *those rules.*

8 *(11) The Commission shall revise rule 418 under*
9 *the Securities Act of 1933 (17 C.F.R. 230.418) to pro-*
10 *vide that a business development company that would*
11 *otherwise meet the eligibility requirements of General*
12 *Instruction I.A of Form S-3 shall be exempt from*
13 *paragraph (a)(3) of that rule.*

14 *(12) The Commission shall revise rule 14a-101*
15 *under the Securities Exchange Act of 1934 (17 C.F.R.*
16 *240.14a-101) to provide that a business development*
17 *company that would otherwise meet the requirements*
18 *of General Instruction I.A of Form S-3 shall be*
19 *deemed to meet the requirements of Form S-3 for*
20 *purposes of Schedule 14A.*

21 *(13) The Commission shall revise rule 103 under*
22 *Regulation FD (17 C.F.R. 243.103) to provide that*
23 *paragraph (a) of that rule applies for purposes of*
24 *Form N-2.*

1 (b) *REVISION TO FORM N-2.*—Not later than 1 year
2 *after the date of enactment of this Act, the Commission shall*
3 *revise Form N-2—*

4 (1) *to include an item or instruction that is*
5 *similar to item 12 on Form S-3 to provide that a*
6 *business development company that would otherwise*
7 *meet the requirements of Form S-3 shall incorporate*
8 *by reference its reports and documents filed under the*
9 *Securities Exchange Act of 1934 into its registration*
10 *statement filed on Form N-2; and*

11 (2) *to include an item or instruction that is*
12 *similar to the instruction regarding automatic shelf*
13 *offerings by well-known seasoned issuers on Form S-*
14 *3 to provide that a business development company*
15 *that is a well-known seasoned issuer may file auto-*
16 *matic shelf offerings on Form N-2.*

17 (c) *TREATMENT IF REVISIONS NOT COMPLETED IN*
18 *TIMELY MANNER.*—*If the Commission fails to complete the*
19 *revisions required by subsections (a) and (b) by the time*
20 *required by such subsections, a business development com-*
21 *pany shall be entitled to treat such revisions as having been*
22 *completed in accordance with the actions required to be*
23 *taken by the Commission by such subsections until such*
24 *time as such revisions are completed by the Commission.*

1 (d) *RULE OF CONSTRUCTION.*—Any reference in this
2 section to a rule or form means such rule or form or any
3 successor rule or form.

4 ***Subtitle I—Fostering Innovation***

5 ***SEC. 441. TEMPORARY EXEMPTION FOR LOW-REVENUE*** 6 ***ISSUERS.***

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

9 “(d) *TEMPORARY EXEMPTION FOR LOW-REVENUE*
10 *ISSUERS.*—

11 “(1) *LOW-REVENUE EXEMPTION.*—Subsection (b)
12 shall not apply with respect to an audit report pre-
13 pared for an issuer that—

14 “(A) ceased to be an emerging growth com-
15 pany on the last day of the fiscal year of the
16 issuer following the fifth anniversary of the date
17 of the first sale of common equity securities of
18 the issuer pursuant to an effective registration
19 statement under the Securities Act of 1933;

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

23 “(C) is not a large accelerated filer.

1 “(2) *EXPIRATION OF TEMPORARY EXEMPTION.*—
2 *An issuer ceases to be eligible for the exemption de-*
3 *scribed under paragraph (1) at the earliest of—*

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

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

12 “(C) *the date on which the issuer becomes a*
13 *large accelerated filer.*

14 “(3) *DEFINITIONS.*—*For purposes of this sub-*
15 *section:*

16 “(A) *AVERAGE ANNUAL GROSS REVE-*
17 *NUES.*—*The term ‘average annual gross revenues’*
18 *means the total gross revenues of an issuer over*
19 *its most recently completed three fiscal years di-*
20 *vided by three.*

21 “(B) *EMERGING GROWTH COMPANY.*—*The*
22 *term ‘emerging growth company’ has the mean-*
23 *ing given such term under section 3 of the Secu-*
24 *rities Exchange Act of 1934 (15 U.S.C. 78c).*

1 “(C) *LARGE ACCELERATED FILER.*—The
2 term ‘large accelerated filer’ has the meaning
3 given that term under section 240.12b–2 of title
4 17, Code of Federal Regulations, or any successor
5 thereto.”.

6 ***Subtitle J—Small Business Capital***
7 ***Formation Enhancement***

8 ***SEC. 446. ANNUAL REVIEW OF GOVERNMENT-BUSINESS***
9 ***FORUM ON CAPITAL FORMATION.***

10 *Section 503 of the Small Business Investment Incen-*
11 *tive Act of 1980 (15 U.S.C. 80c–1) is amended by adding*
12 *at the end the following:*

13 “(e) *The Commission shall—*

14 “(1) *review the findings and recommendations of*
15 *the forum; and*

16 “(2) *each time the forum submits a finding or*
17 *recommendation to the Commission, promptly issue a*
18 *public statement—*

19 “(A) *assessing the finding or recommenda-*
20 *tion of the forum; and*

21 “(B) *disclosing the action, if any, the Com-*
22 *mission intends to take with respect to the find-*
23 *ing or recommendation.*”.

1 ***Subtitle K—Helping Angels Lead***
2 ***Our Startups***

3 **SEC. 451. DEFINITION OF ANGEL INVESTOR GROUP.**

4 *As used in this subtitle, the term “angel investor*
5 *group” means any group that—*

6 (1) *is composed of accredited investors interested*
7 *in investing personal capital in early-stage compa-*
8 *nies;*

9 (2) *holds regular meetings and has defined proc-*
10 *esses and procedures for making investment decisions,*
11 *either individually or among the membership of the*
12 *group as a whole; and*

13 (3) *is neither associated nor affiliated with bro-*
14 *kers, dealers, or investment advisers.*

15 **SEC. 452. CLARIFICATION OF GENERAL SOLICITATION.**

16 (a) *IN GENERAL.—Not later than 6 months after the*
17 *date of enactment of this Act, the Securities and Exchange*
18 *Commission shall revise Regulation D of its rules (17*
19 *C.F.R. 230.500 et seq.) to require that in carrying out the*
20 *prohibition against general solicitation or general adver-*
21 *tising contained in section 230.502(c) of title 17, Code of*
22 *Federal Regulations, the prohibition shall not apply to a*
23 *presentation or other communication made by or on behalf*
24 *of an issuer which is made at an event—*

25 (1) *sponsored by—*

1 (A) *the United States or any territory*
2 *thereof, by the District of Columbia, by any*
3 *State, by a political subdivision of any State or*
4 *territory, or by any agency or public instrumen-*
5 *tality of any of the foregoing;*

6 (B) *a college, university, or other institu-*
7 *tion of higher education;*

8 (C) *a nonprofit organization;*

9 (D) *an angel investor group;*

10 (E) *a venture forum, venture capital asso-*
11 *ciation, or trade association; or*

12 (F) *any other group, person or entity as the*
13 *Securities and Exchange Commission may deter-*
14 *mine by rule;*

15 (2) *where any advertising for the event does not*
16 *reference any specific offering of securities by the*
17 *issuer;*

18 (3) *the sponsor of which—*

19 (A) *does not make investment recommenda-*
20 *tions or provide investment advice to event*
21 *attendees;*

22 (B) *does not engage in an active role in any*
23 *investment negotiations between the issuer and*
24 *investors attending the event;*

1 (C) does not charge event attendees any fees
2 other than administrative fees; and

3 (D) does not receive any compensation with
4 respect to such event that would require registra-
5 tion of the sponsor as a broker or a dealer under
6 the Securities Exchange Act of 1934, or as an in-
7 vestment advisor under the Investment Advisers
8 Act of 1940; and

9 (4) where no specific information regarding an
10 offering of securities by the issuer is communicated or
11 distributed by or on behalf of the issuer, other than—

12 (A) that the issuer is in the process of offer-
13 ing securities or planning to offer securities;

14 (B) the type and amount of securities being
15 offered;

16 (C) the amount of securities being offered
17 that have already been subscribed for; and

18 (D) the intended use of proceeds of the offer-
19 ing.

20 (b) *RULE OF CONSTRUCTION.*—Subsection (a) may
21 only be construed as requiring the Securities and Exchange
22 Commission to amend the requirements of Regulation D
23 with respect to presentations and communications, and not
24 with respect to purchases or sales.

1 ***Subtitle L—Main Street Growth***

2 ***SEC. 456. VENTURE EXCHANGES.***

3 *(a) SECURITIES EXCHANGE ACT OF 1934.—Section 6*
4 *of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is*
5 *amended by adding at the end the following:*

6 “*(m) VENTURE EXCHANGE.—*

7 “*(1) REGISTRATION.—*

8 “*(A) IN GENERAL.—A national securities*
9 *exchange may elect to be treated (or for a listing*
10 *tier of such exchange to be treated) as a venture*
11 *exchange by notifying the Commission of such*
12 *election, either at the time the exchange applies*
13 *to be registered as a national securities exchange*
14 *or after registering as a national securities ex-*
15 *change.*

16 “*(B) DETERMINATION TIME PERIOD.—With*
17 *respect to a securities exchange electing to be*
18 *treated (or for a listing tier of such exchange to*
19 *be treated) as a venture exchange—*

20 “*(i) at the time the exchange applies to*
21 *be registered as a national securities ex-*
22 *change, such application and election shall*
23 *be deemed to have been approved by the*
24 *Commission unless the Commission denies*
25 *such application before the end of the 6-*

1 *month period beginning on the date the*
2 *Commission received such application; and*

3 “(ii) *after registering as a national se-*
4 *curities exchange, such election shall be*
5 *deemed to have been approved by the Com-*
6 *mission unless the Commission denies such*
7 *approval before the end of the 6-month pe-*
8 *riod beginning on the date the Commission*
9 *received notification of such election.*

10 “(2) *POWERS AND RESTRICTIONS.—A venture*
11 *exchange—*

12 “(A) *may only constitute, maintain, or pro-*
13 *vide a market place or facilities for bringing to-*
14 *gether purchasers and sellers of venture securi-*
15 *ties;*

16 “(B) *may determine the increment to be*
17 *used for quoting and trading venture securities*
18 *on the exchange;*

19 “(C) *shall disseminate last sale and*
20 *quotation information on terms that are fair*
21 *and reasonable and not unreasonably discrimi-*
22 *natory;*

23 “(D) *may choose to carry out periodic auc-*
24 *tions for the sale of a venture security instead of*

1 *providing continuous trading of the venture se-*
2 *curity; and*

3 *“(E) may not extend unlisted trading privi-*
4 *leges to any venture security.*

5 *“(3) EXEMPTIONS FROM CERTAIN NATIONAL SE-*
6 *CURITY EXCHANGE REGULATIONS.—A venture ex-*
7 *change shall not be required to—*

8 *“(A) comply with any of sections 242.600*
9 *through 242.612 of title 17, Code of Federal Reg-*
10 *ulations;*

11 *“(B) comply with any of sections 242.300*
12 *through 242.303 of title 17, Code of Federal Reg-*
13 *ulations;*

14 *“(C) submit any data to a securities infor-*
15 *mation processor; or*

16 *“(D) use decimal pricing.*

17 *“(4) TREATMENT OF CERTAIN EXEMPTED SECU-*
18 *RITIES.—A security that is exempt from registration*
19 *pursuant to section 3(b) of the Securities Act of 1933*
20 *shall be exempt from section 12(a) of this title with*
21 *respect to the trading of such security on a venture*
22 *exchange, if the issuer of such security is in compli-*
23 *ance with all disclosure obligations of such section*
24 *3(b) and the regulations issued under such section.*

1 “(5) *DEFINITIONS.—For purposes of this sub-*
2 *section:*

3 “(A) *EARLY-STAGE, GROWTH COMPANY.—*

4 “(i) *IN GENERAL.—The term ‘early-*
5 *stage, growth company’ means an issuer—*

6 “(I) *that has not made an initial*
7 *public offering of any securities of the*
8 *issuer; and*

9 “(II) *with a market capitalization*
10 *of \$1,000,000,000 (as such amount is*
11 *indexed for inflation every 5 years by*
12 *the Commission to reflect the change in*
13 *the Consumer Price Index for All*
14 *Urban Consumers published by the Bu-*
15 *reau of Labor Statistics, setting the*
16 *threshold to the nearest \$1,000,000) or*
17 *less.*

18 “(ii) *TREATMENT WHEN MARKET CAP-*
19 *ITALIZATION EXCEEDS THRESHOLD.—*

20 “(I) *IN GENERAL.—In the case of*
21 *an issuer that is an early-stage, growth*
22 *company the securities of which are*
23 *traded on a venture exchange, such*
24 *issuer shall not cease to be an early-*
25 *stage, growth company by reason of the*

1 *market capitalization of such issuer ex-*
2 *ceeding the threshold specified in clause*
3 *(i)(II) until the end of the period of 24*
4 *consecutive months during which the*
5 *market capitalization of such issuer ex-*
6 *ceeds \$2,000,000,000 (as such amount*
7 *is indexed for inflation every 5 years*
8 *by the Commission to reflect the change*
9 *in the Consumer Price Index for All*
10 *Urban Consumers published by the Bu-*
11 *reau of Labor Statistics, setting the*
12 *threshold to the nearest \$1,000,000).*

13 *“(II) EXEMPTIONS.—If an issuer*
14 *would cease to be an early-stage,*
15 *growth company under subclause (I),*
16 *the venture exchange may, at the re-*
17 *quest of the issuer, exempt the issuer*
18 *from the market capitalization require-*
19 *ments of this subparagraph for the 1-*
20 *year period that begins on the day*
21 *after the end of the 24-month period*
22 *described in such subclause. The ven-*
23 *ture exchange may, at the request of*
24 *the issuer, extend the exemption for 1*
25 *additional year.*

1 “(B) *VENTURE SECURITY*.—The term ‘ven-
2 *ture security*’ means—

3 “(i) *securities of an early-stage, growth*
4 *company that are exempt from registration*
5 *pursuant to section 3(b) of the Securities*
6 *Act of 1933; and*

7 “(ii) *securities of an emerging growth*
8 *company.*”.

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

11 (1) *in subparagraph (B), by striking “or” at the*
12 *end;*

13 (2) *in subparagraph (C), by striking the period*
14 *and inserting “; or”; and*

15 (3) *by adding at the end the following:*

16 “(D) *a venture security, as defined under*
17 *section 6(m)(5) of the Securities Exchange Act of*
18 *1934.*”.

19 (c) *SENSE OF CONGRESS*.—*It is the sense of the Con-*
20 *gress that the Securities and Exchange Commission*
21 *should—*

22 (1) *when necessary or appropriate in the public*
23 *interest and consistent with the protection of inves-*
24 *tors, make use of the Commission’s general exemptive*
25 *authority under section 36 of the Securities Exchange*

1 *Act of 1934 (15 U.S.C. 78mm) with respect to the*
2 *provisions added by this section; and*

3 *(2) if the Commission determines appropriate,*
4 *create an Office of Venture Exchanges within the*
5 *Commission's Division of Trading and Markets.*

6 *(d) RULE OF CONSTRUCTION.—Nothing in this section*
7 *or the amendments made by this section shall be construed*
8 *to impair or limit the construction of the antifraud provi-*
9 *sions of the securities laws (as defined in section 3(a) of*
10 *the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)))*
11 *or the authority of the Securities and Exchange Commis-*
12 *sion under those provisions.*

13 *(e) EFFECTIVE DATE FOR TIERS OF EXISTING NA-*
14 *TIONAL SECURITIES EXCHANGES.—In the case of a securi-*
15 *ties exchange that is registered as a national securities ex-*
16 *change under section 6 of the Securities Exchange Act of*
17 *1934 (15 U.S.C. 78f) on the date of the enactment of this*
18 *Act, any election for a listing tier of such exchange to be*
19 *treated as a venture exchange under subsection (m) of such*
20 *section shall not take effect before the date that is 180 days*
21 *after such date of enactment.*

1 ***Subtitle M—Micro Offering Safe***
2 ***Harbor***

3 **SEC. 461. EXEMPTIONS FOR MICRO-OFFERINGS.**

4 (a) *IN GENERAL.*—Section 4 of the Securities Act of
5 1933 (15 U.S.C. 77d) is amended—

6 (1) *in subsection (a), by adding at the end the*
7 *following:*

8 “(8) *transactions meeting the requirements of*
9 *subsection (e).”;* and

10 (2) *as amended by section 434(2), by adding at*
11 *the end the following:*

12 “(e) *CERTAIN MICRO-OFFERINGS.*—*The transactions*
13 *referred to in subsection (a)(8) are transactions involving*
14 *the sale of securities by an issuer (including all entities con-*
15 *trolled by or under common control with the issuer) that*
16 *meet all of the following requirements:*

17 “(1) *PRE-EXISTING RELATIONSHIP.*—*Each pur-*
18 *chaser has a substantive pre-existing relationship*
19 *with an officer of the issuer, a director of the issuer,*
20 *or a shareholder holding 10 percent or more of the*
21 *shares of the issuer.*

22 “(2) *35 OR FEWER PURCHASERS.*—*There are no*
23 *more than, or the issuer reasonably believes that there*
24 *are no more than, 35 purchasers of securities from the*
25 *issuer that are sold in reliance on the exemption pro-*

1 *vided under subsection (a)(8) during the 12-month*
2 *period preceding such transaction.*

3 *“(3) SMALL OFFERING AMOUNT.—The aggregate*
4 *amount of all securities sold by the issuer, including*
5 *any amount sold in reliance on the exemption pro-*
6 *vided under subsection (a)(8), during the 12-month*
7 *period preceding such transaction, does not exceed*
8 *\$500,000.”.*

9 *(b) EXEMPTION UNDER STATE REGULATIONS.—Sec-*
10 *tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.*
11 *77r(b)(4)) is amended—*

12 *(1) in subparagraph (F), by striking “or” at the*
13 *end;*

14 *(2) in subparagraph (G), by striking the period*
15 *and inserting “; or”; and*

16 *(3) by adding at the end the following:*

17 *“(H) section 4(a)(8).”.*

18 ***Subtitle N—Private Placement***
19 ***Improvement***

20 ***SEC. 466. REVISIONS TO SEC REGULATION D.***

21 *Not later than 45 days following the date of the enact-*
22 *ment of this Act, the Securities and Exchange Commission*
23 *shall revise Regulation D (17 C.F.R. 501 et seq.) in accord-*
24 *ance with the following:*

1 (1) *The Commission shall revise Form D filing*
2 *requirements to require an issuer offering or selling*
3 *securities in reliance on an exemption provided under*
4 *Rule 506 of Regulation D to file with the Commission*
5 *a single notice of sales containing the information re-*
6 *quired by Form D for each new offering of securities*
7 *no earlier than 15 days after the date of the first sale*
8 *of securities in the offering. The Commission shall not*
9 *require such an issuer to file any notice of sales con-*
10 *taining the information required by Form D except*
11 *for the single notice described in the previous sen-*
12 *tence.*

13 (2) *The Commission shall make the information*
14 *contained in each Form D filing available to the secu-*
15 *rities commission (or any agency or office performing*
16 *like functions) of each State and territory of the*
17 *United States and the District of Columbia.*

18 (3) *The Commission shall not condition the*
19 *availability of any exemption for an issuer under*
20 *Rule 506 of Regulation D (17 C.F.R. 230.506) on the*
21 *issuer's or any other person's filing with the Commis-*
22 *sion of a Form D or any similar report.*

23 (4) *The Commission shall not require issuers to*
24 *submit written general solicitation materials to the*
25 *Commission in connection with a Rule 506(c) offer-*

1 *ing, except when the Commission requests such mate-*
 2 *rials pursuant to the Commission’s authority under*
 3 *section 8A or section 20 of the Securities Act of 1933*
 4 *(15 U.S.C. 77h–1 or 77t) or section 9, 10(b), 21A,*
 5 *21B, or 21C of the Securities Exchange Act of 1934*
 6 *(15 U.S.C. 78i, 78j(b), 78u–1, 78u–2, or 78u–3).*

7 (5) *The Commission shall not extend the require-*
 8 *ments contained in Rule 156 to private funds.*

9 (6) *The Commission shall revise Rule 501(a) of*
 10 *Regulation D to provide that a person who is a*
 11 *“knowledgeable employee” of a private fund or the*
 12 *fund’s investment adviser, as defined in Rule 3c–*
 13 *5(a)(4) (17 C.F.R. 270.3c–5(a)(4)), shall be an ac-*
 14 *credited investor for purposes of a Rule 506 offering*
 15 *of a private fund with respect to which the person is*
 16 *a knowledgeable employee.*

17 ***Subtitle O—Supporting America’s***
 18 ***Innovators***

19 ***SEC. 471. INVESTOR LIMITATION FOR QUALIFYING VEN-***
 20 ***TURE CAPITAL FUNDS.***

21 *Section 3(c)(1) of the Investment Company Act of 1940*
 22 *(15 U.S.C. 80a–3(c)(1)) is amended—*

23 (1) *by inserting after “one hundred persons” the*
 24 *following: “(or, with respect to a qualifying venture*
 25 *capital fund, 500 persons)”*; and

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

2 “(C) *The term ‘qualifying venture capital*
3 *fund’ means any venture capital fund (as de-*
4 *finied pursuant to section 203(l)(1) of the Invest-*
5 *ment Advisers Act of 1940 (15 U.S.C. 80b-*
6 *3(l)(1)) with no more than \$50,000,000 in aggre-*
7 *gate capital contributions and uncalled com-*
8 *mitted capital, as such dollar amount is annu-*
9 *ally adjusted by the Commission to reflect the*
10 *change in the Consumer Price Index for All*
11 *Urban Consumers published by the Bureau of*
12 *Labor Statistics of the Department of Labor.”.*

13 ***Subtitle P—Fix Crowdfunding***

14 ***SEC. 476. CROWDFUNDING EXEMPTION.***

15 (a) *SECURITIES ACT OF 1933.—Section 4(a) of the Se-*
16 *curities Act of 1933 (15 U.S.C. 77d) is amended by striking*
17 *paragraph (6) and inserting the following:*

18 “(6) *transactions involving the offer or sale of se-*
19 *curities by an issuer, provided that—*

20 “(A) *in the case of a transaction involving*
21 *an intermediary between the issuer and the in-*
22 *vestor, such intermediary complies with the re-*
23 *quirements under section 4A(a); and*

24 “(B) *in the case of a transaction not involv-*
25 *ing an intermediary between the issuer and the*

1 *investor, the issuer complies with the require-*
2 *ments under section 4A(b).”.*

3 **(b) REQUIREMENTS TO QUALIFY FOR CROWDFUNDING**

4 **EXEMPTION.**—*Section 4A of the Securities Act of 1933 (15*
5 *U.S.C. 77d–1) is amended to read as follows:*

6 **“SEC. 4A. REQUIREMENTS WITH RESPECT TO CERTAIN**
7 **SMALL TRANSACTIONS.**

8 **“(a) REQUIREMENTS ON INTERMEDIARIES.**—*For pur-*
9 *poses of section 4(a)(6), a person acting as an intermediary*
10 *in a transaction involving the offer or sale of securities shall*
11 *comply with the requirements of this subsection if the inter-*
12 *mediary—*

13 **“(1) warns investors, including on the**
14 *intermediary’s website used for the offer and sale of*
15 *such securities, of the speculative nature generally ap-*
16 *plicable to investments in startups, emerging busi-*
17 *nesses, and small issuers, including risks in the sec-*
18 *ondary market related to illiquidity;*

19 **“(2) warns investors that they are subject to the**
20 *restriction on sales requirement described under sub-*
21 *section (e);*

22 **“(3) takes reasonable measures to reduce the risk**
23 *of fraud with respect to such transaction;*

24 **“(4) registers with the Commission and the Fi-**
25 *nancial Industry Regulatory Authority, including by*

1 *providing the Commission with the intermediary’s*
2 *physical address, website address, and the names of*
3 *the intermediary and employees of the intermediary,*
4 *and keep such information up-to-date;*

5 “(5) *provides the Commission with continuous*
6 *investor-level access to the intermediary’s website;*

7 “(6) *requires each potential investor to answer*
8 *questions demonstrating—*

9 “(A) *an understanding of the level of risk*
10 *generally applicable to investments in startups,*
11 *emerging businesses, and small issuers;*

12 “(B) *an understanding of the risk of*
13 *illiquidity; and*

14 “(C) *such other areas as the Commission*
15 *may determine appropriate by rule or regula-*
16 *tion, including information relating to the own-*
17 *ers’ and management’s experience, and any re-*
18 *lated party transactions and conflicts of interest;*

19 “(7) *carries out a background check on the*
20 *issuer’s principals;*

21 “(8) *provides the Commission and potential in-*
22 *vestors with notice of the offering not less than 10*
23 *days prior to such offering, not later than the first*
24 *day securities are offered to potential investors, in-*
25 *cluding—*

1 “(A) the issuer’s name, legal status, phys-
2 ical address, and website address;

3 “(B) the names of the issuer’s principals;

4 “(C) the stated purpose and intended use of
5 the proceeds of the offering sought by the issuer;
6 and

7 “(D) the target offering amount and the
8 deadline to reach the target offering amount;

9 “(9) outsources cash-management functions to a
10 qualified third party custodian, such as a broker or
11 dealer registered under section 15(b)(1) of the Securi-
12 ties Exchange Act of 1934, a trust company, or an in-
13 sured depository institution;

14 “(10) makes available on the intermediary’s
15 website a method of communication that permits the
16 issuer and investors to communicate with one an-
17 other;

18 “(11) provides the Commission with a notice
19 upon completion of the offering, which shall include
20 the aggregate offering amount and the number of pur-
21 chasers; and

22 “(b) *REQUIREMENTS ON ISSUERS IF NO INTER-*
23 *MEDIARY.*—For purposes of section 4(a)(6), an issuer who
24 offers or sells securities without an intermediary shall com-
25 ply with the requirements of this subsection if the issuer—

1 “(1) warns investors, including on the issuer’s
2 website, of the speculative nature generally applicable
3 to investments in startups, emerging businesses, and
4 small issuers, including risks in the secondary market
5 related to illiquidity;

6 “(2) warns investors that they are subject to the
7 restriction on sales requirement described under sub-
8 section (e);

9 “(3) takes reasonable measures to reduce the risk
10 of fraud with respect to such transaction;

11 “(4) provides the Commission with the issuer’s
12 physical address, website address, and the names of
13 the principals and employees of the issuers, and keeps
14 such information up-to-date;

15 “(5) provides the Commission with continuous
16 investor-level access to the issuer’s website;

17 “(6) requires each potential investor to answer
18 questions demonstrating—

19 “(A) an understanding of the level of risk
20 generally applicable to investments in startups,
21 emerging businesses, and small issuers;

22 “(B) an understanding of the risk of
23 illiquidity; and

1 “(C) such other areas as the Commission
2 may determine appropriate by rule or regula-
3 tion;

4 “(7) provides the Commission with notice of the
5 offering not less than 10 days prior to such offering,
6 not later than the first day securities are offered to
7 potential investors, including—

8 “(A) the stated purpose and intended use of
9 the proceeds of the offering sought by the issuer;
10 and

11 “(B) the target offering amount and the
12 deadline to reach the target offering amount;

13 “(8) outsources cash-management functions to a
14 qualified third party custodian, such as a broker or
15 dealer registered under section 15(b)(1) of the *Securi-*
16 *ties Exchange Act of 1934*, a trust company, or an in-
17 sured depository institution;

18 “(9) makes available on the issuer’s website a
19 method of communication that permits the issuer and
20 investors to communicate with one another;

21 “(10) does not offer personalized investment ad-
22 vice;

23 “(11) provides the Commission with a notice
24 upon completion of the offering, which shall include

1 *the aggregate offering amount and the number of pur-*
2 *chasers; and*

3 “(c) *VERIFICATION OF INCOME.*—*For purposes of sec-*
4 *tion 4(a)(6), an issuer or intermediary may rely on certifi-*
5 *cations as to annual income provided by the person to*
6 *whom the securities are sold to verify the investor’s income.*

7 “(d) *INFORMATION AVAILABLE TO STATES.*—*The Com-*
8 *mission shall make the notices described under subsections*
9 *(a)(9), (a)(13), (b)(8), and (b)(13) and the information de-*
10 *scribed under subsections (a)(4) and (b)(4) available to the*
11 *States.*

12 “(e) *RESTRICTION ON SALES.*—*With respect to a*
13 *transaction involving the issuance of securities described*
14 *under section 4(a)(6), a purchaser may not transfer such*
15 *securities during the 1-year period beginning on the date*
16 *of purchase, unless such securities are sold to—*

17 “(1) *the issuer of such securities; or*

18 “(2) *an accredited investor.*

19 “(f) *CONSTRUCTION.*—

20 “(1) *NO REGISTRATION AS BROKER.*—*With re-*
21 *spect to a transaction described under section 4(a)(6)*
22 *involving an intermediary, such intermediary shall*
23 *not be required to register as a broker under section*
24 *15(a)(1) of the Securities Exchange Act of 1934 solely*
25 *by reason of participation in such transaction.*

1 “(2) *NO PRECLUSION OF OTHER CAPITAL RAIS-*
2 *ING.—Nothing in this section or section 4(a)(6) shall*
3 *be construed as preventing an issuer from raising*
4 *capital through methods not described under section*
5 *4(a)(6).”.*

6 (c) *RULEMAKING.—Not later than 180 days after the*
7 *date of enactment of this Act, the Securities and Exchange*
8 *Commission shall issue or revise such rules as may be nec-*
9 *essary to carry out section 4A of the Securities Act of 1933,*
10 *as amended by this Act. In issuing or revising such rules,*
11 *the Commission shall consider the costs and benefits of the*
12 *action.*

13 (d) *DISQUALIFICATION.—Not later than 180 days after*
14 *the date of enactment of this Act, the Securities and Ex-*
15 *change Commission shall by rule or regulation establish dis-*
16 *qualification provisions under which an issuer shall not be*
17 *eligible to utilize the exemption under section 4(a)(6) of the*
18 *Securities Act of 1933 (as amended by this Act) based on*
19 *the disciplinary history of the issuer or its predecessors, af-*
20 *filiates, officers, directors, or persons fulfilling similar roles.*
21 *The Commission shall also establish disqualification provi-*
22 *sions under which an intermediary shall not be eligible to*
23 *act as an intermediary in connection with an offering uti-*
24 *lizing the exemption under section 4(a)(6) of the Securities*
25 *Act of 1933 based on the disciplinary history of the inter-*

1 *mediary or its predecessors, affiliates, officers, directors, or*
 2 *persons fulfilling similar roles. Such provisions shall be*
 3 *substantially similar to the disqualification provisions con-*
 4 *tained in the regulations adopted in accordance with sec-*
 5 *tion 926 of the Dodd-Frank Wall Street Reform and Con-*
 6 *sumer Protection Act (15 U.S.C. 77d note).*

7 **SEC. 477. EXCLUSION OF CROWDFUNDING INVESTORS**
 8 **FROM SHAREHOLDER CAP.**

9 *Section 12(g)(5) of the Securities Exchange Act of*
 10 *1934 (15 U.S.C. 78l(g)(5)) is amended—*

11 *(1) by striking “(5) For the purposes” and in-*
 12 *serting:*

13 *“(5) DEFINITIONS.—*

14 *“(A) IN GENERAL.—For the purposes”; and*

15 *(2) by adding at the end the following:*

16 *“(B) EXCLUSION FOR PERSONS HOLDING*
 17 *CERTAIN SECURITIES.—For purposes of this sub-*
 18 *section, securities held by persons who purchase*
 19 *such securities in transactions described under*
 20 *section 4(a)(6) of the Securities Act of 1933 shall*
 21 *not be deemed to be ‘held of record.’”.*

22 **SEC. 478. PREEMPTION OF STATE LAW.**

23 *(a) IN GENERAL.—Section 18(b)(4)(C) of the Securi-*
 24 *ties Act of 1933 (15 U.S.C. 77r(b)(4)(C)) is amended by*
 25 *striking “section 4(6)” and inserting “section 4(a)(6)”.*

1 **(b) CLARIFICATION OF THE PRESERVATION OF STATE**
2 **ENFORCEMENT AUTHORITY.—**

3 **(1) IN GENERAL.—***The amendments made by*
4 *subsection (a) relate solely to State registration, docu-*
5 *mentation, and offering requirements, as described*
6 *under section 18(a) of Securities Act of 1933 (15*
7 *U.S.C. 77r(a)), and shall have no impact or limita-*
8 *tion on other State authority to take enforcement ac-*
9 *tion with regard to an issuer, intermediary, or any*
10 *other person or entity using the exemption from reg-*
11 *istration provided by section 4(a)(6) of such Act, ex-*
12 *cept that a State may not impose any fees under such*
13 *authority.*

14 **(2) CLARIFICATION OF STATE JURISDICTION**
15 **OVER UNLAWFUL CONDUCT OF INTERMEDIARIES,**
16 **ISSUERS, AND CUSTODIANS.—***Section 18(c)(1) of the*
17 *Securities Act of 1933 is amended by striking “in*
18 *connection with securities or securities transactions”*
19 *and all that follows and inserting the following: “, in*
20 *connection with securities or securities transactions,*
21 *with respect to—*

22 **“(A) fraud or deceit;**

23 **“(B) unlawful conduct by a broker or deal-**
24 **er; and**

1 “(C) with respect to a transaction described
2 under section 4(a)(6), unlawful conduct by an
3 intermediary, issuer, or custodian.”.

4 **SEC. 479. TREATMENT OF FUNDING PORTALS.**

5 Section 5312(c) of title 31, United States Code, is
6 amended by adding at the end the following:

7 “(2) *FUNDING PORTALS NOT INCLUDED IN DEFINITION.*—The term ‘financial institution’ (as defined
8 in subsection (a)) does not include a funding portal
9 (as defined under section 3(a) of the Securities Ex-
10 change Act of 1934 (15 U.S.C. 78c(a))).”.

12 **Subtitle Q—Corporate Governance**
13 **Reform and Transparency**

14 **SEC. 481. DEFINITIONS.**

15 (a) *SECURITIES EXCHANGE ACT OF 1934.*—Section
16 3(a) of the Securities Exchange Act of 1934 (15 U.S.C.
17 78c(a)) is amended by adding at the end the following new
18 paragraphs:

19 “(83) *PROXY ADVISORY FIRM.*—The term ‘proxy
20 advisory firm’ means any person who is primarily
21 engaged in the business of providing proxy voting re-
22 search, analysis, or recommendations to clients, which
23 conduct constitutes a solicitation within the meaning
24 of section 14 and the Commission’s rules and regula-
25 tions thereunder, except to the extent that the person

1 *is exempted by such rules and regulations from re-*
2 *quirements otherwise applicable to persons engaged in*
3 *a solicitation.*

4 “(84) *PERSON ASSOCIATED WITH A PROXY ADVI-*
5 *SORY FIRM.*—*The term ‘person associated with’ a*
6 *proxy advisory firm means any partner, officer, or*
7 *director of a proxy advisory firm (or any person oc-*
8 *cupying a similar status or performing similar func-*
9 *tions), any person directly or indirectly controlling,*
10 *controlled by, or under common control with a proxy*
11 *advisory firm, or any employee of a proxy advisory*
12 *firm, except that persons associated with a proxy ad-*
13 *visory firm whose functions are clerical or ministerial*
14 *shall not be included in the meaning of such term.*
15 *The Commission may by rules and regulations clas-*
16 *sify, for purposes or any portion or portions of this*
17 *Act, persons, including employees controlled by a*
18 *proxy advisory firm.”.*

19 (b) *APPLICABLE DEFINITIONS.*—*As used in this sub-*
20 *title—*

21 (1) *the term “Commission” means the Securities*
22 *and Exchange Commission; and*

23 (2) *the term “proxy advisory firm” has the same*
24 *meaning as in section 3(a)(83) of the Securities Ex-*
25 *change Act of 1934, as added by this subtitle.*

1 **SEC. 482. REGISTRATION OF PROXY ADVISORY FIRMS.**

2 (a) *AMENDMENT.*—*The Securities Exchange Act of*
3 *1934 is amended by inserting after section 15G the fol-*
4 *lowing new section:*

5 **“SEC. 15H. REGISTRATION OF PROXY ADVISORY FIRMS.**

6 “(a) *CONDUCT PROHIBITED.*—*It shall be unlawful for*
7 *a proxy advisory firm to make use of the mails or any*
8 *means or instrumentality of interstate commerce to provide*
9 *proxy voting research, analysis, or recommendations to any*
10 *client, unless such proxy advisory firm is registered under*
11 *this section.*

12 “(b) *REGISTRATION PROCEDURES.*—

13 “(1) *APPLICATION FOR REGISTRATION.*—

14 “(A) *IN GENERAL.*—*A proxy advisory firm*
15 *must file with the Commission an application*
16 *for registration, in such form as the Commission*
17 *shall require, by rule or regulation, and con-*
18 *taining the information described in subpara-*
19 *graph (B).*

20 “(B) *REQUIRED INFORMATION.*—*An appli-*
21 *cation for registration under this section shall*
22 *contain information regarding—*

23 “(i) *a certification that the applicant*
24 *has adequate financial and managerial re-*
25 *sources to consistently provide proxy advice*
26 *based on accurate information;*

1 “(ii) the procedures and methodologies
2 that the applicant uses in developing proxy
3 voting recommendations, including whether
4 and how the applicant considers the size of
5 a company when making proxy voting rec-
6 ommendations;

7 “(iii) the organizational structure of
8 the applicant;

9 “(iv) whether or not the applicant has
10 in effect a code of ethics, and if not, the rea-
11 sons therefor;

12 “(v) any potential or actual conflict of
13 interest relating to the ownership structure
14 of the applicant or the provision of proxy
15 advisory services by the applicant, includ-
16 ing whether the proxy advisory firm en-
17 gages in services ancillary to the provision
18 of proxy advisory services such as con-
19 sulting services for corporate issuers, and if
20 so the revenues derived therefrom;

21 “(vi) the policies and procedures in
22 place to manage conflicts of interest under
23 subsection (f); and

24 “(vii) any other information and docu-
25 ments concerning the applicant and any

1 *person associated with such applicant as the*
2 *Commission, by rule, may prescribe as nec-*
3 *essary or appropriate in the public interest*
4 *or for the protection of investors.*

5 “(2) *REVIEW OF APPLICATION.*—

6 “(A) *INITIAL DETERMINATION.*—*Not later*
7 *than 90 days after the date on which the appli-*
8 *cation for registration is filed with the Commis-*
9 *sion under paragraph (1) (or within such longer*
10 *period as to which the applicant consents) the*
11 *Commission shall—*

12 “(i) *by order, grant registration; or*

13 “(ii) *institute proceedings to determine*
14 *whether registration should be denied.*

15 “(B) *CONDUCT OF PROCEEDINGS.*—

16 “(i) *CONTENT.*—*Proceedings referred to*
17 *in subparagraph (A)(ii) shall—*

18 “(I) *include notice of the grounds*
19 *for denial under consideration and an*
20 *opportunity for hearing; and*

21 “(II) *be concluded not later than*
22 *120 days after the date on which the*
23 *application for registration is filed*
24 *with the Commission under paragraph*
25 *(1).*

1 “(ii) *DETERMINATION.*—*At the conclu-*
2 *sion of such proceedings, the Commission,*
3 *by order, shall grant or deny such applica-*
4 *tion for registration.*

5 “(iii) *EXTENSION AUTHORIZED.*—*The*
6 *Commission may extend the time for con-*
7 *clusion of such proceedings for not longer*
8 *than 90 days, if it finds good cause for such*
9 *extension and publishes its reasons for so*
10 *finding, or for such longer period as to*
11 *which the applicant consents.*

12 “(C) *GROUND FOR DECISION.*—*The Com-*
13 *mission shall grant registration under this sub-*
14 *section—*

15 “(i) *if the Commission finds that the*
16 *requirements of this section are satisfied;*
17 *and*

18 “(ii) *unless the Commission finds (in*
19 *which case the Commission shall deny such*
20 *registration) that—*

21 “(I) *the applicant has failed to*
22 *certify to the Commission’s satisfaction*
23 *that it has adequate financial and*
24 *managerial resources to consistently*
25 *provide proxy advice based on accurate*

1 *information and to materially comply*
2 *with the procedures and methodologies*
3 *disclosed under paragraph (1)(B) and*
4 *with subsections (f) and (g); or*

5 *“(II) if the applicant were so reg-*
6 *istered, its registration would be sub-*
7 *ject to suspension or revocation under*
8 *subsection (e).*

9 *“(3) PUBLIC AVAILABILITY OF INFORMATION.—*
10 *Subject to section 24, the Commission shall make the*
11 *information and documents submitted to the Commis-*
12 *sion by a proxy advisory firm in its completed appli-*
13 *cation for registration, or in any amendment sub-*
14 *mitted under paragraph (1) or (2) of subsection (c),*
15 *publicly available on the Commission’s website, or*
16 *through another comparable, readily accessible means.*

17 *“(c) UPDATE OF REGISTRATION.—*

18 *“(1) UPDATE.—Each registered proxy advisory*
19 *firm shall promptly amend and update its applica-*
20 *tion for registration under this section if any infor-*
21 *mation or document provided therein becomes materi-*
22 *ally inaccurate, except that a registered proxy advi-*
23 *sory firm is not required to amend the information*
24 *required to be filed under subsection (b)(1)(B)(i) by*
25 *filing information under this paragraph, but shall*

1 *amend such information in the annual submission of*
2 *the organization under paragraph (2) of this sub-*
3 *section.*

4 “(2) *CERTIFICATION.—Not later than 90 cal-*
5 *endar days after the end of each calendar year, each*
6 *registered proxy advisory firm shall file with the*
7 *Commission an amendment to its registration, in*
8 *such form as the Commission, by rule, may prescribe*
9 *as necessary or appropriate in the public interest or*
10 *for the protection of investors—*

11 “(A) *certifying that the information and*
12 *documents in the application for registration of*
13 *such registered proxy advisory firm continue to*
14 *be accurate in all material respects; and*

15 “(B) *listing any material change that oc-*
16 *curred to such information or documents during*
17 *the previous calendar year.*

18 “(d) *CENSURE, DENIAL, OR SUSPENSION OF REG-*
19 *ISTRATION; NOTICE AND HEARING.—The Commission, by*
20 *order, shall censure, place limitations on the activities,*
21 *functions, or operations of, suspend for a period not exceed-*
22 *ing 12 months, or revoke the registration of any registered*
23 *proxy advisory firm if the Commission finds, on the record*
24 *after notice and opportunity for hearing, that such censure,*
25 *placing of limitations, suspension, or revocation is nec-*

1 *essary for the protection of investors and in the public inter-*
2 *est and that such registered proxy advisory firm, or any*
3 *person associated with such an organization, whether prior*
4 *to or subsequent to becoming so associated—*

5 *“(1) has committed or omitted any act, or is*
6 *subject to an order or finding, enumerated in sub-*
7 *paragraph (A), (D), (E), (H), or (G) of section*
8 *15(b)(4), has been convicted of any offense specified in*
9 *section 15(b)(4)(B), or is enjoined from any action,*
10 *conduct, or practice specified in subparagraph (C) of*
11 *section 15(b)(4), during the 10-year period preceding*
12 *the date of commencement of the proceedings under*
13 *this subsection, or at any time thereafter;*

14 *“(2) has been convicted during the 10-year pe-*
15 *riod preceding the date on which an application for*
16 *registration is filed with the Commission under this*
17 *section, or at any time thereafter, of—*

18 *“(A) any crime that is punishable by im-*
19 *prisonment for one or more years, and that is*
20 *not described in section 15(b)(4)(B); or*

21 *“(B) a substantially equivalent crime by a*
22 *foreign court of competent jurisdiction;*

23 *“(3) is subject to any order of the Commission*
24 *barring or suspending the right of the person to be as-*
25 *sociated with a registered proxy advisory firm;*

1 “(4) fails to furnish the certifications required
2 under subsections (b)(2)(C)(i)(I) and (c)(2);

3 “(5) has engaged in one or more prohibited acts
4 enumerated in paragraph (1); or

5 “(6) fails to maintain adequate financial and
6 managerial resources to consistently offer advisory
7 services with integrity, including by failing to comply
8 with subsections (f) or (g).

9 “(e) *TERMINATION OF REGISTRATION.*—

10 “(1) *VOLUNTARY WITHDRAWAL.*—A registered
11 proxy advisory firm may, upon such terms and con-
12 ditions as the Commission may establish as necessary
13 in the public interest or for the protection of investors,
14 which terms and conditions shall include at a min-
15 imum that the registered proxy advisory firm will no
16 longer conduct such activities as to bring it within
17 the definition of proxy advisory firm in section
18 3(a)(83) of the Securities Exchange Act of 1934, with-
19 draw from registration by filing a written notice of
20 withdrawal to the Commission.

21 “(2) *COMMISSION AUTHORITY.*—In addition to
22 any other authority of the Commission under this
23 title, if the Commission finds that a registered proxy
24 advisory firm is no longer in existence or has ceased
25 to do business as a proxy advisory firm, the Commis-

1 *sion, by order, shall cancel the registration under this*
2 *section of such registered proxy advisory firm.*

3 *“(f) MANAGEMENT OF CONFLICTS OF INTEREST.—*

4 *“(1) ORGANIZATION POLICIES AND PROCE-*
5 *DURES.—Each registered proxy advisory firm shall*
6 *establish, maintain, and enforce written policies and*
7 *procedures reasonably designed, taking into consider-*
8 *ation the nature of the business of such registered*
9 *proxy advisory firm and associated persons, to ad-*
10 *dress and manage any conflicts of interest that can*
11 *arise from such business.*

12 *“(2) COMMISSION AUTHORITY.—The Commission*
13 *shall issue final rules to prohibit, or require the man-*
14 *agement and disclosure of, any conflicts of interest re-*
15 *lating to the offering of proxy advisory services by a*
16 *registered proxy advisory firm, including, without*
17 *limitation, conflicts of interest relating to—*

18 *“(A) the manner in which a registered*
19 *proxy advisory firm is compensated by the cli-*
20 *ent, or any affiliate of the client, for providing*
21 *proxy advisory services;*

22 *“(B) the provision of consulting, advisory,*
23 *or other services by a registered proxy advisory*
24 *firm, or any person associated with such reg-*
25 *istered proxy advisory firm, to the client;*

1 “(C) *business relationships, ownership in-*
2 *terests, or any other financial or personal inter-*
3 *ests between a registered proxy advisory firm, or*
4 *any person associated with such registered proxy*
5 *advisory firm, and any client, or any affiliate of*
6 *such client;*

7 “(D) *transparency around the formulation*
8 *of proxy voting policies;*

9 “(E) *the execution of proxy votes if such*
10 *votes are based upon recommendations made by*
11 *the proxy advisory firm in which someone other*
12 *than the issuer is a proponent;*

13 “(F) *issuing recommendations where proxy*
14 *advisory firms provide advisory services to a*
15 *company; and*

16 “(G) *any other potential conflict of interest,*
17 *as the Commission deems necessary or appro-*
18 *priate in the public interest or for the protection*
19 *of investors.*

20 “(g) *RELIABILITY OF PROXY ADVISORY FIRM SERV-*
21 *ICES.—*

22 “(1) *IN GENERAL.—Each registered proxy advi-*
23 *sory firm shall have staff sufficient to produce proxy*
24 *voting recommendations that are based on accurate*
25 *and current information. Each registered proxy advi-*

1 *sory firm shall detail procedures sufficient to permit*
2 *companies receiving proxy advisory firm rec-*
3 *ommendations access in a reasonable time to the draft*
4 *recommendations, with an opportunity to provide*
5 *meaningful comment thereon, including the oppor-*
6 *tunity to present details to the person responsible for*
7 *developing the recommendation in person or tele-*
8 *phonically. Each registered proxy advisory firm shall*
9 *employ an ombudsman to receive complaints about*
10 *the accuracy of voting information used in making*
11 *recommendations from the subjects of the proxy advi-*
12 *sory firm’s voting recommendations, and shall resolve*
13 *those complaints in a timely fashion and in any*
14 *event prior to voting on the matter to which the rec-*
15 *ommendation relates.*

16 *“(2) DRAFT RECOMMENDATIONS DEFINED.—For*
17 *purposes of this subsection, the term ‘draft rec-*
18 *ommendations’—*

19 *“(A) means the overall conclusions of proxy*
20 *voting recommendations prepared for the clients*
21 *of a proxy advisory firm, including any public*
22 *data cited therein, any company information or*
23 *substantive analysis impacting the recommenda-*
24 *tion, and the specific voting recommendations on*
25 *individual proxy ballot issues; and*

1 “(B) does not include the entirety of the
2 proxy advisory firm’s final report to its clients.

3 “(h) *DESIGNATION OF COMPLIANCE OFFICER.*—Each
4 registered proxy advisory firm shall designate an indi-
5 vidual responsible for administering the policies and proce-
6 dures that are required to be established pursuant to sub-
7 sections (f) and (g), and for ensuring compliance with the
8 securities laws and the rules and regulations thereunder,
9 including those promulgated by the Commission pursuant
10 to this section.

11 “(i) *PROHIBITED CONDUCT.*—

12 “(1) *PROHIBITED ACTS AND PRACTICES.*—The
13 Commission shall issue final rules to prohibit any act
14 or practice relating to the offering of proxy advisory
15 services by a registered proxy advisory firm that the
16 Commission determines to be unfair or coercive, in-
17 cluding any act or practice relating to—

18 “(A) conditioning a voting recommendation
19 or other proxy advisory firm recommendation on
20 the purchase by an issuer or an affiliate thereof
21 of other services or products, of the registered
22 proxy advisory firm or any person associated
23 with such registered proxy advisory firm; and

24 “(B) modifying a voting recommendation or
25 otherwise departing from its adopted systematic

1 *procedures and methodologies in the provision of*
2 *proxy advisory services, based on whether an*
3 *issuer, or affiliate thereof, subscribes or will sub-*
4 *scribe to other services or product of the reg-*
5 *istered proxy advisory firm or any person asso-*
6 *ciated with such organization.*

7 “(2) *RULE OF CONSTRUCTION.*—*Nothing in*
8 *paragraph (1), or in any rules or regulations adopted*
9 *thereunder, may be construed to modify, impair, or*
10 *supersede the operation of any of the antitrust laws*
11 *(as defined in the first section of the Clayton Act, ex-*
12 *cept that such term includes section 5 of the Federal*
13 *Trade Commission Act, to the extent that such section*
14 *5 applies to unfair methods of competition).*

15 “(j) *STATEMENTS OF FINANCIAL CONDITION.*—*Each*
16 *registered proxy advisory firm shall, on a confidential*
17 *basis, file with the Commission, at intervals determined by*
18 *the Commission, such financial statements, certified (if re-*
19 *quired by the rules or regulations of the Commission) by*
20 *an independent public auditor, and information concerning*
21 *its financial condition, as the Commission, by rule, may*
22 *prescribe as necessary or appropriate in the public interest*
23 *or for the protection of investors.*

24 “(k) *ANNUAL REPORT.*—*Each registered proxy advi-*
25 *sory firm shall, at the beginning of each fiscal year of such*

1 *firm, report to the Commission on the number of share-*
2 *holder proposals its staff reviewed in the prior fiscal year,*
3 *the number of recommendations made in the prior fiscal*
4 *year, the number of staff who reviewed and made rec-*
5 *ommendations on such proposals in the prior fiscal year,*
6 *and the number of recommendations made in the prior fis-*
7 *cal year where the proponent of such recommendation was*
8 *a client of or received services from the proxy advisory firm.*

9 “(l) *TRANSPARENT POLICIES.*—*Each registered proxy*
10 *advisory firm shall file with the Commission and make*
11 *publicly available its methodology for the formulation of*
12 *proxy voting policies and voting recommendations.*

13 “(m) *RULES OF CONSTRUCTION.*—

14 “(1) *NO WAIVER OF RIGHTS, PRIVILEGES, OR DE-*
15 *FENSES.*—*Registration under and compliance with*
16 *this section does not constitute a waiver of, or other-*
17 *wise diminish, any right, privilege, or defense that a*
18 *registered proxy advisory firm may otherwise have*
19 *under any provision of State or Federal law, includ-*
20 *ing any rule, regulation, or order thereunder.*

21 “(2) *NO PRIVATE RIGHT OF ACTION.*—*Nothing in*
22 *this section may be construed as creating any private*
23 *right of action, and no report filed by a registered*
24 *proxy advisory firm in accordance with this section*

1 or section 17 shall create a private right of action
2 under section 18 or any other provision of law.

3 “(n) REGULATIONS.—

4 “(1) NEW PROVISIONS.—Such rules and regula-
5 tions as are required by this section or are otherwise
6 necessary to carry out this section, including the ap-
7 plication form required under subsection (a)—

8 “(A) shall be issued by the Commission, not
9 later than 180 days after the date of enactment
10 of this section; and

11 “(B) shall become effective not later than 1
12 year after the date of enactment of this section.

13 “(2) REVIEW OF EXISTING REGULATIONS.—Not
14 later than 270 days after the date of enactment of this
15 section, the Commission shall—

16 “(A) review its existing rules and regula-
17 tions which affect the operations of proxy advi-
18 sory firms;

19 “(B) amend or revise such rules and regula-
20 tions in accordance with the purposes of this sec-
21 tion, and issue such guidance, as the Commis-
22 sion may prescribe as necessary or appropriate
23 in the public interest or for the protection of in-
24 vestors; and

1 “(C) direct Commission staff to withdraw
2 the Egan Jones Proxy Services (May 27, 2004)
3 and Institutional Shareholder Services, Inc.
4 (September 15, 2004) no-action letters.

5 “(o) *APPLICABILITY.*—This section, other than sub-
6 section (n), which shall apply on the date of enactment of
7 this section, shall apply on the earlier of—

8 “(1) the date on which regulations are issued in
9 final form under subsection (n)(1); or

10 “(2) 270 days after the date of enactment of this
11 section.”.

12 (b) *CONFORMING AMENDMENT.*—Section 17(a)(1) of
13 the Securities Exchange Act of 1934 (15 U.S.C. 78q(a)(1))
14 is amended by inserting “proxy advisory firm,” after “na-
15 tionally recognized statistical rating organization,”.

16 **SEC. 483. COMMISSION ANNUAL REPORT.**

17 The Commission shall make an annual report publicly
18 available on the Commission’s Internet website. Such report
19 shall, with respect to the year to which the report relates—

20 (1) identify applicants for registration under
21 section 15H of the Securities Exchange Act of 1934,
22 as added by this subtitle;

23 (2) specify the number of and actions taken on
24 such applications;

1 (3) *specify the views of the Commission on the*
2 *state of competition, transparency, policies and meth-*
3 *odologies, and conflicts of interest among proxy advi-*
4 *sory firms;*

5 (4) *include the determination of the Commission*
6 *with regard to—*

7 (A) *the quality of proxy advisory services*
8 *issued by proxy advisory firms;*

9 (B) *the financial markets;*

10 (C) *competition among proxy advisory*
11 *firms;*

12 (D) *the incidence of undisclosed conflicts of*
13 *interest by proxy advisory firms;*

14 (E) *the process for registering as a proxy*
15 *advisory firm; and*

16 (F) *such other matters relevant to the im-*
17 *plementation of this subtitle and the amend-*
18 *ments made by this subtitle, as the Commission*
19 *determines necessary to bring to the attention of*
20 *the Congress;*

21 (5) *identify problems, if any, that have resulted*
22 *from the implementation of this subtitle and the*
23 *amendments made by this subtitle; and*

1 (6) *recommend solutions, including any legisla-*
2 *tive or regulatory solutions, to any problems identi-*
3 *fied under paragraphs (4) and (5).*

4 ***Subtitle R—Senior Safe***

5 ***SEC. 491. IMMUNITY.***

6 (a) *DEFINITIONS.—In this subtitle—*

7 (1) *the term “Bank Secrecy Act Officer” means*
8 *an individual responsible for ensuring compliance*
9 *with the requirements mandated by subchapter II of*
10 *chapter 53 of title 31, United States Code;*

11 (2) *the term “broker-dealer” means a broker or*
12 *dealer, as those terms are defined, respectively, in sec-*
13 *tion 3(a) of the Securities Exchange Act of 1934 (15*
14 *U.S.C. 78c(a));*

15 (3) *the term “covered agency” means—*

16 (A) *a State financial regulatory agency, in-*
17 *cluding a State securities or law enforcement au-*
18 *thority and a State insurance regulator;*

19 (B) *each of the Federal financial institu-*
20 *tions regulatory agencies;*

21 (C) *the Securities and Exchange Commis-*
22 *sion;*

23 (D) *a law enforcement agency;*

1 (E) and State or local agency responsible
2 for administering adult protective service laws;
3 and

4 (F) a State attorney general.

5 (4) the term “covered financial institution”
6 means—

7 (A) a credit union;

8 (B) a depository institution;

9 (C) an investment advisor;

10 (D) a broker-dealer;

11 (E) an insurance company;

12 (F) a State attorney general; and

13 (G) a transfer agent.

14 (5) the term “credit union” means a Federal
15 credit union, State credit union, or State-chartered
16 credit union, as those terms are defined in section 101
17 of the Federal Credit Union Act (12 U.S.C. 1752);

18 (6) the term “depository institution” has the
19 meaning given the term in section 3(c) of the Federal
20 Deposit Insurance Act (12 U.S.C. 1813(c));

21 (7) the term “exploitation” means the fraudulent
22 or otherwise illegal, unauthorized, or improper act or
23 process of an individual, including a caregiver or fi-
24 diciary, that—

1 (A) uses the resources of a senior citizen for
2 monetary personal benefit, profit, or gain; or

3 (B) results in depriving a senior citizen of
4 rightful access to or use of benefits, resources, be-
5 longings or assets;

6 (8) the term “Federal financial institutions reg-
7 ulatory agencies” has the meaning given the term in
8 section 1003 of the Federal Financial Institutions Ex-
9 amination Council Act of 1978 (12 U.S.C. 3302);

10 (9) the term “investment adviser” has the mean-
11 ing given the term in section 202 of the Investment
12 Advisers Act of 1940 (15 U.S.C. 80b-2);

13 (10) the term “insurance company” has the
14 meaning given the term in section 2(a) of the Invest-
15 ment Company Act of 1940 (15 U.S.C. 80a-2(a));

16 (11) the term “registered representative” means
17 an individual who represents a broker-dealer in effect-
18 ing or attempting to affect a purchase or sale of secu-
19 rities;

20 (12) the term “senior citizen” means an indi-
21 vidual who is not less than 65 years of age;

22 (13) the term “State insurance regulator” has
23 the meaning given such term in section 315 of the
24 Gramm-Leach-Bliley Act (15 U.S.C. 6735);

1 (14) the term “State securities or law enforce-
2 ment authority” has the meaning given the term in
3 section 24(f)(4) of the Securities Exchange Act of
4 1934 (15 U.S.C. 78x(f)(4)); and

5 (15) the term “transfer agent” has the meaning
6 given the term in section 3(a) of the Securities Ex-
7 change Act of 1934 (15 U.S.C. 78c(a)).

8 (b) IMMUNITY FROM SUIT.—

9 (1) IMMUNITY FOR INDIVIDUALS.—An individual
10 who has received the training described in section
11 1092 shall not be liable, including in any civil or ad-
12 ministrative proceeding, for disclosing the possible ex-
13 ploitation of a senior citizen to a covered agency if
14 the individual, at the time of the disclosure—

15 (A) served as a supervisor, compliance offi-
16 cer (including a Bank Secrecy Act Officer), or
17 registered representative for a covered financial
18 institution; and

19 (B) made the disclosure with reasonable
20 care including reasonable efforts to avoid disclo-
21 sure other than to a covered agency.

22 (2) IMMUNITY FOR COVERED FINANCIAL INSTITU-
23 TIONS.—A covered financial institution shall not be
24 liable, including in any civil or administrative pro-

1 *ceeding, for a disclosure made by an individual de-*
2 *scribed in paragraph (1) if—*

3 *(A) the individual was employed by, or, in*
4 *the case of a registered representative, affiliated*
5 *or associated with, the covered financial institu-*
6 *tion at the time of the disclosure; and*

7 *(B) before the time of the disclosure, the cov-*
8 *ered financial institution provided the training*
9 *described in section 492 to each individual de-*
10 *scribed in section 492(a).*

11 **SEC. 492. TRAINING REQUIRED.**

12 *(a) IN GENERAL.—A covered financial institution*
13 *may provide training described in subsection (b)(1) to each*
14 *officer or employee of, or registered representative affiliated*
15 *or associated with, the covered financial institution who—*

16 *(1) is described in section 491(b)(1)(A);*

17 *(2) may come into contact with a senior citizen*
18 *as a regular part of the duties of the officer, employee,*
19 *or registered representative; or*

20 *(3) may review or approve the financial docu-*
21 *ments, records, or transactions of a senior citizen in*
22 *connection with providing financial services to a sen-*
23 *ior citizen.*

24 *(b) TRAINING.—*

1 (1) *IN GENERAL.*—*The training described in this*
2 *paragraph shall—*

3 (A) *instruct any individual attending the*
4 *training on how to identify and report the sus-*
5 *pected exploitation of a senior citizen;*

6 (B) *discuss the need to protect the privacy*
7 *and respect the integrity of each individual cus-*
8 *tomers of a covered financial institution; and*

9 (C) *be appropriate to the job responsibilities*
10 *of the individual attending the training.*

11 (2) *TIMING.*—*The training required under sub-*
12 *section (a) shall be provided as soon as reasonably*
13 *practicable but not later than 1 year after the date*
14 *on which an officer, employee, or registered represent-*
15 *ative begins employment with or becomes affiliated or*
16 *associated with the covered financial institution.*

17 (3) *BANK SECRECY ACT OFFICER.*—*An indi-*
18 *vidual who is designated as a compliance officer*
19 *under an anti-money laundering program established*
20 *pursuant to section 5318(h) of title 31, United States*
21 *Code, shall be deemed to have received the training*
22 *described under this subsection.*

23 **SEC. 493. RELATIONSHIP TO STATE LAW.**

24 *Nothing in this Act shall be construed to preempt or*
25 *limit any provision of State law, except only to the extent*

1 *that section 1091 provides a greater level of protection*
2 *against liability to an individual described in section*
3 *491(b)(1) or to a covered financial institution described in*
4 *section 491(b)(2) than is provided under State law.*

5 ***Subtitle S—National Securities***
6 ***Exchange Regulatory Parity***

7 ***SEC. 496. APPLICATION OF EXEMPTION.***

8 *Section 18(b)(1) of the Securities Act of 1933 (15*
9 *U.S.C. 77r(b)(1)), as amended by section 456(b), is further*
10 *amended—*

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

12 *(2) in subparagraph (B), by striking “that the*
13 *Commission determines by rule (on its own initiative*
14 *or on the basis of a petition) are substantially similar*
15 *to the listing standards applicable to securities de-*
16 *scribed in subparagraph (A)” and inserting “that*
17 *have been approved by the Commission”;*

18 *(3) in subparagraph (C), by striking “or (B)”;*

19 *and*

20 *(4) by redesignating subparagraphs (B), (C),*
21 *and (D) as subparagraphs (A), (B), and (C), respec-*
22 *tively.*

1 ***Subtitle T—Private Company***
2 ***Flexibility and Growth***

3 **SEC. 497. SHAREHOLDER THRESHOLD FOR REGISTRATION.**

4 *The Securities Exchange Act of 1934 (15 U.S.C. 78a*
5 *et seq.) is amended—*

6 (1) *in section 12(g)—*

7 (A) *in paragraph (1)—*

8 (i) *by striking “shall—” and all that*
9 *follows through “register such security” and*
10 *inserting “shall, not later than 120 days*
11 *after the last day of its first fiscal year*
12 *ended after the effective date of this sub-*
13 *section on which the issuer has total assets*
14 *exceeding \$10,000,000 (or such greater*
15 *amount of assets as the Commission may es-*
16 *tablish by rule) and a class of equity secu-*
17 *rity (other than an exempted security) held*
18 *of record by 2,000 or more persons (or such*
19 *greater number of persons as the Commis-*
20 *sion may establish by rule), register such se-*
21 *curity”; and*

22 (ii) *by adding at the end the following:*

23 *“The dollar figure in this paragraph shall*
24 *be indexed for inflation every 5 years by the*
25 *Commission to reflect the change in the*

1 *Consumer Price Index for All Urban Con-*
2 *sumers published by the Bureau of Labor*
3 *Statistics, rounded to the nearest*
4 *\$100,000.”; and*

5 *(B) in paragraph (4), by striking “300 per-*
6 *sons” and all that follows through “1,200 persons*
7 *persons” and inserting “1,200 persons”; and*

8 *(2) in section 15(d)(1), by striking “300 per-*
9 *sons” and all that follows through “1,200 persons per-*
10 *sons” and inserting “1,200 persons”.*

11 ***Subtitle U—Small Company***
12 ***Capital Formation Enhancements***

13 ***SEC. 498. JOBS ACT-RELATED EXEMPTION.***

14 *Section 3(b) of the Securities Act of 1933 (15 U.S.C.*
15 *77c(b)) is amended—*

16 *(1) in paragraph (2)(A), by striking*
17 *“\$50,000,000” and inserting “\$75,000,000, adjusted*
18 *for inflation by the Commission every 2 years to the*
19 *nearest \$10,000 to reflect the change in the Consumer*
20 *Price Index for All Urban Consumers published by*
21 *the Bureau of Labor Statistics”; and*

22 *(2) in paragraph (5)—*

23 *(A) by striking “such amount as” and in-*
24 *serting: “such amount, in addition to the adjust-*

1 *ment for inflation provided for under such para-*
 2 *graph (2)(A), as”;* and

3 *(B) by striking “such amount, it” and in-*
 4 *serting “such amount, in addition to the adjust-*
 5 *ment for inflation provided for under such para-*
 6 *graph (2)(A), it”.*

7 ***Subtitle V—Encouraging Public***
 8 ***Offerings***

9 ***SEC. 499. EXPANDING TESTING THE WATERS AND CON-***
 10 ***FIDENTIAL SUBMISSIONS.***

11 *The Securities Act of 1933 (15 U.S.C. 77a et seq.) is*
 12 *amended—*

13 *(1) in section 5(d), by striking “an emerging*
 14 *growth company or any person authorized to act on*
 15 *behalf of an emerging growth company” and inserting*
 16 *“an issuer or any person authorized to act on behalf*
 17 *of an issuer”;* and

18 *(2) in section 6(e)—*

19 *(A) in the heading, by striking “EMERGING*
 20 *GROWTH COMPANIES” and inserting “DRAFT*
 21 *REGISTRATION STATEMENTS”;* and

22 *(B) by amending paragraph (1) to read as*
 23 *follows:*

24 *“(1) IN GENERAL.—Any issuer, prior to its ini-*
 25 *tial public offering date, may confidentially submit to*

1 *the Commission a draft registration statement, for*
2 *confidential nonpublic review by the staff of the Com-*
3 *mission prior to public filing, provided that the ini-*
4 *tial confidential submission and all amendments*
5 *thereto shall be publicly filed with the Commission*
6 *not later than 15 days before the date on which the*
7 *issuer conducts a road show, as such term is defined*
8 *in section 230.433(h)(4) of title 17, Code of Federal*
9 *Regulations, or any successor thereto.”.*

10 ***TITLE V—REGULATORY RELIEF***
11 ***FOR MAIN STREET AND COM-***
12 ***MUNITY FINANCIAL INSTITU-***
13 ***TIONS***

14 ***Subtitle A—Preserving Access to***
15 ***Manufactured Housing***

16 ***SEC. 501. MORTGAGE ORIGINATOR DEFINITION.***

17 *Section 103 of the Truth in Lending Act (15 U.S.C.*
18 *1602) is amended—*

19 *(1) by redesignating the second subsection (cc)*
20 *and subsection (dd) as subsections (dd) and (ee), re-*
21 *spectively; and*

22 *(2) in paragraph (2)(C) of subsection (dd), as so*
23 *redesignated, by striking “an employee of a retailer of*
24 *manufactured homes who is not described in clause*
25 *(i) or (iii) of subparagraph (A) and who does not ad-*

1 *vis*e a consumer on loan terms (including rates, fees,
2 and other costs)” and inserting “a retailer of manu-
3 factured or modular homes or its employees unless
4 such retailer or its employees receive compensation or
5 gain for engaging in activities described in subpara-
6 graph (A) that is in excess of any compensation or
7 gain received in a comparable cash transaction”.

8 **SEC. 502. HIGH-COST MORTGAGE DEFINITION.**

9 *Section 103 of the Truth in Lending Act (15 U.S.C.*
10 *1602), as amended by section 501, is further amended—*

11 *(1) by redesignating subsection (aa) (relating to*
12 *disclosure of greater amount or percentage), as so des-*
13 *ignated by section 1100A of the Consumer Financial*
14 *Protection Act of 2010, as subsection (bb);*

15 *(2) by redesignating subsection (bb) (relating to*
16 *high cost mortgages), as so designated by section*
17 *1100A of the Consumer Financial Protection Act of*
18 *2010, as subsection (aa), and moving such subsection*
19 *to immediately follow subsection (z); and*

20 *(3) in subsection (aa)(1)(A), as so redesign-*
21 *ated—*

22 *(A) in clause (i)(I), by striking “(8.5 per-*
23 *centage points, if the dwelling is personal prop-*
24 *erty and the transaction is for less than*
25 *\$50,000)” and inserting “(10 percentage points*

1 *if the dwelling is personal property or is a trans-*
2 *action that does not include the purchase of real*
3 *property on which a dwelling is to be placed,*
4 *and the transaction is for less than \$75,000 (as*
5 *such amount is adjusted by the Consumer Law*
6 *Enforcement Agency to reflect the change in the*
7 *Consumer Price Index))”;* and

8 *(B) in clause (i)—*

9 *(i) in subclause (I), by striking “or” at*
10 *the end; and*

11 *(ii) by adding at the end the following:*

12 *“(III) in the case of a transaction*
13 *for less than \$75,000 (as such amount*
14 *is adjusted by the Consumer Law En-*
15 *forcement Agency to reflect the change*
16 *in the Consumer Price Index) in which*
17 *the dwelling is personal property (or is*
18 *a consumer credit transaction that*
19 *does not include the purchase of real*
20 *property on which a dwelling is to be*
21 *placed) the greater of 5 percent of the*
22 *total transaction amount or \$3,000 (as*
23 *such amount is adjusted by the Con-*
24 *sumer Law Enforcement Agency to re-*

1 *flect the change in the Consumer Price*
2 *Index); or”.*

3 ***Subtitle B—Mortgage Choice***

4 ***SEC. 506. DEFINITION OF POINTS AND FEES.***

5 *(a) AMENDMENT TO SECTION 103 OF TILA.—Para-*
6 *graph (4) of section 103(aa) of the Truth in Lending Act,*
7 *as redesignated by section 502, is amended—*

8 *(1) by striking “paragraph (1)(B)” and insert-*
9 *ing “paragraph (1)(A) and section 129C”;*

10 *(2) in subparagraph (C)—*

11 *(A) by inserting “and insurance” after*
12 *“taxes”;*

13 *(B) in clause (ii), by inserting “, except as*
14 *retained by a creditor or its affiliate as a result*
15 *of their participation in an affiliated business*
16 *arrangement (as defined in section 3(7) of the*
17 *Real Estate Settlement Procedures Act of 1974*
18 *(12 U.S.C. 2602(7))” after “compensation”; and*

19 *(C) by striking clause (iii) and inserting*
20 *the following:*

21 *“(iii) the charge is—*

22 *“(I) a bona fide third-party charge not*
23 *retained by the mortgage originator, cred-*
24 *itor, or an affiliate of the creditor or mort-*
25 *gage originator; or*

1 “(II) a charge set forth in section
 2 106(e)(1);” and
 3 (3) in subparagraph (D)—
 4 (A) by striking “accident;” and
 5 (B) by striking “or any payments” and in-
 6 serting “and any payments”.

7 (b) AMENDMENT TO SECTION 129C OF TILA.—Section
 8 129C of the Truth in Lending Act (15 U.S.C. 1639c) is
 9 amended—

10 (1) in subsection (a)(5)(C), by striking “103”
 11 and all that follows through “or mortgage originator”
 12 and inserting “103(aa)(4);” and

13 (2) in subsection (b)(2)(C)(i), by striking “103”
 14 and all that follows through “or mortgage origi-
 15 nator)” and inserting “103(aa)(4)”.

16 **Subtitle C—Financial Institution**
 17 **Customer Protection**

18 **SEC. 511. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**
 19 **NATION REQUESTS AND ORDERS.**

20 (a) **TERMINATION REQUESTS OR ORDERS MUST BE**
 21 **MATERIAL.**—

22 (1) **IN GENERAL.**—An appropriate Federal bank-
 23 ing agency may not formally or informally request or
 24 order a depository institution to terminate a specific
 25 customer account or group of customer accounts or to

1 *otherwise restrict or discourage a depository institu-*
2 *tion from entering into or maintaining a banking re-*
3 *lationship with a specific customer or group of cus-*
4 *tomers unless—*

5 *(A) the agency has a material reason for*
6 *such request or order; and*

7 *(B) such reason is not based solely on rep-*
8 *utation risk.*

9 *(2) TREATMENT OF NATIONAL SECURITY*
10 *THREATS.—If an appropriate Federal banking agen-*
11 *cy believes a specific customer or group of customers*
12 *is, or is acting as a conduit for, an entity which—*

13 *(A) poses a threat to national security;*

14 *(B) is involved in terrorist financing;*

15 *(C) is an agency of the government of Iran,*
16 *North Korea, Syria, or any country listed from*
17 *time to time on the State Sponsors of Terrorism*
18 *list;*

19 *(D) is located in, or is subject to the juris-*
20 *isdiction of, any country specified in subpara-*
21 *graph (C); or*

22 *(E) does business with any entity described*
23 *in subparagraph (C) or (D), unless the appro-*
24 *priate Federal banking agency determines that*
25 *the customer or group of customers has used due*

1 *diligence to avoid doing business with any entity*
2 *described in subparagraph (C) or (D),*
3 *such belief shall satisfy the requirement under para-*
4 *graph (1).*

5 ***(b) NOTICE REQUIREMENT.—***

6 ***(1) IN GENERAL.—****If an appropriate Federal*
7 *banking agency formally or informally requests or or-*
8 *ders a depository institution to terminate a specific*
9 *customer account or a group of customer accounts, the*
10 *agency shall—*

11 ***(A)*** *provide such request or order to the in-*
12 *stitution in writing; and*

13 ***(B)*** *accompany such request or order with*
14 *a written justification for why such termination*
15 *is needed, including any specific laws or regula-*
16 *tions the agency believes are being violated by*
17 *the customer or group of customers, if any.*

18 ***(2) JUSTIFICATION REQUIREMENT.—****A justifica-*
19 *tion described under paragraph (1)(B) may not be*
20 *based solely on the reputation risk to the depository*
21 *institution.*

22 ***(c) CUSTOMER NOTICE.—***

23 ***(1) NOTICE REQUIRED.—****Except as provided*
24 *under paragraph (2), if an appropriate Federal bank-*
25 *ing agency orders a depository institution to termi-*

1 *nate a specific customer account or a group of cus-*
2 *tomers accounts, the depository institution shall in-*
3 *form the customer or customers of the justification for*
4 *the customer's account termination described under*
5 *subsection (b).*

6 *(2) NOTICE PROHIBITED IN CASES OF NATIONAL*
7 *SECURITY.—If an appropriate Federal banking agen-*
8 *cy requests or orders a depository institution to ter-*
9 *minate a specific customer account or a group of cus-*
10 *tomers accounts based on a belief that the customer or*
11 *customers pose a threat to national security, or are*
12 *otherwise described under subsection (a)(2), neither*
13 *the depository institution nor the appropriate Federal*
14 *banking agency may inform the customer or cus-*
15 *tomers of the justification for the customer's account*
16 *termination.*

17 *(d) REPORTING REQUIREMENT.—Each appropriate*
18 *Federal banking agency shall issue an annual report to the*
19 *Congress stating—*

20 *(1) the aggregate number of specific customer ac-*
21 *counts that the agency requested or ordered a depository*
22 *institution to terminate during the previous*
23 *year; and*

24 *(2) the legal authority on which the agency re-*
25 *lied in making such requests and orders and the fre-*

1 *quency on which the agency relied on each such au-*
2 *thority.*

3 *(e) DEFINITIONS.—For purposes of this section:*

4 *(1) APPROPRIATE FEDERAL BANKING AGENCY.—*
5 *The term “appropriate Federal banking agency”*
6 *means—*

7 *(A) the appropriate Federal banking agen-*
8 *cy, as defined under section 3 of the Federal De-*
9 *posit Insurance Act (12 U.S.C. 1813); and*

10 *(B) the National Credit Union Administra-*
11 *tion, in the case of an insured credit union.*

12 *(2) DEPOSITORY INSTITUTION.—The term “de-*
13 *pository institution” means—*

14 *(A) a depository institution, as defined*
15 *under section 3 of the Federal Deposit Insurance*
16 *Act (12 U.S.C. 1813); and*

17 *(B) an insured credit union.*

18 **SEC. 512. AMENDMENTS TO THE FINANCIAL INSTITUTIONS**
19 **REFORM, RECOVERY, AND ENFORCEMENT**
20 **ACT OF 1989.**

21 *Section 951 of the Financial Institutions Reform, Re-*
22 *covery, and Enforcement Act of 1989 (12 U.S.C. 1833a) is*
23 *amended—*

24 *(1) in subsection (c)(2), by striking “affecting a*
25 *federally insured financial institution” and inserting*

1 *“against a federally insured financial institution or*
2 *by a federally insured financial institution against*
3 *an unaffiliated third person”*; and

4 (2) *in subsection (g)—*

5 (A) *in the heading, by striking “SUB-*
6 *POENAS” and inserting “INVESTIGATIONS”*; and

7 (B) *by amending paragraph (1)(C) to read*
8 *as follows:*

9 *“(C) summon witnesses and require the pro-*
10 *duction of any books, papers, correspondence,*
11 *memoranda, or other records which the Attorney*
12 *General deems relevant or material to the in-*
13 *quiry, if the Attorney General—*

14 *“(i) requests a court order from a court*
15 *of competent jurisdiction for such actions*
16 *and offers specific and articulable facts*
17 *showing that there are reasonable grounds*
18 *to believe that the information or testimony*
19 *sought is relevant and material for con-*
20 *ducting an investigation under this section;*
21 *or*

22 *“(ii) either personally or through dele-*
23 *gation no lower than the Deputy Attorney*
24 *General, issues and signs a subpoena for*
25 *such actions and such subpoena is sup-*

1 ported by specific and articulable facts
2 showing that there are reasonable grounds
3 to believe that the information or testimony
4 sought is relevant for conducting an inves-
5 tigation under this section.”.

6 **Subtitle D—Portfolio Lending and**
7 **Mortgage Access**

8 **SEC. 516. SAFE HARBOR FOR CERTAIN LOANS HELD ON**
9 **PORTFOLIO.**

10 (a) *IN GENERAL.*—Section 129C of the Truth in Lend-
11 ing Act (15 U.S.C. 1639c) is amended by adding at the
12 end the following:

13 “(j) *SAFE HARBOR FOR CERTAIN LOANS HELD ON*
14 *PORTFOLIO.*—

15 “(1) *SAFE HARBOR FOR CREDITORS THAT ARE*
16 *DEPOSITORY INSTITUTIONS.*—

17 “(A) *IN GENERAL.*—A creditor that is a de-
18 pository institution shall not be subject to suit
19 for failure to comply with subsection (a), (c)(1),
20 or (f)(2) of this section or section 129H with re-
21 spect to a residential mortgage loan, and the
22 banking regulators shall treat such loan as a
23 qualified mortgage, if—

1 “(i) the creditor has, since the origina-
2 tion of the loan, held the loan on the bal-
3 ance sheet of the creditor; and

4 “(ii) all prepayment penalties with re-
5 spect to the loan comply with the limita-
6 tions described under subsection (c)(3).

7 “(B) *EXCEPTION FOR CERTAIN TRANS-*
8 *FERS.—In the case of a depository institution*
9 *that transfers a loan originated by that institu-*
10 *tion to another depository institution by reason*
11 *of the bankruptcy or failure of the originating*
12 *depository institution or the purchase of the*
13 *originating depository institution, the depository*
14 *institution transferring such loan shall be*
15 *deemed to have complied with the requirement*
16 *under subparagraph (A)(i).*

17 “(2) *SAFE HARBOR FOR MORTGAGE ORIGINA-*
18 *TORS.—A mortgage originator shall not be subject to*
19 *suit for a violation of section 129B(c)(3)(B) for steer-*
20 *ing a consumer to a residential mortgage loan if—*

21 “(A) the creditor of such loan is a deposi-
22 tory institution and has informed the mortgage
23 originator that the creditor intends to hold the
24 loan on the balance sheet of the creditor for the
25 life of the loan; and

1 “(B) *the mortgage originator informs the*
2 *consumer that the creditor intends to hold the*
3 *loan on the balance sheet of the creditor for the*
4 *life of the loan.*

5 “(3) *DEFINITIONS.—For purposes of this sub-*
6 *section:*

7 “(A) *BANKING REGULATORS.—The term*
8 *‘banking regulators’ means the Federal banking*
9 *agencies, the Consumer Law Enforcement Agen-*
10 *cy, and the National Credit Union Administra-*
11 *tion.*

12 “(B) *DEPOSITORY INSTITUTION.—The term*
13 *‘depository institution’ has the meaning given*
14 *that term under section 19(b)(1) of the Federal*
15 *Reserve Act (12 U.S.C. 505(b)(1)).*

16 “(C) *FEDERAL BANKING AGENCIES.—The*
17 *term ‘Federal banking agencies’ has the meaning*
18 *given that term under section 3 of the Federal*
19 *Deposit Insurance Act.”.*

20 “(b) *RULE OF CONSTRUCTION.—Nothing in the amend-*
21 *ment made by this section may be construed as preventing*
22 *a balloon loan from qualifying for the safe harbor provided*
23 *under section 129C(j) of the Truth in Lending Act if the*
24 *balloon loan otherwise meets all of the requirements under*
25 *such subsection (j), regardless of whether the balloon loan*

1 *meets the requirements described under clauses (i) through*
2 *(iv) of section 129C(b)(2)(E) of such Act.*

3 ***Subtitle E—Application of the***
4 ***Expedited Funds Availability Act***

5 ***SEC. 521. APPLICATION OF THE EXPEDITED FUNDS AVAIL-***
6 ***ABILITY ACT.***

7 (a) *IN GENERAL.—The Expedited Funds Availability*
8 *Act (12 U.S.C. 4001 et seq.) is amended—*

9 (1) *in section 602(20) (12 U.S.C. 4001(20)) by*
10 *inserting “, located in the United States,” after*
11 *“ATM”;*

12 (2) *in section 602(21) (12 U.S.C. 4001(21)) by*
13 *inserting “American Samoa, the Commonwealth of*
14 *the Northern Mariana Islands,” after “Puerto Rico,”;*

15 (3) *in section 602(23) (12 U.S.C. 4001(23)) by*
16 *inserting “American Samoa, the Commonwealth of*
17 *the Northern Mariana Islands,” after “Puerto Rico,”;*
18 *and*

19 (4) *in section 603(d)(2)(A) (12 U.S.C.*
20 *4002(d)(2)(A)), by inserting “American Samoa, the*
21 *Commonwealth of the Northern Mariana Islands,”*
22 *after “Puerto Rico,”.*

23 (b) *EFFECTIVE DATE.—This section shall take effect*
24 *on January 1, 2017.*

1 **Subtitle F—Small Bank Holding**
2 **Company Policy Statement**

3 **SEC. 526. CHANGES REQUIRED TO SMALL BANK HOLDING**
4 **COMPANY POLICY STATEMENT ON ASSESS-**
5 **MENT OF FINANCIAL AND MANAGERIAL FAC-**
6 **TORS.**

7 (a) *IN GENERAL.*—Before the end of the 6-month pe-
8 riod beginning on the date of the enactment of this Act,
9 the Board of Governors of the Federal Reserve System shall
10 revise the Small Bank Holding Company Policy Statement
11 on Assessment of Financial and Managerial Factors (12
12 C.F.R. part 225—appendix C) to raise the consolidated
13 asset threshold under such policy statement from
14 \$1,000,000,000 (as adjusted by Public Law 113–250) to
15 \$10,000,000,000.

16 (b) *CONFORMING AMENDMENT.*—Subparagraph (C) of
17 section 171(b)(5) of the Dodd-Frank Wall Street Reform
18 and Consumer Protection Act (12 U.S.C. 5371(b)(5)) is
19 amended to read as follows:

20 “(C) any bank holding company or savings
21 and loan holding company that is subject to the
22 application of the Small Bank Holding Com-
23 pany Policy Statement on Assessment of Finan-
24 cial and Managerial Factors of the Board of
25 Governors (12 C.F.R. part 225—appendix C).”.

1 **Subtitle G—Community Institution**
2 **Mortgage Relief**

3 **SEC. 531. COMMUNITY FINANCIAL INSTITUTION MORTGAGE**
4 **RELIEF.**

5 (a) *EXEMPTION FROM ESCROW REQUIREMENTS FOR*
6 *LOANS HELD BY SMALLER CREDITORS.*—Section 129D of
7 *the Truth in Lending Act (15 U.S.C. 1639d) is amended—*

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

9 “(k) *SAFE HARBOR FOR LOANS HELD BY SMALLER*
10 *CREDITORS.*—

11 “(1) *IN GENERAL.*—A creditor shall not be in
12 *violation of subsection (a) with respect to a loan if—*

13 “(A) *the creditor has consolidated assets of*
14 *\$10,000,000,000 or less; and*

15 “(B) *the creditor holds the loan on the bal-*
16 *ance sheet of the creditor for the 3-year period*
17 *beginning on the date of the origination of the*
18 *loan.*

19 “(2) *EXCEPTION FOR CERTAIN TRANSFERS.*—*In*
20 *the case of a creditor that transfers a loan to another*
21 *person by reason of the bankruptcy or failure of the*
22 *creditor, the purchase of the creditor, or a supervisory*
23 *act or recommendation from a State or Federal regu-*
24 *lator, the creditor shall be deemed to have complied*
25 *with the requirement under paragraph (1)(B).”;* and

1 (2) *by striking the term “Board” each place such*
2 *term appears and inserting “Consumer Law Enforce-*
3 *ment Agency”.*

4 (b) *MODIFICATION TO EXEMPTION FOR SMALL*
5 *SERVICERS OF MORTGAGE LOANS.—Section 6 of the Real*
6 *Estate Settlement Procedures Act of 1974 (12 U.S.C. 2605)*
7 *is amended by adding at the end the following:*

8 “(n) *SMALL SERVICER EXEMPTION.—The Consumer*
9 *Law Enforcement Agency shall, by regulation, provide ex-*
10 *emptions to, or adjustments for, the provisions of this sec-*
11 *tion for a servicer that annually services 20,000 or fewer*
12 *mortgage loans, in order to reduce regulatory burdens while*
13 *appropriately balancing consumer protections.”.*

14 ***Subtitle H—Financial Institutions***
15 ***Examination Fairness and Reform***

16 ***SEC. 536. TIMELINESS OF EXAMINATION REPORTS.***

17 (a) *IN GENERAL.—The Federal Financial Institutions*
18 *Examination Council Act of 1978 (12 U.S.C. 3301 et seq.)*
19 *is amended by adding at the end the following:*

20 ***“SEC. 1012. TIMELINESS OF EXAMINATION REPORTS.***

21 “(a) *IN GENERAL.—*

22 “(1) *FINAL EXAMINATION REPORT.—A Federal*
23 *financial institutions regulatory agency shall provide*
24 *a final examination report to a financial institution*
25 *not later than 60 days after the later of—*

1 “(A) *the exit interview for an examination*
2 *of the institution; or*

3 “(B) *the provision of additional informa-*
4 *tion by the institution relating to the examina-*
5 *tion.*

6 “(2) *EXIT INTERVIEW.—If a financial institu-*
7 *tion is not subject to a resident examiner program,*
8 *the exit interview shall occur not later than the end*
9 *of the 9-month period beginning on the commence-*
10 *ment of the examination, except that such period may*
11 *be extended by the Federal financial institutions regu-*
12 *latory agency by providing written notice to the insti-*
13 *tution and the Independent Examination Review Di-*
14 *rector describing with particularity the reasons that*
15 *a longer period is needed to complete the examina-*
16 *tion.*

17 “(b) *EXAMINATION MATERIALS.—Upon the request of*
18 *a financial institution, the Federal financial institutions*
19 *regulatory agency shall include with the final report an ap-*
20 *pendix listing all examination or other factual information*
21 *relied upon by the agency in support of a material super-*
22 *visory determination.*

23 **“SEC. 1013. EXAMINATION STANDARDS.**

24 “(a) *IN GENERAL.—In the examination of a financial*
25 *institution—*

1 “(1) a commercial loan shall not be placed in
2 non-accrual status solely because the collateral for
3 such loan has deteriorated in value;

4 “(2) a modified or restructured commercial loan
5 shall be removed from non-accrual status if the bor-
6 rower demonstrates the ability to perform on such
7 loan over a maximum period of 6 months, except that
8 with respect to loans on a quarterly, semiannual, or
9 longer repayment schedule such period shall be a
10 maximum of 3 consecutive repayment periods;

11 “(3) a new appraisal on a performing commer-
12 cial loan shall not be required unless an advance of
13 new funds is involved; and

14 “(4) in classifying a commercial loan in which
15 there has been deterioration in collateral value, the
16 amount to be classified shall be the portion of the defi-
17 ciency relating to the decline in collateral value and
18 repayment capacity of the borrower.

19 “(b) *WELL CAPITALIZED INSTITUTIONS.*—The Federal
20 financial institutions regulatory agencies may not require
21 a financial institution that is well capitalized to raise addi-
22 tional capital in lieu of an action prohibited under sub-
23 section (a).

24 “(c) *CONSISTENT LOAN CLASSIFICATIONS.*—The Fed-
25 eral financial institutions regulatory agencies shall develop

1 *and apply identical definitions and reporting requirements*
2 *for non-accrual loans.*

3 **“SEC. 1014. OFFICE OF INDEPENDENT EXAMINATION RE-**
4 **VIEW.**

5 *“(a) ESTABLISHMENT.—There is established in the*
6 *Council an Office of Independent Examination Review (the*
7 *‘Office’).*

8 *“(b) HEAD OF OFFICE.—There is established the posi-*
9 *tion of the Independent Examination Review Director (the*
10 *‘Director’), as the head of the Office. The Director shall be*
11 *appointed by the Council and shall be independent from*
12 *any member agency of the Council.*

13 *“(c) STAFFING.—The Director is authorized to hire*
14 *staff to support the activities of the Office.*

15 *“(d) DUTIES.—The Director shall—*

16 *“(1) receive and, at the Director’s discretion, in-*
17 *vestigate complaints from financial institutions, their*
18 *representatives, or another entity acting on behalf of*
19 *such institutions, concerning examinations, examina-*
20 *tion practices, or examination reports;*

21 *“(2) hold meetings, at least once every three*
22 *months and in locations designed to encourage par-*
23 *ticipation from all sections of the United States, with*
24 *financial institutions, their representatives, or an-*
25 *other entity acting on behalf of such institutions, to*

1 *discuss examination procedures, examination prac-*
2 *tices, or examination policies;*

3 *“(3) review examination procedures of the Fed-*
4 *eral financial institutions regulatory agencies to en-*
5 *sure that the written examination policies of those*
6 *agencies are being followed in practice and adhere to*
7 *the standards for consistency established by the Coun-*
8 *cil;*

9 *“(4) conduct a continuing and regular review of*
10 *examination quality assurance for all examination*
11 *types conducted by the Federal financial institutions*
12 *regulatory agencies;*

13 *“(5) adjudicate any supervisory appeal initiated*
14 *under section 1015; and*

15 *“(6) report annually to the Committee on Finan-*
16 *cial Services of the House of Representatives, the*
17 *Committee on Banking, Housing, and Urban Affairs*
18 *of the Senate, and the Council, on the reviews carried*
19 *out pursuant to paragraphs (3) and (4), including*
20 *compliance with the requirements set forth in section*
21 *1012 regarding timeliness of examination reports,*
22 *and the Council’s recommendations for improvements*
23 *in examination procedures, practices, and policies.*

1 “(e) *CONFIDENTIALITY.*—*The Director shall keep con-*
2 *fidential all meetings with, discussions with, and informa-*
3 *tion provided by financial institutions.*

4 “**SEC. 1015. RIGHT TO INDEPENDENT REVIEW OF MATERIAL**
5 **SUPERVISORY DETERMINATIONS.**

6 “(a) *IN GENERAL.*—*A financial institution shall have*
7 *the right to obtain an independent review of a material su-*
8 *pervisory determination contained in a final report of ex-*
9 *amination.*

10 “(b) *NOTICE.*—

11 “(1) *TIMING.*—*A financial institution seeking re-*
12 *view of a material supervisory determination under*
13 *this section shall file a written notice with the Inde-*
14 *pendent Examination Review Director (the ‘Director’)*
15 *within 60 days after receiving the final report of ex-*
16 *amination that is the subject of such review.*

17 “(2) *IDENTIFICATION OF DETERMINATION.*—*The*
18 *written notice shall identify the material supervisory*
19 *determination that is the subject of the independent*
20 *examination review, and a statement of the reasons*
21 *why the institution believes that the determination is*
22 *incorrect or should otherwise be modified.*

23 “(3) *INFORMATION TO BE PROVIDED TO INSTITU-*
24 *TION.*—*Any information relied upon by the agency in*
25 *the final report that is not in the possession of the fi-*

1 *financial institution may be requested by the financial*
2 *institution and shall be delivered promptly by the*
3 *agency to the financial institution.*

4 “(c) *RIGHT TO HEARING.*—

5 “(1) *IN GENERAL.*—*The Director shall determine*
6 *the merits of the appeal on the record or, at the finan-*
7 *cial institution’s election, shall refer the appeal to an*
8 *Administrative Law Judge to conduct a confidential*
9 *hearing pursuant to the procedures set forth under*
10 *sections 556 and 557 of title 5, United States Code,*
11 *which hearing shall take place not later than 60 days*
12 *after the petition for review was received by the Di-*
13 *rector, and to issue a proposed decision to the Direc-*
14 *tor based upon the record established at such hearing.*

15 “(2) *STANDARD OF REVIEW.*—*In rendering a de-*
16 *termination or recommendation under this subsection,*
17 *neither the Administrative Law Judge nor the Direc-*
18 *tor shall defer to the opinions of the examiner or*
19 *agency, but shall conduct a de novo review to inde-*
20 *pendently determine the appropriateness of the agen-*
21 *cy’s decision based upon the relevant statutes, regula-*
22 *tions, and other appropriate guidance, as well as evi-*
23 *dence adduced at any hearing.*

24 “(d) *FINAL DECISION.*—*A decision by the Director on*
25 *an independent review under this section shall—*

1 “(1) be made not later than 60 days after the
2 record has been closed; and

3 “(2) be deemed final agency action and shall
4 bind the agency whose supervisory determination was
5 the subject of the review and the financial institution
6 requesting the review.

7 “(e) *RIGHT TO JUDICIAL REVIEW.*—A financial insti-
8 tution shall have the right to petition for review of final
9 agency action under this section by filing a Petition for
10 Review within 60 days of the Director’s decision in the
11 United States Court of Appeals for the District of Columbia
12 Circuit or the Circuit in which the financial institution
13 is located.

14 “(f) *REPORT.*—The Director shall report annually to
15 the Committee on Financial Services of the House of Rep-
16 resentatives and the Committee on Banking, Housing, and
17 Urban Affairs of the Senate on actions taken under this
18 section, including the types of issues that the Director has
19 reviewed and the results of those reviews. In no case shall
20 such a report contain information about individual finan-
21 cial institutions or any confidential or privileged informa-
22 tion shared by financial institutions.

23 “(g) *RETALIATION PROHIBITED.*—A Federal financial
24 institutions regulatory agency may not—

1 “(1) retaliate against a financial institution, in-
2 cluding service providers, or any institution-affiliated
3 party (as defined under section 3 of the Federal De-
4 posit Insurance Act), for exercising appellate rights
5 under this section; or

6 “(2) delay or deny any agency action that would
7 benefit a financial institution or any institution-af-
8 filiated party on the basis that an appeal under this
9 section is pending under this section.

10 “(h) *RULE OF CONSTRUCTION.*—Nothing in this sec-
11 tion may be construed—

12 “(1) to affect the right of a Federal financial in-
13 stitutions regulatory agency to take enforcement or
14 other supervisory actions related to a material super-
15 visory determination under review under this section;
16 or

17 “(2) to prohibit the review under this section of
18 a material supervisory determination with respect to
19 which there is an ongoing enforcement or other super-
20 visory action.”.

21 (b) *ADDITIONAL AMENDMENTS.*—

22 (1) *RIEGLE COMMUNITY DEVELOPMENT AND*
23 *REGULATORY IMPROVEMENT ACT OF 1994.*—Section
24 309 of the Riegle Community Development and Regu-

1 *latory Improvement Act of 1994 (12 U.S.C. 4806) is*
2 *amended—*

3 (A) *in subsection (a), by inserting after*
4 *“appropriate Federal banking agency” the fol-*
5 *lowing: “, the Consumer Law Enforcement Agen-*
6 *cy,”;*

7 (B) *in subsection (b)—*

8 (i) *in paragraph (2), by striking “the*
9 *appellant from retaliation by agency exam-*
10 *iners” and inserting “the insured depository*
11 *institution or insured credit union from re-*
12 *taliation by the agencies referred to in sub-*
13 *section (a)”;* and

14 (ii) *by adding at the end the following*
15 *flush-left text:*

16 *“For purposes of this subsection and subsection (e), retali-*
17 *ation includes delaying consideration of, or withholding ap-*
18 *proval of, any request, notice, or application that otherwise*
19 *would have been approved, but for the exercise of the institu-*
20 *tion’s or credit union’s rights under this section.”;*

21 (C) *in subsection (e)(2)—*

22 (i) *in subparagraph (B), by striking*
23 *“and” at the end;*

24 (ii) *in subparagraph (C), by striking*
25 *the period and inserting “; and”;* and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(D) ensure that appropriate safeguards
4 exist for protecting the insured depository insti-
5 tution or insured credit union from retaliation
6 by any agency referred to in subsection (a) for
7 exercising its rights under this subsection.”; and

8 (D) in subsection (f)(1)(A)—

9 (i) in clause (ii), by striking “and” at
10 the end;

11 (ii) in clause (iii), by striking “and”
12 at the end; and

13 (iii) by adding at the end the fol-
14 lowing:

15 “(iv) any issue specifically listed in an
16 exam report as a matter requiring attention
17 by the institution’s management or board of
18 directors; and

19 “(v) any suspension or removal of an
20 institution’s status as eligible for expedited
21 processing of applications, requests, notices,
22 or filings on the grounds of a supervisory or
23 compliance concern, regardless of whether
24 that concern has been cited as a basis for
25 another material supervisory determination

1 *or matter requiring attention in an exam-*
2 *ination report, provided that the conduct at*
3 *issue did not involve violation of any crimi-*
4 *nal law; and”.*

5 (2) *FEDERAL CREDIT UNION ACT.—Section*
6 *205(j) of the Federal Credit Union Act (12 U.S.C.*
7 *1785(j)) is amended by inserting “the Consumer Law*
8 *Enforcement Agency,” before “the Administration”*
9 *each place such term appears.*

10 (3) *FEDERAL FINANCIAL INSTITUTIONS EXAMINA-*
11 *TION COUNCIL ACT OF 1978.—The Federal Financial*
12 *Institutions Examination Council Act of 1978 (12*
13 *U.S.C. 3301 et seq.) is amended—*

14 (A) *in section 1003, by amending para-*
15 *graph (1) to read as follows:*

16 “(1) *the term ‘Federal financial institutions reg-*
17 *ulatory agencies’—*

18 “(A) *means the Office of the Comptroller of*
19 *the Currency, the Board of Governors of the Fed-*
20 *eral Reserve System, the Federal Deposit Insur-*
21 *ance Corporation, and the National Credit*
22 *Union Administration; and*

23 “(B) *for purposes of sections 1012, 1013,*
24 *1014, and 1015, includes the Consumer Law En-*
25 *forcement Agency;”;* and

1 (B) in section 1005, by striking “One-fifth”
2 and inserting “One-fourth”.

3 **Subtitle I—National Credit Union**
4 **Administration Budget Trans-**
5 **parency**

6 **SEC. 541. BUDGET TRANSPARENCY FOR THE NCUA.**

7 Section 209(b) of the Federal Credit Union Act (12
8 U.S.C. 1789) is amended—

9 (1) by redesignating paragraphs (1) and (2) as
10 paragraphs (2) and (3), respectively;

11 (2) by inserting before paragraph (2), as so re-
12 designated, the following:

13 “(1) on an annual basis and prior to the sub-
14 mission of the detailed business-type budget required
15 under paragraph (2)—

16 “(A) make publicly available and cause to
17 be printed in the Federal Register a draft of such
18 detailed business-type budget; and

19 “(B) hold a public hearing, with public no-
20 tice provided of such hearing, wherein the public
21 can submit comments on the draft of such de-
22 tailed business-type budget;”;

23 (3) in paragraph (2), as so redesignated—

24 (A) by inserting “detailed” after “submit
25 a”; and

1 (B) by inserting “, and where such budget
2 shall address any comments submitted by the
3 public pursuant to paragraph (1)(B)” after
4 “Control Act”.

5 **Subtitle J—Taking Account of Insti-**
6 **tutions With Low Operation Risk**

7 **SEC. 546. REGULATIONS APPROPRIATE TO BUSINESS MOD-**
8 **ELS.**

9 (a) *IN GENERAL.*—For any regulatory action occur-
10 ring after the date of the enactment of this Act, each Federal
11 financial institutions regulatory agency shall—

12 (1) take into consideration the risk profile and
13 business models of each type of institution or class of
14 institutions subject to the regulatory action;

15 (2) determine the necessity, appropriateness, and
16 impact of applying such regulatory action to such in-
17 stitutions or classes of institutions; and

18 (3) tailor such regulatory action in a manner
19 that limits the regulatory compliance impact, cost, li-
20 ability risk, and other burdens, as appropriate, for
21 the risk profile and business model of the institution
22 or class of institutions involved.

23 (b) *OTHER CONSIDERATIONS.*—In carrying out the re-
24 quirements of subsection (a), each Federal financial institu-
25 tions regulatory agency shall consider—

1 (1) *the impact that such regulatory action, both*
2 *by itself and in conjunction with the aggregate effect*
3 *of other regulations, has on the ability of the applica-*
4 *ble institution or class of institutions to serve evolving*
5 *and diverse customer needs;*

6 (2) *the potential impact of examination manu-*
7 *als, regulatory actions taken with respect to third-*
8 *party service providers, or other regulatory directives*
9 *that may be in conflict or inconsistent with the tai-*
10 *loring of such regulatory action described in sub-*
11 *section (a)(3); and*

12 (3) *the underlying policy objectives of the regu-*
13 *latory action and statutory scheme involved.*

14 (c) *NOTICE OF PROPOSED AND FINAL RULEMAKING.—*
15 *Each Federal financial institutions regulatory agency shall*
16 *disclose in every notice of proposed rulemaking and in any*
17 *final rulemaking for a regulatory action how the agency*
18 *has applied subsections (a) and (b).*

19 (d) *REPORTS TO CONGRESS.—*

20 (1) *INDIVIDUAL AGENCY REPORTS.—*

21 (A) *IN GENERAL.—Not later than 1 year*
22 *after the date of the enactment of this Act and*
23 *annually thereafter, each Federal financial insti-*
24 *tutions regulatory agency shall report to the*
25 *Committee on Financial Services of the House of*

1 *Representatives and the Committee on Banking,*
2 *Housing, and Urban Affairs of the Senate on the*
3 *specific actions taken to tailor the regulatory ac-*
4 *tions of the agency pursuant to the requirements*
5 *of this Act.*

6 (B) *APPEARANCE BEFORE THE COMMIT-*
7 *TEES.—The head of each Federal financial insti-*
8 *tution regulatory agency shall appear before the*
9 *Committee on Financial Services of the House of*
10 *Representatives and the Committee on Banking,*
11 *Housing, and Urban Affairs of the Senate after*
12 *each report is made pursuant to subparagraph*
13 *(A) to testify on the contents of such report.*

14 (2) *FIEC REPORTS.—*

15 (A) *IN GENERAL.—Not later than 3 months*
16 *after each report is submitted under paragraph*
17 *(1), the Financial Institutions Examination*
18 *Council shall report to the Committee on Finan-*
19 *cial Services of the House of Representatives and*
20 *the Committee on Banking, Housing, and Urban*
21 *Affairs of the Senate on—*

22 (i) *the extent to which regulatory ac-*
23 *tions tailored pursuant to this Act result in*
24 *different treatment of similarly situated in-*
25 *stitutions of diverse charter types; and*

1 (ii) the reasons for such differential
2 treatment.

3 (B) APPEARANCE BEFORE THE COMMIT-
4 TEES.—The Chairman of the Financial Institu-
5 tions Examination Council shall appear before
6 the Committee on Financial Services of the
7 House of Representatives and the Committee on
8 Banking, Housing, and Urban Affairs of the
9 Senate after each report is made pursuant to
10 subparagraph (A) to testify on the contents of
11 such report.

12 (e) LIMITED LOOK-BACK APPLICATION.—

13 (1) IN GENERAL.—Each Federal financial insti-
14 tutions regulatory agency shall conduct a review of
15 all regulations adopted during the period beginning
16 on the date that is seven years before the date of the
17 introduction of this Act in the House of Representa-
18 tives and ending on the date of the enactment of this
19 Act, and apply the requirements of this Act to such
20 regulations.

21 (2) REVISION.—If the application of the require-
22 ments of this Act to any such regulation requires such
23 regulation to be revised, the applicable Federal finan-
24 cial institutions regulatory agency shall revise such

1 regulation within 3 years of the enactment of this
2 Act.

3 (f) *DEFINITIONS.*—In this Act, the following defini-
4 tions shall apply:

5 (1) *FEDERAL FINANCIAL INSTITUTIONS REGU-*
6 *LATORY AGENCIES.*—The term “Federal financial in-
7 stitutions regulatory agencies” means the Office of the
8 Comptroller of the Currency, the Board of Governors
9 of the Federal Reserve System, the Federal Deposit
10 Insurance Corporation, the National Credit Union
11 Administration, and the Consumer Law Enforcement
12 Agency.

13 (2) *REGULATORY ACTION.*—The term “regulatory
14 action” means any proposed, interim, or final rule or
15 regulation, guidance, or published interpretation.

16 ***Subtitle K—Federal Savings***
17 ***Association Charter Flexibility***

18 ***SEC. 551. OPTION FOR FEDERAL SAVINGS ASSOCIATIONS***
19 ***TO OPERATE AS A COVERED SAVINGS ASSO-***
20 ***CIATION.***

21 *The Home Owners’ Loan Act is amended by inserting*
22 *after section 5 (12 U.S.C. 1464) the following:*

1 **“SEC. 5A. ELECTION TO OPERATE AS A COVERED SAVINGS**
2 **ASSOCIATION.**

3 “(a) *DEFINITION.*—*In this section, the term ‘covered*
4 *savings association’ means a Federal savings association*
5 *that makes an election approved under subsection (b).*

6 “(b) *ELECTION.*—

7 “(1) *IN GENERAL.*—*Upon issuance of the rules*
8 *described in subsection (f), a Federal savings associa-*
9 *tion may elect to operate as a covered savings associa-*
10 *tion by submitting a notice to the Comptroller of such*
11 *election.*

12 “(2) *APPROVAL.*—*A Federal savings association*
13 *shall be deemed to be approved to operate as a covered*
14 *savings association on the date that is 60 days after*
15 *the date on which the Comptroller receives the notice*
16 *under paragraph (1), unless the Comptroller notifies*
17 *the Federal savings association otherwise.*

18 “(c) *RIGHTS AND DUTIES.*—*Notwithstanding any*
19 *other provision of law and except as otherwise provided in*
20 *this section, a covered savings association shall—*

21 “(1) *have the same rights and privileges as a na-*
22 *tional bank that has its main office situated in the*
23 *same location as the home office of the covered savings*
24 *association; and*

1 “(2) be subject to the same duties, restrictions,
2 penalties, liabilities, conditions, and limitations that
3 would apply to such a national bank.

4 “(d) *TREATMENT OF COVERED SAVINGS ASSOCIA-*
5 *TIONS.*—A covered savings association shall be treated as
6 a Federal savings association for the purposes—

7 “(1) of governance of the covered savings associa-
8 tion, including incorporation, bylaws, boards of direc-
9 tors, shareholders, and distribution of dividends;

10 “(2) of consolidation, merger, dissolution, conver-
11 sion (including conversion to a stock bank or to an-
12 other charter), conservatorship, and receivership; and

13 “(3) determined by regulation of the Comptroller.

14 “(e) *EXISTING BRANCHES.*—A covered savings associa-
15 tion may continue to operate any branch or agency the cov-
16 ered savings association operated on the date on which an
17 election under subsection (b) is approved.

18 “(f) *RULEMAKING.*—The Comptroller shall issue rules
19 to carry out this section—

20 “(1) that establish streamlined standards and
21 procedures that clearly identify required documenta-
22 tion or timelines for an election under subsection (b);

23 “(2) that require a Federal savings association
24 that makes an election under subsection (b) to iden-
25 tify specific assets and subsidiaries—

1 “(A) that do not conform to the require-
2 ments for assets and subsidiaries of a national
3 bank; and

4 “(B) that are held by the Federal savings
5 association on the date on which the Federal sav-
6 ings association submits a notice of such election;

7 “(3) that establish—

8 “(A) a transition process for bringing such
9 assets and subsidiaries into conformance with
10 the requirements for a national bank; and

11 “(B) procedures for allowing the Federal
12 savings association to provide a justification for
13 grandfathering such assets and subsidiaries after
14 electing to operate as a covered savings associa-
15 tion;

16 “(4) that establish standards and procedures to
17 allow a covered savings association to terminate an
18 election under subsection (b) after an appropriate pe-
19 riod of time or to make a subsequent election;

20 “(5) that clarify requirements for the treatment
21 of covered savings associations, including the provi-
22 sions of law that apply to covered savings associa-
23 tions; and

24 “(6) as the Comptroller deems necessary and in
25 the interests of safety and soundness.”.

1 ***Subtitle L—SAFE Transitional***
2 ***Licensing***

3 ***SEC. 556. ELIMINATING BARRIERS TO JOBS FOR LOAN***
4 ***ORIGINATORS.***

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

8 ***“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINA-***
9 ***TORS.***

10 ***“(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS***
11 ***FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY IN-***
12 ***STITUTION TO A NON-DEPOSITORY INSTITUTION.—***

13 ***“(1) IN GENERAL.***—*Upon employment by a*
14 *State-licensed mortgage company, an individual who*
15 *is a registered loan originator shall be deemed to have*
16 *temporary authority to act as a loan originator in an*
17 *application State for the period described in para-*
18 *graph (2) if the individual—*

19 ***“(A) has not had an application for a loan***
20 ***originator license denied, or had such a license***
21 ***revoked or suspended in any governmental juris-***
22 ***isdiction;***

23 ***“(B) has not been subject to or served with***
24 ***a cease and desist order in any governmental ju-***
25 ***risdiction or as described in section 1514(c);***

1 “(C) has not been convicted of a felony that
2 would preclude licensure under the law of the ap-
3 plication State;

4 “(D) has submitted an application to be a
5 State-licensed loan originator in the application
6 State; and

7 “(E) was registered in the Nationwide
8 Mortgage Licensing System and Registry as a
9 loan originator during the 12-month period pre-
10 ceeding the date of submission of the information
11 required under section 1505(a).

12 “(2) PERIOD.—The period described in para-
13 graph (1) shall begin on the date that the individual
14 submits the information required under section
15 1505(a) and shall end on the earliest of—

16 “(A) the date that the individual withdraws
17 the application to be a State-licensed loan origi-
18 nator in the application State;

19 “(B) the date that the application State de-
20 nies, or issues a notice of intent to deny, the ap-
21 plication;

22 “(C) the date that the application State
23 grants a State license; or

24 “(D) the date that is 120 days after the date
25 on which the individual submits the application,

1 *if the application is listed on the Nationwide*
2 *Mortgage Licensing System and Registry as in-*
3 *complete.*

4 “(b) *TEMPORARY AUTHORITY TO ORIGINATE LOANS*
5 *FOR STATE-LICENSED LOAN ORIGINATORS MOVING INTER-*
6 *STATE.—*

7 “(1) *IN GENERAL.—A State-licensed loan origi-*
8 *nator shall be deemed to have temporary authority to*
9 *act as a loan originator in an application State for*
10 *the period described in paragraph (2) if the State-li-*
11 *icensed loan originator—*

12 “(A) *meets the requirements of subpara-*
13 *graphs (A), (B), (C), and (D) of subsection*
14 *(a)(1);*

15 “(B) *is employed by a State-licensed mort-*
16 *gage company in the application State; and*

17 “(C) *was licensed in a State that is not the*
18 *application State during the 30-day period pre-*
19 *ceding the date of submission of the information*
20 *required under section 1505(a) in connection*
21 *with the application submitted to the application*
22 *State.*

23 “(2) *PERIOD.—The period described in para-*
24 *graph (1) shall begin on the date that the State-li-*
25 *icensed loan originator submits the information re-*

1 *quired under section 1505(a) in connection with the*
2 *application submitted to the application State and*
3 *end on the earliest of—*

4 *“(A) the date that the State-licensed loan*
5 *originator withdraws the application to be a*
6 *State-licensed loan originator in the application*
7 *State;*

8 *“(B) the date that the application State de-*
9 *nies, or issues a notice of intent to deny, the ap-*
10 *plication;*

11 *“(C) the date that the application State*
12 *grants a State license; or*

13 *“(D) the date that is 120 days after the date*
14 *on which the State-licensed loan originator sub-*
15 *mits the application, if the application is listed*
16 *on the Nationwide Mortgage Licensing System*
17 *and Registry as incomplete.*

18 *“(c) APPLICABILITY.—*

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

1 “(2) *Any individual who is deemed to have tem-*
2 *porary authority to act as a loan originator in an*
3 *application State pursuant to this section and who*
4 *engages in residential mortgage loan origination ac-*
5 *tivities shall be subject to the requirements of this title*
6 *and to applicable State law to the same extent as if*
7 *such individual was a State-licensed loan originator*
8 *licensed by the application State.*

9 “(d) *DEFINITIONS.—In this section, the following defi-*
10 *initions shall apply:*

11 “(1) *STATE-LICENSED MORTGAGE COMPANY.—*
12 *The term ‘State-licensed mortgage company’ means*
13 *an entity licensed or registered under the law of any*
14 *State to engage in residential mortgage loan origina-*
15 *tion and processing activities.*

16 “(2) *APPLICATION STATE.—The term ‘applica-*
17 *tion State’ means a State in which a registered loan*
18 *originator or a State-licensed loan originator seeks to*
19 *be licensed.”.*

20 “(b) *TABLE OF CONTENTS AMENDMENT.—The table of*
21 *contents in section 1(b) of the Housing and Economic Re-*
22 *covery Act of 2008 (42 U.S.C. 4501 note) is amended by*
23 *inserting after the item relating to section 1517 the fol-*
24 *lowing:*

 “*Sec. 1518. Employment transition of loan originators.”.*

1 (c) *AMENDMENT TO CIVIL LIABILITY OF THE CON-*
2 *SUMER LAW ENFORCEMENT AGENCY AND OTHER OFFI-*
3 *CIALS.*—Section 1513 of the *S.A.F.E. Mortgage Licensing*
4 *Act of 2008 (12 U.S.C. 5112)* is amended by striking “are
5 *loan originators or are applying for licensing or registra-*
6 *tion as loan originators”* and inserting “are applying for
7 *licensing or registration using the Nationwide Mortgage Li-*
8 *censing System and Registry”*.

9 ***Subtitle M—Right to Lend***

10 ***SEC. 561. SMALL BUSINESS LOAN DATA COLLECTION RE-***
11 ***QUIREMENT.***

12 (a) *REPEAL.*—Section 704B of the *Equal Credit Op-*
13 *portunity Act (15 U.S.C. 1691c–2)* is repealed.

14 (b) *CONFORMING AMENDMENTS.*—Section 701(b) of the
15 *Equal Credit Opportunity Act (15 U.S.C. 1691(b))* is
16 *amended—*

17 (1) *in paragraph (3), by inserting “or” at the*
18 *end;*

19 (2) *in paragraph (4), by striking “; or” and in-*
20 *serting a period; and*

21 (3) *by striking paragraph (5).*

22 (c) *CLERICAL AMENDMENT.*—The table of sections for
23 *title VII of the Consumer Credit Protection Act* is amended
24 *by striking the item relating to section 704B.*

1 **Subtitle N—Community Bank**
2 **Reporting Relief**

3 **SEC. 566. SHORT FORM CALL REPORT.**

4 (a) *IN GENERAL.*—Section 7(a) of the Federal Deposit
5 *Insurance Act (12 U.S.C. 1817(a)) is amended by adding*
6 *at the end the following:*

7 “(12) *SHORT FORM REPORTING.*—

8 “(A) *IN GENERAL.*—The appropriate Fed-
9 *eral banking agencies shall issue regulations al-*
10 *lowing for a reduced reporting requirement for*
11 *covered depository institutions when making the*
12 *first and third report of condition for a year, as*
13 *required pursuant to paragraph (3).*

14 “(B) *COVERED DEPOSITORY INSTITUTION*
15 *DEFINED.*—For purposes of this paragraph, the
16 *term ‘covered depository institution’ means an*
17 *insured depository institution that—*

18 “(i) *is well capitalized (as defined*
19 *under section 38(b)); and*

20 “(ii) *satisfies such other criteria as the*
21 *appropriate Federal banking agencies deter-*
22 *mine appropriate.”.*

23 (b) *REPORT TO CONGRESS.*—Not later than 180 days
24 *after the date of the enactment of this Act, and every 365*
25 *days thereafter until the appropriate Federal banking agen-*

1 *cies (as defined under section 3 of the Federal Deposit In-*
2 *surance Act) have issued the regulations required under sec-*
3 *tion 7(a)(12)(A) of the Federal Deposit Insurance Act, such*
4 *agencies shall submit to the Committee on Financial Serv-*
5 *ices of the House of Representatives and the Committee on*
6 *Banking, Housing, and Urban Affairs of the Senate a re-*
7 *port describing the progress made in issuing such regula-*
8 *tions.*

9 ***Subtitle O—Homeowner***
10 ***Information Privacy Protection***

11 ***SEC. 571. STUDY REGARDING PRIVACY OF INFORMATION***
12 ***COLLECTED UNDER THE HOME MORTGAGE***
13 ***DISCLOSURE ACT OF 1975.***

14 *(a) STUDY.—The Comptroller General of the United*
15 *States shall conduct a study to determine whether the data*
16 *required to be published, made available, or disclosed under*
17 *the final rule, in connection with other publicly available*
18 *data sources, including data made publicly available under*
19 *Regulation C (12 C.F.R. 1003) before the effective date of*
20 *the final rule, could allow for or increase the probability*
21 *of—*

22 *(1) exposure of the identity of mortgage appli-*
23 *cants or mortgagors through reverse engineering;*

1 (2) *exposure of mortgage applicants or mortga-*
2 *gors to identity theft or the loss of sensitive personal*
3 *financial information;*

4 (3) *the marketing or sale of unfair or deceptive*
5 *financial products to mortgage applicants or mortga-*
6 *gors based on such data;*

7 (4) *personal financial loss or emotional distress*
8 *resulting from the exposure of mortgage applicants or*
9 *mortgagors to identify theft or the loss of sensitive*
10 *personal financial information; and*

11 (5) *the potential legal liability facing the Con-*
12 *sumer Law Enforcement Agency and market partici-*
13 *pants in the event the data required to be published,*
14 *made available, or disclosed under the final rule leads*
15 *or contributes to identity theft or the capture of sen-*
16 *sitive personal financial information.*

17 (b) *REPORT.—The Comptroller General of the United*
18 *States shall submit to the Committee on Financial Services*
19 *of the House of Representatives and the Committee on*
20 *Banking, Housing, and Urban Affairs of the Senate a re-*
21 *port that includes—*

22 (1) *the findings and conclusions of the Comp-*
23 *troller General with respect to the study required*
24 *under subsection (a); and*

1 (2) *any recommendations for legislative or regu-*
2 *latory actions that—*

3 (A) *would enhance the privacy of a con-*
4 *sumer when accessing mortgage credit; and*

5 (B) *are consistent with consumer protec-*
6 *tions and safe and sound banking operations.*

7 (c) *SUSPENSION OF DATA SHARING REQUIRE-*
8 *MENTS.—Notwithstanding any other provision of law, in-*
9 *cluding the final rule—*

10 (1) *depository institutions shall not be required*
11 *to publish, disclose, or otherwise make available to the*
12 *public, pursuant to the Home Mortgage Disclosure*
13 *Act of 1975 (or regulations issued under such Act)*
14 *any data that was not required to be published, dis-*
15 *closed, or otherwise made available pursuant to such*
16 *Act (or regulations issued under such Act) on the day*
17 *before the date of the enactment of the Dodd-Frank*
18 *Wall Street Reform and Consumer Protection Act;*
19 *and*

20 (2) *the Consumer Law Enforcement Agency and*
21 *the Financial Institutions Examination Council shall*
22 *not publish, disclose, or otherwise make available to*
23 *the public any such information received from a de-*
24 *pository institution pursuant to the final rule.*

25 (d) *DEFINITIONS.—For purposes of this section:*

1 (1) *DEPOSITORY INSTITUTION*.—The term “de-
2 pository institution” has the meaning given that term
3 under section 303 of the Home Mortgage Disclosure
4 Act of 1975 (12 U.S.C. 2802).

5 (2) *FINAL RULE*.—The term “final rule” means
6 the final rule issued by the Bureau of Consumer Fi-
7 nancial Protection titled “Home Mortgage Disclosure
8 (Regulation C)” (October 28, 2015; 80 Fed. Reg.
9 66128).

10 ***Subtitle P—Home Mortgage***
11 ***Disclosure Adjustment***

12 ***SEC. 576. DEPOSITORY INSTITUTIONS SUBJECT TO MAINTENANCE OF RECORDS AND DISCLOSURE REQUIREMENTS.***

13 ***(a) IN GENERAL***.—Section 304 of the Home Mortgage
14 Disclosure Act of 1975 (12 U.S.C. 2803) is amended—

15 (1) by redesignating subsection (i) as paragraph

16 (2) and adjusting the margin appropriately; and

17 (2) by inserting before such paragraph (2) the
18 following:

19 “(i) *EXEMPTIONS*.—

20 “(1) *IN GENERAL*.—With respect to a depository
21 institution, the requirements of subsections (a) and
22 (b) shall not apply—
23
24

1 “(A) with respect to closed-end mortgage
2 loans, if such depository institution originated
3 less than 100 closed-end mortgage loans in each
4 of the two preceding calendar years; and

5 “(B) with respect to open-end lines of cred-
6 it, if such depository institution originated less
7 than 200 open-end lines of credit in each of the
8 two preceding calendar years.”.

9 (b) *TECHNICAL CORRECTION*.—Section 304(i)(2) of
10 such Act, as redesignated by subsection (a), is amended by
11 striking “section 303(2)(A)” and inserting “section
12 303(3)(A)”.

13 ***Subtitle Q—Protecting Consumers’***
14 ***Access to Credit***

15 ***SEC. 581. RATE OF INTEREST AFTER TRANSFER OF LOAN.***

16 (a) *AMENDMENT TO THE REVISED STATUTES*.—Sec-
17 tion 5197 of the Revised Statutes of the United States (12
18 U.S.C. 85) is amended by adding at the end the following
19 new sentence: “A loan that is valid when made as to its
20 maximum rate of interest in accordance with this section
21 shall remain valid with respect to such rate regardless of
22 whether the loan is subsequently sold, assigned, or otherwise
23 transferred to a third party, and may be enforced by such
24 third party notwithstanding any State law to the con-
25 trary.”.

1 (b) *AMENDMENT TO THE HOME OWNERS' LOAN*
2 *ACT.*—Section 4(g)(1) of the Home Owners' Loan Act (12
3 U.S.C. 1463(g)(1)) is amended by adding at the end the
4 following new sentence: “A loan that is valid when made
5 as to its maximum rate of interest in accordance with this
6 subsection shall remain valid with respect to such rate re-
7 gardless of whether the loan is subsequently sold, assigned,
8 or otherwise transferred to a third party, and may be en-
9 forced by such third party notwithstanding any State law
10 to the contrary.”.

11 (c) *AMENDMENT TO THE FEDERAL CREDIT UNION*
12 *ACT.*—Section 205(g)(1) of the Federal Credit Union Act
13 (12 U.S.C. 1785(g)(1)) is amended by adding at the end
14 the following new sentence: “A loan that is valid when made
15 as to its maximum rate of interest in accordance with this
16 subsection shall remain valid with respect to such rate re-
17 gardless of whether the loan is subsequently sold, assigned,
18 or otherwise transferred to a third party, and may be en-
19 forced by such third party notwithstanding any State law
20 to the contrary.”.

21 (d) *AMENDMENT TO THE FEDERAL DEPOSIT INSUR-*
22 *ANCE ACT.*—Section 27(a) of the Federal Deposit Insurance
23 Act (12 U.S.C. 1831d(a)) is amended by adding at the end
24 the following new sentence: “A loan that is valid when made
25 as to its maximum rate of interest in accordance with this

1 *section shall remain valid with respect to such rate regard-*
 2 *less of whether the loan is subsequently sold, assigned, or*
 3 *otherwise transferred to a third party, and may be enforced*
 4 *by such third party notwithstanding any State law to the*
 5 *contrary.”.*

6 ***Subtitle R—NCUA Overhead***
 7 ***Transparency***

8 ***SEC. 586. FUND TRANSPARENCY.***

9 *Section 203 of the Federal Credit Union Act (12*
 10 *U.S.C. 1783) is amended by adding at the end the following:*

11 “(g) *FUND TRANSPARENCY.—*

12 “(1) *IN GENERAL.—The Board shall accompany*
 13 *each annual budget submitted pursuant to section*
 14 *209(b) with a report containing—*

15 “(A) *a detailed analysis of how the expenses*
 16 *of the Administration are assigned between pru-*
 17 *dential activities and insurance-related activities*
 18 *and the extent to which those expenses are paid*
 19 *from the fees collected pursuant to section 105 or*
 20 *from the Fund; and*

21 “(B) *the Board’s supporting rationale for*
 22 *any proposed use of amounts in the Fund con-*
 23 *tained in such budget, including detailed break-*
 24 *downs and supporting rationales for any such*

1 *proposed use related to titles of this Act other*
 2 *than this title.*

3 “(2) *PUBLIC DISCLOSURE.*—*The Board shall*
 4 *make each report described under paragraph (1)*
 5 *available to the public.”.*

6 ***Subtitle S—Housing Opportunities***
 7 ***Made Easier***

8 ***SEC. 591. CLARIFICATION OF DONATED SERVICES TO NON-***
 9 ***PROFITS.***

10 *Section 129E(i) of the Truth in Lending Act (15*
 11 *U.S.C. 1639e(i)) is amended by adding at the end the fol-*
 12 *lowing:*

13 “(4) *RULE OF CONSTRUCTION RELATED TO AP-*
 14 *PRAISAL DONATIONS.*—*For purposes of paragraph (1),*
 15 *if a fee appraiser voluntarily donates appraisal serv-*
 16 *ices to an organization described in section 170(c)(2)*
 17 *of the Internal Revenue Code of 1986, such voluntary*
 18 *donation shall be deemed customary and reasonable.”.*

19 ***TITLE VI—REGULATORY RELIEF***
 20 ***FOR STRONGLY CAPITALIZED,***
 21 ***WELL MANAGED BANKING OR-***
 22 ***GANIZATIONS***

23 ***SEC. 601. CAPITAL ELECTION.***

24 “(a) *IN GENERAL.*—*A banking organization may make*
 25 *an election under this section to be treated as a qualifying*

1 *banking organization for purposes of the regulatory relief*
2 *described under section 602.*

3 (b) *REQUIREMENTS.*—*A banking organization may*
4 *qualify to be treated as a qualifying banking organization*
5 *if—*

6 (1) *the banking organization has an average le-*
7 *verage ratio of at least 10 percent;*

8 (2) *with respect to a depository institution hold-*
9 *ing company, each insured depository institution sub-*
10 *sidary of the holding company simultaneously makes*
11 *the election described under subsection (a); and*

12 (3) *with respect to an insured depository institu-*
13 *tion, any parent depository institution holding com-*
14 *pany of the institution simultaneously makes the elec-*
15 *tion described under subsection (a).*

16 (c) *ELECTION PROCESS.*—*To make an election under*
17 *this section, a banking organization shall submit an elec-*
18 *tion to the appropriate Federal banking agency (and any*
19 *applicable State bank supervisor that regulates the banking*
20 *organization) containing—*

21 (1) *a notice of such election;*

22 (2) *the banking organization's average leverage*
23 *ratio, as well as the organization's quarterly leverage*
24 *ratio for each of the most recently completed four cal-*
25 *endar quarters;*

1 (3) if the banking organization is a depository
2 institution holding company, the information de-
3 scribed under paragraph (2) for each of the organiza-
4 tion's insured depository institution subsidiaries; and

5 (4) if the banking organization is an insured de-
6 pository institution, the information described under
7 paragraph (2) for any parent depository institution
8 holding company of the institution.

9 (d) *EFFECTIVE DATE OF ELECTION.*—

10 (1) *IN GENERAL.*—An election made under this
11 section shall take effect at the end of the 30-day pe-
12 riod beginning on the date that the appropriate Fed-
13 eral banking agency receives the application described
14 under subsection (c), unless the appropriate Federal
15 banking agency determines that the banking organi-
16 zation has not met the requirements described under
17 subsection (b).

18 (2) *NOTICE OF FAILURE TO MEET REQUIRE-*
19 *MENTS.*—If the appropriate Federal banking agency
20 determines that a banking organization submitting
21 an election notice under subsection (c) does not meet
22 the requirements described under subsection (b), the
23 agency shall—

24 (A) notify the banking organization (and
25 any applicable State bank supervisor that regu-

1 *lates the banking organization), in writing, of*
2 *such determination as soon as possible after such*
3 *determination is made, but in no case later than*
4 *the end of the 30-day period beginning on the*
5 *date that the appropriate Federal banking agen-*
6 *cy receives the election; and*

7 *(B) include in such notification the specific*
8 *reasons for such determination and steps that the*
9 *banking organization can take to meet such re-*
10 *quirements.*

11 *(e) TREATMENT OF CERTAIN NEW BANKING ORGANI-*
12 *ZATIONS.—In the case of a banking organization that is*
13 *a newly-chartered insured depository institution or a bank-*
14 *ing organization that becomes a banking organization be-*
15 *cause it controls a newly-chartered insured depository insti-*
16 *tution, such banking organization may be treated as a*
17 *qualifying banking organization immediately upon becom-*
18 *ing a banking organization, if—*

19 *(1) an election to be treated as a qualifying*
20 *banking organization was included in the application*
21 *filed with the appropriate Federal banking agency in*
22 *connection with becoming a banking organization;*
23 *and*

24 *(2) as of the date the banking organization be-*
25 *comes a banking organization, the banking organiza-*

1 *tion's tangible equity divided by the banking organi-*
2 *zation's leverage exposure, expressed as a percentage,*
3 *is at least 10 percent.*

4 (f) *FAILURE TO MAINTAIN QUARTERLY LEVERAGE*
5 *RATIO AND LOSS OF ELECTION.—*

6 (1) *EFFECT OF FAILURE TO MAINTAIN QUAR-*
7 *TERLY LEVERAGE RATIO.—*

8 (A) *IN GENERAL.—If, with respect to the*
9 *most recently completed calendar quarter, the*
10 *appropriate Federal banking agency determines*
11 *that a qualifying banking organization's quar-*
12 *terly leverage ratio is below 10 percent—*

13 (i) *the appropriate Federal banking*
14 *agency shall notify the qualifying banking*
15 *organization and any applicable State bank*
16 *supervisor that regulates the banking orga-*
17 *nization of such determination;*

18 (ii) *the appropriate Federal banking*
19 *agency may prohibit the banking organiza-*
20 *tion from making a capital distribution;*
21 *and*

22 (iii) *the banking organization shall,*
23 *within 3 months of the first such determina-*
24 *tion, submit a capital restoration plan to*
25 *the appropriate Federal banking agency.*

1 (B) *LOSS OF ELECTION AFTER ONE-YEAR*
2 *REMEDATION PERIOD.*—If a banking organiza-
3 tion described under subparagraph (A) does not,
4 within the 1-year period beginning on the date
5 of such determination, raise the organization’s
6 quarterly leverage ratio for a calendar quarter
7 ending in such 1-year period to at least 10 per-
8 cent, the banking organization’s election under
9 this section shall be terminated, and the appro-
10 priate Federal banking agency shall notify any
11 applicable State bank supervisor that regulates
12 the banking organization of such termination.

13 (C) *EFFECT OF SUBSIDIARY ON PARENT OR-*
14 *GANIZATION.*—With respect to a qualifying bank-
15 ing organization described under subparagraph
16 (A) that is an insured depository institution,
17 any parent depository institution holding com-
18 pany of the qualifying banking organization
19 shall—

20 (i) if the appropriate Federal banking
21 agency determines it appropriate, be pro-
22 hibited from making a capital distribution
23 (other than a capital contribution to such
24 qualifying banking organization described
25 under subparagraph (A)); and

1 (ii) if the qualifying banking organiza-
2 tion has an election terminated under sub-
3 paragraph (B), any such parent depository
4 institution holding company shall also have
5 its election under this section terminated.

6 (2) IMMEDIATE LOSS OF ELECTION IF THE
7 QUARTERLY LEVERAGE RATIO FALLS BELOW 6 PER-
8 CENT.—

9 (A) IN GENERAL.—If, with respect to the
10 most recently completed calendar quarter, the
11 appropriate Federal banking agency determines
12 that a qualifying banking organization's quar-
13 terly leverage ratio is below 6 percent, the bank-
14 ing organization's election under this section
15 shall be terminated, and the appropriate Federal
16 banking agency shall notify any applicable State
17 bank supervisor that regulates the banking orga-
18 nization of such termination.

19 (B) EFFECT OF SUBSIDIARY ON PARENT OR-
20 GANIZATION.—With respect to a qualifying bank-
21 ing organization described under subparagraph
22 (A) that is an insured depository institution,
23 any parent depository institution holding com-
24 pany of the qualifying banking organization

1 *shall also have its election under this section ter-*
2 *minated.*

3 (3) *ABILITY TO MAKE FUTURE ELECTIONS.—If a*
4 *banking organization has an election under this sec-*
5 *tion terminated, the banking organization may not*
6 *apply for another election under this section until the*
7 *banking organization has maintained a quarterly le-*
8 *verage ratio of at least 10 percent for 8 consecutive*
9 *calendar quarters.*

10 **SEC. 602. REGULATORY RELIEF.**

11 (a) *IN GENERAL.—A qualifying banking organization*
12 *shall be exempt from the following:*

13 (1) *Any Federal law, rule, or regulation address-*
14 *ing capital or liquidity requirements or standards.*

15 (2) *Any Federal law, rule, or regulation that*
16 *permits an appropriate Federal banking agency to*
17 *object to a capital distribution.*

18 (3) *Any consideration by an appropriate Federal*
19 *banking agency of the following:*

20 (A) *Any risk the qualifying banking organi-*
21 *zation may pose to “the stability of the financial*
22 *system of the United States”, under section*
23 *5(c)(2) of the Bank Holding Company Act of*
24 *1956.*

1 (B) *The “extent to which a proposed acquisition, merger, or consolidation would result in*
2 *greater or more concentrated risks to the sta-*
3 *bility of the United States banking or financial*
4 *system”, under section 3(c)(7) of the Bank Hold-*
5 *ing Company Act of 1956, so long as the banking*
6 *organization, after such proposed acquisition,*
7 *merger, or consolidation, would maintain a*
8 *quarterly leverage ratio of at least 10 percent.*

9
10 (C) *Whether the performance of an activity*
11 *by the banking organization could possibly pose*
12 *a “risk to the stability of the United States*
13 *banking or financial system”, under section*
14 *4(j)(2)(A) of the Bank Holding Company Act of*
15 *1956.*

16 (D) *Whether the acquisition of control of*
17 *shares of a company engaged in an activity de-*
18 *scribed in section 4(j)(1)(A) of the Bank Holding*
19 *Company Act of 1956 could possibly pose a “risk*
20 *to the stability of the United States banking or*
21 *financial system”, under section 4(j)(2)(A) of the*
22 *Bank Holding Company Act of 1956, so long as*
23 *the banking organization, after acquiring control*
24 *of such company, would maintain a quarterly le-*
25 *verage ratio of at least 10 percent.*

1 (E) Whether a merger would pose a “risk to
2 the stability of the United States banking or fi-
3 nancial system”, under section 18(c)(5) of the
4 Federal Deposit Insurance Act, so long as the
5 banking organization, after such proposed merg-
6 er, would maintain a quarterly leverage ratio of
7 at least 10 percent.

8 (F) Any risk the qualifying banking organi-
9 zation may pose to “the stability of the financial
10 system of the United States”, under section
11 10(b)(4) of the Home Owners’ Loan Act.

12 (4) Subsections (i)(8) and (k)(6)(B)(ii) of section
13 4 and section 14 of the Bank Holding Company Act
14 of 1956.

15 (5) Section 18(c)(13) of the Federal Deposit In-
16 surance Act.

17 (6) Section 163 of the Financial Stability Act of
18 2010.

19 (7) Section 10(e)(2)(E) of the Home Owners’
20 Loan Act.

21 (8) Any Federal law, rule, or regulation imple-
22 menting standards of the type provided for in sub-
23 sections (b), (c), (d), (e), (g), (h), (i), and (j) of sec-
24 tion 165 of the Financial Stability Act of 2010.

1 (9) *Any Federal law, rule, or regulation pro-*
2 *viding limitations on mergers, consolidations, or ac-*
3 *quisitions of assets or control, to the extent such limi-*
4 *tations relate to capital or liquidity standards or con-*
5 *centrations of deposits or assets, so long as the bank-*
6 *ing organization, after such proposed merger, consoli-*
7 *dation, or acquisition, would maintain a quarterly*
8 *leverage ratio of at least 10 percent.*

9 (b) *QUALIFYING BANKING ORGANIZATIONS TREATED*
10 *AS WELL CAPITALIZED.*—*A qualifying banking organiza-*
11 *tion shall be deemed to be “well capitalized” for purposes*
12 *of—*

13 (1) *section 216 of the Federal Credit Union Act;*
14 *and*

15 (2) *sections 29, 38, 44, and 46 of the Federal De-*
16 *posit Insurance Act.*

17 (c) *TREATMENT OF CERTAIN RISK-WEIGHTED ASSET*
18 *REQUIREMENTS FOR QUALIFYING BANKING ORGANIZA-*
19 *TIONS.*—

20 (1) *ACQUISITION SIZE CRITERIA TREATMENT.*—
21 *A qualifying banking organization shall be deemed to*
22 *meet the criteria described under section 4(j)(4)(D) of*
23 *the Bank Holding Company Act of 1956, so long as*
24 *after the proposed transaction the acquiring quali-*

1 *qualifying banking organization would maintain a quar-*
2 *terly leverage ratio of at least 10 percent.*

3 (2) *USE OF LEVERAGE EXPOSURE.*—*With respect*
4 *to a qualifying banking organization, in determining*
5 *whether a proposal qualifies with the criteria de-*
6 *scribed under subparagraphs (A)(iii) and (B)(i) of*
7 *section 4(j)(4) of the Bank Holding Company Act of*
8 *1956, the Board of Governors of the Federal Reserve*
9 *System shall consider the leverage exposure of an in-*
10 *sured depository institution instead of the total risk-*
11 *weighted assets of such institution.*

12 **SEC. 603. CONTINGENT CAPITAL STUDY.**

13 (a) *STUDY.*—*The Board of Governors of the Federal*
14 *Reserve System, the Federal Deposit Insurance Corpora-*
15 *tion, and the Office of the Comptroller of the Currency shall*
16 *each carry out a study, which shall include holding public*
17 *hearings, on how to design a requirement that banking or-*
18 *ganizations issue contingent capital with a market-based*
19 *conversion trigger.*

20 (b) *REPORT.*—*Not later than the end of the 1-year pe-*
21 *riod beginning on the date of the enactment of this Act,*
22 *each agency described under subsection (a) shall submit a*
23 *report to the Congress containing—*

1 (1) *all findings and determinations made by the*
2 *agency in carrying out the study required under sub-*
3 *section (a); and*

4 (2) *the agency's recommendations on how the*
5 *Congress should design a requirement that banking*
6 *organizations issue contingent capital with a market-*
7 *based conversion trigger.*

8 **SEC. 604. STUDY ON ALTERING THE CURRENT PROMPT**
9 **CORRECTIVE ACTION RULES.**

10 (a) *STUDY.*—*The Comptroller General of the United*
11 *States shall conduct a study to assess the benefits and feasi-*
12 *bility of altering the current prompt corrective action rules*
13 *and replacing the Basel-based capital ratios with the non-*
14 *performing asset coverage ratio or NACR as the trigger for*
15 *specific required supervisory interventions. The Comptroller*
16 *General shall ensure that such study includes the following:*

17 (1) *An assessment of the performance of an*
18 *NACR forward-looking measure of a banking organi-*
19 *zation's solvency condition relative to the regulatory*
20 *capital ratios currently used by prompt corrective ac-*
21 *tion rules.*

22 (2) *An analysis of the performance of alternative*
23 *definitions of nonperforming assets.*

24 (3) *An assessment of the impact of two alter-*
25 *native intervention thresholds:*

1 (A) *An initial (high) intervention threshold,*
2 *below which appropriate Federal banking agency*
3 *examiners are required to intervene and assess a*
4 *banking organization’s condition and prescribe*
5 *remedial measures.*

6 (B) *A lower threshold, below which banking*
7 *organizations must increase their capital, seek*
8 *an acquirer, or face mandatory resolution within*
9 *90 days.*

10 (b) *REPORT.—Not later than the end of the 1-year pe-*
11 *riod beginning on the date of the enactment of this Act,*
12 *the Comptroller General shall submit a report to the Con-*
13 *gress containing—*

14 (1) *all findings and determinations made in car-*
15 *rying out the study required under subsection (a);*
16 *and*

17 (2) *recommendations on the most suitable defini-*
18 *tion of nonperforming assets, as well as the two nu-*
19 *merical thresholds that trigger specific required super-*
20 *visory interventions.*

21 **SEC. 605. DEFINITIONS.**

22 *For purposes of this title:*

23 (1) *APPROPRIATE FEDERAL BANKING AGENCY.—*
24 *The term “appropriate Federal banking agency”—*

1 (A) has the meaning given such term under
2 section 3 of the Federal Deposit Insurance Act;
3 and

4 (B) means the National Credit Union Ad-
5 ministration, in the case of an insured credit
6 union.

7 (2) *BANKING ORGANIZATION*.—The term “bank-
8 ing organization” means—

9 (A) an insured depository institution;

10 (B) an insured credit union;

11 (C) a depository institution holding com-
12 pany;

13 (D) a company that is treated as a bank
14 holding company for purposes of section 8 of the
15 International Banking Act; and

16 (E) a U.S. intermediate holding company
17 established by a foreign banking organization
18 pursuant to section 252.153 of title 12, Code of
19 Federal Regulations.

20 (3) *FOREIGN EXCHANGE SWAP* .—The term “for-
21 eign exchange swap” has the meaning given that term
22 under section 1a of the Commodity Exchange Act.

23 (4) *INSURED CREDIT UNION*.—The term “insured
24 credit union” has the meaning given that term under
25 section 101 of the Federal Credit Union Act.

1 (5) *LEVERAGE EXPOSURE.*—*The term “leverage*
2 *exposure”*—

3 (A) *with respect to a banking organization*
4 *other than an insured credit union or a tradi-*
5 *tional banking organization, has the meaning*
6 *given the term “total leverage exposure” under*
7 *section 3.10(c)(4)(ii), 217.10(c)(4), or*
8 *324.10(c)(4) of title 12, Code of Federal Regula-*
9 *tions, as applicable, as in effect on the date of*
10 *the enactment of this Act;*

11 (B) *with respect to a traditional banking*
12 *organization other than an insured credit union,*
13 *means total assets (minus any items deducted*
14 *from common equity tier 1 capital) as calculated*
15 *in accordance with generally accepted accounting*
16 *principles and as reported on the traditional*
17 *banking organization’s applicable regulatory fil-*
18 *ing with the banking organization’s appropriate*
19 *Federal banking agency; and*

20 (C) *with respect to a banking organization*
21 *that is an insured credit union, has the meaning*
22 *given the term “total assets” under section 702.2*
23 *of title 12, Code of Federal Regulations, as in ef-*
24 *fect on the date of the enactment of this Act.*

25 (6) *LEVERAGE RATIO DEFINITIONS.*—

1 (A) *AVERAGE LEVERAGE RATIO.*—With re-
2 spect to a banking organization, the term “aver-
3 age leverage ratio” means the average of the
4 banking organization’s quarterly leverage ratios
5 for each of the most recently completed four cal-
6 endar quarters.

7 (B) *QUARTERLY LEVERAGE RATIO.*—With
8 respect to a banking organization and a cal-
9 endar quarter, the term “quarterly leverage
10 ratio” means the organization’s tangible equity
11 divided by the organization’s leverage exposure,
12 expressed as a percentage, on the last day of such
13 quarter.

14 (7) *NACR.*—The term “NACR” means—

15 (A) *book equity less nonperforming assets*
16 *plus loan loss reserves, divided by*

17 (B) *total banking organization assets.*

18 (8) *NONPERFORMING ASSETS.*—The term “non-
19 performing assets” means—

20 (A) *20 percent of assets that are past due*
21 *30 to 89 days, plus*

22 (B) *50 percent of assets that are past due*
23 *90 days or more, plus*

24 (C) *100 percent of nonaccrual assets and*
25 *other real estate owned.*

1 (9) *QUALIFYING BANKING ORGANIZATION.*—*The*
2 *term “qualifying banking organization” means a*
3 *banking organization that has made an election*
4 *under section 601 and with respect to which such elec-*
5 *tion is in effect.*

6 (10) *SECURITY-BASED SWAP .*—*The term “secu-*
7 *rity-based swap” has the meaning given that term*
8 *under section 3 of the Securities Exchange Act of*
9 *1934.*

10 (11) *SWAP.*—*The term “swap” has the meaning*
11 *given that term under section 1a of the Commodity*
12 *Exchange Act.*

13 (12) *TANGIBLE EQUITY.*—*The term “tangible eq-*
14 *uity”—*

15 (A) *with respect to a banking organization*
16 *other than a credit union, means the sum of—*

17 (i) *common equity tier 1 capital;*

18 (ii) *additional tier 1 capital consisting*
19 *of instruments issued on or before the date*
20 *of enactment of this Act; and*

21 (iii) *with respect to a depository insti-*
22 *tution holding company that had less than*
23 *\$15,000,000,000 in total consolidated assets*
24 *as of December 31, 2009, or March 31,*
25 *2010, or a banking organization that was a*

1 *mutual holding company as of May 19,*
2 *2010, trust preferred securities issued prior*
3 *to May 19, 2010, to the extent such organi-*
4 *zation was permitted, as of the date of the*
5 *enactment of this Act, to consider such secu-*
6 *rities as tier 1 capital under existing regu-*
7 *lations of the appropriate Federal banking*
8 *agency; and*

9 *(B) with respect to a banking organization*
10 *that is a credit union, has the meaning given the*
11 *term “net worth” under section 702.2 of title 12,*
12 *Code of Federal Regulations, as in effect on the*
13 *date of the enactment of this Act.*

14 (13) *TRADITIONAL BANKING ORGANIZATION.—*

15 *The term “traditional banking organization” means a*
16 *banking organization that—*

17 *(A) has zero trading assets and zero trading*
18 *liabilities;*

19 *(B) does not engage in swaps or security-*
20 *based swaps, other than swaps or security-based*
21 *swaps referencing interest rates or foreign ex-*
22 *change swaps; and*

23 *(C) has a total notional exposure of swaps*
24 *and security-based swaps of not more than*
25 *\$8,000,000,000.*

1 (14) *OTHER BANKING TERMS.*—*The terms “in-*
 2 *sured depository institution” and “depository institu-*
 3 *tion holding company” have the meaning given those*
 4 *terms, respectively, under section 3 of the Federal De-*
 5 *posit Insurance Act.*

6 (15) *OTHER CAPITAL TERMS.*—*With respect to a*
 7 *banking organization, the terms “additional tier 1*
 8 *capital” and “common equity tier 1 capital” have the*
 9 *meaning given such terms, respectively, under section*
 10 *3.20, 217.20, or 324.20 of title 12, Code of Federal*
 11 *Regulations, as applicable, as in effect on the date of*
 12 *the enactment of this Act.*

13 ***TITLE VII—EMPOWERING AMERI-***
 14 ***CANS TO ACHIEVE FINANCIAL***
 15 ***INDEPENDENCE***

16 ***Subtitle A—Separation of Powers***
 17 ***and Liberty Enhancements***

18 ***SEC. 711. CONSUMER LAW ENFORCEMENT AGENCY.***

19 (a) *MAKING THE BUREAU AN INDEPENDENT CON-*
 20 *SUMER LAW ENFORCEMENT AGENCY.*—*The Consumer Fi-*
 21 *nancial Protection Act of 2010 (12 U.S.C. 5481 et seq.) is*
 22 *amended—*

23 (1) *in section 1011—*

24 (A) *in the heading of such section, by strik-*
 25 *ing “BUREAU OF CONSUMER FINANCIAL*

1 **PROTECTION**” and inserting “**CONSUMER**
2 **LAW ENFORCEMENT AGENCY**”;

3 (B) in subsection (a)—

4 (i) in the heading of such subsection,
5 by striking “**BUREAU**” and inserting
6 “**AGENCY**”;

7 (ii) by striking “in the Federal Reserve
8 System,”;

9 (iii) by striking “independent bureau”
10 and inserting “independent agency”; and

11 (iv) by striking “Bureau of Consumer
12 Financial Protection” and inserting “Con-
13 sumer Law Enforcement Agency (herein-
14 after in this section referred to as the ‘Agen-
15 cy’)”;

16 (C) in subsection (b)(5), by amending sub-
17 paragraph (A) to read as follows:

18 “(A) shall be appointed by the President;
19 and”;

20 (D) in subsection (c), by striking paragraph
21 (3);

22 (E) in subsection (e), by striking “, includ-
23 ing in cities in which the Federal reserve banks,
24 or branches of such banks, are located,”; and

1 (F) by striking “Bureau” each place such
2 term appears and inserting “Agency”; and

3 (2) in section 1012—

4 (A) in subsection (a)(10), by striking “ex-
5 aminations,”; and

6 (B) by striking subsection (c).

7 (b) *DEEMING OF NAME.*—Any reference in a law, regu-
8 lation, document, paper, or other record of the United
9 States to the Bureau of Consumer Financial Protection
10 shall be deemed a reference to the Consumer Law Enforce-
11 ment Agency.

12 (c) *CONFORMING AMENDMENTS.*—

13 (1) *DODD-FRANK WALL STREET REFORM AND*
14 *CONSUMER PROTECTION ACT.*—The Dodd-Frank Wall
15 Street Reform and Consumer Protection Act (12
16 U.S.C. 5301 et seq.) is amended—

17 (A) in the table of contents in section 1(b)—

18 (i) by striking “Bureau of Consumer
19 Financial Protection” each place such term
20 appears and inserting “Consumer Law En-
21 forcement Agency”; and

22 (ii) in the table of contents relating to
23 title X, in the items relating to subtitle B,
24 subtitle C, and section 1027, by striking

1 “Bureau” each place such term appears and
2 inserting “Agency”;

3 (B) in section 2, by amending paragraph
4 (4) to read as follows:

5 “(4) AGENCY.—The term ‘Agency’ means the
6 Consumer Law Enforcement Agency established under
7 title X.”;

8 (C) in section 342 by striking “Bureau”
9 each place such term appears in headings and
10 text and inserting “Agency”;

11 (D) in section 1400(b)—

12 (i) by striking “Bureau of Consumer
13 Financial Protection” and inserting “Con-
14 sumer Law Enforcement Agency”; and

15 (ii) in the subsection heading, by strik-
16 ing “BUREAU OF CONSUMER FINANCIAL
17 PROTECTION” and inserting “CONSUMER
18 LAW ENFORCEMENT AGENCY”;

19 (E) in section 1411(a)(1), by striking “Bu-
20 reau” and inserting “Agency”; and

21 (F) in section 1447, by striking “Director of
22 the Bureau” each place such term appears and
23 inserting “Director of the Consumer Law En-
24 forcement Agency”.

1 (2) *ALTERNATIVE MORTGAGE TRANSACTION PAR-*
2 *ITY ACT OF 1982.—The Alternative Mortgage Trans-*
3 *action Parity Act of 1982 (12 U.S.C. 3801 et seq.) is*
4 *amended—*

5 (A) *by striking “Bureau of Consumer Fi-*
6 *nancial Protection” each place such term ap-*
7 *pears and inserting “Consumer Law Enforce-*
8 *ment Agency”;* and

9 (B) *in the subsection heading of subsection*
10 *(d) of section 804 (12 U.S.C. 3803(d)), by strik-*
11 *ing “BUREAU” and inserting “AGENCY”.*

12 (3) *ELECTRONIC FUND TRANSFER ACT.—The*
13 *Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.)*
14 *is amended—*

15 (A) *by amending the second paragraph (4)*
16 *(defining the term “Bureau”) to read as follows:*
17 *“(4) the term ‘Agency’ means the Consumer Law*
18 *Enforcement Agency;”;*

19 (B) *in section 916(d)(1), by striking “Bu-*
20 *reau of Consumer Financial Protection” and in-*
21 *serting “Consumer Law Enforcement Agency”;*
22 *and*

23 (C) *by striking “Bureau” each place that*
24 *term appears in heading or text and inserting*
25 *“Agency”.*

1 (4) *EQUAL CREDIT OPPORTUNITY ACT.*—*The*
2 *Equal Credit Opportunity Act (15 U.S.C. 1691 et*
3 *seq.) is amended—*

4 (A) *in section 702 (15 U.S.C. 1691a), by*
5 *amending subsection (c) to read as follows:*

6 “(c) *The term ‘Agency’ means the Consumer Law En-*
7 *forcement Agency.’; and*

8 (B) *by striking “Bureau” each place that*
9 *term appears in heading or text and inserting*
10 *“Agency”.*

11 (5) *EXPEDITED FUNDS AVAILABILITY ACT.*—*The*
12 *Expedited Funds Availability Act (12 U.S.C. 4001 et*
13 *seq.) is amended—*

14 (A) *by striking “Bureau of Consumer Fi-*
15 *nancial Protection” each place such term ap-*
16 *pears and inserting “Consumer Law Enforce-*
17 *ment Agency”; and*

18 (B) *in the heading of section 605(f)(1), by*
19 *striking “BOARD AND BUREAU” and inserting*
20 *“BOARD AND AGENCY”.*

21 (6) *FAIR AND ACCURATE CREDIT TRANSACTIONS*
22 *ACT OF 2003.*—*The Fair and Accurate Credit Trans-*
23 *actions Act of 2003 (Public Law 108–159) is amend-*
24 *ed by striking “Bureau” each place such term ap-*
25 *pears and inserting “Agency”.*

1 (7) *FAIR CREDIT REPORTING ACT.*—*The Fair*
2 *Credit Reporting Act (15 U.S.C. 1681 et seq.) is*
3 *amended—*

4 (A) *by amending section 603(w) to read as*
5 *follows:*

6 “(w) *AGENCY.*—*The term ‘Agency’ means the Con-*
7 *sumer Law Enforcement Agency.’; and*

8 (B) *by striking “Bureau” each place such*
9 *term appears, other than in sections 626 and*
10 *603(v), and inserting “Agency”.*

11 (8) *FAIR DEBT COLLECTION PRACTICES ACT.*—
12 *The Fair Debt Collection Practices Act (15 U.S.C.*
13 *1692 et seq.) is amended—*

14 (A) *by amending section 803(1) to read as*
15 *follows:*

16 “(1) *The term ‘Agency’ means the Consumer*
17 *Law Enforcement Agency.’; and*

18 (B) *by striking “Bureau” each place such*
19 *term appears in heading or text and inserting*
20 *“Agency”.*

21 (9) *FEDERAL DEPOSIT INSURANCE ACT.*—*The*
22 *Federal Deposit Insurance Act (12 U.S.C. 1811 et*
23 *seq.) is amended—*

24 (A) *in the second paragraph (6) (with the*
25 *heading “Referral to bureau of consumer finan-*

1 *cial protection*”) of section 8(t) (12 U.S.C.
2 1818(t))—

3 (i) *in the paragraph heading, by strik-*
4 *ing “BUREAU OF CONSUMER FINANCIAL*
5 *PROTECTION”; and inserting “CONSUMER*
6 *LAW ENFORCEMENT AGENCY”; and*

7 (ii) *by striking “Bureau of Consumer*
8 *Financial Protection” and inserting “Con-*
9 *sumer Law Enforcement Agency”;*

10 (B) *by amending clause (vi) of section*
11 *11(t)(2)(A) (12 U.S.C. 1821(t)(2)(A)(vi)) to read*
12 *as follows:*

13 “(vi) *The Consumer Law Enforcement*
14 *Agency.”;*

15 (C) *in section 18(x) (12 U.S.C. 1828(x)), by*
16 *striking “Bureau of Consumer Financial Protec-*
17 *tion” each place such term appears and insert-*
18 *ing “Consumer Law Enforcement Agency”;*

19 (D) *by striking “Bureau” each place such*
20 *term appears and inserting “Agency”; and*

21 (E) *in section 43(e) (12 U.S.C. 1831t(e)),*
22 *by amending paragraph (5) to read as follows:*

23 “(5) *AGENCY.—The term ‘Agency’ means the*
24 *Consumer Law Enforcement Agency.”.*

1 (10) *FEDERAL FINANCIAL INSTITUTIONS EXAM-*
2 *INATION COUNCIL ACT OF 1978.*—*The Federal Finan-*
3 *cial Institutions Examination Council Act of 1978*
4 *(12 U.S.C. 3301 et seq.) is amended—*

5 (A) *in section 1004(a)(4), by striking “Con-*
6 *sumer Financial Protection Bureau” and insert-*
7 *ing “Consumer Law Enforcement Agency”; and*

8 (B) *in section 1011, by striking “Bureau of*
9 *Consumer Financial Protection” and inserting*
10 *“Consumer Law Enforcement Agency”.*

11 (11) *FINANCIAL INSTITUTIONS REFORM, RECOV-*
12 *ERY, AND ENFORCEMENT ACT OF 1989.*—*The Finan-*
13 *cial Institutions Reform, Recovery, and Enforcement*
14 *Act of 1989 (Public Law 101–73; 103 Stat. 183) is*
15 *amended—*

16 (A) *in section 1112(b) (12 U.S.C. 3341), by*
17 *striking “Bureau of Consumer Financial Protec-*
18 *tion” and inserting “Consumer Law Enforce-*
19 *ment Agency”;*

20 (B) *in section 1124 (12 U.S.C. 3353), by*
21 *striking “Bureau of Consumer Financial Protec-*
22 *tion” each place such term appears and insert-*
23 *ing “Consumer Law Enforcement Agency”;*

24 (C) *in section 1125 (12 U.S.C. 3354), by*
25 *striking “Bureau of Consumer Financial Protec-*

1 tion” each place such term appears and insert-
2 ing “Consumer Law Enforcement Agency”; and

3 (D) in section 1206(a) (12 U.S.C.
4 1833b(a)), by striking “Federal Housing Fi-
5 nance Board” and all that follows through
6 “Farm Credit Administration” and inserting
7 “Federal Housing Finance Board, the Consumer
8 Law Enforcement Agency, and the Farm Credit
9 Administration”.

10 (12) FINANCIAL LITERACY AND EDUCATION IM-
11 PROVEMENT ACT.—Section 513 of the Financial Lit-
12 eracy and Education Improvement Act (20 U.S.C.
13 9702) is amended by striking “Bureau of Consumer
14 Financial Protection” each place such term appears
15 and inserting “Consumer Law Enforcement Agency”.

16 (13) GRAMM-LEACH-BLILEY ACT.—Title V of the
17 Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) is
18 amended—

19 (A) by striking “Bureau of Consumer Fi-
20 nancial Protection” each place such term ap-
21 pears and inserting “Consumer Law Enforce-
22 ment Agency”; and

23 (B) in section 505(a)(8) (15 U.S.C.
24 6805(a)(8)), by striking “Bureau” and inserting
25 “Agency”.

1 (14) *HOME MORTGAGE DISCLOSURE ACT OF*
2 1975.—*The Home Mortgage Disclosure Act of 1975 (12*
3 *U.S.C. 2801 et seq.) is amended—*

4 (A) *by striking “Bureau of Consumer Fi-*
5 *nancial Protection” each place such term ap-*
6 *pears and inserting “Consumer Law Enforce-*
7 *ment Agency”;*

8 (B) *by striking “Bureau” each place such*
9 *term appears and inserting “Agency”; and*

10 (C) *in section 303, by amending paragraph*
11 *(1) to read as follows:*

12 “*(1) the term ‘Agency’ means the Consumer Law*
13 *Enforcement Agency;”.*

14 (15) *HOMEOWNERS PROTECTION ACT OF 1998.—*
15 *Section 10(a)(4) of the Homeowners Protection Act of*
16 *1998 (12 U.S.C. 4909(a)(4)) is amended by striking*
17 *“Bureau of Consumer Financial Protection” and in-*
18 *serting “Consumer Law Enforcement Agency”.*

19 (16) *HOME OWNERSHIP AND EQUITY PROTEC-*
20 *TION ACT OF 1994.—Section 158(a) of the Home Own-*
21 *ership and Equity Protection Act of 1994 (15 U.S.C.*
22 *1601 note) is amended by striking “Bureau” and in-*
23 *serting “Consumer Law Enforcement Agency”.*

1 (17) *INTERSTATE LAND SALES FULL DISCLOSURE*
2 *ACT.—The Interstate Land Sales Full Disclosure Act*
3 *(12 U.S.C. 1701 et seq.) is amended—*

4 (A) *by striking “Bureau of Consumer Fi-*
5 *nancial Protection” each place such term ap-*
6 *pears and inserting “Agency”;*

7 (B) *in section 1402, by amending para-*
8 *graph (12) to read as follows:*

9 “*(12) ‘Agency’ means the Consumer Law En-*
10 *forcement Agency.’; and*

11 (C) *in section 1416, by striking “Bureau”*
12 *each place such term appears and inserting*
13 *“Agency”.*

14 (18) *REAL ESTATE SETTLEMENT PROCEDURES*
15 *ACT OF 1974.—The Real Estate Settlement Procedures*
16 *Act of 1974 (12 U.S.C. 2601 et seq.) is amended—*

17 (A) *by striking “Bureau of Consumer Fi-*
18 *nancial Protection” each place such term ap-*
19 *pears and inserting “Consumer Law Enforce-*
20 *ment Agency”;*

21 (B) *by striking “Bureau” each place such*
22 *term appears and inserting “Agency”; and*

23 (C) *in section 3, by amending paragraph*
24 *(9) to read as follows:*

1 “(9) the term ‘Agency’ means the Consumer Law
2 *Enforcement Agency.*”.

3 (19) *REVISED STATUTES OF THE UNITED*
4 *STATES.*—Section 5136C(b)(3)(B) of the Revised Stat-
5 *utes of the United States (12 U.S.C. 25b(b)(3)(B))* is
6 *amended by striking “Bureau of Consumer Financial*
7 *Protection” and inserting “Consumer Law Enforce-*
8 *ment Agency”.*

9 (20) *RIGHT TO FINANCIAL PRIVACY ACT OF*
10 *1978.*—The *Right to Financial Privacy Act of 1978*
11 *(12 U.S.C. 3401 et seq.)* is amended—

12 (A) by amending subparagraph (B) of sec-
13 tion 1101(7) (12 U.S.C. 3401(7)(B)) to read as
14 *follows:*

15 “(B) the Consumer Law Enforcement Agen-
16 cy;”; and

17 (B) by striking “Bureau of Consumer Fi-
18 nancial Protection” each place such term ap-
19 pears in heading or text and inserting “Con-
20 sumer Law Enforcement Agency”.

21 (21) *S.A.F.E. MORTGAGE LICENSING ACT OF*
22 *2008.*—The *S.A.F.E. Mortgage Licensing Act of 2008*
23 *(12 U.S.C. 5101 et seq.)* is amended—

24 (A) in section 1507, by striking “Bureau,
25 and the Bureau of Consumer Financial Protec-

1 tion” each place such term appears and insert-
2 ing “Consumer Law Enforcement Agency”;

3 (B) by striking “Bureau of Consumer Fi-
4 nancial Protection” each place such term ap-
5 pears and inserting “Consumer Law Enforce-
6 ment Agency”;

7 (C) by striking “Bureau” each place such
8 appears, other than in sections 1505(a)(1),
9 1507(a)(2)(A), and 1511(b), and inserting
10 “Agency”;

11 (D) in section 1503, by amending para-
12 graph (1) to read as follows:

13 “(1) AGENCY.—The term ‘Agency’ means the
14 Consumer Law Enforcement Agency.”;

15 (E) in the heading of section 1508, by strik-
16 ing “**BUREAU OF CONSUMER FINANCIAL**
17 **PROTECTION**” and inserting “**CONSUMER**
18 **LAW ENFORCEMENT AGENCY**”; and

19 (F) in the heading of section 1514, by strik-
20 ing “**BUREAU**” and inserting “**AGENCY**”.

21 (22) **TELEMARKETING AND CONSUMER FRAUD**
22 **AND ABUSE PREVENTION ACT.**—The Telemarketing
23 and Consumer Fraud and Abuse Prevention Act (15
24 U.S.C. 6101 et seq.) is amended by striking “Bureau
25 of Consumer Financial Protection” each place such

1 *term appears in heading or text and inserting “Con-*
2 *sumer Law Enforcement Agency”.*

3 (23) *TITLE 5, UNITED STATES CODE.—Title 5,*
4 *United States Code, is amended—*

5 (A) *in section 552a(w)—*

6 (i) *in the subsection heading, by strik-*
7 *ing “BUREAU OF CONSUMER FINANCIAL*
8 *PROTECTION” and inserting “CONSUMER*
9 *LAW ENFORCEMENT AGENCY”;*

10 (ii) *by striking “Bureau of Consumer*
11 *Financial Protection” and inserting “Con-*
12 *sumer Law Enforcement Agency”;*

13 (B) *in section 609(d)(2), by striking “Con-*
14 *sumer Financial Protection Bureau of the Fed-*
15 *eral Reserve System” and inserting “Consumer*
16 *Law Enforcement Agency”; and*

17 (C) *in section 3132(a)(1)(D), as amended*
18 *by section 151(a)(1), is further amended by in-*
19 *serting “the Consumer Law Enforcement Agen-*
20 *cy,” before “and the National Credit Union Ad-*
21 *ministration”.*

22 (24) *TITLE 10, UNITED STATES CODE.—*

23 (A) *SECTION 987.—Section 987(h)(3)(E) of*
24 *title 10, United States Code, is amended by*
25 *striking “Bureau of Consumer Financial Protec-*

1 *tion*” and inserting “Consumer Law Enforce-
2 *ment Agency*”.

3 (B) NDAA FY 2015.—Section 557(a) of the
4 *Carl Levin and Howard P. “Buck” McKeon Na-*
5 *tional Defense Authorization Act for Fiscal Year*
6 *2015 (Public Law 113–29; 128 Stat. 3381; 10*
7 *U.S.C. 1144 note), is amended by striking “Con-*
8 *sumer Financial Protection Bureau” each place*
9 *such term appears and inserting “Consumer*
10 *Law Enforcement Agency”.*

11 (25) TITLE 44, UNITED STATES CODE.—Title 44,
12 *United States Code, is amended—*

13 (A) in section 3502(5), by striking “the Bu-
14 *reau of Consumer Financial Protection, the Of-*
15 *fice of Financial Research,” and inserting “the*
16 *Consumer Law Enforcement Agency,”; and*

17 (B) in section 3513(c), by striking “Bureau
18 *of Consumer Financial Protection” and insert-*
19 *ing “Consumer Law Enforcement Agency”.*

20 (26) TRUTH IN LENDING ACT.—The Truth in
21 *Lending Act (15 U.S.C. 1601 et seq.) is amended—*

22 (A) by amending section 103(b) (15 U.S.C.
23 *1602(b)) to read as follows:*

24 “(b) AGENCY.—The term ‘Agency’ means the Con-
25 *sumer Law Enforcement Agency.”;*

1 (B) by amending section 103(c) (15 U.S.C.
2 1602(c)) to read as follows:

3 “(c) BOARD.—The term ‘Board’ means the Board of
4 Governors of the Federal Reserve System.”; and

5 (C) in section 128(f) (15 U.S.C. 1638(f)), by
6 striking “Board” each place such term appears
7 and inserting “Agency”;

8 (D) in sections 129B (15 U.S.C. 1639b) and
9 129C (15 U.S.C. 1639c), by striking “Board”
10 each place such term appears and inserting
11 “Agency”;

12 (E) in section 140A (15 U.S.C. 1651), by
13 striking “in consultation with the Bureau” and
14 inserting “in consultation with the Federal
15 Trade Commission”;

16 (F) by striking “National Credit Union Ad-
17 ministration Bureau” each place such term ap-
18 pears and inserting “National Credit Union Ad-
19 ministration Board”;

20 (G) by striking “Bureau” each place such
21 term appears in heading or text and inserting
22 “Agency”; and

23 (H) by striking “BUREAU” and inserting
24 “AGENCY” in the paragraph headings for—

1 (i) section 122(d)(2) (15 U.S.C.
2 1632(d)(2));

3 (ii) section 127(c)(5) (15 U.S.C.
4 1637(c)(5));

5 (iii) section 127(r)(3) (15 U.S.C.
6 1637(r)(3)); and

7 (iv) section 127A(a)(14) (15 U.S.C.
8 1637a(a)(14)).

9 (27) *TRUTH IN SAVINGS ACT.*—*The Truth in*
10 *Savings Act (12 U.S.C. 4301 et seq.) is amended—*

11 (A) *by amending paragraph (4) of section*
12 *274 (12 U.S.C. 4313(4)) to read as follows:*

13 “(4) *AGENCY.*—*The term ‘Agency’ means the*
14 *Consumer Law Enforcement Agency.’;*

15 (B) *by striking “National Credit Union Ad-*
16 *ministration Bureau” each place such term ap-*
17 *pears and inserting “National Credit Union Ad-*
18 *ministration Board”;* and

19 (C) *by striking “Bureau” each place such*
20 *term appears and inserting “Agency”.*

21 **SEC. 712. AUTHORITY OF THE OFFICE OF INFORMATION**
22 **AND REGULATORY AFFAIRS.**

23 *Section 1022 of the Consumer Financial Protection*
24 *Act of 2010 (12 U.S.C. 5512) is amended by adding at the*
25 *end the following:*

1 “(e) *AUTHORITY OF THE OFFICE OF INFORMATION*
2 *AND REGULATORY AFFAIRS.*—*The Office of Information*
3 *and Regulatory Affairs shall have the same duties and au-*
4 *thorities with respect to the Consumer Law Enforcement*
5 *Agency as the Office of Information and Regulatory Affairs*
6 *has with respect to any other agency that is not an inde-*
7 *pendent regulatory agency (as such terms are defined, re-*
8 *spectively, under section 3502 of title 44, United States*
9 *Code).*”.

10 **SEC. 713. BRINGING THE AGENCY INTO THE REGULAR AP-**
11 **PROPRIATIONS PROCESS.**

12 *Section 1017 of the Consumer Financial Protection*
13 *Act of 2010 (12 U.S.C. 5497) is amended—*

14 *(1) in subsection (a)—*

15 *(A) by amending the heading of such sub-*
16 *section to read as follows: “BUDGET, FINANCIAL*
17 *MANAGEMENT, AND AUDIT.—”;*

18 *(B) by striking paragraphs (1), (2), and*
19 *(3);*

20 *(C) by redesignating paragraphs (4) and*
21 *(5) as paragraphs (1) and (2), respectively; and*

22 *(D) by striking subparagraphs (E) and (F)*
23 *of paragraph (1), as so redesignated;*

24 *(2) by striking subsections (b) and (c);*

1 (3) by redesignating subsections (d) and (e) as
2 subsections (b) and (c), respectively; and

3 (4) in subsection (c), as so redesignated—

4 (A) by striking paragraphs (1), (2), and (3)
5 and inserting the following:

6 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—

7 *There is authorized to be appropriated to the Agency*
8 *for each of fiscal years 2017 and 2018 an amount*
9 *equal to the aggregate amount of funds transferred by*
10 *the Board of Governors to the Bureau of Consumer*
11 *Financial Protection during fiscal year 2015.”; and*

12 (B) by redesignating paragraph (4) as
13 paragraph (2).

14 **SEC. 714. CONSUMER LAW ENFORCEMENT AGENCY INSPEC-**
15 **TOR GENERAL REFORM.**

16 (a) *APPOINTMENT OF INSPECTOR GENERAL.*—*The In-*
17 *spector General Act of 1978 (5 U.S.C. App.) is amended—*

18 (1) *in section 8G—*

19 (A) *in subsection (a)(2), by striking “and*
20 *the Bureau of Consumer Financial Protection”;*

21 (B) *in subsection (c), by striking “For pur-*
22 *poses of implementing this section” and all that*
23 *follows through the end of the subsection; and*

1 (C) in subsection (g)(3), by striking “and
2 the Bureau of Consumer Financial Protection”;
3 and
4 (2) in section 12—

5 (A) in paragraph (1), by inserting “the
6 Consumer Law Enforcement Agency;” after “the
7 President of the Export-Import Bank;”; and

8 (B) in paragraph (2), by inserting “the
9 Consumer Law Enforcement Agency,” after “the
10 Export-Import Bank,”.

11 (b) *REQUIREMENTS FOR THE INSPECTOR GENERAL*
12 *FOR THE CONSUMER LAW ENFORCEMENT AGENCY.*—

13 (1) *ESTABLISHMENT.*—Section 1011 of the Con-
14 sumer Financial Protection Act of 2010 (12 U.S.C.
15 5491), as amended by section 311, is further amended
16 by adding at the end the following:

17 “(i) *INSPECTOR GENERAL.*—There is established the
18 position of the Inspector General of the Agency.”; and

19 (2) *HEARINGS.*—Section 1016 of the Consumer
20 Financial Protection Act of 2010 (12 U.S.C. 5496) is
21 amended by inserting after subsection (c) the fol-
22 lowing:

23 “(d) *ADDITIONAL REQUIREMENT FOR INSPECTOR*
24 *GENERAL.*—On a separate occasion from that described in
25 subsection (a), the Inspector General of the Agency shall ap-

1 *pear, upon invitation, before the Committee on Banking,*
2 *Housing, and Urban Affairs of the Senate and the Com-*
3 *mittee on Financial Services of the House of Representa-*
4 *tives at semi-annual hearings regarding the reports re-*
5 *quired under subsection (b) and the reports required under*
6 *section 5 of the Inspector General Act of 1978 (5 U.S.C.*
7 *App.).”.*

8 (3) *PARTICIPATION IN THE COUNCIL OF INSPEC-*
9 *TORS GENERAL ON FINANCIAL OVERSIGHT.—Section*
10 *989E(a)(1) of the Dodd-Frank Wall Street Reform*
11 *and Consumer Protection Act is amended by adding*
12 *at the end the following:*

13 *“(J) The Consumer Law Enforcement Agen-*
14 *cy.”.*

15 (4) *DEADLINE FOR APPOINTMENT.—Not later*
16 *than 60 days after the date of the enactment of this*
17 *Act, the President shall appoint an Inspector General*
18 *for the Consumer Law Enforcement Agency in accord-*
19 *ance with section 3 of the Inspector General Act of*
20 *1978 (5 U.S.C. App.).*

21 (c) *TRANSITION PERIOD.—The Inspector General of*
22 *the Board of Governors of the Federal Reserve System and*
23 *the Bureau of Consumer Financial Protection shall serve*
24 *in that position until the confirmation of an Inspector Gen-*
25 *eral for the Consumer Law Enforcement Agency. At that*

1 *time, the Inspector General of the Board of Governors of*
2 *the Federal Reserve System and the Bureau of Consumer*
3 *Financial Protection shall become the Inspector General of*
4 *the Board of Governors of the Federal Reserve System.*

5 **SEC. 715. PRIVATE PARTIES AUTHORIZED TO COMPEL THE**
6 **AGENCY TO SEEK SANCTIONS BY FILING**
7 **CIVIL ACTIONS; ADJUDICATIONS DEEMED AC-**
8 **TIONS.**

9 *Section 1053 of the Consumer Financial Protection*
10 *Act of 2010 (12 U.S.C. 5563) is amended by adding at the*
11 *end the following:*

12 *“(f) PRIVATE PARTIES AUTHORIZED TO COMPEL THE*
13 *AGENCY TO SEEK SANCTIONS BY FILING CIVIL ACTIONS.—*

14 *“(1) TERMINATION OF ADMINISTRATIVE PRO-*
15 *CEEDING.—In the case of any person who is a party*
16 *to a proceeding brought by the Agency under this sec-*
17 *tion, to which chapter 5 of title 5, United States*
18 *Code, applies, and against whom an order imposing*
19 *a cease and desist order or a penalty may be issued*
20 *at the conclusion of the proceeding, that person may,*
21 *not later than 20 days after receiving notice of such*
22 *proceeding, and at that person’s discretion, require*
23 *the Agency to terminate the proceeding.*

24 *“(2) CIVIL ACTION AUTHORIZED.—If a person*
25 *requires the Agency to terminate a proceeding pursu-*

1 *ant to paragraph (1), the Agency may bring a civil*
 2 *action against that person for the same remedy that*
 3 *might be imposed.*

4 *“(g) ADJUDICATIONS DEEMED ACTIONS.—Any admin-*
 5 *istrative adjudication commenced under this section shall*
 6 *be deemed an ‘action’ for purposes of section 1054(g).”.*

7 **SEC. 716. CIVIL INVESTIGATIVE DEMANDS TO BE APPEALED**
 8 **TO COURTS.**

9 *Section 1052 of the Consumer Financial Protection*
 10 *Act of 2010 (12 U.S.C. 5562) is amended—*

11 *(1) in subsection (c)—*

12 *(A) in paragraph (2), by inserting after*
 13 *“shall state” the following: “with specificity”;*
 14 *and*

15 *(B) by adding at the end the following:*

16 *“(14) MEETING REQUIREMENT.—The recipient of*
 17 *a civil investigative demand shall meet and confer*
 18 *with an Agency investigator within 30 calendar days*
 19 *after receipt of the demand to discuss and attempt to*
 20 *resolve all issues regarding compliance with the civil*
 21 *investigative demand, unless the Agency grants an ex-*
 22 *tension requested by such recipient.”;*

23 *(2) in subsection (f)—*

24 *(A) by amending paragraph (1) to read as*
 25 *follows:*

1 “(1) *IN GENERAL.*—Not later than 45 days after
2 the service of any civil investigative demand upon
3 any person under subsection (c), or at any time before
4 the return date specified in the demand, whichever pe-
5 riod is shorter, or within such period exceeding 45
6 days after service or in excess of such return date as
7 may be prescribed in writing, subsequent to service,
8 by any Agency investigator named in the demand,
9 such person may file, in the district court of the
10 United States for any judicial district in which such
11 person resides, is found, or transacts business, a peti-
12 tion for an order modifying or setting aside the de-
13 mand.”; and

14 (B) in paragraph (2), by striking “at the
15 Bureau”; and

16 (3) in subsection (h)—

17 (A) by striking “(1) *IN GENERAL.*—”; and

18 (B) by striking paragraph (2).

19 **SEC. 717. AGENCY DUAL MANDATE AND ECONOMIC ANAL-**
20 **YSIS.**

21 (a) *PURPOSE.*—Section 1021(a) of the Consumer Fi-
22 nancial Protection Act of 2010 (12 U.S.C. 5511(a)) is
23 amended by adding at the end the following: “In addition,
24 the Director shall seek to implement and, where applicable,
25 enforce Federal consumer financial law consistently for the

1 *purpose of strengthening participation in markets by cov-*
2 *ered persons, without Government interference or subsidies,*
3 *to increase competition and enhance consumer choice.”.*

4 *(b) OFFICE OF ECONOMIC ANALYSIS.—*

5 *(1) IN GENERAL.—Section 1013 of the Consumer*
6 *Financial Protection Act of 2010 (12 U.S.C. 5493) is*
7 *amended by adding at the end the following:*

8 *“(h) OFFICE OF ECONOMIC ANALYSIS.—*

9 *“(1) ESTABLISHMENT.—The Director shall, not*
10 *later than the end of the 60-day period beginning on*
11 *the date of the enactment of this subsection, establish*
12 *an Office of Economic Analysis.*

13 *“(2) DIRECT REPORTING.—The head of the Office*
14 *of Economic Analysis shall report directly to the Di-*
15 *rector.*

16 *“(3) REVIEW AND ASSESSMENT OF PROPOSED*
17 *RULES AND REGULATIONS.—The Office of Economic*
18 *Analysis shall—*

19 *“(A) review all proposed rules and regula-*
20 *tions of the Agency;*

21 *“(B) assess the impact of such rules and*
22 *regulations on consumer choice, price, and access*
23 *to credit products; and*

24 *“(C) publish a report on such reviews and*
25 *assessments in the Federal Register.*

1 “(4) *MEASURING EXISTING RULES AND REGULA-*
2 *TIONS.—The Office of Economic Analysis shall—*

3 “(A) *review each rule and regulation issued*
4 *by the Commission after 1, 2, 6, and 11 years;*

5 “(B) *measure the rule or regulation’s suc-*
6 *cess in solving the problem that the rule or regu-*
7 *lation was intended to solve when issued; and*

8 “(C) *publish a report on such review and*
9 *measurement in the Federal Register.*

10 “(5) *COST-BENEFIT ANALYSIS RELATED TO AD-*
11 *MINISTRATIVE ENFORCEMENT AND CIVIL ACTIONS.—*
12 *The Office of Economic Analysis shall—*

13 “(A) *carry out a cost-benefit analysis of*
14 *any proposed administrative enforcement action,*
15 *civil lawsuit, or consent order of the Agency; and*

16 “(B) *assess the impact of such complaint,*
17 *lawsuit, or order on consumer choice, price, and*
18 *access to credit products.”.*

19 (2) *CONSIDERATION OF REVIEW AND ASSESS-*
20 *MENT; RULEMAKING REQUIREMENTS.—Section*
21 *1022(b) of the Consumer Financial Protection Act of*
22 *2010 (12 U.S.C. 5512(b)) is amended by adding at*
23 *the end the following:*

24 “(5) *CONSIDERATION OF REVIEW AND ASSESS-*
25 *MENT BY THE OFFICE OF ECONOMIC ANALYSIS.—Be-*

1 *fore issuing any rule or regulation, the Director shall*
2 *consider the review and assessment of such rule or*
3 *regulation carried out by the Office of Economic*
4 *Analysis.*

5 “(6) *IDENTIFICATION OF PROBLEMS AND*
6 *METRICS FOR JUDGING SUCCESS.—*

7 “(A) *IN GENERAL.—The Director shall, in*
8 *each proposed rulemaking of the Agency—*

9 “(i) *identify the problem that the par-*
10 *ticular rule or regulations is seeking to*
11 *solve; and*

12 “(ii) *specify the metrics by which the*
13 *Agency will measure the success of the rule*
14 *or regulation in solving such problem.*

15 “(B) *REQUIRED METRICS.—The metrics*
16 *specified under subparagraph (A)(ii) shall in-*
17 *clude a measurement of changes to consumer ac-*
18 *cess to, and cost of, consumer financial products*
19 *and services.”.*

20 “(3) *CONSIDERATION OF COST-BENEFIT REVIEW*
21 *RELATED TO ADMINISTRATIVE ACTIONS.—The Dodd-*
22 *Frank Wall Street Reform and Consumer Protection*
23 *Act (12 U.S.C. 5301 et seq.) is amended—*

24 “(A) *in subtitle E of title X, by adding at the*
25 *end the following:*

1 **“SEC. 1059. CONSIDERATION OF COST-BENEFIT ANALYSIS**
 2 **RELATED TO ADMINISTRATIVE ENFORCE-**
 3 **MENT AND CIVIL ACTIONS.**

4 *“Before initiating any administrative enforcement ac-*
 5 *tion or civil lawsuit or entering into a consent order, the*
 6 *Director shall consider the cost-benefit analysis of such ac-*
 7 *tion, lawsuit, or order carried out by the Office of Economic*
 8 *Analysis.”; and*

9 *(B) in the table of contents under section*
 10 *1(b), by inserting after the item relating to sec-*
 11 *tion 1058 the following:*

“Sec. 1059. Consideration of cost-benefit analysis related to administrative en-
forcement and civil actions.”.

12 *(c) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY*
 13 *ANALYSES.—The Consumer Law Enforcement Agency may*
 14 *perform any of the analyses required by the amendments*
 15 *made by this section in conjunction with, or as part of,*
 16 *any other agenda or analysis required by any other provi-*
 17 *sion of law, if such other agenda or analysis satisfies the*
 18 *provisions of this section.*

19 **SEC. 718. NO DEFERENCE TO AGENCY INTERPRETATION.**

20 *The Consumer Financial Protection Act of 2010 (12*
 21 *U.S.C. 5481 et seq.) is amended—*

22 *(1) in section 1022(b)(4)—*

23 *(A) by striking “(A) IN GENERAL.—”; and*

24 *(B) by striking subparagraph (B); and*

1 (2) *in section 1061(b)(5)(E)—*

2 (A) *by striking “affords to the—” and all*
 3 *that follows through “(i) Federal Trade Commis-*
 4 *sion” and inserting “affords to the Federal*
 5 *Trade Commission”;*

6 (B) *by striking “; or” and inserting a pe-*
 7 *riod; and*

8 (C) *by striking clause (i).*

9 ***Subtitle B—Administrative***
 10 ***Enhancements***

11 ***SEC. 721. ADVISORY OPINIONS.***

12 *Section 1022(b) of the Consumer Financial Protection*
 13 *Act of 2010 (12 U.S.C. 5512(b)), as amended by section*
 14 *717, is further amended by adding at the end the following:*

15 “(7) *ADVISORY OPINIONS.—*

16 “(A) *ESTABLISHING PROCEDURES.—*

17 “(i) *IN GENERAL.—The Director shall*
 18 *establish a procedure and, as necessary,*
 19 *promulgate rules to provide written opin-*
 20 *ions in response to inquiries concerning the*
 21 *conformance of specific conduct with Fed-*
 22 *eral consumer financial law. In establishing*
 23 *the procedure, the Director shall consult*
 24 *with the prudential regulators and such*
 25 *other Federal departments and agencies as*

1 the Director determines appropriate, and
2 obtain the views of all interested persons
3 through a public notice and comment pe-
4 riod.

5 “(ii) *SCOPE OF REQUEST.*—A request
6 for an opinion under this paragraph must
7 relate to specific proposed or prospective
8 conduct by a covered person contemplating
9 the proposed or prospective conduct.

10 “(iii) *SUBMISSION.*—A request for an
11 opinion under this paragraph may be sub-
12 mitted to the Director either by or on behalf
13 of a covered person.

14 “(iv) *RIGHT TO WITHDRAW INQUIRY.*—
15 Any inquiry under this paragraph may be
16 withdrawn at any time prior to the Direc-
17 tor issuing an opinion in response to such
18 inquiry, and any opinion based on an in-
19 quiry that has been withdrawn shall have
20 no force or effect.

21 “(B) *ISSUANCE OF OPINIONS.*—

22 “(i) *IN GENERAL.*—The Director shall,
23 within 90 days of receiving the request for
24 an opinion under this paragraph, either—

1 “(I) issue an opinion stating
2 whether the described conduct would
3 violate Federal consumer financial
4 law;

5 “(II) if permissible under clause
6 (iii), deny the request; or

7 “(III) explain why it is not fea-
8 sible to issue an opinion.

9 “(ii) *EXTENSION.*—Notwithstanding
10 clause (i), if the Director determines that
11 the Agency requires additional time to issue
12 an opinion, the Director may make a single
13 extension of the deadline of 90 days or less.

14 “(iii) *DENIAL OF REQUESTS.*—The Di-
15 rector shall not issue an opinion, and shall
16 so inform the requestor, if the request for an
17 opinion—

18 “(I) asks a general question of in-
19 terpretation;

20 “(II) asks about a hypothetical
21 situation;

22 “(III) asks about the conduct of
23 someone other than the covered person
24 on whose behalf the request is made;

1 “(IV) asks about past conduct
2 that the covered person on whose behalf
3 the request is made does not plan to
4 continue in the future; or

5 “(V) fails to provide necessary
6 supporting information requested by
7 the Agency within a reasonable time
8 established by the Agency.

9 “(iv) AMENDMENT AND REVOCATION.—
10 An advisory opinion issued under this
11 paragraph may be amended or revoked at
12 any time.

13 “(v) PUBLIC DISCLOSURE.—An opin-
14 ion rendered pursuant to this paragraph
15 shall be placed in the Agency’s public record
16 90 days after the requesting party has re-
17 ceived the advice, subject to any limitations
18 on public disclosure arising from statutory
19 restrictions, Agency regulations, or the pub-
20 lic interest. The Agency shall redact any
21 personal, confidential, or identifying infor-
22 mation about the covered person or any
23 other persons mentioned in the advisory
24 opinion, unless the covered person consents
25 to such disclosure.

1 “(vi) *REPORT TO CONGRESS.*—*The*
2 *Agency shall, concurrent with the semi-an-*
3 *nual report required under section 1016(b),*
4 *submit information regarding the number of*
5 *requests for an advisory opinion received,*
6 *the subject of each request, the number of re-*
7 *quests denied pursuant to clause (iii), and*
8 *the time needed to respond to each request.*

9 “(C) *RELIANCE ON OPINION.*—*Any person*
10 *may rely on an opinion issued by the Director*
11 *pursuant to this paragraph that has not been*
12 *amended or withdrawn. No liability under Fed-*
13 *eral consumer financial law shall attach to con-*
14 *duct consistent with an advisory opinion that*
15 *had not been amended or withdrawn at the time*
16 *the conduct was undertaken.*

17 “(D) *CONFIDENTIALITY.*—*Any document or*
18 *other material that is received by the Agency or*
19 *any other Federal department or agency in con-*
20 *nection with an inquiry under this paragraph*
21 *shall be exempt from disclosure under section*
22 *552 of title 5, United States Code (commonly re-*
23 *ferred to as the ‘Freedom of Information Act’)*
24 *and may not, except with the consent of the cov-*
25 *ered person making such inquiry, be made pub-*

1 *licly available, regardless of whether the Director*
2 *responds to such inquiry or the covered person*
3 *withdraws such inquiry before receiving an opin-*
4 *ion.*

5 “(E) ASSISTANCE FOR SMALL BUSI-
6 NESSES.—

7 “(i) IN GENERAL.—*The Agency shall*
8 *assist, to the maximum extent practicable,*
9 *small businesses in preparing inquiries*
10 *under this paragraph.*

11 “(ii) SMALL BUSINESS DEFINED.—*For*
12 *purposes of this subparagraph, the term*
13 *‘small business’ has the meaning given the*
14 *term ‘small business concern’ under section*
15 *3 of the Small Business Act (15 U.S.C.*
16 *632).*

17 “(F) INQUIRY FEE.—

18 “(i) IN GENERAL.—*The Director shall*
19 *develop a system to charge a fee for each in-*
20 *quiry made under this paragraph in an*
21 *amount sufficient, in the aggregate, to pay*
22 *for the cost of carrying out this paragraph.*

23 “(ii) NOTICE AND COMMENT.—*Not*
24 *later than 45 days after the date of the en-*
25 *actment of this paragraph, the Director*

1 *shall publish a description of the fee system*
2 *described in clause (i) in the Federal Reg-*
3 *ister and shall solicit comments from the*
4 *public for a period of 60 days after publica-*
5 *tion.*

6 “(iii) *FINALIZATION.*—*The Director*
7 *shall publish a final description of the fee*
8 *system and implement such fee system not*
9 *later than 30 days after the end of the pub-*
10 *lic comment period described in clause*
11 *(ii).”.*

12 **SEC. 722. REFORM OF CONSUMER FINANCIAL CIVIL PEN-**
13 **ALTY FUND.**

14 (a) *SEGREGATED ACCOUNTS.*—*Section 1017(b) of the*
15 *Consumer Financial Protection Act of 2010, as redesignated*
16 *by section 713, is amended by redesignating paragraph (2)*
17 *as paragraph (3), and by inserting after paragraph (1) the*
18 *following new paragraph:*

19 “(2) *SEGREGATED ACCOUNTS IN CIVIL PENALTY*
20 *FUND.*—

21 “(A) *IN GENERAL.*—*The Agency shall estab-*
22 *lish and maintain a segregated account in the*
23 *Civil Penalty Fund each time the Agency obtains*
24 *a civil penalty against any person in any judi-*

1 *cial or administrative action under Federal con-*
2 *sumer financial laws.*

3 “(B) *DEPOSITS IN SEGREGATED AC-*
4 *COUNTS.—The Agency shall deposit each civil*
5 *penalty collected into the segregated account es-*
6 *tablished for such penalty under subparagraph*
7 *(A).”.*

8 (b) *PAYMENT TO VICTIMS.—Paragraph (3) of section*
9 *1017(b) of such Act, as redesignated by subsection (a), is*
10 *amended to read as follows:*

11 “(3) *PAYMENT TO VICTIMS.—*

12 “(A) *IN GENERAL.—*

13 “(i) *IDENTIFICATION OF CLASS.—Not*
14 *later than 60 days after the date of deposit*
15 *of amounts in a segregated account in the*
16 *Civil Penalty Fund, the Agency shall iden-*
17 *tify the class of victims of the violation of*
18 *Federal consumer financial laws for which*
19 *such amounts were collected and deposited*
20 *under paragraph (2).*

21 “(ii) *PAYMENTS.—The Agency, within*
22 *2 years after the date on which such class*
23 *of victims is identified, shall locate and*
24 *make payments from such amounts to each*
25 *victim.*

1 “(B) *FUNDS DEPOSITED IN TREASURY.*—

2 “(i) *IN GENERAL.*—*The Agency shall*
3 *deposit into the general fund of the Treas-*
4 *ury any amounts remaining in a segregated*
5 *account in the Civil Penalty Fund at the*
6 *end of the 2-year period for payments to*
7 *victims under subparagraph (A).*”

8 “(ii) *IMPOSSIBLE OR IMPRACTICAL*
9 *PAYMENTS.*—*If the Agency determines before*
10 *the end of the 2-year period for payments to*
11 *victims under subparagraph (A) that such*
12 *victims cannot be located or payments to*
13 *such victims are otherwise not practicable,*
14 *the Agency shall deposit into the general*
15 *fund of the Treasury the amounts in the*
16 *segregated account in the Civil Penalty*
17 *Fund.*”

18 (c) *EFFECTIVE DATE.*—

19 (1) *IN GENERAL.*—*The amendments made by*
20 *this section shall apply with respect to civil penalties*
21 *collected after the date of enactment of this Act.*

22 (2) *AMOUNTS IN CONSUMER FINANCIAL CIVIL*
23 *PENALTY FUND ON DATE OF ENACTMENT.*—*With re-*
24 *spect to amounts in the Consumer Financial Civil*
25 *Penalty Fund on the date of enactment of this Act*

1 *that were not allocated for consumer education and*
2 *financial literacy programs on or before September*
3 *30, 2015, the Consumer Law Enforcement Agency*
4 *shall separate such amounts into segregated accounts*
5 *in accordance with, and for purposes of, section*
6 *1017(d) of the Consumer Financial Protection Act of*
7 *2010, as amended by this section. The date of deposit*
8 *of such amounts shall be deemed to be the date of en-*
9 *actment of this Act.*

10 **SEC. 723. AGENCY PAY FAIRNESS.**

11 *(a) IN GENERAL.—Section 1013(a)(2) of the Consumer*
12 *Financial Protection Act of 2010 (12 U.S.C. 5493(a)(2))*
13 *is amended to read as follows:*

14 *“(2) COMPENSATION.—The rates of basic pay for*
15 *all employees of the Agency shall be set and adjusted*
16 *by the Director in accordance with the General Sched-*
17 *ule set forth in section 5332 of title 5, United States*
18 *Code.”.*

19 *(b) EFFECTIVE DATE.—The amendment made by sub-*
20 *section (a) shall apply to service by an employee of the Con-*
21 *sumer Law Enforcement Agency following the 90-day pe-*
22 *riod beginning on the date of enactment of this Act.*

1 **SEC. 724. ELIMINATION OF MARKET MONITORING FUNC-**
2 **TIONS.**

3 *The Consumer Financial Protection Act of 2010 (12*
4 *U.S.C. 5481 et seq.) is amended—*

5 *(1) in section 1021(c)—*

6 *(A) by striking paragraph (3); and*

7 *(B) by redesignating paragraphs (4), (5),*
8 *and (6) as paragraphs (3), (4), and (5), respec-*
9 *tively;*

10 *(2) in section 1022, by striking subsection (c);*

11 *and*

12 *(3) in section 1026(b), by striking “, and to as-*
13 *sess and detect risks to consumers and consumer fi-*
14 *nancial markets”.*

15 **SEC. 725. REFORMS TO MANDATORY FUNCTIONAL UNITS.**

16 *The Consumer Financial Protection Act of 2010 (12*
17 *U.S.C. 5481 et seq.) is amended—*

18 *(1) in section 1013—*

19 *(A) in subsection (b)—*

20 *(i) in paragraph (1), by striking “shall*
21 *establish” and inserting “may establish”;*

22 *(ii) in paragraph (2), by striking*
23 *“shall establish” and inserting “may estab-*
24 *lish”; and*

25 *(iii) paragraph (3)(D)—*

1 (I) by striking “To facilitate
2 preparation of the reports required
3 under subparagraph (C), supervision
4 and enforcement activities, and moni-
5 toring of the market for consumer fi-
6 nancial products and services, the”
7 and inserting “The”; and

8 (II) by adding at the end the fol-
9 lowing: “Information collected under
10 this paragraph may not be made pub-
11 licly available.”;

12 (B) in subsection (c)—

13 (i) in paragraph (1), by striking “shall
14 establish” and inserting “may establish”;
15 and

16 (ii) in paragraph (3), by striking
17 “There is established the” and inserting “At
18 any time when the Office of Fair Lending
19 and Equal Opportunity exists within the
20 Agency, there shall be a”;

21 (C) in subsection (d)—

22 (i) in paragraph (1), by striking “shall
23 establish” and inserting “may establish”;

24 (ii) in paragraph (3)—

1 (I) in subparagraph (A), by in-
2 serting “, if such Office exists within
3 the Agency,” after “Community Affairs
4 Office”; and

5 (II) in subparagraph (B), by
6 striking “established by the Director”
7 and inserting “, if established by the
8 Director,”; and

9 (iii) in paragraph (4), by striking
10 “Not later than 24 months after the des-
11 ignated transfer date, and annually there-
12 after,” and inserting “Annually, at any
13 time when the Office of Financial Edu-
14 cation exists within the Agency,”;

15 (D) in subsection (e)(1), by striking “shall
16 establish” and inserting “may establish”;

17 (E) by striking subsection (f);

18 (F) by redesignating subsections (g) and (h)
19 as subsections (f) and (g), respectively; and

20 (G) in subsection (f), as so redesignated—

21 (i) in paragraph (1)—

22 (I) by striking “Before the end of
23 the 180-day period beginning on the
24 designated transfer date, the Director

1 *shall*” and inserting “*The Director*
2 *may*”; and

3 (II) by striking “*on protection*
4 *from unfair, deceptive, and abusive*
5 *practices and*”;

6 (ii) in paragraph (2), by striking “*The*
7 *Office*” and inserting “*At any time when*
8 *the Office of Financial Protection for Older*
9 *Americans exists within the Agency, the Of-*
10 *fice*”; and

11 (iii) in paragraph (3)—

12 (I) in subparagraph (A)—

13 (aa) by striking clause (i);

14 (bb) by redesignating clauses
15 (i) and (iii) as clauses (i) and
16 (ii), respectively; and

17 (cc) in clause (ii), as so re-
18 designated, by striking “*to re-*
19 *pond to consumer problems*
20 *caused by unfair, deceptive, or*
21 *abusive practices*”;

22 (II) in subparagraph (B), by
23 striking “*and alert the Commission*
24 *and State regulators of certifications or*

1 *designations that are identified as un-*
2 *fair, deceptive, or abusive”; and*

3 (III) *in subparagraph (D)—*

4 (aa) *by striking clause (i);*

5 *and*

6 (bb) *by redesignating clauses*

7 (ii) *and (iii) as clauses (i) and*

8 (ii), *respectively;*

9 (2) *in section 1029(e), by inserting after “Af-*
10 *fairs,” the following: “if established under this title,”;*

11 *and*

12 (3) *in section 1035—*

13 (A) *in subsection (a), by striking “shall des-*
14 *ignate” and inserting “may designate”; and*

15 (B) *in subsection (b), by striking “The Sec-*
16 *retary” and inserting “If the Secretary des-*
17 *ignates the Ombudsman under subsection (a), the*
18 *Secretary”.*

19 **SEC. 726. REPEAL OF MANDATORY ADVISORY BOARD.**

20 (a) *IN GENERAL.—Section 1014 of the Consumer Fi-*
21 *nancial Protection Act of 2010 (12 U.S.C. 5494) is repealed.*

22 (b) *CLERICAL AMENDMENT.—The table of contents in*
23 *section 1(b) of the Dodd-Frank Wall Street Reform and*
24 *Consumer Protection Act is amended by striking the item*
25 *relation to section 1014.*

1 (c) *RULE OF CONSTRUCTION.*—Nothing in this section
2 may be construed as limiting the authority of the Director
3 of the Consumer Law Enforcement Agency to establish advi-
4 sory committees pursuant to the Federal Advisory Com-
5 mittee Act.

6 **SEC. 727. ELIMINATION OF SUPERVISION AUTHORITY.**

7 (a) *IN GENERAL.*—The Consumer Financial Protec-
8 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

9 (1) in section 1002(15)(B)(ii)(I), by striking
10 “examination or”;

11 (2) in section 1013(a)(1)(B), by striking “com-
12 pliance examiners, compliance supervision analysts,”;

13 (3) in section 1016(c)—

14 (A) in paragraph (5), by striking “super-
15 visory and”; and

16 (B) in paragraph (6), by striking “orders,
17 and supervisory actions” and inserting “and or-
18 ders”;

19 (4) in section 1024—

20 (A) in the heading, by striking “**SUPER-**
21 **VISION OF**” and inserting “**AUTHORITY WITH**
22 **RESPECT TO CERTAIN**”;

23 (B) in subsection (a)—

24 (i) in paragraph (1)(B), by striking
25 “as defined by rule in accordance with

1 *paragraph (2)*” and inserting “*as of the*
2 *date of the enactment of the Financial*
3 *CHOICE Act of 2017*”;

4 *(ii) by striking paragraph (2);*

5 *(iii) by redesignating paragraph (3) as*
6 *paragraph (2); and*

7 *(iv) in subparagraph (A) of paragraph*
8 *(2), as so redesignated, by striking “1025(a)*
9 *or”;*

10 *(C) by striking subsection (b);*

11 *(D) by redesignating subsections (c), (d),*
12 *(e), and (f) as subsections (b), (c), (d), and (e),*
13 *respectively;*

14 *(E) in subsection (c), as so redesignated—*

15 *(i) in the heading, by striking “AND*
16 *EXAMINATION AUTHORITY”;* and

17 *(ii) by striking “, conduct examina-*
18 *tions,” each place such term appears;*

19 *(F) in subsection (d), as so redesignated—*

20 *(i) by inserting “rulemaking and en-*
21 *forcement, but not supervisory,” before “au-*
22 *thority of the Bureau”;* and

23 *(ii) by striking “conducting any exam-*
24 *ination or requiring any report from a*
25 *service provider subject to this subsection”*

1 and inserting “carrying out any authority
2 pursuant to this subsection with respect to
3 a service provider”;

4 (5) by striking section 1025;

5 (6) in section 1026—

6 (A) by amending subsection (a) to read as
7 follows:

8 “(a) *SCOPE OF COVERAGE.*—This section shall apply
9 to any covered person that is an insured depository institu-
10 tion or an insured credit union.”;

11 (B) in subsection (b)(3), by striking “report
12 of examination or related”;

13 (C) by striking subsection (c);

14 (D) by redesignating subsections (d) and (e)
15 as subsections (c) and (d), respectively; and

16 (E) in subsection (d), as so redesignated—

17 (i) by striking “section 1025” and in-
18 serting “this section”; and

19 (ii) by striking “When conducting any
20 examination or requiring any report from a
21 service provider subject to this subsection”
22 and inserting “In carrying out any author-
23 ity pursuant to this subsection with respect
24 to a service provider”;

25 (7) in section 1027—

1 (A) by striking “supervisory,” each place
2 such term appears;

3 (B) in subsection (e)(1), by striking “super-
4 visory or”; and

5 (C) in subsection (p), by striking “section
6 1024(c)(1)” and inserting “section 1024(b)(1)”;
7 (8) in section 1034—

8 (A) by striking subsections (b) and (c); and

9 (B) by redesignating subsection (d) as sub-
10 section (b);

11 (9) in section 1053—

12 (A) in subsection (b)(1)(A), by striking
13 “sections 1024, 1025, and 1026” and inserting
14 “sections 1024 and 1026”; and

15 (B) in subsection (c)(3)(B)(ii)(II), by strik-
16 ing “, by examination or otherwise,”;

17 (10) in section 1054(a), by striking “sections
18 1024, 1025, and 1026” and inserting “sections 1024
19 and 1026”;

20 (11) in section 1061—

21 (A) in subsection (a)(1)—

22 (i) in subparagraph (A), by striking “;
23 and” at the end and inserting a period; and

24 (ii) by striking subparagraph (B); and

25 (B) in subsection (c)—

1 (i) by amending paragraph (1) to read
2 as follows:

3 “(1) *EXAMINATION*.—A transferor agency that is
4 a prudential regulator shall have exclusive authority
5 (relative to the Bureau) to require reports from and
6 conduct examinations for compliance with Federal
7 consumer financial laws with respect to a person de-
8 scribed in section 1026(a).”;

9 (ii) in paragraph (2)—

10 (I) by striking subparagraph (A);

11 and

12 (II) by redesignating subpara-
13 graphs (B) and (C) as subparagraphs
14 (A) and (B), respectively;

15 (12) in section 1063, by striking “sections 1024,
16 1025, and 1026” each place such term appears and
17 inserting “sections 1024 and 1026”; and

18 (13) in section 1067, by striking subsection (e).

19 (b) *HOME MORTGAGE DISCLOSURE ACT OF 1975*.—
20 Section 305(d) of the Home Mortgage Disclosure Act of 1975
21 (12 U.S.C. 2804(d)) is amended by striking “examine and”.

22 (c) *OMNIBUS APPROPRIATIONS ACT, 2009*.—Section
23 626 of the Omnibus Appropriations Act, 2009 (15 U.S.C.
24 1638 note) is repealed.

1 (d) *CLERICAL AMENDMENT.*—*The table of contents in*
2 *section 1(b) of the Dodd-Frank Wall Street Reform and*
3 *Consumer Protection Act is amended—*

4 (1) *in the item relating to section 1024, by strik-*
5 *ing “SUPERVISION OF” and inserting “AUTHOR-*
6 *ITY WITH RESPECT TO CERTAIN”;* and

7 (2) *by striking the item relating to section 1025.*

8 **SEC. 728. TRANSFER OF OLD OTS BUILDING FROM OCC TO**
9 **GSA.**

10 *Not later than 180 days after the date of enactment*
11 *of this Act, the Comptroller of the Currency shall transfer*
12 *administrative jurisdiction over the Federal property lo-*
13 *cated at 1700 G Street, Northwest, in the District of Colum-*
14 *bia to the Administrator of General Services.*

15 **SEC. 729. LIMITATION ON AGENCY AUTHORITY.**

16 *Section 1027 of the Consumer Financial Protection*
17 *Act of 2010 (12 U.S.C. 5517) is amended—*

18 (1) *in subsection (g)(3)(A), by striking “may not*
19 *exercise any rulemaking or enforcement authority”*
20 *and inserting “may not exercise any rulemaking, en-*
21 *forcement, or other authority”;*

22 (2) *in subsection (i)(1), by striking “shall have*
23 *no authority to exercise any power to enforce this*
24 *title” and inserting “may not exercise any rule-*
25 *making, enforcement, or other authority”;* and

1 (3) in subsection (j)(1), by striking “shall have
2 no authority to exercise any power to enforce this
3 title” and inserting “may not exercise any rule-
4 making, enforcement, or other authority”.

5 **Subtitle C—Policy Enhancements**

6 **SEC. 731. CONSUMER RIGHT TO FINANCIAL PRIVACY.**

7 (a) *REQUIREMENT OF THE AGENCY TO OBTAIN PER-*
8 *MISSION BEFORE COLLECTING NONPUBLIC PERSONAL IN-*
9 *FORMATION.*—Section 1022 of the Consumer Financial Pro-
10 tection Act of 2010 (12 U.S.C. 5512), as amended by section
11 724(3), is further amended by inserting after subsection (b)
12 the following:

13 “(c) *CONSUMER PRIVACY.*—

14 “(1) *IN GENERAL.*—The Agency may not request,
15 obtain, access, collect, use, retain, or disclose any non-
16 public personal information about a consumer un-
17 less—

18 “(A) the Agency clearly and conspicuously
19 discloses to the consumer, in writing or in an
20 electronic form, what information will be re-
21 quested, obtained, accessed, collected, used, re-
22 tained, or disclosed; and

23 “(B) before such information is requested,
24 obtained, accessed, collected, used, retained, or
25 disclosed, the consumer informs the Agency that

1 *such information may be requested, obtained,*
2 *accessed, collected, used, retained, or disclosed.*

3 “(2) *APPLICATION OF REQUIREMENT TO CON-*
4 *TRACTORS OF THE AGENCY.—Paragraph (1) shall*
5 *apply to any person directed or engaged by the Agen-*
6 *cy to collect information to the extent such informa-*
7 *tion is being collected on behalf of the Agency.*

8 “(3) *DEFINITION OF NONPUBLIC PERSONAL IN-*
9 *FORMATION.—In this subsection, the term ‘nonpublic*
10 *personal information’ has the meaning given the term*
11 *in section 509 of the Gramm-Leach-Bliley Act (15*
12 *U.S.C. 6809).’.*

13 “(b) *REMOVAL OF EXEMPTION FOR THE AGENCY FROM*
14 *THE RIGHT TO FINANCIAL PRIVACY ACT.—Section 1113 of*
15 *the Right to Financial Privacy Act of 1978 (12 U.S.C.*
16 *3413) is amended by striking subsection (r).*

17 **SEC. 732. REPEAL OF COUNCIL AUTHORITY TO SET ASIDE**
18 **AGENCY RULES AND REQUIREMENT OF SAFE-**
19 **TY AND SOUNDNESS CONSIDERATIONS WHEN**
20 **ISSUING RULES.**

21 “(a) *REPEAL OF AUTHORITY.—*

22 “(1) *IN GENERAL.—Section 1023 of the Consumer*
23 *Financial Protection Act of 2010 (12 U.S.C. 5513) is*
24 *hereby repealed.*

1 (2) *CONFORMING AMENDMENT.*—Section
 2 1022(b)(2)(C) of the Consumer Financial Protection
 3 Act of 2010 (12 U.S.C. 5512(b)(2)(C)) is amended by
 4 striking “, except that nothing in this clause shall be
 5 construed as altering or limiting the procedures under
 6 section 1023 that may apply to any rule prescribed
 7 by the Bureau”.

8 (3) *CLERICAL AMENDMENT.*—The table of con-
 9 tents under section 1(b) of the Dodd-Frank Wall
 10 Street Reform and Consumer Protection Act is
 11 amended by striking the item relating to section 1023.

12 (b) *SAFETY AND SOUNDNESS CHECK.*—Section
 13 1022(b)(2)(A) of the Consumer Financial Protection Act of
 14 2010 (12 U.S.C. 5512(b)(2)(A)) is amended—

15 (1) in clause (i), by striking “and” at the end;

16 (2) in clause (ii), by adding “and” at the end;

17 and

18 (3) by adding at the end the following:

19 “(iii) the impact of such rule on the fi-
 20 nancial safety or soundness of an insured
 21 depository institution;”.

22 **SEC. 733. REMOVAL OF AUTHORITY TO REGULATE SMALL-**
 23 **DOLLAR CREDIT.**

24 The Consumer Financial Protection Act of 2010 (12
 25 U.S.C. 5481 et seq.) is amended—

1 (1) *in section 1024(a)(1)—*

2 (A) *in subparagraph (C), by adding “or” at*
3 *the end;*

4 (B) *in subparagraph (D), by striking “; or”*
5 *and inserting a period; and*

6 (C) *by striking subparagraph (E); and*

7 (2) *in section 1027, by adding at the end the fol-*
8 *lowing:*

9 “(t) *NO AUTHORITY TO REGULATE SMALL-DOLLAR*
10 *CREDIT.—The Agency may not exercise any rulemaking,*
11 *enforcement, or other authority with respect to payday*
12 *loans, vehicle title loans, or other similar loans.”.*

13 **SEC. 734. REFORMING INDIRECT AUTO FINANCING GUID-**
14 **ANCE.**

15 (a) *NULLIFICATION OF AUTO LENDING GUIDANCE.—*
16 *Bulletin 2013–02 of the Bureau of Consumer Financial*
17 *Protection (published March 21, 2013) shall have no force*
18 *or effect.*

19 (b) *GUIDANCE REQUIREMENTS.—Section 1022(b) of*
20 *the Consumer Financial Protection Act of 2010 (12 U.S.C.*
21 *5512(b)), as amended by section 721, is further amended*
22 *by adding at the end the following:*

23 “(8) *GUIDANCE ON INDIRECT AUTO FINANC-*
24 *ING.—In proposing and issuing guidance primarily*
25 *related to indirect auto financing, the Agency shall—*

1 “(A) provide for a public notice and com-
2 ment period before issuing the guidance in final
3 form;

4 “(B) make available to the public, including
5 on the website of the Agency, all studies, data,
6 methodologies, analyses, and other information
7 relied on by the Agency in preparing such guid-
8 ance;

9 “(C) redact any information that is exempt
10 from disclosure under paragraph (3), (4), (6),
11 (7), or (8) of section 552(b) of title 5, United
12 States Code;

13 “(D) consult with the Board of Governors of
14 the Federal Reserve System, the Federal Trade
15 Commission, and the Department of Justice; and

16 “(E) conduct a study on the costs and im-
17 pacts of such guidance to consumers and women-
18 owned, minority-owned, veteran-owned, and
19 small businesses, including consumers and small
20 businesses in rural areas.”.

21 (c) *RULE OF CONSTRUCTION.*—Nothing in this section
22 shall be construed to apply to guidance issued by the Con-
23 sumer Law Enforcement Agency that is not primarily re-
24 lated to indirect auto financing.

1 **SEC. 735. PROHIBITION OF GOVERNMENT PRICE CONTROLS**
2 **FOR PAYMENT CARD TRANSACTIONS.**

3 (a) *IN GENERAL.*—Section 1075 of the Consumer Fi-
4 nancial Protection Act of 2010 is hereby repealed and the
5 provisions of law amended by such section are revived or
6 restored as if such section had not been enacted.

7 (b) *CLERICAL AMENDMENT.*—The table of contents
8 under section 1(b) of the Dodd-Frank Wall Street Reform
9 and Consumer Protection Act is amended by striking the
10 item relating to section 1075.

11 **SEC. 736. REMOVAL OF AGENCY UDAAP AUTHORITY.**

12 (a) *IN GENERAL.*—The Consumer Financial Protec-
13 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

14 (1) in section 1021(b)(2), by striking “unfair,
15 deceptive, or abusive acts and practices and”;

16 (2) by striking section 1031;

17 (3) in section 1036(a)—

18 (A) in paragraph (1)—

19 (i) by striking “provider” and all that
20 follows through “to offer” and inserting
21 “provider to offer”;

22 (ii) by striking subparagraph (B); and

23 (B) in paragraph (2)(C), by striking “; or”
24 at the end and inserting a period; and

25 (C) by striking paragraph (3); and

26 (4) in section 1061(b)(5)—

1 (A) in subparagraph (B), by striking clause
2 (ii);
3 (B) by striking subparagraph (D); and
4 (C) by redesignating subparagraph (E) (as
5 amended by section 718(2)) as subparagraph
6 (D); and
7 (5) in section 1076(b)(2), by striking “deter-
8 mine—” and all that follows through “(B) provide
9 for” and inserting “determine, provide for”.

10 (b) *TELEMARKETING AND CONSUMER FRAUD AND*
11 *ABUSE PREVENTION ACT.*—Section 3(c) of the Tele-
12 *marketing and Consumer Fraud and Abuse Prevention Act*
13 *(15 U.S.C. 6102) is amended—*

14 (1) in paragraph (1), by striking “; and” at the
15 end and inserting a period;

16 (2) by striking paragraph (2); and

17 (3) by striking “subsection (a)—” and all that
18 follows through “(1) shall” and inserting “subsection
19 (a) shall”.

20 (c) *CLERICAL AMENDMENT.*—The table of contents in
21 *section 1(b) of the Dodd-Frank Wall Street Reform and*
22 *Consumer Protection Act is amended by striking the item*
23 *relating to section 1031.*

1 **SEC. 737. PRESERVATION OF UDAP AUTHORITY FOR FED-**
2 **ERAL BANKING REGULATORS.**

3 (a) *IN GENERAL.*—Section 18(f) of the Federal Trade
4 Commission Act (15 U.S.C. 57a(f)) is amended to read as
5 follows:

6 “(f) *UNFAIR OR DECEPTIVE ACTS OR PRACTICES BY*
7 *DEPOSITORY INSTITUTIONS.*—

8 “(1) *IN GENERAL.*—In order to prevent unfair or
9 deceptive acts or practices in or affecting commerce
10 (including acts or practices which are unfair or de-
11 ceptive to consumers) by depository institutions, each
12 Federal banking regulator shall prescribe regulations
13 to carry out the purposes of this section, including
14 regulations defining with specificity such unfair or
15 deceptive acts or practices, and containing require-
16 ments prescribed for the purpose of preventing such
17 acts or practices.

18 “(2) *PROMULGATING SUBSTANTIALLY SIMILAR*
19 *REGULATIONS.*—Whenever the Commission prescribes
20 a rule under subsection (a)(1)(B), then within 60
21 days after such rule takes effect each Federal banking
22 regulator shall promulgate substantially similar regu-
23 lations prohibiting acts or practices of depository in-
24 stitutions which are substantially similar to those
25 prohibited by rules of the Commission and which im-
26 pose substantially similar requirements, unless—

1 “(A) *the Federal banking regulator finds*
2 *that such acts or practices of depository institu-*
3 *tions are not unfair or deceptive; or*

4 “(B) *the Board of Governors of the Federal*
5 *Reserve System finds that implementation of*
6 *similar regulations with respect to depository in-*
7 *stitutions would seriously conflict with essential*
8 *monetary and payments systems policies of such*
9 *Board, and publishes any such finding, and the*
10 *reasons therefor, in the Federal Register.*

11 “(3) *ENFORCEMENT.—*

12 “(A) *IN GENERAL.—Compliance with regu-*
13 *lations prescribed under this subsection shall be*
14 *enforced—*

15 “(i) *under section 8 of the Federal De-*
16 *posit Insurance Act, with respect to a de-*
17 *pository institution other than a Federal*
18 *credit union; and*

19 “(ii) *under sections 120 and 206 of the*
20 *Federal Credit Union Act, with respect to a*
21 *Federal credit union.*

22 “(B) *DEEMING OF VIOLATION.—For the*
23 *purpose of the exercise by a Federal banking reg-*
24 *ulator of the regulator’s powers under any Act*
25 *referred to in subparagraph (A), a violation of*

1 *any regulation prescribed under this subsection*
2 *shall be deemed to be a violation of a require-*
3 *ment imposed under that Act.*

4 “(C) *ENFORCEMENT THROUGH ANY EXIST-*
5 *ING AUTHORITY.*—*In addition to its powers*
6 *under any provision of law specifically referred*
7 *to in subparagraph (A), each Federal banking*
8 *regulator may exercise, for the purpose of enforce-*
9 *ing compliance with any regulation prescribed*
10 *under this subsection, any other authority con-*
11 *ferred on the regulator by law.*

12 “(4) *RULE OF CONSTRUCTION.*—*The authority of*
13 *the Board of Governors of the Federal Reserve System*
14 *to issue regulations under this subsection does not im-*
15 *pair the authority of any other Federal banking regu-*
16 *lator to make rules respecting the regulator’s own pro-*
17 *cedures in enforcing compliance with regulations pre-*
18 *scribed under this subsection.*

19 “(5) *REPORT TO CONGRESS.*—*Each Federal*
20 *banking regulator exercising authority under this sub-*
21 *section shall transmit to the Congress each year a de-*
22 *tailed report on its activities under this subsection*
23 *during the preceding calendar year.*

24 “(6) *DEFINITIONS.*—*For purposes of this Act:*

25 “(A) *BANK.*—*The term ‘bank’ means—*

1 “(i) *national banks and Federal*
2 *branches and Federal agencies of foreign*
3 *banks;*

4 “(ii) *member banks of the Federal Re-*
5 *serve System (other than national banks),*
6 *branches and agencies of foreign banks*
7 *(other than Federal branches, Federal agen-*
8 *cies, and insured State branches of foreign*
9 *banks), commercial lending companies*
10 *owned or controlled by foreign banks, and*
11 *organizations operating under section 25 or*
12 *25A of the Federal Reserve Act; and*

13 “(iii) *banks insured by the Federal De-*
14 *posit Insurance Corporation (other than*
15 *banks referred to in clause (i) or (ii) and*
16 *insured State branches of foreign banks.*

17 “(B) *DEPOSITORY INSTITUTION.—The term*
18 *‘depository institution’ means a bank, a savings*
19 *and loan institution, or a Federal credit union.*

20 “(C) *FEDERAL BANKING REGULATOR.—The*
21 *term ‘Federal banking regulator’—*

22 “(i) *has the meaning given the term*
23 *‘appropriate Federal banking agency’ under*
24 *section 3 of the Federal Deposit Insurance*
25 *Act; and*

1 “(ii) means the National Credit Union
2 Administration, in the case of a Federal
3 credit union.

4 “(D) FEDERAL CREDIT UNION.—The term
5 ‘Federal credit union’ has the same meaning as
6 in section 101 of the Federal Credit Union Act.

7 “(E) SAVINGS AND LOAN INSTITUTION.—
8 The term ‘savings and loan institution’ has the
9 same meaning as in section 3 of the Federal De-
10 posit Insurance Act.

11 “(F) OTHER TERMS.—The terms used in
12 this paragraph that are not defined in this Act
13 or otherwise defined in section 3(s) of the Federal
14 Deposit Insurance Act shall have the meaning
15 given to them in section 1(b) of the International
16 Banking Act of 1978.”

17 (b) CONFORMING AMENDMENTS.—The Federal Trade
18 Commission Act (15 U.S.C. 41 et seq.) is amended—

19 (1) in section 6(j)(6), by striking “section
20 18(f)(3) (15 U.S.C. 57a(f)(3)), a Federal credit union
21 described in section 18(f)(4) (15 U.S.C. 57a(f)(4))”
22 and inserting “section 18(f), a Federal credit union
23 described in section 18(f)”;

24 (2) in section 21(b)(6)(C), by striking “section
25 18(f)(3) of the Federal Trade Commission Act (15

1 *U.S.C. 57a(f)(3)), or a Federal credit union described*
2 *in section 18(f)(4) of the Federal Trade Commission*
3 *Act (15 U.S.C. 57a(f)(4))” and inserting “18(f), or a*
4 *Federal credit union described in section 18(f)”;*

5 *(3) by striking “section 18(f)(2)” each place such*
6 *term appears and inserting “section 18(f)”;*

7 *(4) by striking “section 18(f)(3)” each place such*
8 *term appears and inserting “section 18(f)”;* and

9 *(5) by striking “section 18(f)(4)” each place such*
10 *term appears and inserting “section 18(f)”.*

11 **SEC. 738. REPEAL OF AUTHORITY TO RESTRICT ARBITRA-**
12 **TION.**

13 *(a) IN GENERAL.—Section 1028 of the Consumer Fi-*
14 *nancial Protection Act of 2010 (12 U.S.C. 5518) is hereby*
15 *repealed.*

16 *(b) CLERICAL AMENDMENT.—The table of contents*
17 *under section 1(b) of the Dodd-Frank Wall Street Reform*
18 *and Consumer Protection Act is amended by striking the*
19 *item relating to section 1028.*

1 **TITLE VIII—CAPITAL MARKETS**
2 **IMPROVEMENTS**
3 **Subtitle A—SEC Reform,**
4 **Restructuring, and Accountability**

5 **SEC. 801. AUTHORIZATION OF APPROPRIATIONS.**

6 *Section 35 of the Securities Exchange Act of 1934 (15*
7 *U.S.C. 78kk) is amended by striking paragraphs (1)*
8 *through (5) and inserting the following:*

9 “(1) for fiscal year 2017, \$1,555,000,000;

10 “(2) for fiscal year 2018, \$1,605,000,000;

11 “(3) for fiscal year 2019, \$1,655,000,000;

12 “(4) for fiscal year 2020, \$1,705,000,000;

13 “(5) for fiscal year 2021, \$1,755,000,000; and

14 “(6) for fiscal year 2022, \$1,805,000,000.”.

15 **SEC. 802. REPORT ON UNOBLIGATED APPROPRIATIONS.**

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

18 “(e) *REPORT ON UNOBLIGATED APPROPRIATIONS.—If,*
19 *at the end of any fiscal year, there remain unobligated any*
20 *funds that were appropriated to the Commission for such*
21 *fiscal year, the Commission shall, not later than 30 days*
22 *after the last day of such fiscal year, submit to the Com-*
23 *mittee on Financial Services and the Committee on Appro-*
24 *priations of the House of Representatives and the Com-*
25 *mittee on Banking, Housing, and Urban Affairs and the*

1 *Committee on Appropriations of the Senate a report stating*
2 *the amount of such unobligated funds. If there is any mate-*
3 *rial change in the amount stated in the report, the Commis-*
4 *sion shall, not later than 7 days after determining the*
5 *amount of the change, submit to such committees a supple-*
6 *mentary report stating the amount of and reason for the*
7 *change.”.*

8 **SEC. 803. SEC RESERVE FUND ABOLISHED.**

9 *Section 4 of the Securities Exchange Act of 1934 (15*
10 *U.S.C. 78d) is amended by striking subsection (i).*

11 **SEC. 804. FEES TO OFFSET APPROPRIATIONS.**

12 *(a) SECTION 31 OF THE SECURITIES EXCHANGE ACT*
13 *OF 1934.—Section 31 of the Securities Exchange Act of*
14 *1934 (15 U.S.C. 78ee) is amended—*

15 *(1) by striking subsection (a) and inserting the*
16 *following:*

17 *“(a) COLLECTION.—The Commission shall, in accord-*
18 *ance with this section, collect transaction fees and assess-*
19 *ments.”;*

20 *(2) in subsection (i)—*

21 *(A) in paragraph (1)(A), by inserting “ex-*
22 *cept as provided in paragraph (2),” before*
23 *“shall”; and*

24 *(B) by striking paragraph (2) and inserting*
25 *the following:*

1 “(2) *GENERAL REVENUE.*—Any fees collected for
2 a fiscal year pursuant to this section, sections 13(e)
3 and 14(g) of this title, and section 6(b) of the *Securi-*
4 *ties Act of 1933* in excess of the amount provided in
5 appropriation Acts for collection for such fiscal year
6 pursuant to such sections shall be deposited and cred-
7 ited as general revenue of the Treasury.”;

8 (3) in subsection (j)—

9 (A) by striking “the regular appropriation
10 to the Commission by Congress for such fiscal
11 year” each place it appears and inserting “the
12 target offsetting collection amount for such fiscal
13 year”; and

14 (B) in paragraph (2), by striking “sub-
15 section (l)” and inserting “subsection (l)(2)”;
16 and

17 (4) by striking subsection (l) and inserting the
18 following:

19 “(l) *DEFINITIONS.*—For purposes of this section:

20 “(1) *TARGET OFFSETTING COLLECTION*
21 *AMOUNT.*—The target offsetting collection amount for
22 a fiscal year is—

23 “(A) for fiscal year 2017, \$1,400,000,000;

24 and

1 “(B) for each succeeding fiscal year, the tar-
2 get offsetting collection amount for the prior fis-
3 cal year, adjusted by the rate of inflation.

4 “(2) *BASELINE ESTIMATE OF THE AGGREGATE*
5 *DOLLAR AMOUNT OF SALES.*—*The baseline estimate of*
6 *the aggregate dollar amount of sales for any fiscal*
7 *year is the baseline estimate of the aggregate dollar*
8 *amount of sales of securities (other than bonds, deben-*
9 *tures, other evidences of indebtedness, security futures*
10 *products, and options on securities indexes (excluding*
11 *a narrow-based security index)) to be transacted on*
12 *each national securities exchange and by or through*
13 *any member of each national securities association*
14 *(otherwise than on a national securities exchange)*
15 *during such fiscal year as determined by the Commis-*
16 *sion, after consultation with the Congressional Budget*
17 *Office and the Office of Management and Budget,*
18 *using the methodology required for making projections*
19 *pursuant to section 257 of the Balanced Budget and*
20 *Emergency Deficit Control Act of 1985.”.*

21 (b) *SECTION 6(b) OF THE SECURITIES ACT OF 1933.*—
22 *Section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b))*
23 *is amended—*

1 (1) by striking “target fee collection amount”
2 each place it appears and inserting “target offsetting
3 collection amount”;

4 (2) in paragraph (4), by striking the last sen-
5 tence and inserting the following: “Subject to para-
6 graphs (6)(B) and (7), an adjusted rate prescribed
7 under paragraph (2) shall take effect on the later of—

8 “(A) the first day of the fiscal year to which
9 such rate applies; or

10 “(B) five days after the date on which a
11 regular appropriation to the Commission for
12 such fiscal year is enacted.”;

13 (3) in paragraph (5), by inserting “of the Secu-
14 rities Exchange Act of 1934” after “sections 13(e) and
15 14(g)”;

16 (4) by redesignating paragraph (6) as para-
17 graph (8);

18 (5) by inserting after paragraph (5) the fol-
19 lowing:

20 “(6) *OFFSETTING COLLECTIONS.*—Fees collected
21 pursuant to this subsection for any fiscal year—

22 “(A) except as provided in section 31(i)(2)
23 of the Securities Exchange Act of 1934, shall be
24 deposited and credited as offsetting collections to

1 the account providing appropriations to the
2 Commission; and

3 “(B) except as provided in paragraph (7),
4 shall not be collected for any fiscal year except
5 to the extent provided in advance in appropria-
6 tion Acts.

7 “(7) LAPSE OF APPROPRIATION.—If on the first
8 day of a fiscal year a regular appropriation to the
9 Commission has not been enacted, the Commission
10 shall continue to collect fees (as offsetting collections)
11 under this subsection at the rate in effect during the
12 preceding fiscal year, until 5 days after the date such
13 a regular appropriation is enacted.”; and

14 (6) in subparagraph (A) of paragraph (8) (as so
15 redesignated)—

16 (A) by striking the subparagraph heading
17 and inserting “TARGET OFFSETTING COLLEC-
18 TION AMOUNT.—”; and

19 (B) in the heading of the right column of
20 the table, by striking “**fee**” and inserting “**off-**
21 **setting**”.

22 (c) SECTION 13(e) OF THE SECURITIES EXCHANGE
23 ACT OF 1934.—Section 13(e) of the Securities Exchange Act
24 of 1934 (15 U.S.C. 78m(e)) is amended—

1 (1) *by striking paragraph (5) and inserting the*
2 *following:*

3 “(5) *OFFSETTING COLLECTIONS.—Fees collected*
4 *pursuant to this subsection for any fiscal year—*

5 “(A) *except as provided in section 31(i)(2),*
6 *shall be deposited and credited as offsetting col-*
7 *lections to the account providing appropriations*
8 *to the Commission; and*

9 “(B) *except as provided in paragraph (8),*
10 *shall not be collected for any fiscal year except*
11 *to the extent provided in advance in appropria-*
12 *tions Acts.”; and*

13 (2) *by adding at the end the following:*

14 “(8) *LAPSE OF APPROPRIATION.—If on the first*
15 *day of a fiscal year a regular appropriation to the*
16 *Commission has not been enacted, the Commission*
17 *shall continue to collect fees (as offsetting collections)*
18 *under this subsection at the rate in effect during the*
19 *preceding fiscal year, until 5 days after the date such*
20 *a regular appropriation is enacted.”.*

21 (d) *SECTION 14(g) OF THE SECURITIES EXCHANGE*
22 *ACT OF 1934.—Section 14(g) of the Securities Exchange*
23 *Act of 1934 (15 U.S.C. 78n(g)) is amended—*

24 (1) *by striking paragraph (5) and inserting the*
25 *following:*

1 “(5) *OFFSETTING COLLECTIONS.*—*Fees collected*
2 *pursuant to this subsection for any fiscal year—*

3 “(A) *except as provided in section 31(i)(2),*
4 *shall be deposited and credited as offsetting col-*
5 *lections to the account providing appropriations*
6 *to the Commission; and*

7 “(B) *except as provided in paragraph (8),*
8 *shall not be collected for any fiscal year except*
9 *to the extent provided in advance in appropria-*
10 *tions Acts.”;*

11 (2) *by redesignating paragraph (8) as para-*
12 *graph (9); and*

13 (3) *by inserting after paragraph (7) the fol-*
14 *lowing:*

15 “(8) *LAPSE OF APPROPRIATION.*—*If on the first*
16 *day of a fiscal year a regular appropriation to the*
17 *Commission has not been enacted, the Commission*
18 *shall continue to collect fees (as offsetting collections)*
19 *under this subsection at the rate in effect during the*
20 *preceding fiscal year, until 5 days after the date such*
21 *a regular appropriation is enacted.”.*

22 (e) *EFFECTIVE DATE.*—*The amendments made by this*
23 *section—*

1 (1) shall apply beginning on October 1, 2017, ex-
2 cept that for fiscal year 2018, the Securities and Ex-
3 change Commission shall publish—

4 (A) the rates established under section 31 of
5 the Securities Exchange Act of 1934, as amended
6 by this section, not later than 30 days after the
7 date on which an Act making a regular appro-
8 priation to the Commission for fiscal year 2018
9 is enacted; and

10 (B) the rate established under section 6(b)
11 of the Securities Act of 1933, as amended by this
12 section, not later than August 31, 2017; and

13 (2) shall not apply with respect to fees for any
14 fiscal year before fiscal year 2018.

15 **SEC. 805. COMMISSION RELOCATION FUNDING PROHIBI-**
16 **TION.**

17 *The Securities and Exchange Commission may not ob-*
18 *ligate any funds for the purpose of constructing a new head-*
19 *quarters of the Commission.*

20 **SEC. 806. IMPLEMENTATION OF RECOMMENDATIONS.**

21 *Section 967 of the Dodd-Frank Wall Street Reform*
22 *and Consumer Protection Act is amended by adding at the*
23 *end the following:*

24 “(d) **IMPLEMENTATION OF RECOMMENDATIONS.**—Not
25 *later than 6 months after the date of enactment of this sub-*

1 *section, the Securities and Exchange Commission shall com-*
2 *plete an implementation of the recommendations contained*
3 *in the report of the independent consultant issued under*
4 *subsection (b) on March 10, 2011. To the extent that imple-*
5 *mentation of certain recommendations requires legislation,*
6 *the Commission shall submit a report to Congress con-*
7 *taining a request for legislation granting the Commission*
8 *such authority it needs to fully implement such rec-*
9 *ommendations.”.*

10 **SEC. 807. OFFICE OF CREDIT RATINGS TO REPORT TO THE**
11 **DIVISION OF TRADING AND MARKETS.**

12 *Section 15E(p)(1) of the Securities Exchange Act of*
13 *1934 (15 U.S.C. 78o-7(p)(1)) is amended—*

14 *(1) in subparagraph (A), by striking “within the*
15 *Commission” and inserting “within the Division of*
16 *Trading and Markets”; and*

17 *(2) in subparagraph (B), by striking “report to*
18 *the Chairman” and inserting “report to the head of*
19 *the Division of Trading and Markets”.*

20 **SEC. 808. OFFICE OF MUNICIPAL SECURITIES TO REPORT**
21 **TO THE DIVISION OF TRADING AND MARKETS.**

22 *Section 979 of the Dodd-Frank Wall Street Reform*
23 *and Consumer Protection Act (15 U.S.C. 78o-4a) is amend-*
24 *ed—*

1 (1) *in subsection (a), by inserting “, within the*
2 *Division of Trading and Markets,” after “There shall*
3 *be in the Commission”; and*

4 (2) *in subsection (b), by striking “report to the*
5 *Chairman” and inserting “report to the head of the*
6 *Division of Trading and Markets”.*

7 **SEC. 809. INDEPENDENCE OF COMMISSION OMBUDSMAN.**

8 *Section 4(g)(8) of the Securities Exchange Act of 1934*
9 *(15 U.S.C. 78d(g)(8)) is amended—*

10 (1) *in subparagraph (A), by striking “the Inves-*
11 *tor Advocate shall appoint” and all that follows*
12 *through “Investor Advocate” and inserting “the*
13 *Chairman shall appoint an Ombudsman, who shall*
14 *report to the Commission”; and*

15 (2) *in subparagraph (D)—*

16 (A) *by striking “report to the Investor Ad-*
17 *vocate” and inserting “report to the Commis-*
18 *sion”; and*

19 (B) *by striking the last sentence.*

20 **SEC. 810. INVESTOR ADVISORY COMMITTEE IMPROVE-**
21 **MENTS.**

22 *Section 39 of the Securities Exchange Act of 1934 (15*
23 *U.S.C. 78pp) is amended—*

24 (1) *in subsection (a)(2)(B), by striking “submit”*
25 *and inserting, “in consultation with the Small Busi-*

1 *ness Capital Formation Advisory Committee estab-*
2 *lished under section 40, submit”;*

3 *(2) in subsection (b)—*

4 *(A) in paragraph (1)—*

5 *(i) in subparagraph (C), by striking*
6 *“and”;*

7 *(ii) in subparagraph (D)(iv), by strik-*
8 *ing the period at the end and inserting “;*
9 *and”;* and

10 *(iii) by adding at the end the fol-*
11 *lowing:*

12 *“(E) a member of the Small Business Cap-*
13 *ital Formation Advisory Committee who shall be*
14 *a nonvoting member.”;*

15 *(B) by amending paragraph (2) to read as*
16 *follows:*

17 *“(2) TERM.—*

18 *“(A) LENGTH OF TERM FOR MEMBERS OF*
19 *THE COMMITTEE.—Each member of the Com-*
20 *mittee appointed under paragraph (1), other*
21 *than the Investor Advocate, shall serve for a term*
22 *of 4 years.*

23 *“(B) LIMITATION ON MULTIPLE TERMS.—A*
24 *member of the Committee may not serve for more*
25 *than one term, except for the Investor Advocate,*

1 *a representative of State securities commissions,*
2 *and the member of the Small Business Capital*
3 *Formation Advisory Committee.”; and*

4 *(C) in paragraph (3), by striking “para-*
5 *graph (1)(B)” and inserting “paragraph (1)”;*

6 *(3) in subsection (c), by amending paragraph*
7 *(2) to read as follows:*

8 “(2) *TERM.—*

9 “(A) *LENGTH OF TERM.—Each member*
10 *elected under paragraph (1) shall serve for a*
11 *term of 3 years in the capacity for which the*
12 *member was elected under paragraph (1).*

13 “(B) *LIMITATION ON MULTIPLE TERMS.—A*
14 *member elected under paragraph (1) may not*
15 *serve for more than one term in the capacity for*
16 *which the member was elected under paragraph*
17 *(1).”;* and

18 *(4) by striking subsections (i) and (j).*

19 **SEC. 811. DUTIES OF INVESTOR ADVOCATE.**

20 *Section 4(g)(4) of the Securities Exchange Act of 1934*
21 *(15 U.S.C. 78d(g)(4)) is amended—*

22 *(1) in subparagraph (D)(ii), by striking “and”;*

23 *(2) in subparagraph (E), by striking the period*
24 *at the end and inserting a semicolon; and*

25 *(3) by adding at the end the following:*

1 “(F) not take a position on any legislation
2 pending before Congress other than a legislative
3 change proposed by the Investor Advocate pursu-
4 ant to subparagraph (E);

5 “(G) consult with the Advocate for Small
6 Business Capital Formation on proposed rec-
7 ommendations made under subparagraph (E);
8 and

9 “(H) advise the Advocate for Small Busi-
10 ness Capital Formation on issues related to
11 small business investors.”.

12 **SEC. 812. ELIMINATION OF EXEMPTION OF SMALL BUSI-**
13 **NESS CAPITAL FORMATION ADVISORY COM-**
14 **MITTEE FROM FEDERAL ADVISORY COM-**
15 **MITTEE ACT.**

16 Section 40 of the Securities Exchange Act of 1934 (as
17 added by Public Law 114–284) is amended by striking sub-
18 section (h).

19 **SEC. 813. INTERNAL RISK CONTROLS.**

20 The Securities Exchange Act of 1934 (15 U.S.C. 78a
21 et seq.) is amended—

22 (1) by inserting after section 4G, as added by
23 this Act, the following:

1 **“SEC. 4H. INTERNAL RISK CONTROLS.**

2 “(a) *IN GENERAL.*—Each of the following entities, in
3 consultation with the Chief Economist, shall develop com-
4 prehensive internal risk control mechanisms to safeguard
5 and govern the storage of all market data by such entity,
6 all market data sharing agreements of such entity, and all
7 academic research performed at such entity using market
8 data:

9 “(1) *The Commission.*

10 “(2) *Each national security association required*
11 *to register under section 15A.*

12 “(b) *CONSOLIDATED AUDIT TRAIL.*—The Commission
13 may not approve a national market system plan pursuant
14 to part 242.613 of title 17, Code of Federal Regulations (or
15 any successor regulation), unless the operator of the consoli-
16 dated audit trail created by such plan has developed, in
17 consultation with the Chief Economist, comprehensive in-
18 ternal risk control mechanisms to safeguard and govern the
19 storage of all market data by such operator, all market data
20 sharing agreements of such operator, and all academic re-
21 search performed at such operator using market data.”;

22 (2) in section 3(a), by redesignating the second
23 paragraph (80) (relating to funding portals) as para-
24 graph (81); and

25 (3) in section 3(a), by adding at the end the fol-
26 lowing:

1 “(82) *CHIEF ECONOMIST.*—*The term ‘Chief*
2 *Economist’ means the Director of the Division of Eco-*
3 *nomics and Risk Analysis, or an employee of the Com-*
4 *mission with comparable authority, as determined by*
5 *the Commission.’.*”

6 **SEC. 814. APPLICABILITY OF NOTICE AND COMMENT RE-**
7 **QUIREMENTS OF THE ADMINISTRATIVE PRO-**
8 **CEDURE ACT TO GUIDANCE VOTED ON BY**
9 **THE COMMISSION.**

10 *The Securities Exchange Act of 1934 (15 U.S.C. 78a*
11 *et seq.) is amended by inserting after section 4H, as added*
12 *by this Act, the following:*

13 **“SEC. 4I. APPLICABILITY OF NOTICE AND COMMENT RE-**
14 **QUIREMENTS OF THE ADMINISTRATIVE PRO-**
15 **CEDURE ACT TO GUIDANCE VOTED ON BY**
16 **THE COMMISSION.**

17 *“The notice and comment requirements of section 553*
18 *of title 5, United States Code, shall also apply with respect*
19 *to any Commission statement or guidance, including inter-*
20 *pretive rules, general statements of policy, or rules of Com-*
21 *mission organization, procedure, or practice, that has the*
22 *effect of implementing, interpreting, or prescribing law or*
23 *policy and that is voted on by the Commission.’.*”

1 **SEC. 815. LIMITATION ON PILOT PROGRAMS.**

2 (a) *IN GENERAL.*—Section 4 of the Securities Ex-
3 change Act of 1934 (15 U.S.C. 78d), as amended by section
4 371(e), is further amended by adding at the end the fol-
5 lowing:

6 “(k) *LIMITATION ON PILOT PROGRAMS.*—

7 “(1) *IN GENERAL.*—Any pilot program estab-
8 lished by self-regulatory organizations, either individ-
9 ually or jointly, and filed with the Commission, in-
10 cluding under section 11A or 19, shall terminate after
11 the end of the 5-year period beginning on the date
12 that the Commission approved such program, unless
13 the Commission issues a rule to permanently continue
14 such program or approves such program on a perma-
15 nent basis.

16 “(2) *EXTENSION.*—With respect to a particular
17 pilot program described under paragraph (1), the
18 Commission may extend the 5-year period described
19 under such paragraph for an additional 3 years if the
20 Commission determines such extension is necessary or
21 appropriate in the public interest or for the protec-
22 tion of investors.

23 “(3) *LACK OF STATUTORY AUTHORITY.*—If, with
24 respect to a pilot program described under paragraph
25 (1), the Commission determines that the pilot pro-
26 gram should continue permanently, but the Commis-

1 *sion lacks sufficient statutory authority to perma-*
2 *nently continue the program, the Commission shall,*
3 *not later than 1 year before such pilot program is*
4 *scheduled to terminate pursuant to paragraph (1),*
5 *notify the Committee on Financial Services of the*
6 *House of Representatives and the Committee on*
7 *Banking, Housing, and Urban Affairs of the Senate*
8 *that the Commission believes the program should con-*
9 *tinue permanently but does not have sufficient statu-*
10 *tory authority to continue the program.”.*

11 *(b) TREATMENT OF EXISTING PILOT PROGRAMS.—For*
12 *purposes of section 4(k) of Securities Exchange Act of 1934,*
13 *as added by subsection (a), the date on which the Commis-*
14 *sion approved a pilot program that was in existence on the*
15 *date of the enactment of this Act shall be deemed to be the*
16 *date of the enactment of this Act.*

17 **SEC. 816. PROCEDURE FOR OBTAINING CERTAIN INTELLEC-**
18 **TUAL PROPERTY.**

19 *(a) PERSONS UNDER SECURITIES ACT OF 1933.—Sec-*
20 *tion 8 of the Securities Act of 1933 (15 U.S.C. 77h) is*
21 *amended by adding at the end the following:*

22 *“(g) PROCEDURE FOR OBTAINING CERTAIN INTELLEC-*
23 *TUAL PROPERTY.—The Commission is not authorized to*
24 *compel under this title a person to produce or furnish source*
25 *code, including algorithmic trading source code or similar*

1 *intellectual property, to the Commission unless the Commis-*
2 *sion first issues a subpoena.”.*

3 (b) *PERSONS UNDER THE SECURITIES EXCHANGE*
4 *ACT OF 1934.—Section 23 of the Securities Exchange Act*
5 *of 1934 (15 U.S.C. 78w) is amended by adding at the end*
6 *the following:*

7 “(e) *PROCEDURE FOR OBTAINING CERTAIN INTELLEC-*
8 *TUAL PROPERTY.—The Commission is not authorized to*
9 *compel under this title a person to produce or furnish source*
10 *code, including algorithmic trading source code or similar*
11 *intellectual property, to the Commission unless the Commis-*
12 *sion first issues a subpoena.”.*

13 (c) *INVESTMENT COMPANIES.—Section 31 of the In-*
14 *vestment Company Act of 1940 (15 U.S.C. 80a–30) is*
15 *amended by adding at the end the following:*

16 “(e) *PROCEDURE FOR OBTAINING CERTAIN INTELLEC-*
17 *TUAL PROPERTY.—The Commission is not authorized to*
18 *compel under this title an investment company to produce*
19 *or furnish source code, including algorithmic trading source*
20 *code or similar intellectual property, to the Commission un-*
21 *less the Commission first issues a subpoena.”.*

22 (d) *INVESTMENT ADVISERS.—Section 204 of the In-*
23 *vestment Advisers Act of 1940 (15 U.S.C. 80b–4) is amend-*
24 *ed—*

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

1 “(f) *PROCEDURE FOR OBTAINING CERTAIN INTELLEC-*
2 *TUAL PROPERTY.*—*The Commission is not authorized to*
3 *compel under this title an investment adviser to produce*
4 *or furnish source code, including algorithmic trading source*
5 *code or similar intellectual property, to the Commission un-*
6 *less the Commission first issues a subpoena.”; and*

7 (2) *in the second subsection (d), by striking*
8 “(d)” *and inserting “(e)”.*

9 **SEC. 817. PROCESS FOR CLOSING INVESTIGATIONS.**

10 (a) *IN GENERAL.*—*Not later than 180 days after the*
11 *date of the enactment of this Act, the Securities and Ex-*
12 *change Commission shall establish a process for closing in-*
13 *vestigations (including preliminary or informal investiga-*
14 *tions) that is designed to ensure that the Commission, in*
15 *a timely manner—*

16 (1) *makes a determination of whether or not to*
17 *institute an administrative or judicial action in a*
18 *matter or refer the matter to the Attorney General for*
19 *potential criminal prosecution; and*

20 (2) *if the Commission determines not to institute*
21 *such an action or refer the matter to the Attorney*
22 *General, informs the persons who are the subject of*
23 *the investigation that the investigation is closed.*

24 (b) *RULE OF CONSTRUCTION.*—*Nothing in this section*
25 *shall be construed to affect the authority of the Commission*

1 *to re-open an investigation if the Commission obtains new*
2 *evidence after the investigation is closed, subject to any ap-*
3 *plicable statute of limitations.*

4 **SEC. 818. ENFORCEMENT OMBUDSMAN.**

5 *(a) IN GENERAL.—Section 4 of the Securities Ex-*
6 *change Act of 1934 (15 U.S.C. 78d), as amended by section*
7 *803, is further amended by adding at the end the following:*

8 *“(i) ENFORCEMENT OMBUDSMAN.—*

9 *“(1) ESTABLISHMENT.—The Commission shall*
10 *have an Enforcement Ombudsman, who shall be ap-*
11 *pointed by and report directly to the Commission.*

12 *“(2) DUTIES.—The Enforcement Ombudsman*
13 *shall—*

14 *“(A) act as a liaison between the Commis-*
15 *sion and any person who is the subject of an in-*
16 *vestigation (including a preliminary or informal*
17 *investigation) by the Commission or an adminis-*
18 *trative or judicial action brought by the Com-*
19 *mission in resolving problems that such persons*
20 *may have with the Commission or the conduct of*
21 *Commission staff; and*

22 *“(B) establish safeguards to maintain the*
23 *confidentiality of communications between the*
24 *persons described in subparagraph (A) and the*
25 *Enforcement Ombudsman.*

1 “(3) *LIMITATION.*—*In carrying out the duties of*
2 *the Enforcement Ombudsman under paragraph (2),*
3 *the Enforcement Ombudsman shall utilize personnel*
4 *of the Commission to the extent practicable. Nothing*
5 *in this subsection shall be construed as replacing, al-*
6 *tering, or diminishing the activities of any ombuds-*
7 *man or similar office of any other agency.*

8 “(4) *REPORT.*—*The Enforcement Ombudsman*
9 *shall submit to the Commission and to the Committee*
10 *on Financial Services of the House of Representatives*
11 *and the Committee on Banking, Housing, and Urban*
12 *Affairs of the Senate an annual report that describes*
13 *the activities and evaluates the effectiveness of the En-*
14 *forcement Ombudsman during the preceding year.”.*

15 “(b) *DEADLINE FOR INITIAL APPOINTMENT.*—*The Secu-*
16 *rities and Exchange Commission shall appoint the initial*
17 *Enforcement Ombudsman under subsection (i) of section 4*
18 *of the Securities Exchange Act of 1934, as added by sub-*
19 *section (a), not later than 180 days after the date of the*
20 *enactment of this Act.*

21 **SEC. 819. ADEQUATE NOTICE.**

22 *Section 21 of the Securities Exchange Act of 1934 (15*
23 *U.S.C. 78u) is amended by adding at the end the following:*

24 “(k) *ADEQUATE NOTICE REQUIRED BEFORE BRING-*
25 *ING AN ENFORCEMENT ACTION.*—

1 “(1) *IN GENERAL.*—No person shall be subject to
2 an enforcement action by the Commission for an al-
3 leged violation of the securities laws or the rules and
4 regulations issued thereunder if such person did not
5 have adequate notice of such law, rule, or regulation.

6 “(2) *PUBLISHING OF INTERPRETATION DEEMED*
7 *ADEQUATE NOTICE.*—With respect to an enforcement
8 action, adequate notice of a securities law or a rule
9 or regulation issued thereunder shall be deemed to
10 have been provided to a person if the Commission ap-
11 proved a statement or guidance, in accordance with
12 Section 4I, with respect to the conduct that is the sub-
13 ject of the enforcement action, prior to the time that
14 the person engaged in the conduct that is the subject
15 of the enforcement action.”.

16 **SEC. 820. ADVISORY COMMITTEE ON COMMISSION’S EN-**
17 **FORCEMENT POLICIES AND PRACTICES.**

18 (a) *ESTABLISHMENT.*—Not later than 6 months after
19 the date of the enactment of this Act, the Chairman shall
20 establish an advisory committee on the Commission’s en-
21 forcement policies and practices (in this section referred to
22 as the “Committee”).

23 (b) *DUTIES.*—

24 (1) *ANALYSIS AND RECOMMENDATIONS.*—

1 (A) *IN GENERAL.*—*The Committee shall*
2 *conduct an analysis of the policies and practices*
3 *of the Commission relating to the enforcement of*
4 *the securities laws and make recommendations to*
5 *the Commission regarding changes to such poli-*
6 *cies and practices.*

7 (B) *SPECIFIC MATTERS INCLUDED.*—*In car-*
8 *rying out subparagraph (A), the Committee shall*
9 *analyze and make recommendations to the Com-*
10 *mission regarding matters including the fol-*
11 *lowing:*

12 (i) *How the Commission’s enforcement*
13 *objectives and strategies may be more effec-*
14 *tive.*

15 (ii) *The Commission’s enforcement*
16 *practices and procedures from the point of*
17 *view of due process, the relationship of en-*
18 *forcement action to notice of legal require-*
19 *ments, the attribution of responsibility for*
20 *violations, and the protection of reputation*
21 *and rights of privacy.*

22 (iii) *The Commission’s enforcement*
23 *policies and practices in light of its statu-*
24 *tory responsibility to protect investors,*

1 *maintain fair, orderly, and efficient mar-*
2 *kets, and facilitate capital formation.*

3 *(iv) The appropriate blend of regula-*
4 *tion, publicity, and formal enforcement ac-*
5 *tion and on methods of furthering voluntary*
6 *compliance.*

7 *(v) Criteria for the selection and dis-*
8 *position of enforcement actions, the ade-*
9 *quacy of sanctions authorized by law, and*
10 *the suitability and effectiveness of sanctions*
11 *imposed by the Commission proceedings.*

12 (2) *REPORT.*—*Not later than 1 year after the es-*
13 *tablishment of the Committee under subsection (a),*
14 *the Committee shall submit to the Commission and*
15 *the appropriate congressional committees a report*
16 *containing the results of the analysis and the rec-*
17 *ommendations required by paragraph (1)(A).*

18 (c) *MEMBERSHIP.*—

19 (1) *NUMBER AND APPOINTMENT.*—*The Com-*
20 *mittee shall be composed of not less than 3 and not*
21 *greater than 7 members appointed by the Chairman.*

22 (2) *CHAIRPERSON.*—*The Chairperson of the*
23 *Committee shall be designated by the Chairman at the*
24 *time of appointment of the members.*

1 (d) *SUPPORT.*—*The Commission shall provide the*
2 *Committee with the administrative, professional, and tech-*
3 *nical support required by the Committee to carry out its*
4 *responsibilities under this section.*

5 (e) *TERMINATION OF COMMITTEE.*—*The Committee es-*
6 *tablished by subsection (a) shall terminate on the date that*
7 *the report required by subsection (b)(2) is submitted.*

8 (f) *CONSIDERATION AND ADOPTION OF RECOMMENDA-*
9 *TIONS BY COMMISSION.*—*Not later than 180 days after the*
10 *Committee submits the report required by subsection (b)(2),*
11 *the Commission shall—*

12 (1) *consider the analysis and recommendations*
13 *included in such report;*

14 (2) *adopt such recommendations, with any modi-*
15 *fications, as the Commission considers appropriate;*
16 *and*

17 (3) *submit to the appropriate congressional com-*
18 *mittees a report that—*

19 (A) *lists each recommendation included in*
20 *such report that the Commission does not adopt*
21 *or adopts with material modifications; and*

22 (B) *for each recommendation listed under*
23 *subparagraph (A), explains why the Commission*
24 *does not consider it appropriate or does not have*
25 *sufficient authority to adopt the recommendation*

1 or to adopt the recommendation without mate-
2 rial modification.

3 (g) *DEFINITIONS.*—*In this section:*

4 (1) *APPROPRIATE CONGRESSIONAL COMMIT-*
5 *TEES.*—*The term “appropriate congressional commit-*
6 *tees” means the Committee on Financial Services of*
7 *the House of Representatives and the Committee on*
8 *Banking, Housing, and Urban Affairs of the Senate.*

9 (2) *CHAIRMAN.*—*The term “Chairman” means*
10 *the Chairman of the Commission.*

11 (3) *COMMISSION.*—*The term “Commission”*
12 *means the Securities and Exchange Commission.*

13 (4) *SECURITIES LAWS.*—*The term “securities*
14 *laws” has the meaning given such term in section*
15 *3(a) of the Securities Exchange Act of 1934 (15*
16 *U.S.C. 78c(a)).*

17 **SEC. 821. PROCESS TO PERMIT RECIPIENT OF WELLS NOTI-**
18 **FICATION TO APPEAR BEFORE COMMISSION**
19 **STAFF IN-PERSON.**

20 (a) *IN GENERAL.*—*Not later than 180 days after the*
21 *date of the enactment of this Act, the Securities and Ex-*
22 *change Commission shall establish a process under which,*
23 *in any instance in which the Commission staff provides a*
24 *written Wells notification to an individual informing the*
25 *individual that the Commission staff has made a prelimi-*

1 nary determination to recommend that the Commission
2 bring an administrative or judicial action against the indi-
3 vidual, the individual shall have the right to make an in-
4 person presentation before the Commission staff concerning
5 such recommendation and to be represented by counsel at
6 such presentation, at the individual's own expense.

7 (b) *ATTENDANCE BY COMMISSIONERS.*—Such process
8 shall provide that each Commissioner of the Commission,
9 or a designee of the Commissioner, may attend any such
10 presentation.

11 (c) *REPORT BY COMMISSION STAFF.*—Such process
12 shall provide that, before any Commission vote on whether
13 to bring the administrative or judicial action against the
14 individual, the Commission staff shall provide to each Com-
15 missioner a written report on any such presentation, in-
16 cluding any factual or legal arguments made by the indi-
17 vidual and any supporting documents provided by the indi-
18 vidual.

19 **SEC. 822. PUBLICATION OF ENFORCEMENT MANUAL.**

20 (a) *IN GENERAL.*—Not later than 1 year after the date
21 of the enactment of this Act, the Securities and Exchange
22 Commission shall approve, by vote of the Commission, and
23 publish an updated manual that sets forth the policies and
24 practices that the Commission will follow in the enforce-
25 ment of the securities laws (as defined in section 3(a) of

1 *the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))*.
2 *Such manual shall include policies and practices required*
3 *by this Act, and by the amendments made by this Act, and*
4 *shall be developed so as to ensure transparency in such en-*
5 *forcement and uniform application of such laws by the*
6 *Commission.*

7 **(b) ENFORCEMENT PLAN AND REPORT.**—*Beginning on*
8 *the date that is one year after the date of enactment of this*
9 *Act, and each year thereafter, and the Securities and Ex-*
10 *change Commission shall transmit to Congress and publish*
11 *on its Internet website an annual enforcement plan and re-*
12 *port that shall—*

13 (1) *detail the priorities of the Commission with*
14 *regard to enforcement and examination activities for*
15 *the forthcoming year;*

16 (2) *report on the Commission’s enforcement and*
17 *examination activities for the previous year, includ-*
18 *ing an assessment of how such activities comported*
19 *with the priorities identified for that year pursuant*
20 *to paragraph (1);*

21 (3) *contain an analysis of litigated decisions*
22 *found not in favor of the Commission over the pre-*
23 *ceding year;*

24 (4) *contain a description of any emerging trends*
25 *the Commission has focused on as part of its enforce-*

1 *ment program, including whether and how the Com-*
 2 *mission has alerted or communicated with those who*
 3 *may be subject to the Commission’s regulation of*
 4 *emerging trends;*

5 *(5) contain a description of legal theories or*
 6 *standards employed by the Commission in enforce-*
 7 *ment over the preceding year that had not previously*
 8 *been employed, and a summary justifying each such*
 9 *theory or standard; and*

10 *(6) provide an opportunity and mechanism for*
 11 *public comment.*

12 **SEC. 823. PRIVATE PARTIES AUTHORIZED TO COMPEL THE**
 13 **SECURITIES AND EXCHANGE COMMISSION TO**
 14 **SEEK SANCTIONS BY FILING CIVIL ACTIONS.**

15 *Title I of the Securities Exchange Act of 1934 (15*
 16 *U.S.C. 78a et seq.) is amended by adding at the end the*
 17 *following:*

18 **“SEC. 41. PRIVATE PARTIES AUTHORIZED TO COMPEL THE**
 19 **COMMISSION TO SEEK SANCTIONS BY FILING**
 20 **CIVIL ACTIONS.**

21 *“(a) TERMINATION OF ADMINISTRATIVE PRO-*
 22 *CEEDING.—In the case of any person who is a party to a*
 23 *proceeding brought by the Commission under a securities*
 24 *law, to which section 554 of title 5, United States Code,*
 25 *applies, and against whom an order imposing a cease and*

1 *desist order and a penalty may be issued at the conclusion*
2 *of the proceeding, that person may, not later than 20 days*
3 *after receiving notice of such proceeding, and at that per-*
4 *son's discretion, require the Commission to terminate the*
5 *proceeding.*

6 “(b) *CIVIL ACTION AUTHORIZED.*—*If a person re-*
7 *quires the Commission to terminate a proceeding pursuant*
8 *to subsection (a), the Commission may bring a civil action*
9 *against that person for the same remedy that might be im-*
10 *posed.*

11 “(c) *STANDARD OF PROOF IN ADMINISTRATIVE PRO-*
12 *CEEDING.*—*Notwithstanding any other provision of law, in*
13 *the case of a proceeding brought by the Commission under*
14 *a securities law, to which section 554 of title 5, United*
15 *States Code, applies, a legal or equitable remedy may be*
16 *imposed on the person against whom the proceeding was*
17 *brought only on a showing by the Commission of clear and*
18 *convincing evidence that the person has violated the rel-*
19 *evant provision of law.”.*

20 **SEC. 824. CERTAIN FINDINGS REQUIRED TO APPROVE CIVIL**
21 **MONEY PENALTIES AGAINST ISSUERS.**

22 *The Securities Exchange Act of 1934 (15 U.S.C. 78a*
23 *et seq.) is amended by inserting after section 4E the fol-*
24 *lowing:*

1 **“SEC. 4F. CERTAIN FINDINGS REQUIRED TO APPROVE CIVIL**
2 **MONEY PENALTIES AGAINST ISSUERS.**

3 *“The Commission may not seek against or impose on*
4 *an issuer a civil money penalty for violation of the securi-*
5 *ties laws unless the publicly available text of the order ap-*
6 *proving the seeking or imposition of such penalty contains*
7 *findings, supported by an analysis by the Division of Eco-*
8 *nomics and Risk Analysis and certified by the Chief Econo-*
9 *mist, of whether—*

10 *“(1) the alleged violation resulted in direct eco-*
11 *nomics benefit to the issuer; and*

12 *“(2) the penalty will harm the shareholders of*
13 *the issuer.”.*

14 **SEC. 825. REPEAL OF AUTHORITY OF THE COMMISSION TO**
15 **PROHIBIT PERSONS FROM SERVING AS OFFI-**
16 **CERS OR DIRECTORS.**

17 *(a) UNDER SECURITIES ACT OF 1933.—Subsection (f)*
18 *of section 8A of the Securities Act of 1933 (15 U.S.C. 77h–*
19 *1) is repealed.*

20 *(b) UNDER SECURITIES EXCHANGE ACT OF 1934.—*
21 *Subsection (f) of section 21C of the Securities Exchange Act*
22 *of 1934 (15 U.S.C. 78u–3) is repealed.*

23 **SEC. 826. SUBPOENA DURATION AND RENEWAL.**

24 *Section 21(b) of the Securities Exchange Act of 1934*
25 *(15 U.S.C. 78u(b)) is amended—*

1 (1) by inserting “SUBPOENA.—” after the enu-
2 merator;

3 (2) by striking “For the purpose of” and insert-
4 ing the following:

5 “(1) *IN GENERAL.*—For the purpose of”; and

6 (3) by adding at the end the following:

7 “(2) *OMNIBUS ORDERS OF INVESTIGATION.*—

8 “(A) *DURATION AND RENEWAL.*—An omni-
9 bus order of investigation shall not be for an in-
10 definite duration and may be renewed only by
11 Commission action.

12 “(B) *DEFINITION.*—In paragraph (A), the
13 term ‘omnibus order of investigation’ means an
14 order of the Commission authorizing 1 of more
15 members of the Commission or its staff to issue
16 subpoenas under paragraph (1) to multiple per-
17 sons in relation to a particular subject matter
18 area.”.

19 **SEC. 827. ELIMINATION OF AUTOMATIC DISQUALIFICA-**
20 **TIONS.**

21 *The Securities Exchange Act of 1934 (15 U.S.C. 78a*
22 *et seq.), as amended by this Act, is further amended by in-*
23 *serting after section 4F the following:*

1 **“SEC. 4G. ELIMINATION OF AUTOMATIC DISQUALIFICA-**
2 **TIONS.**

3 “(a) *IN GENERAL.*—Notwithstanding any other provi-
4 sion of law, a non-natural person may not be disqualified
5 or otherwise made ineligible to use an exemption or reg-
6 istration provision, engage in an activity, or qualify for
7 any similar treatment under a provision of the securities
8 laws or the rules issued by the Commission under the securi-
9 ties laws by reason of having, or a person described in sub-
10 section (b) having, been convicted of any felony or mis-
11 demeanor or made the subject of any judicial or adminis-
12 trative order, judgment, or decree arising out of a govern-
13 mental action (including an order, judgment, or decree
14 agreed to in a settlement), or having, or a person described
15 in subsection (b) having, been suspended or expelled from
16 membership in, or suspended or barred from association
17 with a member of, a registered national securities exchange
18 or a registered national or affiliated securities association
19 for any act or omission to act constituting conduct incon-
20 sistent with just and equitable principles of trade, unless
21 the Commission, by order, on the record after notice and
22 an opportunity for hearing, makes a determination that
23 such non-natural person should be so disqualified or other-
24 wise made ineligible for purposes of such provision.

25 “(b) *PERSON DESCRIBED.*—A person is described in
26 this subsection if the person is—

1 “(1) a natural person who is a director, officer,
2 employee, partner, member, or shareholder of the non-
3 natural person referred to in subsection (a) or is oth-
4 erwise associated or affiliated with such non-natural
5 person in any way; or

6 “(2) a non-natural person who is associated or
7 affiliated with the non-natural person referred to in
8 subsection (a) in any way.

9 “(c) *RULE OF CONSTRUCTION.*—Nothing in this sec-
10 tion shall be construed to limit any authority of the Com-
11 mission, by order, on the record after notice and an oppor-
12 tunity for hearing, to prohibit a person from using an ex-
13 emption or registration provision, engaging in an activity,
14 or qualifying for any similar treatment under a provision
15 of the securities laws, or the rules issued by the Commission
16 under the securities laws, by reason of a circumstance re-
17 ferred to in subsection (a) or any similar circumstance.”.

18 **SEC. 828. DENIAL OF AWARD TO CULPABLE WHISTLE-**

19 **BLOWERS.**

20 Section 21F(c) of the Securities Exchange Act of 1934
21 (15 U.S.C. 78u–6(c)) is amended—

22 (1) in paragraph (2)—

23 (A) in subparagraph (C), by striking “or”
24 at the end;

1 (B) in subparagraph (D), by striking the
2 period and inserting “; or”; and

3 (C) by adding at the end the following:

4 “(E) to any whistleblower who is respon-
5 sible for, or complicit in, the violation of the se-
6 curities laws for which the whistleblower pro-
7 vided information to the Commission.”; and

8 (2) by adding at the end the following:

9 “(3) *DEFINITION.*—For purposes of paragraph
10 (2)(E), a person is responsible for, or complicit in, a
11 violation of the securities laws if, with the intent to
12 promote or assist the violation, the person—

13 “(A) procures, induces, or causes another
14 person to commit the offense;

15 “(B) aids or abets another person in com-
16 mitting the offense; or

17 “(C) having a duty to prevent the violation,
18 fails to make an effort the person is required to
19 make.”.

20 **SEC. 829. CONFIDENTIALITY OF RECORDS OBTAINED FROM**
21 **FOREIGN SECURITIES AND LAW ENFORCE-**
22 **MENT AUTHORITIES.**

23 Section 24(d) of the Securities Exchange Act of 1934
24 (15 U.S.C. 78x(d)) is amended to read as follows:

1 “(d) *RECORDS OBTAINED FROM FOREIGN SECURITIES*
2 *AND LAW ENFORCEMENT AUTHORITIES.*—*Except as pro-*
3 *vided in subsection (g), the Commission shall not be com-*
4 *pelled to disclose records obtained from a foreign securities*
5 *authority, or from a foreign law enforcement authority as*
6 *defined in subsection (f)(4), if—*

7 “(1) *the foreign securities authority or foreign*
8 *law enforcement authority has in good faith deter-*
9 *mined and represented to the Commission that the*
10 *records are confidential under the laws of the country*
11 *of such authority; and*

12 “(2) *the Commission obtains such records pursu-*
13 *ant to—*

14 “(A) *such procedure as the Commission*
15 *may authorize for use in connection with the ad-*
16 *ministration or enforcement of the securities*
17 *laws; or*

18 “(B) *a memorandum of understanding.*

19 *For purposes of section 552 of title 5, United States Code,*
20 *this subsection shall be considered a statute described in*
21 *subsection (b)(3)(B) of such section 552.”.*

1 **SEC. 830. CLARIFICATION OF AUTHORITY TO IMPOSE SANC-**
2 **TIONS ON PERSONS ASSOCIATED WITH A**
3 **BROKER OR DEALER.**

4 *Section 15(b)(6)(A)(i) of the Securities Exchange Act*
5 *of 1934 (15 U.S.C. 78o(b)(6)(A)(i)) is amended by striking*
6 *“enumerated” and all that follows and inserting “enumer-*
7 *ated in subparagraph (A), (D), (E), (G), or (H) of para-*
8 *graph (4) of this subsection;”.*

9 **SEC. 831. COMPLAINT AND BURDEN OF PROOF REQUIRE-**
10 **MENTS FOR CERTAIN ACTIONS FOR BREACH**
11 **OF FIDUCIARY DUTY.**

12 *Section 36(b) of the Investment Company Act of 1940*
13 *(15 U.S.C. 80a-35(b)) is amended by adding at the end*
14 *the following:*

15 *“(7) In any such action brought by a security*
16 *holder of a registered investment company on behalf*
17 *of such company—*

18 *“(A) the complaint shall state with particu-*
19 *larity all facts establishing a breach of fiduciary*
20 *duty, and, if an allegation of any such facts is*
21 *based on information and belief, the complaint*
22 *shall state with particularity all facts on which*
23 *that belief is formed; and*

24 *“(B) such security holder shall have the bur-*
25 *den of proving a breach of fiduciary duty by*
26 *clear and convincing evidence.”.*

1 **SEC. 832. CONGRESSIONAL ACCESS TO INFORMATION HELD**
2 **BY THE PUBLIC COMPANY ACCOUNTING**
3 **OVERSIGHT BOARD.**

4 *Section 105(b)(5) of the Sarbanes-Oxley Act of 2002*
5 *(15 U.S.C. 7215(b)(5)) is amended—*

6 *(1) in subparagraph (A), by striking “subpara-*
7 *graphs (B) and (C)” and inserting “subparagraphs*
8 *(B), (C) and (D)”;* and

9 *(2) by adding at the end the following:*

10 *“(D) AVAILABILITY TO THE CONGRESSIONAL*
11 *COMMITTEES.—The Board shall make available*
12 *to the Committees specified under section*
13 *101(h)—*

14 *“(i) such information as the Commit-*
15 *tees shall request; and*

16 *“(ii) with respect to any confidential*
17 *or privileged information provided in re-*
18 *sponse to a request under clause (i), includ-*
19 *ing any information subject to section*
20 *104(g) and subparagraph (A), or any con-*
21 *fidential or privileged information provided*
22 *orally in response to such a request, such*
23 *information shall maintain the protections*
24 *provided in subparagraph (A), and shall re-*
25 *tain its confidential and privileged status*

1 *in the hands of the Board and the Commit-*
2 *tees.”.*

3 **SEC. 833. ABOLISHING INVESTOR ADVISORY GROUP.**

4 *The Public Company Accounting Oversight Board*
5 *shall abolish the Investor Advisory Group.*

6 **SEC. 834. REPEAL OF REQUIREMENT FOR PUBLIC COMPANY**
7 **ACCOUNTING OVERSIGHT BOARD TO USE**
8 **CERTAIN FUNDS FOR MERIT SCHOLARSHIP**
9 **PROGRAM.**

10 *(a) IN GENERAL.—Section 109(c) of the Sarbanes-*
11 *Oxley Act of 2002 (15 U.S.C. 7219(c)) is amended by strik-*
12 *ing paragraph (2).*

13 *(b) CONFORMING AMENDMENTS.—Section 109 of the*
14 *Sarbanes-Oxley Act of 2002 (15 U.S.C. 7219) is amended—*

15 *(1) in subsection (c), by striking “USES OF*
16 *FUNDS” and all that follows through “The budget”*
17 *and inserting “USES OF FUNDS.—The budget”; and*

18 *(2) in subsection (f), by striking “subsection*
19 *(c)(1)” and inserting “subsection (c)”.*

20 **SEC. 835. REALLOCATION OF FINES FOR VIOLATIONS OF**
21 **RULES OF MUNICIPAL SECURITIES RULE-**
22 **MAKING BOARD.**

23 *(a) IN GENERAL.—Section 15B(c)(9) of the Securities*
24 *Exchange Act of 1934 (15 U.S.C. 78o-4(c)(9)) is amended*
25 *to read as follows:*

1 “(9) *Fines collected for violations of the rules of the*
2 *Board shall be deposited and credited as general revenue*
3 *of the Treasury, except as otherwise provided in section 308*
4 *of the Sarbanes-Oxley Act of 2002 or section 21F of this*
5 *title.*”.

6 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
7 *section (a) shall apply to fines collected after the date of*
8 *enactment of this Act.*

9 ***Subtitle B—Eliminating Excessive***
10 ***Government Intrusion in the***
11 ***Capital Markets***

12 ***SEC. 841. REPEAL OF DEPARTMENT OF LABOR FIDUCIARY***
13 ***RULE AND REQUIREMENTS PRIOR TO RULE-***
14 ***MAKING RELATING TO STANDARDS OF CON-***
15 ***DUCT FOR BROKERS AND DEALERS.***

16 (a) *REPEAL OF DEPARTMENT OF LABOR FIDUCIARY*
17 *RULE.*—*The final rule of the Department of Labor titled*
18 *“Definition of the Term ‘Fiduciary’; Conflict of Interest*
19 *Rule—Retirement Investment Advice” and related prohib-*
20 *ited transaction exemptions published April 8, 2016 (81*
21 *Fed. Reg. 20946) shall have no force or effect.*

22 (b) *STAY ON RULES DEFINING CERTAIN FIDU-*
23 *CIARIES.*—*After the date of enactment of this Act, the Sec-*
24 *retary of Labor shall not prescribe any regulation under*
25 *the Employee Retirement Income Security Act of 1974 (29*

1 *U.S.C. 1001 et seq.) defining the circumstances under which*
2 *an individual is considered a fiduciary until the date that*
3 *is 60 days after the Securities and Exchange Commission*
4 *issues a final rule relating to standards of conduct for bro-*
5 *kers and dealers pursuant to the second subsection (k) of*
6 *section 15 of the Securities Exchange Act of 1934 (15 U.S.C.*
7 *780(k)).*

8 *(c) REQUIREMENT AFTER STAY.—If, after the stay de-*
9 *scribed under subsection (b), the Secretary of Labor pre-*
10 *scribes a regulation described under such subsection, the*
11 *Secretary of Labor shall prescribe a substantially identical*
12 *definition of what constitutes fiduciary investment advice*
13 *and impose substantially identical standards of care and*
14 *conditions as the Securities and Exchange Commission has*
15 *imposed on brokers, dealers, or investment advisers.*

16 *(d) REQUIREMENTS PRIOR TO RULEMAKING RELAT-*
17 *ING TO STANDARDS OF CONDUCT FOR BROKERS AND DEAL-*
18 *ERS.—The second subsection (k) of section 15 of the Securi-*
19 *ties Exchange Act of 1934 (15 U.S.C. 780(k)), as added by*
20 *section 913(g)(1) of the Dodd-Frank Wall Street Reform*
21 *and Consumer Protection Act (12 U.S.C. 5301 et seq.), is*
22 *amended by adding at the end the following:*

23 *“(3) REQUIREMENTS PRIOR TO RULEMAKING.—*
24 *The Commission shall not promulgate a rule pursu-*
25 *ant to paragraph (1) before providing a report to the*

1 *Committee on Financial Services of the House of Rep-*
2 *resentatives and the Committee on Banking, Housing,*
3 *and Urban Affairs of the Senate describing whether—*

4 *“(A) retail investors (and such other cus-*
5 *tomers as the Commission may provide) are*
6 *being harmed due to brokers or dealers operating*
7 *under different standards of conduct than those*
8 *that apply to investment advisors under section*
9 *211 of the Investment Advisers Act of 1940 (15*
10 *U.S.C. 80b–11);*

11 *“(B) alternative remedies will reduce any*
12 *confusion or harm to retail investors due to bro-*
13 *kers or dealers operating under different stand-*
14 *ards of conduct than those standards that apply*
15 *to investment advisors under section 211 of the*
16 *Investment Advisers Act of 1940 (15 U.S.C. 80b–*
17 *11), including—*

18 *“(i) simplifying the titles used by bro-*
19 *kers, dealers, and investment advisors; and*

20 *“(ii) enhancing disclosure surrounding*
21 *the different standards of conduct currently*
22 *applicable to brokers, dealers, and invest-*
23 *ment advisors;*

24 *“(C) the adoption of a uniform fiduciary*
25 *standard of conduct for brokers, dealers, and in-*

1 *vestment advisors would adversely impact the*
2 *commissions of brokers and dealers, the avail-*
3 *ability of proprietary products offered by brokers*
4 *and dealers, and the ability of brokers and deal-*
5 *ers to engage in principal transactions with cus-*
6 *tomers; and*

7 *“(D) the adoption of a uniform fiduciary*
8 *standard of conduct for brokers or dealers and*
9 *investment advisors would adversely impact re-*
10 *tail investor access to personalized and cost-effec-*
11 *tive investment advice, recommendations about*
12 *securities, or the availability of such advice and*
13 *recommendations.*

14 *“(4) ECONOMIC ANALYSIS.—The Commission’s*
15 *conclusions contained in the report described in para-*
16 *graph (3) shall be supported by economic analysis.*

17 *“(5) REQUIREMENTS FOR PROMULGATING A*
18 *RULE.—The Commission shall publish in the Federal*
19 *Register alongside the rule promulgated pursuant to*
20 *paragraph (1) formal findings that such rule would*
21 *reduce confusion or harm to retail customers (and*
22 *such other customers as the Commission may by rule*
23 *provide) due to different standards of conduct appli-*
24 *cable to brokers, dealers, and investment advisors.*

1 “(6) *REQUIREMENTS UNDER INVESTMENT ADVIS-*
 2 *ERS ACT OF 1940.*—*In proposing rules under para-*
 3 *graph (1) for brokers or dealers, the Commission shall*
 4 *consider the differences in the registration, super-*
 5 *vision, and examination requirements applicable to*
 6 *brokers, dealers, and investment advisors.*”.

7 **SEC. 842. EXEMPTION FROM RISK RETENTION REQUIRE-**
 8 **MENTS FOR NONRESIDENTIAL MORTGAGE.**

9 *(a) IN GENERAL.*—*Section 15G of the Securities Ex-*
 10 *change Act of 1934 (15 U.S.C. 78o–11) is amended—*

11 *(1) in subsection (a)—*

12 *(A) in paragraph (3)(B), by striking “and”*
 13 *at the end;*

14 *(B) in paragraph (4)(B), by striking the pe-*
 15 *riod and inserting “; and”; and*

16 *(C) by adding at the end the following:*

17 *“(5) the term ‘asset-backed security’ refers only*
 18 *to an asset-backed security that is comprised wholly*
 19 *of residential mortgages.”;*

20 *(2) in subsection (b)—*

21 *(A) by striking paragraph (1); and*

22 *(B) by striking “(2) RESIDENTIAL MORT-*
 23 *GAGES.—”;*

24 *(3) by striking subsection (h) and redesignating*
 25 *subsection (i) as subsection (h); and*

1 (4) *in subsection (h) (as so redesignated)*—

2 (A) *by striking “effective—” and all that*
3 *follows through “(1) with respect to” and insert-*
4 *ing “effective with respect to”;*

5 (B) *in paragraph (1), by striking “; and”*
6 *and inserting a period; and*

7 (C) *by striking paragraph (2).*

8 (b) *CONFORMING AMENDMENT.*—*Section 941 of the*
9 *Dodd-Frank Wall Street Reform and Consumer Protection*
10 *Act is amended by striking subsection (c).*

11 **SEC. 843. FREQUENCY OF SHAREHOLDER APPROVAL OF EX-**
12 **ECUTIVE COMPENSATION.**

13 *Section 14A(a) of the Securities Exchange Act of 1934*
14 *(15 U.S.C. 78n–1(a)) is amended—*

15 (1) *in paragraph (1), by striking “Not less fre-*
16 *quently than once every 3 years” and inserting “Each*
17 *year in which there has been a material change to the*
18 *compensation of executives of an issuer from the pre-*
19 *vious year”;* and

20 (2) *by striking paragraph (2) and redesignating*
21 *paragraph (3) as paragraph (2).*

22 **SEC. 844. SHAREHOLDER PROPOSALS.**

23 (a) *RESUBMISSION THRESHOLDS.*—*The Securities*
24 *and Exchange Commission shall revise section 240.14a–*
25 *8(i)(12) of title 17, Code of Federal Regulations to—*

1 (1) in paragraph (i), adjust the 3 percent thresh-
2 old to 6 percent;

3 (2) in paragraph (ii), adjust the 6 percent
4 threshold to 15 percent; and

5 (3) in paragraph (iii), adjust the 10 percent
6 threshold to 30 percent.

7 (b) *HOLDING REQUIREMENT.*—*The Securities and Ex-*
8 *change Commission shall revise the holding requirement for*
9 *a shareholder to be eligible to submit a shareholder proposal*
10 *to an issuer in section 240.14a–8(b)(1) of title 17, Code of*
11 *Federal Regulations, to—*

12 (1) *eliminate the option to satisfy the holding re-*
13 *quirement by holding a certain dollar amount;*

14 (2) *require the shareholder to hold 1 percent of*
15 *the issuer’s securities entitled to be voted on the pro-*
16 *posal, or such greater percentage as determined by the*
17 *Commission; and*

18 (3) *adjust the 1 year holding period to 3 years.*

19 (c) *SHAREHOLDER PROPOSALS ISSUED BY PROX-*
20 *IES.*—*Section 14 of the Securities Exchange Act of 1934*
21 *(15 U.S.C. 78n) is amended by adding at the end the fol-*
22 *lowing:*

23 “(j) *SHAREHOLDER PROPOSALS BY PROXIES NOT*
24 *PERMITTED.*—*An issuer may not include in its proxy ma-*
25 *terials a shareholder proposal submitted by a person in such*

1 *person's capacity as a proxy, representative, agent, or per-*
2 *son otherwise acting on behalf of a shareholder.”.*

3 **SEC. 845. PROHIBITION ON REQUIRING A SINGLE BALLOT.**

4 *Section 14 of the Securities Exchange Act of 1934 (15*
5 *U.S.C. 78n) is amended by adding at the end the following:*

6 *“(k) PROHIBITION ON REQUIRING A SINGLE BAL-*
7 *LOT.—The Commission may not require that a solicitation*
8 *of a proxy, consent, or authorization to vote a security of*
9 *an issuer in an election of members of the board of directors*
10 *of the issuer be made using a single ballot or card that lists*
11 *both individuals nominated by (or on behalf of) the issuer*
12 *and individuals nominated by (or on behalf of) other pro-*
13 *ponents and permits the person granting the proxy, consent,*
14 *or authorization to select from among individuals in both*
15 *groups.”.*

16 **SEC. 846. REQUIREMENT FOR MUNICIPAL ADVISOR FOR**
17 **ISSUERS OF MUNICIPAL SECURITIES.**

18 *Section 15B(d) of the Securities Exchange Act of 1934*
19 *(15 U.S.C. 78o-4(d)) is amended by adding at the end the*
20 *following:*

21 *“(3) An issuer of municipal securities shall not be re-*
22 *quired to retain a municipal advisor prior to issuing any*
23 *such securities.”.*

1 **SEC. 847. SMALL ISSUER EXEMPTION FROM INTERNAL CON-**
 2 **TROL EVALUATION.**

3 *Section 404(c) of the Sarbanes-Oxley Act of 2002 (15*
 4 *U.S.C. 7262(c)) is amended to read as follows:*

5 *“(c) EXEMPTION FOR SMALLER ISSUERS.—Subsection*
 6 *(b) shall not apply with respect to any audit report pre-*
 7 *pared for an issuer that has total market capitalization of*
 8 *less than \$500,000,000, nor to any issuer that is a deposi-*
 9 *tory institution with assets of less than \$1,000,000,000.”.*

10 **SEC. 848. STREAMLINING OF APPLICATIONS FOR AN EX-**
 11 **EMPTION FROM THE INVESTMENT COMPANY**
 12 **ACT OF 1940.**

13 *Section 6(c) of the Investment Company Act of 1940*
 14 *(15 U.S.C. 80a-6(c)) is amended—*

15 *(1) by striking “(c) The Commission” and in-*
 16 *serting the following:*

17 *“(c) GENERAL EXEMPTIVE AUTHORITY.—*

18 *“(1) IN GENERAL.—The Commission”; and*

19 *(2) by adding at the end the following:*

20 *“(2) APPLICATION PROCESS.—*

21 *“(A) IN GENERAL.—A person who wishes to*
 22 *receive an exemption from the Commission pur-*
 23 *suant to paragraph (1) shall file an application*
 24 *with the Commission in such form and manner*
 25 *and containing such information as the Commis-*
 26 *sion may require.*

1 “(B) *PUBLICATION; REJECTION OF INVALID*
2 *APPLICATIONS.—*

3 “(i) *IN GENERAL.—Not later than the*
4 *end of the 5-day period beginning on the*
5 *date that the Commission receives an appli-*
6 *cation under subparagraph (A), the Com-*
7 *mission shall either—*

8 “(I) *publish the application, in-*
9 *cluding by publication on the website*
10 *of the Commission; or*

11 “(II) *if the Commission deter-*
12 *mines that the application does not*
13 *comply with the proper form, manner,*
14 *or information requirements described*
15 *under subparagraph (A), reject such*
16 *application and notify the applicant of*
17 *the specific reasons the application was*
18 *rejected.*

19 “(ii) *FAILURE TO PUBLISH APPLICA-*
20 *TION.—If the Commission does not reject an*
21 *application under clause (i)(II), but fails to*
22 *publish the application by the end of the*
23 *time period specified under clause (i), such*
24 *application shall be deemed to have been*

1 *published on the date that is the end of such*
2 *time period.*

3 “(3) *DETERMINATION BY COMMISSION.*—

4 “(A) *IN GENERAL.*—*Not later than 45 days*
5 *after the date that the Commission publishes an*
6 *application pursuant to paragraph (2)(B), the*
7 *Commission shall, by order—*

8 “(i) *approve the application;*

9 “(ii) *if the Commission determines*
10 *that the application would have been ap-*
11 *proved had the applicant provided addi-*
12 *tional supporting documentation or made*
13 *certain amendments to the application—*

14 “(I) *provide the applicant with*
15 *the specific additional supporting doc-*
16 *umentation or amendments that the*
17 *Commission believes are necessary for*
18 *the applicant to provide in order for*
19 *the application to be approved; and*

20 “(II) *request that the applicant*
21 *withdraw the application and re-sub-*
22 *mit the application with such addi-*
23 *tional supporting documentation and*
24 *amendments; or*

25 “(iii) *deny the application.*

1 “(B) *EXTENSION OF TIME PERIOD.*—The
2 *Commission may extend the time period de-*
3 *scribed under subparagraph (A) by not more*
4 *than an additional 45 days, if—*

5 “(i) *the Commission determines that a*
6 *longer period is appropriate and publishes*
7 *the reasons for such determination; or*

8 “(ii) *the applicant consents to the*
9 *longer period.*

10 “(C) *TIME PERIOD FOR WITHDRAWAL.*—If
11 *the Commission makes a request under subpara-*
12 *graph (A)(ii) for an applicant to withdraw an*
13 *application, such application shall be deemed to*
14 *be denied if the applicant informs the Commis-*
15 *sion that the applicant will not withdraw the*
16 *application or if the applicant does not with-*
17 *draw the application before the end of the 30-day*
18 *period beginning on the date the Commission*
19 *makes such request.*

20 “(4) *PROCEEDINGS; NOTICE AND HEARING.*—If
21 *an application is denied pursuant to paragraph (3),*
22 *the Commission shall provide the applicant with—*

23 “(A) *a written explanation for why the ap-*
24 *plication was not approved; and*

1 “(B) an opportunity for hearing, if re-
2 quested by the applicant not later than 20 days
3 after the date of such denial, with such hearing
4 to be commenced not later than 30 days after the
5 date of such denial.

6 “(5) *RESULT OF FAILURE TO INSTITUTE OR*
7 *COMMENCE PROCEEDINGS.—An application shall be*
8 *deemed to have been approved by the Commission,*
9 *if—*

10 “(A) the Commission fails to either approve,
11 request the withdrawal of, or deny the applica-
12 tion, as required under paragraph (3)(A), within
13 the time period required under paragraph
14 (3)(A), as such time period may have been ex-
15 tended pursuant to paragraph (3)(B); or

16 “(B) the applicant requests an opportunity
17 for hearing, pursuant to paragraph (4)(B), but
18 the Commission does not commence such hearing
19 within the time period required under para-
20 graph (4)(B).

21 “(6) *RULEMAKING.—Not later than 180 days*
22 *after the date of enactment of this paragraph, the*
23 *Commission shall issue rules to carry out this sub-*
24 *section.”.*

1 **SEC. 849. RESTRICTION ON RECOVERY OF ERRONEOUSLY**
2 **AWARDED COMPENSATION.**

3 *Section 10D(b)(2) of the Securities Exchange Act of*
4 *1934 (15 U.S.C. 78j-4(b)(2)) is amended by inserting before*
5 *the period the following: “, where such executive officer had*
6 *control or authority over the financial reporting that re-*
7 *sulted in the accounting restatement”.*

8 **SEC. 850. EXEMPTIVE AUTHORITY FOR CERTAIN PROVI-**
9 **SIONS RELATING TO REGISTRATION OF NA-**
10 **TIONALLY RECOGNIZED STATISTICAL RATING**
11 **ORGANIZATIONS.**

12 *Section 15E of the Securities Exchange Act of 1934*
13 *(15 U.S.C. 78o-7) is amended by adding at the end the*
14 *following:*

15 *“(w) COMMISSION EXEMPTIVE AUTHORITY.—The*
16 *Commission, by rules and regulations upon its own motion,*
17 *or by order upon application, may conditionally or uncon-*
18 *ditionally exempt any person from any provision or provi-*
19 *sions of this title or of any rule or regulation thereunder,*
20 *if and to the extent it determines that such rule, regulation,*
21 *or requirement is creating a barrier to entry into the mar-*
22 *ket for nationally recognized statistical rating organiza-*
23 *tions or impeding competition among such organizations,*
24 *or that such an exemption is necessary or appropriate in*
25 *the public interest and is consistent with the protection of*
26 *investors.”.*

1 **SEC. 851. RISK-BASED EXAMINATIONS OF NATIONALLY REC-**
2 **OGNIZED STATISTICAL RATING ORGANIZA-**
3 **TIONS.**

4 *Section 15E(p)(3) of the Securities Exchange Act of*
5 *1934 (15 U.S.C. 78o-7(p)(3)) is amended—*

6 *(1) in subparagraph (A)—*

7 *(A) in the heading, by striking “ANNUAL”*
8 *and inserting “RISK-BASED”;*

9 *(B) by striking “an examination” and in-*
10 *serting “examinations”; and*

11 *(C) by striking “at least annually”; and*

12 *(2) in subparagraph (B), in the matter pre-*
13 *ceding clause (i), by inserting “, as appropriate,”*
14 *after “Each examination under subparagraph (A)*
15 *shall include”.*

16 **SEC. 852. TRANSPARENCY OF CREDIT RATING METHODOLO-**
17 **GIES.**

18 *Section 15E(s) of the Securities Exchange Act of 1934*
19 *(15 U.S.C. 78o-7(s)) is amended—*

20 *(1) in paragraph (2)(B), by inserting before the*
21 *semicolon the following: “rated by the nationally rec-*
22 *ognized statistical rating agency”; and*

23 *(2) in paragraph (3)—*

24 *(A) in subparagraph (A)(ix), by inserting*
25 *before the period the following: “, except that the*
26 *Commission may not require the inclusion of ref-*

1 *erences to statutory or regulatory requirements*
2 *or statutory provision headings or enumerators*
3 *for any specific disclosure”;*

4 *(B) in subparagraph (B)(iv), by inserting*
5 *before the period the following: “, except that the*
6 *Commission may not require the inclusion of ref-*
7 *erences to statutory or regulatory requirements*
8 *or statutory provision headings or enumerators*
9 *for any specific disclosure”;* and

10 *(C) by adding at the end the following:*

11 *“(C) NO MANDATE ON THE ORGANIZATION*
12 *OF DISCLOSURES.—The Commission may not*
13 *mandate the specific organization of the disclo-*
14 *tures required under this paragraph.”.*

15 **SEC. 853. REPEAL OF CERTAIN ATTESTATION REQUIRE-**
16 **MENTS RELATING TO CREDIT RATINGS.**

17 *Section 15E of the Securities Exchange Act of 1934*
18 *(15 U.S.C. 78o-7) is amended—*

19 *(1) in subsection (c)(3)(B)—*

20 *(A) in clause (i), by adding “and” at the*
21 *end;*

22 *(B) in clause (ii), by striking “; and” and*
23 *inserting a period; and*

24 *(C) by striking clause (iii); and*

25 *(2) in subsection (q)(2)—*

1 (A) in subparagraph (D), by adding “and”
2 at the end;

3 (B) in subparagraph (E), by striking “;
4 and” and inserting a period; and

5 (C) by striking subparagraph (F).

6 **SEC. 854. LOOK-BACK REVIEW BY NRSRO.**

7 Section 15E(h)(4)(A) of the Securities Exchange Act
8 of 1934 (15 U.S.C. 78o-7(h)(4)(A)) is amended—

9 (1) by striking “Each nationally” and inserting
10 the following:

11 “(i) *IN GENERAL.*—*Each nationally*”;

12 (2) by striking “underwriter” and inserting
13 “lead underwriter”;

14 (3) by striking “in any capacity”;

15 (4) by striking “during the 1-year period pre-
16 ceding the date an action was taken with respect to
17 the credit rating”;

18 (5) by redesignating clauses (i) and (ii) as sub-
19 clauses (I) and (II), respectively, and adjusting the
20 margin of such subclauses accordingly;

21 (6) in subclause (I), as so redesignated, by in-
22 serting before the semicolon the following: “during the
23 1-year period preceding the departure of the employee
24 from the nationally recognized statistical rating orga-
25 nization”; and

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

2 “(ii) *MAINTENANCE OF RATINGS AC-*
3 *TIONS.—In the case of maintenance of rat-*
4 *ings actions, the requirement under clause*
5 *(i) shall only apply to employees of a per-*
6 *son subject to a credit rating of the nation-*
7 *ally recognized statistical rating organiza-*
8 *tion or an issuer of a security or money*
9 *market instrument subject to a credit rating*
10 *of the nationally recognized statistical rat-*
11 *ing organization.”.*

12 **SEC. 855. APPROVAL OF CREDIT RATING PROCEDURES AND**
13 **METHODOLOGIES.**

14 Section 15E(r)(1)(A) of the Securities Exchange Act
15 of 1934 (15 U.S.C. 78o–7(r)(1)(A)) is amended by inserting
16 “, or the Chief Credit Officer” after “performing a function
17 similar to that of a board”.

18 **SEC. 856. EXCEPTION FOR PROVIDING CERTAIN MATERIAL**
19 **INFORMATION RELATING TO A CREDIT RAT-**
20 **ING.**

21 Section 15E(h)(3) of the Securities Exchange Act of
22 1934 (15 U.S.C. 78o–7(h)(3)) is amended by adding at the
23 end the following:

24 “(C) *EXCEPTION FOR PROVIDING CERTAIN*
25 *MATERIAL INFORMATION.—Rules issued under*

1 *this paragraph may not prohibit a person who*
2 *participates in sales or marketing of a product*
3 *or service of a nationally recognized statistical*
4 *rating organization from providing material in-*
5 *formation, or information believed in good faith*
6 *to be material, to the issuance or maintenance of*
7 *a credit rating to a person who participates in*
8 *determining or monitoring the credit rating, or*
9 *developing or approving procedures or meth-*
10 *odologies used for determining the credit rating,*
11 *so long as the information provided is not in-*
12 *tended to influence the determination of a credit*
13 *rating, or the procedures or methodologies used*
14 *to determine credit ratings.”.*

15 **SEC. 857. REPEALS.**

16 *(a) REPEALS.—The following provisions of title IX of*
17 *the Dodd-Frank Wall Street Reform and Consumer Protec-*
18 *tion Act are repealed, and the provisions of law amended*
19 *or repealed by such sections are restored or revived as if*
20 *such sections had not been enacted:*

21 *(1) Section 912.*

22 *(2) Section 914.*

23 *(3) Section 917.*

24 *(4) Section 918.*

25 *(5) Section 919A.*

- 1 (6) *Section 919B.*
- 2 (7) *Section 919C.*
- 3 (8) *Section 921.*
- 4 (9) *Section 929T.*
- 5 (10) *Section 929X.*
- 6 (11) *Section 929Y.*
- 7 (12) *Section 929Z.*
- 8 (13) *Section 931.*
- 9 (14) *Section 933.*
- 10 (15) *Section 937.*
- 11 (16) *Section 939B.*
- 12 (17) *Section 939C.*
- 13 (18) *Section 939D.*
- 14 (19) *Section 939E.*
- 15 (20) *Section 939F.*
- 16 (21) *Section 939G.*
- 17 (22) *Section 939H.*
- 18 (23) *Section 946.*
- 19 (24) *Subsection (b) of section 953.*
- 20 (25) *Section 955.*
- 21 (26) *Section 956.*
- 22 (27) *Section 964.*
- 23 (28) *Section 965.*
- 24 (29) *Section 968.*
- 25 (30) *Section 971.*

1 (31) *Section 972.*

2 (32) *Section 976.*

3 (33) *Section 977.*

4 (34) *Section 978.*

5 (35) *Section 984.*

6 (36) *Section 989.*

7 (37) *Section 989A.*

8 (38) *Section 989F.*

9 (39) *Subsection (b) of section 989G.*

10 (40) *Section 989I.*

11 (b) *CONFORMING AMENDMENTS.—The Dodd-Frank*
12 *Wall Street Reform and Consumer Protection Act (12*
13 *U.S.C. 5301) is amended—*

14 (1) *in the table of contents in section 1(b), by*
15 *striking the items relating to the sections described*
16 *under paragraphs (1) through (23), (25) through (38),*
17 *and (40) of subsection (a);*

18 (2) *in section 953, by striking “(a) DISCLOSURE*
19 *OF PAY VERSUS PERFORMANCE.—”; and*

20 (3) *in section 989G, by striking “(a) EXEMP-*
21 *TION.—”.*

1 **SEC. 858. EXEMPTION OF AND REPORTING BY PRIVATE EQ-**
2 **UITY FUND ADVISERS.**

3 *Section 203 of the Investment Advisers Act of 1940 (15*
4 *U.S.C. 80b-3) is amended by adding at the end the fol-*
5 *lowing:*

6 *“(o) EXEMPTION OF AND REPORTING BY PRIVATE EQ-*
7 *UITY FUND ADVISERS.—*

8 *“(1) IN GENERAL.—Except as provided in this*
9 *subsection, no investment adviser shall be subject to*
10 *the registration or reporting requirements of this title*
11 *with respect to the provision of investment advice re-*
12 *lating to a private equity fund.*

13 *“(2) MAINTENANCE OF RECORDS AND ACCESS BY*
14 *COMMISSION.—Not later than 6 months after the date*
15 *of enactment of this subsection, the Commission shall*
16 *issue final rules—*

17 *“(A) to require investment advisers de-*
18 *scribed in paragraph (1) to maintain such*
19 *records and provide to the Commission such an-*
20 *ual or other reports as the Commission, taking*
21 *into account fund size, governance, investment*
22 *strategy, risk, and other factors, determines nec-*
23 *essary and appropriate in the public interest*
24 *and for the protection of investors; and*

25 *“(B) to define the term ‘private equity fund’*
26 *for purposes of this subsection.”.*

1 **SEC. 859. RECORDS AND REPORTS OF PRIVATE FUNDS.**

2 *The Investment Advisers Act of 1940 (15 U.S.C. 80b–*
3 *1 et seq.) is amended—*

4 *(1) in section 204(b)—*

5 *(A) in paragraph (1)—*

6 *(i) in subparagraph (A), by striking*
7 *“investors,” and all that follows and insert-*
8 *ing “investors.”;*

9 *(ii) by striking subparagraph (B); and*

10 *(iii) by striking “this title—” and all*
11 *that follows through “to maintain” and in-*
12 *serting “this title to maintain”;*

13 *(B) in paragraph (3)(H)—*

14 *(i) by striking “, in consultation with*
15 *the Council,”; and*

16 *(ii) by striking “or for the assessment*
17 *of systemic risk”;*

18 *(C) in paragraph (4), by striking “, or for*
19 *the assessment of systemic risk”;*

20 *(D) in paragraph (5), by striking “or for*
21 *the assessment of systemic risk”;*

22 *(E) in paragraph (6)(A)(ii), by striking “,*
23 *or for the assessment of systemic risk”;*

24 *(F) by striking paragraph (7) and redesign-*
25 *ating paragraphs (8) through (11) as para-*
26 *graphs (7) through (10), respectively; and*

1 (G) in paragraph (8) (as so redesignated),
2 by striking “paragraph (8)” and inserting
3 “paragraph (7)”; and
4 (2) in section 211(e)—
5 (A) by striking “after consultation with the
6 Council but”; and
7 (B) by striking “subsection 204(b)” and in-
8 serting “section 204(b)”.

9 **SEC. 860. DEFINITION OF ACCREDITED INVESTOR.**

10 (a) *IN GENERAL.*—Section 2(a)(15) of the Securities
11 *Act of 1933 (15 U.S.C. 77b(a)(15)) is amended—*

12 (1) by redesignating clauses (i) and (ii) as sub-
13 paragraphs (A) and (F), respectively; and

14 (2) in subparagraph (A) (as so redesignated), by
15 striking “; or” at the end and inserting a semicolon,
16 and inserting after such subparagraph the following:

17 “(B) any natural person whose individual
18 net worth, or joint net worth with that person’s
19 spouse, exceeds \$1,000,000 (which amount, along
20 with the amounts set forth in subparagraph (C),
21 shall be adjusted for inflation by the Commission
22 every 5 years to the nearest \$10,000 to reflect the
23 change in the Consumer Price Index for All
24 Urban Consumers published by the Bureau of

1 *Labor Statistics) where, for purposes of calcu-*
2 *lating net worth under this subparagraph—*

3 *“(i) the person’s primary residence*
4 *shall not be included as an asset;*

5 *“(ii) indebtedness that is secured by*
6 *the person’s primary residence, up to the es-*
7 *timated fair market value of the primary*
8 *residence at the time of the sale of securities,*
9 *shall not be included as a liability (except*
10 *that if the amount of such indebtedness out-*
11 *standing at the time of sale of securities ex-*
12 *ceeds the amount outstanding 60 days be-*
13 *fore such time, other than as a result of the*
14 *acquisition of the primary residence, the*
15 *amount of such excess shall be included as*
16 *a liability); and*

17 *“(iii) indebtedness that is secured by*
18 *the person’s primary residence in excess of*
19 *the estimated fair market value of the pri-*
20 *mary residence at the time of the sale of se-*
21 *curities shall be included as a liability;*

22 *“(C) any natural person who had an indi-*
23 *vidual income in excess of \$200,000 in each of*
24 *the 2 most recent years or joint income with that*
25 *person’s spouse in excess of \$300,000 in each of*

1 *those years and has a reasonable expectation of*
2 *reaching the same income level in the current*
3 *year;*

4 “(D) *any natural person who, by reason of*
5 *their net worth or income, is an accredited inves-*
6 *tor under section 230.215 of title 17, Code of*
7 *Federal Regulations (as in effect on the day be-*
8 *fore the date of enactment of this subparagraph);*

9 “(E) *any natural person who is currently*
10 *licensed or registered as a broker or investment*
11 *adviser by the Commission, the Financial Indus-*
12 *try Regulatory Authority, or an equivalent self-*
13 *regulatory organization (as defined in section*
14 *3(a)(26) of the Securities Exchange Act of 1934),*
15 *or the securities division of a State or the equiv-*
16 *alent State division responsible for licensing or*
17 *registration of individuals in connection with se-*
18 *curities activities;*

19 “(F) *any natural person the Commission*
20 *determines, by regulation, to have demonstrable*
21 *education or job experience to qualify such per-*
22 *son as having professional knowledge of a subject*
23 *related to a particular investment, and whose*
24 *education or job experience is verified by the Fi-*
25 *nancial Industry Regulatory Authority or an*

1 *equivalent self-regulatory organization (as de-*
2 *defined in section 3(a)(26) of the Securities Ex-*
3 *change Act of 1934); or”.*

4 **(b) REPEAL.—**

5 **(1) IN GENERAL.—***Section 413 of the Dodd-*
6 *Frank Wall Street Reform and Consumer Protection*
7 *Act (Public Law 111–203) is hereby repealed.*

8 **(2) CLERICAL AMENDMENT.—***The table of con-*
9 *tents in section 1(b) of the Dodd-Frank Wall Street*
10 *Reform and Consumer Protection Act is amended by*
11 *striking the items relating to section 413.*

12 **SEC. 861. REPEAL OF CERTAIN PROVISIONS REQUIRING A**
13 **STUDY AND REPORT TO CONGRESS.**

14 **(a) REPEAL.—***The following provisions of the Dodd-*
15 *Frank Wall Street Reform and Consumer Protection Act*
16 *are repealed:*

17 **(1) Section 412.**

18 **(2) Section 415.**

19 **(3) Section 416.**

20 **(4) Section 417.**

21 **(b) CLERICAL AMENDMENT.—***The table of contents in*
22 *section 1(b) of the Dodd-Frank Wall Street Reform and*
23 *Consumer Protection Act is amended by striking the items*
24 *relating to sections 412, 415, 416, and 417.*

1 **SEC. 862. REPEAL.**

2 (a) *REPEAL.*—*The following sections of title XV of the*
3 *Dodd-Frank Wall Street Reform and Consumer Protection*
4 *Act are repealed, and the provisions of law amended or re-*
5 *pealed by such sections are restored or revived as if such*
6 *sections had not been enacted:*

7 (1) *Section 1502.*

8 (2) *Section 1503.*

9 (3) *Section 1504.*

10 (4) *Section 1505.*

11 (5) *Section 1506.*

12 (b) *CLERICAL AMENDMENT.*—*The table of contents in*
13 *section 1(b) of the Dodd-Frank Wall Street Reform and*
14 *Consumer Protection Act is amended by striking the items*
15 *relating to sections 1502, 1503, 1504, 1505, and 1506.*

16 ***Subtitle C—Harmonization of***
17 ***Derivatives Rules***

18 ***SEC. 871. COMMISSIONS REVIEW AND HARMONIZATION OF***
19 ***RULES RELATING TO THE REGULATION OF***
20 ***OVER-THE-COUNTER SWAPS MARKETS.***

21 *The Securities and Exchange Commission and the*
22 *Commodity Futures Trading Commission shall review each*
23 *rule, order, and interpretive guidance issued by either such*
24 *Commission pursuant to title VII of the Dodd-Frank Wall*
25 *Street Reform and Consumer Protection Act (15 U.S.C.*
26 *8301 et seq.) and, where the Commissions find inconsist-*

1 *encies in any such rules, orders, or interpretive guidance,*
2 *shall jointly issue new rules, orders, or interpretive guid-*
3 *ance to resolve such inconsistencies.*

4 **SEC. 872. TREATMENT OF TRANSACTIONS BETWEEN AFFILI-**
5 **ATES.**

6 *(a) COMMODITY EXCHANGE ACT.—Section 1a(47) of*
7 *the Commodity Exchange Act (7 U.S.C. 1a(47)) is amended*
8 *by adding at the end the following:*

9 *“(G) TREATMENT OF SWAP TRANSACTIONS*
10 *BETWEEN AFFILIATES.—*

11 *“(i) EXEMPTION FROM SWAP RULES.—*
12 *Except as provided under clause (ii), the*
13 *Commission may not regulate a swap under*
14 *this Act if all of the following apply to such*
15 *swap:*

16 *“(I) AFFILIATION.—One*
17 *counterparty, directly or indirectly,*
18 *holds a majority ownership interest in*
19 *the other counterparty, or a third*
20 *party, directly or indirectly, holds a*
21 *majority ownership interest in both*
22 *counterparties.*

23 *“(II) FINANCIAL STATEMENTS.—*
24 *The affiliated counterparty that holds*
25 *the majority interest in the other*

1 *counterparty or the third party that,*
2 *directly or indirectly, holds the major-*
3 *ity interests in both affiliated counter-*
4 *parties, reports its financial statements*
5 *on a consolidated basis under generally*
6 *accepted accounting principles or*
7 *International Financial Reporting*
8 *Standards, or other similar standards,*
9 *and the financial statements include*
10 *the financial results of the majority-*
11 *owned affiliated counterparty or*
12 *counterparties.*

13 *“(i) REQUIREMENTS FOR EXEMPTED*
14 *SWAPS.—With respect to a swap described*
15 *under clause (i):*

16 *“(I) REPORTING REQUIREMENT.—*
17 *If at least one counterparty is a swap*
18 *dealer or major swap participant, that*
19 *counterparty shall report the swap*
20 *pursuant to section 4r, within such*
21 *time period as the Commission may by*
22 *rule or regulation prescribe—*

23 *“(aa) to a swap data reposi-*
24 *tory; or*

1 “(bb) if there is no swap
2 data repository that would accept
3 the agreement, contract or trans-
4 action, to the Commission.

5 “(II) *RISK MANAGEMENT RE-*
6 *QUIREMENT.*—If at least one
7 counterparty is a swap dealer or major
8 swap participant, the swap shall be
9 subject to a centralized risk manage-
10 ment program pursuant to section 4s(j)
11 that is reasonably designed to monitor
12 and to manage the risks associated
13 with the swap.

14 “(III) *ANTI-EVASION REQUIRE-*
15 *MENT.*—The swap shall not be struc-
16 tured to evade the Dodd-Frank Wall
17 Street Reform and Consumer Protec-
18 tion Act in violation of any rule pro-
19 mulgated by the Commission pursuant
20 to section 721(c) of such Act.”.

21 (b) *SECURITIES EXCHANGE ACT OF 1934.*—Section
22 3(a)(68) of the Securities Exchange Act of 1934 (15 U.S.C.
23 78c(a)(68)) is amended by inserting before subsection (b)
24 the following:

1 “(F) *TREATMENT OF SECURITY-BASED*
2 *SWAP TRANSACTIONS BETWEEN AFFILIATES.—*

3 “(i) *EXEMPTION FROM SECURITY-*
4 *BASED SWAP RULES.—Except as provided*
5 *under clause (ii), the Commission may not*
6 *regulate a security-based swap under this*
7 *Act if all of the following apply to such se-*
8 *curity-based swap:*

9 “(I) *AFFILIATION.—One*
10 *counterparty, directly or indirectly,*
11 *holds a majority ownership interest in*
12 *the other counterparty, or a third*
13 *party, directly or indirectly, holds a*
14 *majority ownership interest in both*
15 *counterparties.*

16 “(II) *FINANCIAL STATEMENTS.—*
17 *The affiliated counterparty that holds*
18 *the majority interest in the other*
19 *counterparty or the third party that,*
20 *directly or indirectly, holds the major-*
21 *ity interests in both affiliated counter-*
22 *parties, reports its financial statements*
23 *on a consolidated basis under generally*
24 *accepted accounting principles or*
25 *International Financial Reporting*

1 Standards, or other similar standards,
2 and the financial statements include
3 the financial results of the majority-
4 owned affiliated counterparty or
5 counterparties.

6 “(ii) *REQUIREMENTS FOR EXEMPTED*
7 *SECURITY-BASED SWAPS.*—With respect to a
8 security-based swap described under clause
9 (i):

10 “(I) *REPORTING REQUIREMENT.*—
11 If at least one counterparty is a secu-
12 rity-based swap dealer or major secu-
13 rity-based swap participant, that
14 counterparty shall report the security-
15 based swap pursuant to section 13A,
16 within such time period as the Com-
17 mission may by rule or regulation pre-
18 scribe—

19 “(aa) to a security-based
20 swap data repository; or

21 “(bb) if there is no security-
22 based swap data repository that
23 would accept the agreement, con-
24 tract or transaction, to the Com-
25 mission.

1 “(II) *RISK MANAGEMENT RE-*
2 *QUIREMENT.*—*If at least one*
3 *counterparty is a security-based swap*
4 *dealer or major security-based swap*
5 *participant, the security-based swap*
6 *shall be subject to a centralized risk*
7 *management program pursuant to sec-*
8 *tion 15F(j) that is reasonably designed*
9 *to monitor and to manage the risks as-*
10 *sociated with the security-based swap.*

11 “(III) *ANTI-EVASION REQUIRE-*
12 *MENT.*—*The security-based swap shall*
13 *not be structured to evade the Dodd-*
14 *Frank Wall Street Reform and Con-*
15 *sumer Protection Act in violation of*
16 *any rule promulgated by the Commis-*
17 *sion pursuant to section 761(b)(3) of*
18 *such Act.”.*

19 **TITLE IX—REPEAL OF THE**
20 **VOLCKER RULE AND OTHER**
21 **PROVISIONS**

22 **SEC. 901. REPEALS.**

23 (a) *IN GENERAL.*—*The following sections of title VI*
24 *of the Dodd-Frank Wall Street Reform and Consumer Pro-*
25 *tection Act are repealed, and the provisions of law amended*

1 *or repealed by such sections are restored or revived as if*
 2 *such sections had not been enacted:*

3 (1) *Section 603.*

4 (2) *Section 618.*

5 (3) *Section 619.*

6 (4) *Section 620.*

7 (5) *Section 621.*

8 (b) *CLERICAL AMENDMENT.—The table of contents*
 9 *under section 1(b) of the Dodd-Frank Wall Street Reform*
 10 *and Consumer Protection Act is amended by striking the*
 11 *items relating to sections 603, 618, 619, 620, and 621.*

12 **TITLE X—FED OVERSIGHT**
 13 **REFORM AND MODERNIZATION**

14 **SEC. 1001. REQUIREMENTS FOR POLICY RULES OF THE FED-**
 15 **ERAL OPEN MARKET COMMITTEE.**

16 *The Federal Reserve Act (12 U.S.C. 221 et seq.) is*
 17 *amended by inserting after section 2B the following new*
 18 *section:*

19 **“SEC. 2C. DIRECTIVE POLICY RULES OF THE FEDERAL**
 20 **OPEN MARKET COMMITTEE.**

21 *“(a) DEFINITIONS.—In this section the following defi-*
 22 *nitions shall apply:*

23 *“(1) APPROPRIATE CONGRESSIONAL COMMIT-*
 24 *TEES.—The term ‘appropriate congressional commit-*
 25 *tees’ means the Committee on Financial Services of*

1 *the House of Representatives and the Committee on*
2 *Banking, Housing, and Urban Affairs of the Senate.*

3 “(2) *DIRECTIVE POLICY RULE.*—*The term ‘Direc-*
4 *tive Policy Rule’ means a policy rule developed by the*
5 *Federal Open Market Committee that meets the re-*
6 *quirements of subsection (c) and that provides the*
7 *basis for the Open Market Operations Directive.*

8 “(3) *GDP.*—*The term ‘GDP’ means the gross do-*
9 *mestic product of the United States as computed and*
10 *published by the Department of Commerce.*

11 “(4) *INTERMEDIATE POLICY INPUT.*—*The term*
12 *‘Intermediate Policy Input’—*

13 “(A) *may include any variable determined*
14 *by the Federal Open Market Committee as a nec-*
15 *essary input to guide open-market operations;*

16 “(B) *shall include an estimate of, and the*
17 *method of calculation for, the current rate of in-*
18 *flation or current inflation expectations; and*

19 “(C) *shall include, specifying whether the*
20 *variable or estimate is historical, current, or a*
21 *forecast and the method of calculation, at least*
22 *one of—*

23 “(i) *an estimate of real GDP, nominal*
24 *GDP, or potential GDP;*

1 “(ii) *an estimate of the monetary ag-*
2 *gregate compiled by the Board of Governors*
3 *of the Federal Reserve System and Federal*
4 *reserve banks; or*

5 “(iii) *an interactive variable or a net*
6 *estimate composed of the estimates described*
7 *in clauses (i) and (ii).*

8 “(5) *LEGISLATIVE DAY.*—*The term ‘legislative*
9 *day’ means a day on which either House of Congress*
10 *is in session.*

11 “(6) *OPEN MARKET OPERATIONS DIRECTIVE.*—
12 *The term ‘Open Market Operations Directive’ means*
13 *an order to achieve a specified Policy Instrument*
14 *Target provided to the Federal Reserve Bank of New*
15 *York by the Federal Open Market Committee pursu-*
16 *ant to powers authorized under section 14 of this Act*
17 *that guide open-market operations.*

18 “(7) *POLICY INSTRUMENT.*—*The term ‘Policy In-*
19 *strument’ means—*

20 “(A) *the nominal Federal funds rate;*

21 “(B) *the nominal rate of interest paid on*
22 *nonborrowed reserves; or*

23 “(C) *the discount window primary credit*
24 *interest rate most recently published on the Fed-*
25 *eral Reserve Statistical Release on selected inter-*

1 *est rates (daily or weekly), commonly referred to*
2 *as the H.15 release.*

3 “(8) *POLICY INSTRUMENT TARGET.*—*The term*
4 *‘Policy Instrument Target’ means the target for the*
5 *Policy Instrument specified in the Open Market Oper-*
6 *ations Directive.*

7 “(9) *REFERENCE POLICY RULE.*—*The term ‘Ref-*
8 *erence Policy Rule’ means a calculation of the nomi-*
9 *nal Federal funds rate as equal to the sum of the fol-*
10 *lowing:*

11 “(A) *The rate of inflation over the previous*
12 *four quarters.*

13 “(B) *One-half of the percentage deviation of*
14 *the real GDP from an estimate of potential*
15 *GDP.*

16 “(C) *One-half of the difference between the*
17 *rate of inflation over the previous four quarters*
18 *and two percent.*

19 “(D) *Two percent.*

20 “(b) *SUBMITTING A DIRECTIVE POLICY RULE.*—*Not*
21 *later than 48 hours after the end of a meeting of the Federal*
22 *Open Market Committee, the Chairman of the Federal Open*
23 *Market Committee shall submit to the appropriate congres-*
24 *sional committees and the Comptroller General of the*
25 *United States a Directive Policy Rule and a statement that*

1 *identifies the members of the Federal Open Market Com-*
2 *mittee who voted in favor of the Directive Policy Rule.*

3 “(c) *REQUIREMENTS FOR A DIRECTIVE POLICY*
4 *RULE.—A Directive Policy Rule shall—*

5 “(1) *identify the Policy Instrument the Directive*
6 *Policy Rule is designed to target;*

7 “(2) *describe the strategy or rule of the Federal*
8 *Open Market Committee for the systematic quan-*
9 *titative adjustment of the Policy Instrument Target to*
10 *respond to a change in the Intermediate Policy In-*
11 *puts;*

12 “(3) *include a function that comprehensively*
13 *models the interactive relationship between the Inter-*
14 *mediate Policy Inputs;*

15 “(4) *include the coefficients of the Directive Pol-*
16 *icy Rule that generate the current Policy Instrument*
17 *Target and a range of predicted future values for the*
18 *Policy Instrument Target if changes occur in any In-*
19 *termediate Policy Input;*

20 “(5) *describe the procedure for adjusting the sup-*
21 *ply of bank reserves to achieve the Policy Instrument*
22 *Target;*

23 “(6) *include a statement as to whether the Direc-*
24 *tive Policy Rule substantially conforms to the Ref-*
25 *erence Policy Rule and, if applicable—*

1 “(A) an explanation of the extent to which
2 it departs from the Reference Policy Rule;

3 “(B) a detailed justification for that depar-
4 ture; and

5 “(C) a description of the circumstances
6 under which the Directive Policy Rule may be
7 amended in the future;

8 “(7) include a certification that the Directive
9 Policy Rule is expected to support the economy in
10 achieving stable prices and maximum natural em-
11 ployment over the long term;

12 “(8) include a calculation that describes with
13 mathematical precision the expected annual inflation
14 rate over a 5-year period; and

15 “(9) include a plan to use the most accurate
16 data, subject to all historical revisions, for inputs into
17 the Directive Policy Rule and the Reference Policy
18 Rule.

19 “(d) GAO REPORT.—The Comptroller General of the
20 United States shall compare the Directive Policy Rule sub-
21 mitted under subsection (b) with the rule that was most
22 recently submitted to determine whether the Directive Pol-
23 icy Rule has materially changed. If the Directive Policy
24 Rule has materially changed, the Comptroller General shall,
25 not later than 7 days after each meeting of the Federal Open

1 *Market Committee, prepare and submit a compliance report*
2 *to the appropriate congressional committees specifying*
3 *whether the Directive Policy Rule submitted after that meet-*
4 *ing and the Federal Open Market Committee are in compli-*
5 *ance with this section.*

6 “(e) *CHANGING MARKET CONDITIONS.*—

7 “(1) *RULE OF CONSTRUCTION.*—*Nothing in this*
8 *Act shall be construed to require that the plans with*
9 *respect to the systematic quantitative adjustment of*
10 *the Policy Instrument Target described under sub-*
11 *section (c)(2) be implemented if the Federal Open*
12 *Market Committee determines that such plans cannot*
13 *or should not be achieved due to changing market con-*
14 *ditions.*

15 “(2) *GAO APPROVAL OF UPDATE.*—*Upon deter-*
16 *mining that plans described in paragraph (1) cannot*
17 *or should not be achieved, the Federal Open Market*
18 *Committee shall submit an explanation for that deter-*
19 *mination and an updated version of the Directive*
20 *Policy Rule to the Comptroller General of the United*
21 *States and the appropriate congressional committees*
22 *not later than 48 hours after making the determina-*
23 *tion. The Comptroller General shall, not later than 48*
24 *hours after receiving such updated version, prepare*
25 *and submit to the appropriate congressional commit-*

1 *tees a compliance report determining whether such*
2 *updated version and the Federal Open Market Com-*
3 *mittee are in compliance with this section.*

4 *“(f) DIRECTIVE POLICY RULE AND FEDERAL OPEN*
5 *MARKET COMMITTEE NOT IN COMPLIANCE.—*

6 *“(1) IN GENERAL.—If the Comptroller General of*
7 *the United States determines that the Directive Policy*
8 *Rule and the Federal Open Market Committee are not*
9 *in compliance with this section in the report sub-*
10 *mitted pursuant to subsection (d), or that the updated*
11 *version of the Directive Policy Rule and the Federal*
12 *Open Market Committee are not in compliance with*
13 *this section in the report submitted pursuant to sub-*
14 *section (e)(2), the Chairman of the Board of Gov-*
15 *ernors of the Federal Reserve System shall, if re-*
16 *quested by the chairman of either of the appropriate*
17 *congressional committees, not later than 7 legislative*
18 *days after such request, testify before such committee*
19 *as to why the Directive Policy Rule, the updated*
20 *version, or the Federal Open Market Committee is not*
21 *in compliance.*

22 *“(2) GAO AUDIT.—Notwithstanding subsection*
23 *(b) of section 714 of title 31, United States Code,*
24 *upon submitting a report of noncompliance pursuant*
25 *to subsection (d) or subsection (e)(2) and after the pe-*

1 riod of 7 legislative days described in paragraph (1),
2 the Comptroller General shall audit the conduct of
3 monetary policy by the Board of Governors of the
4 Federal Reserve System and the Federal Open Market
5 Committee upon request of the appropriate congres-
6 sional committee. Such committee may specify the pa-
7 rameters of such audit.

8 “(g) CONGRESSIONAL HEARINGS.—The Chairman of
9 the Board of Governors of the Federal Reserve System shall,
10 if requested by the chairman of either of the appropriate
11 congressional committees and not later than 7 legislative
12 days after such request, appear before such committee to ex-
13 plain any change to the Directive Policy Rule.”.

14 **SEC. 1002. FEDERAL OPEN MARKET COMMITTEE BLACKOUT**
15 **PERIOD.**

16 Section 12A of the Federal Reserve Act (12 U.S.C. 263)
17 is amended by adding at the end the following new sub-
18 section:

19 “(d) BLACKOUT PERIOD.—

20 “(1) IN GENERAL.—During a blackout period,
21 the only public communications that may be made by
22 members and staff of the Committee with respect to
23 macroeconomic or financial developments or about
24 current or prospective monetary policy issues are the
25 following:

1 “(A) *The dissemination of published data,*
2 *surveys, and reports that have been cleared for*
3 *publication by the Board of Governors of the*
4 *Federal Reserve System.*

5 “(B) *Answers to technical questions specific*
6 *to a data release.*

7 “(C) *Communications with respect to the*
8 *prudential or supervisory functions of the Board*
9 *of Governors.*

10 “(2) *BLACKOUT PERIOD DEFINED.—For pur-*
11 *poses of this subsection, and with respect to a meeting*
12 *of the Committee described under subsection (a), the*
13 *term ‘blackout period’ means the time period that—*

14 “(A) *begins immediately after midnight on*
15 *the day that is one week prior to the date on*
16 *which such meeting takes place; and*

17 “(B) *ends at midnight on the day after the*
18 *date on which such meeting takes place.*

19 “(3) *EXEMPTION FOR CHAIRMAN OF THE BOARD*
20 *OF GOVERNORS.—Nothing in this section shall pro-*
21 *hibit the Chairman of the Board of Governors of the*
22 *Federal Reserve System from participating in or*
23 *issuing public communications.”.*

1 **SEC. 1003. PUBLIC TRANSCRIPTS OF FOMC MEETINGS.**

2 *Section 12A of the Federal Reserve Act (12 U.S.C.*
3 *263), as amended by section 1002, is further amended by*
4 *adding at the end the following:*

5 *“(e) PUBLIC TRANSCRIPTS OF MEETINGS.—The Com-*
6 *mittee shall—*

7 *“(1) record all meetings of the Committee; and*

8 *“(2) make the full transcript of such meetings*
9 *available to the public.”.*

10 **SEC. 1004. MEMBERSHIP OF FEDERAL OPEN MARKET COM-**
11 **MITTEE.**

12 *Section 12A(a) of the Federal Reserve Act (12 U.S.C.*
13 *263(a)) is amended—*

14 *(1) in the first sentence, by striking “five” and*
15 *inserting “six”;*

16 *(2) in the second sentence, by striking “One by*
17 *the board of directors” and all that follows through*
18 *the period at the end and inserting the following:*
19 *“One by the boards of directors of the Federal Reserve*
20 *Banks of New York and Boston; one by the boards of*
21 *directors of the Federal Reserve Banks of Philadelphia*
22 *and Cleveland; one by the boards of directors of the*
23 *Federal Reserve Banks of Richmond and Atlanta; one*
24 *by the boards of directors of the Federal Reserve*
25 *Banks of Chicago and St. Louis; one by the boards of*
26 *directors of the Federal Reserve Banks of Minneapolis*

1 *and Kansas City; and one by the boards of directors*
 2 *of the Federal Reserve Banks of Dallas and San*
 3 *Francisco.”; and*

4 *(3) by inserting after the second sentence the fol-*
 5 *lowing: “In odd numbered calendar years, one rep-*
 6 *resentative shall be elected from each of the Federal*
 7 *Reserve Banks of Boston, Philadelphia, Richmond,*
 8 *Chicago, Minneapolis, and Dallas. In even-numbered*
 9 *calendar years, one representative shall be elected*
 10 *from each of the Federal Reserve Banks of New York,*
 11 *Cleveland, Atlanta, St. Louis, Kansas City, and San*
 12 *Francisco.”.*

13 **SEC. 1005. FREQUENCY OF TESTIMONY OF THE CHAIRMAN**
 14 **OF THE BOARD OF GOVERNORS OF THE FED-**
 15 **ERAL RESERVE SYSTEM TO CONGRESS.**

16 *(a) IN GENERAL.—Section 2B of the Federal Reserve*
 17 *Act (12 U.S.C. 225b) is amended—*

18 *(1) by striking “semi-annual” each place it ap-*
 19 *pears and inserting “quarterly”; and*

20 *(2) in subsection (a)(2)—*

21 *(A) by inserting “and October 20” after*
 22 *“July 20” each place it appears; and*

23 *(B) by inserting “and May 20” after “Feb-*
 24 *ruary 20” each place it appears.*

1 (b) *CONFORMING AMENDMENT.*—Paragraph (12) of
2 section 10 of the Federal Reserve Act (12 U.S.C. 247b(12))
3 is amended by striking “semi-annual” and inserting “quar-
4 terly”.

5 **SEC. 1006. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**
6 **QUIREMENT.**

7 Paragraph (12) of section 10 of the Federal Reserve
8 Act (12 U.S.C. 247(b)) is amended—

9 (1) by redesignating such paragraph as para-
10 graph (11); and

11 (2) in such paragraph, by adding at the end the
12 following: “In each such appearance, the Vice Chair-
13 man for Supervision shall provide written testimony
14 that includes the status of all pending and antici-
15 pated rulemakings that are being made by the Board
16 of Governors of the Federal Reserve System. If, at the
17 time of any appearance described in this paragraph,
18 the position of Vice Chairman for Supervision is va-
19 cant, the Vice Chairman for the Board of Governors
20 of the Federal Reserve System (who has the responsi-
21 bility to serve in the absence of the Chairman) shall
22 appear instead and provide the required written testi-
23 mony. If, at the time of any appearance described in
24 this paragraph, both Vice Chairman positions are va-
25 cant, the Chairman of the Board of Governors of the

1 *Federal Reserve System shall appear instead and pro-*
2 *vide the required written testimony.”.*

3 **SEC. 1007. SALARIES, FINANCIAL DISCLOSURES, AND OF-**
4 **FICE STAFF OF THE BOARD OF GOVERNORS**
5 **OF THE FEDERAL RESERVE SYSTEM.**

6 *(a) IN GENERAL.—Section 11 of the Federal Reserve*
7 *Act (12 U.S.C. 248) is amended—*

8 *(1) by redesignating the second subsection (s)*
9 *(relating to “Assessments, Fees, and Other Charges for*
10 *Certain Companies”) as subsection (t); and*

11 *(2) by inserting before subsection (w), as added*
12 *by section 371(a), the following new subsections:*

13 *“(u) ETHICS STANDARDS FOR MEMBERS AND EM-*
14 *PLOYEES.—*

15 *“(1) PROHIBITED AND RESTRICTED FINANCIAL*
16 *INTERESTS AND TRANSACTIONS.—The members and*
17 *employees of the Board of Governors of the Federal*
18 *Reserve System shall be subject to the provisions*
19 *under section 4401.102 of title 5, Code of Federal*
20 *Regulations, to the same extent as such provisions*
21 *apply to an employee of the Securities and Exchange*
22 *Commission.*

23 *“(2) TREATMENT OF BROKERAGE ACCOUNTS AND*
24 *AVAILABILITY OF ACCOUNT STATEMENTS.—The mem-*

1 *bers and employees of the Board of Governors of the*
2 *Federal Reserve System shall—*

3 *“(A) disclose all brokerage accounts that the*
4 *member or employee maintains, as well as any*
5 *accounts in which the member or employee con-*
6 *trols trading or has a financial interest (includ-*
7 *ing managed accounts, trust accounts, invest-*
8 *ment club accounts, and accounts of spouses or*
9 *minor children who live with the member or em-*
10 *ployee); and*

11 *“(B) with respect to any securities account*
12 *that the member or employee is required to dis-*
13 *close to the Board of Governors, authorize the*
14 *brokers and dealers of such account to send du-*
15 *PLICATE account statements directly to Board of*
16 *Governors.*

17 *“(3) PROHIBITIONS RELATED TO OUTSIDE EM-*
18 *PLOYMENT AND ACTIVITIES.—The members and em-*
19 *ployees of the Board of Governors of the Federal Re-*
20 *serve System shall be subject to the prohibitions re-*
21 *lated to outside employment and activities described*
22 *under section 4401.103(c) of title 5, Code of Federal*
23 *Regulations, to the same extent as such prohibitions*
24 *apply to an employee of the Securities and Exchange*
25 *Commission.*

1 “(4) *ADDITIONAL ETHICS STANDARDS.—The*
2 *members and employees of the Board of Governors of*
3 *the Federal Reserve System shall be subject to—*

4 “(A) *the employee responsibilities and con-*
5 *duct regulations of the Office of Personnel Man-*
6 *agement under part 735 of title 5, Code of Fed-*
7 *eral Regulations;*

8 “(B) *the canons of ethics contained in sub-*
9 *part C of part 200 of title 17, Code of Federal*
10 *Regulations, to the same extent as such subpart*
11 *applies to the employees of the Securities and*
12 *Exchange Commission; and*

13 “(C) *the regulations concerning the conduct*
14 *of members and employees and former members*
15 *and employees contained in subpart M of part*
16 *200 of title 17, Code of Federal Regulations, to*
17 *the same extent as such subpart applies to the*
18 *employees of the Securities and Exchange Com-*
19 *mission.*

20 “(v) *DISCLOSURE OF STAFF SALARIES AND FINANCIAL*
21 *INFORMATION.—The Board of Governors of the Federal Re-*
22 *serve System shall make publicly available, on the website*
23 *of the Board of Governors, a searchable database that con-*
24 *tains the names of all members, officers, and employees of*
25 *the Board of Governors who receive an annual salary in*

1 *excess of the annual rate of basic pay for GS-15 of the Gen-*
2 *eral Schedule, and—*

3 “(1) *the yearly salary information for such indi-*
4 *viduals, along with any nonsalary compensation re-*
5 *ceived by such individuals; and*

6 “(2) *any financial disclosures required to be*
7 *made by such individuals.”.*

8 **(b) OFFICE STAFF FOR EACH MEMBER OF THE BOARD**
9 **OF GOVERNORS.**—*Subsection (l) of section 11 of the Federal*
10 *Reserve Act (12 U.S.C. 248) is amended by adding at the*
11 *end the following: “Each member of the Board of Governors*
12 *of the Federal Reserve System may employ, at a minimum,*
13 *2 individuals, with such individuals selected by such mem-*
14 *ber and the salaries of such individuals set by such member.*
15 *A member may employ additional individuals as deter-*
16 *mined necessary by the Board of Governors.”.*

17 **SEC. 1008. AMENDMENTS TO POWERS OF THE BOARD OF**
18 **GOVERNORS OF THE FEDERAL RESERVE SYS-**
19 **TEM.**

20 **(a) IN GENERAL.**—*Section 13(3) of the Federal Re-*
21 *serve Act (12 U.S.C. 343(3)), as amended by section*
22 *111(b)(3), is further amended—*

23 (1) *in subparagraph (A)—*

1 (A) by inserting “that pose a threat to the
2 *financial stability of the United States*” after
3 *“unusual and exigent circumstances”*; and

4 (B) by inserting “and by the affirmative
5 *vote of not less than nine presidents of the Fed-*
6 *eral reserve banks*” after “five members”;

7 (2) in subparagraph (B)—

8 (A) in clause (i), by inserting at the end the
9 *following: “Federal reserve banks may not accept*
10 *equity securities issued by the recipient of any*
11 *loan or other financial assistance under this*
12 *paragraph as collateral. Not later than 6 months*
13 *after the date of enactment of this sentence, the*
14 *Board shall, by rule, establish—*

15 “(I) a method for determining the
16 *sufficiency of the collateral required*
17 *under this paragraph;*

18 “(II) acceptable classes of collat-
19 *eral;*

20 “(III) the amount of any discount
21 *on the value of the collateral that the*
22 *Federal reserve banks will apply for*
23 *purposes of calculating the sufficiency*
24 *of collateral under this paragraph; and*

1 “(IV) a method for obtaining
2 independent appraisals of the value of
3 collateral the Federal reserve banks re-
4 ceive.”; and

5 (B) in clause (ii)—

6 (i) by striking the second sentence; and

7 (ii) by inserting after the first sentence
8 the following: “A borrower shall not be eligi-
9 ble to borrow from any emergency lending
10 program or facility unless the Board and
11 all Federal banking regulators with juris-
12 diction over the borrower certify that, at the
13 time the borrower initially borrows under
14 the program or facility, the borrower is not
15 insolvent.”;

16 (3) by inserting “financial institution” before
17 “participant” each place such term appears;

18 (4) in subparagraph (D)(i), by inserting “finan-
19 cial institution” before “participants”; and

20 (5) by adding at the end the following new sub-
21 paragraphs:

22 “(E) PENALTY RATE.—

23 “(i) IN GENERAL.—Not later than 6
24 months after the date of enactment of this
25 subparagraph, the Board shall, with respect

1 to a recipient of any loan or other financial
2 assistance under this paragraph, establish
3 by rule a minimum interest rate on the
4 principal amount of any loan or other fi-
5 nancial assistance.

6 “(ii) *MINIMUM INTEREST RATE DE-*
7 *FINED.*—In this subparagraph, the term
8 ‘minimum interest rate’ shall mean the sum
9 of—

10 “(I) the average of the secondary
11 discount rate of all Federal Reserve
12 banks over the most recent 90-day pe-
13 riod; and

14 “(II) the average of the difference
15 between a distressed corporate bond
16 yield index (as defined by rule of the
17 Board) and a bond yield index of debt
18 issued by the United States (as defined
19 by rule of the Board) over the most re-
20 cent 90-day period.

21 “(F) *FINANCIAL INSTITUTION PARTICIPANT*
22 *DEFINED.*—For purposes of this paragraph, the
23 term ‘financial institution participant’—

24 “(i) means a company that is pre-
25 dominantly engaged in financial activities

1 *(as defined in section 102(a) of the Dodd-*
2 *Frank Wall Street Reform and Consumer*
3 *Protection Act (12 U.S.C. 5311(a)); and*

4 *“(ii) does not include an agency de-*
5 *scribed in subparagraph (W) of section*
6 *5312(a)(2) of title 31, United States Code,*
7 *or an entity controlled or sponsored by such*
8 *an agency.”.*

9 **(b) CONFORMING AMENDMENT.**—*Section 11(r)(2)(A)*
10 *of the Federal Reserve Act (12 U.S.C. 248(r)(2)(A)) is*
11 *amended—*

12 *(1) in clause (ii)(IV), by striking “; and” and*
13 *inserting a semicolon;*

14 *(2) in clause (iii), by striking the period at the*
15 *end and inserting “; and”; and*

16 *(3) by adding at the end the following new*
17 *clause:*

18 *“(iv) the available members secure the affirma-*
19 *tive vote of not less than nine presidents of the Fed-*
20 *eral reserve banks.”.*

1 **SEC. 1009. INTEREST RATES ON BALANCES MAINTAINED AT**
2 **A FEDERAL RESERVE BANK BY DEPOSITORY**
3 **INSTITUTIONS ESTABLISHED BY FEDERAL**
4 **OPEN MARKET COMMITTEE.**

5 *Subparagraph (A) of section 19(b)(12) of the Federal*
6 *Reserve Act (12 U.S.C. 461(b)(12)(A)) is amended by in-*
7 *serting “established by the Federal Open Market Com-*
8 *mittee” after “rate or rates”.*

9 **SEC. 1010. AUDIT REFORM AND TRANSPARENCY FOR THE**
10 **BOARD OF GOVERNORS OF THE FEDERAL RE-**
11 **SERVE SYSTEM.**

12 *(a) IN GENERAL.—Notwithstanding section 714 of title*
13 *31, United States Code, or any other provision of law, the*
14 *Comptroller General of the United States shall annually*
15 *complete an audit of the Board of Governors of the Federal*
16 *Reserve System and the Federal reserve banks under sub-*
17 *section (b) of such section 714 within 12 months after the*
18 *date of the enactment of this Act.*

19 *(b) REPORT.—*

20 *(1) IN GENERAL.—Not later than 90 days after*
21 *each audit required pursuant to subsection (a) is*
22 *completed, the Comptroller General—*

23 *(A) shall submit to Congress a report on*
24 *such audit; and*

25 *(B) shall make such report available to the*
26 *Speaker of the House, the majority and minority*

1 *leaders of the House of Representatives, the ma-*
2 *jority and minority leaders of the Senate, the*
3 *Chairman and Ranking Member of the com-*
4 *mittee and each subcommittee of jurisdiction in*
5 *the House of Representatives and the Senate, and*
6 *any other Member of Congress who requests the*
7 *report.*

8 (2) *CONTENTS.*—*The report under paragraph (1)*
9 *shall include a detailed description of the findings*
10 *and conclusion of the Comptroller General with re-*
11 *spect to the audit that is the subject of the report, to-*
12 *gether with such recommendations for legislative or*
13 *administrative action as the Comptroller General*
14 *may determine to be appropriate.*

15 (c) *REPEAL OF CERTAIN LIMITATIONS.*—*Subsection*
16 *(b) of section 714 of title 31, United States Code, is amend-*
17 *ed by striking the second sentence.*

18 (d) *TECHNICAL AND CONFORMING AMENDMENTS.*—

19 (1) *IN GENERAL.*—*Section 714 of title 31,*
20 *United States Code, is amended—*

21 (A) *in subsection (d)(3), by striking “or (f)”*
22 *each place such term appears;*

23 (B) *in subsection (e), by striking “the third*
24 *undesignated paragraph of section 13” and in-*
25 *serting “section 13(3)”;* and

1 (C) by striking subsection (f).

2 (2) *FEDERAL RESERVE ACT*.—Subsection (s) (re-
3 lating to “Federal Reserve Transparency and Release
4 of Information”) of section 11 of the Federal Reserve
5 Act (12 U.S.C. 248) is amended—

6 (A) in paragraph (4)(A), by striking “has
7 the same meaning as in section 714(f)(1)(A) of
8 title 31, United States Code” and inserting
9 “means a program or facility, including any
10 special purpose vehicle or other entity established
11 by or on behalf of the Board of Governors of the
12 Federal Reserve System or a Federal reserve
13 bank, authorized by the Board of Governors
14 under section 13(3), that is not subject to audit
15 under section 714(e) of title 31, United States
16 Code”;

17 (B) in paragraph (6), by striking “or in
18 section 714(f)(3)(C) of title 31, United States
19 Code, the information described in paragraph
20 (1) and information concerning the transactions
21 described in section 714(f) of such title,” and in-
22 serting “the information described in paragraph
23 (1)”;

24 (C) in paragraph (7), by striking “and sec-
25 tion 13(3)(C), section 714(f)(3)(C) of title 31,

1 *United States Code, and” and inserting “, sec-*
2 *tion 13(3)(C), and”.*

3 **SEC. 1011. ESTABLISHMENT OF A CENTENNIAL MONETARY**
4 **COMMISSION.**

5 *(a) FINDINGS.—Congress finds the following:*

6 *(1) The Constitution endows Congress with the*
7 *power “to coin money, regulate the value thereof”.*

8 *(2) Following the financial crisis known as the*
9 *Panic of 1907, Congress established the National*
10 *Monetary Commission to provide recommendations*
11 *for the reform of the financial and monetary systems*
12 *of the United States.*

13 *(3) Incorporating several of the recommendations*
14 *of the National Monetary Commission, Congress cre-*
15 *ated the Federal Reserve System in 1913. As cur-*
16 *rently organized, the Federal Reserve System consists*
17 *of the Board of Governors in Washington, District of*
18 *Columbia, and the Federal reserve banks organized*
19 *into 12 districts around the United States. The stock-*
20 *holders of the 12 Federal reserve banks include na-*
21 *tional and certain State-chartered commercial banks,*
22 *which operate on a fractional reserve basis.*

23 *(4) Originally, Congress gave the Federal Re-*
24 *serve System a monetary mandate to provide an elas-*
25 *tic currency, within the context of a gold standard, in*

1 *response to seasonal fluctuations in the demand for*
2 *currency.*

3 (5) *Congress also gave the Federal Reserve Sys-*
4 *tem a financial stability mandate to serve as the*
5 *lender of last resort to solvent but illiquid banks dur-*
6 *ing a financial crisis.*

7 (6) *In 1977, Congress changed the monetary*
8 *mandate of the Federal Reserve System to a dual*
9 *mandate for maximum employment and stable prices.*

10 (7) *Empirical studies and historical evidence,*
11 *both within the United States and in other countries,*
12 *demonstrate that price stability is desirable because*
13 *both inflation and deflation damage the economy.*

14 (8) *The economic challenge of recent years—most*
15 *notably the bursting of the housing bubble, the finan-*
16 *cial crisis of 2008, and the ensuing anemic recov-*
17 *ery—have occurred at great cost in terms of lost jobs*
18 *and output.*

19 (9) *Policymakers are reexamining the structure*
20 *and functioning of financial institutions and markets*
21 *to determine what, if any, changes need to be made*
22 *to place the financial system on a stronger, more sus-*
23 *tainable path going forward.*

1 (10) *The Federal Reserve System has taken ex-*
2 *traordinary actions in response to the recent economic*
3 *challenges.*

4 (11) *The Federal Open Market Committee has*
5 *engaged in multiple rounds of quantitative easing,*
6 *providing unprecedented liquidity to financial mar-*
7 *kets, while committing to holding short-term interest*
8 *rates low for a seemingly indefinite period, and pur-*
9 *suing a policy of credit allocation by purchasing Fed-*
10 *eral agency debt and mortgage-backed securities.*

11 (12) *In the wake of the recent extraordinary ac-*
12 *tions of the Federal Reserve System, Congress—con-*
13 *sistent with its constitutional responsibilities and as*
14 *it has done periodically throughout the history of the*
15 *United States—has once again renewed its examina-*
16 *tion of monetary policy.*

17 (13) *Central in such examination has been a re-*
18 *newed look at what is the most proper mandate for*
19 *the Federal Reserve System to conduct monetary pol-*
20 *icy in the 21st century.*

21 (b) *ESTABLISHMENT OF A CENTENNIAL MONETARY*
22 *COMMISSION.—There is established a commission to be*
23 *known as the “Centennial Monetary Commission” (in this*
24 *section referred to as the “Commission”).*

25 (c) *STUDY AND REPORT ON MONETARY POLICY.—*

1 (1) *STUDY.*—*The Commission shall—*

2 (A) *examine how United States monetary*
3 *policy since the creation of the Board of Gov-*
4 *ernors of the Federal Reserve System in 1913 has*
5 *affected the performance of the United States*
6 *economy in terms of output, employment, prices,*
7 *and financial stability over time;*

8 (B) *evaluate various operational regimes*
9 *under which the Board of Governors of the Fed-*
10 *eral Reserve System and the Federal Open Mar-*
11 *ket Committee may conduct monetary policy in*
12 *terms achieving the maximum sustainable level*
13 *of output and employment and price stability*
14 *over the long term, including—*

15 (i) *discretion in determining monetary*
16 *policy without an operational regime;*

17 (ii) *price level targeting;*

18 (iii) *inflation rate targeting;*

19 (iv) *nominal gross domestic product*
20 *targeting (both level and growth rate);*

21 (v) *the use of monetary policy rules;*

22 *and*

23 (vi) *the gold standard;*

24 (C) *evaluate the use of macro-prudential su-*
25 *pervision and regulation as a tool of monetary*

1 *policy in terms of achieving the maximum sus-*
2 *tainable level of output and employment and*
3 *price stability over the long term;*

4 *(D) evaluate the use of the lender-of-last-re-*
5 *sort function of the Board of Governors of the*
6 *Federal Reserve System as a tool of monetary*
7 *policy in terms of achieving the maximum sus-*
8 *tainable level of output and employment and*
9 *price stability over the long term;*

10 *(E) recommend a course for United States*
11 *monetary policy going forward, including—*

12 *(i) the legislative mandate;*

13 *(ii) the operational regime;*

14 *(iii) the securities used in open-market*
15 *operations; and*

16 *(iv) transparency issues; and*

17 *(F) consider the effects of the GDP output*
18 *and employment targets of the “dual mandate”*
19 *(both from the creation of the dual mandate in*
20 *1977 until the present time and estimates of the*
21 *future effect of the dual mandate) on—*

22 *(i) United States economic activity;*

23 *(ii) actions of the Board of Governors*
24 *of the Federal Reserve System; and*

25 *(iii) Federal debt.*

1 (2) *REPORT.*—Not later than 1 year after the
2 date of the enactment of this section, the Commission
3 shall submit to Congress and make publicly available
4 a report containing a statement of the findings and
5 conclusions of the Commission in carrying out the
6 study under paragraph (1), together with the rec-
7 ommendations the Commission considers appropriate.
8 In making such report, the Commission shall specifi-
9 cally report on the considerations required under
10 paragraph (1)(F).

11 (d) *MEMBERSHIP.*—

12 (1) *NUMBER AND APPOINTMENT.*—

13 (A) *APPOINTED VOTING MEMBERS.*—The
14 Commission shall contain 12 voting members as
15 follows:

16 (i) Six members appointed by the
17 Speaker of the House of Representatives,
18 with four members from the majority party
19 and two members from the minority party.

20 (ii) Six members appointed by the
21 President Pro Tempore of the Senate, with
22 four members from the majority party and
23 two members from the minority party.

24 (B) *CHAIRMAN.*—The Speaker of the House
25 of Representatives and the majority leader of the

1 *Senate shall jointly designate one of the members*
2 *of the Commission as Chairman.*

3 (C) *NON-VOTING MEMBERS.*—*The Commis-*
4 *sion shall contain 2 non-voting members as fol-*
5 *lows:*

6 (i) *One member appointed by the Sec-*
7 *retary of the Treasury.*

8 (ii) *One member who is the president*
9 *of a district Federal reserve bank appointed*
10 *by the Chair of the Board of Governors of*
11 *the Federal Reserve System.*

12 (2) *PERIOD OF APPOINTMENT.*—*Each member*
13 *shall be appointed for the life of the Commission.*

14 (3) *TIMING OF APPOINTMENT.*—*All members of*
15 *the Commission shall be appointed not later than 30*
16 *days after the date of the enactment of this section.*

17 (4) *VACANCIES.*—*A vacancy in the Commission*
18 *shall not affect its powers, and shall be filled in the*
19 *manner in which the original appointment was*
20 *made.*

21 (5) *MEETINGS.*—

22 (A) *INITIAL MEETING.*—*The Commission*
23 *shall hold its initial meeting and begin the oper-*
24 *ations of the Commission as soon as is prac-*
25 *ticable.*

1 (B) *FURTHER MEETINGS.*—*The Commission*
2 *shall meet upon the call of the Chair or a major-*
3 *ity of its members.*

4 (6) *QUORUM.*—*Seven voting members of the*
5 *Commission shall constitute a quorum but a lesser*
6 *number may hold hearings.*

7 (7) *MEMBER OF CONGRESS DEFINED.*—*In this*
8 *subsection, the term “Member of Congress” means a*
9 *Senator or a Representative in, or Delegate or Resi-*
10 *dent Commissioner to, the Congress.*

11 (e) *POWERS.*—

12 (1) *HEARINGS AND SESSIONS.*—*The Commission*
13 *or, on the authority of the Commission, any sub-*
14 *committee or member thereof, may, for the purpose of*
15 *carrying out this section, hold hearings, sit and act*
16 *at times and places, take testimony, receive evidence,*
17 *or administer oaths as the Commission or such sub-*
18 *committee or member thereof considers appropriate.*

19 (2) *CONTRACT AUTHORITY.*—*To the extent or in*
20 *the amounts provided in advance in appropriation*
21 *Acts, the Commission may contract with and com-*
22 *pensate government and private agencies or persons*
23 *to enable the Commission to discharge its duties*
24 *under this section, without regard to section 3709 of*
25 *the Revised Statutes (41 U.S.C. 5).*

1 (3) *OBTAINING OFFICIAL DATA.*—

2 (A) *IN GENERAL.*—*The Commission is au-*
3 *thorized to secure directly from any executive de-*
4 *partment, bureau, agency, board, commission, of-*
5 *fice, independent establishment, or instrumen-*
6 *talinity of the Government, any information, in-*
7 *cluding suggestions, estimates, or statistics, for*
8 *the purposes of this section.*

9 (B) *REQUESTING OFFICIAL DATA.*—*The*
10 *head of such department, bureau, agency, board,*
11 *commission, office, independent establishment, or*
12 *instrumentality of the government shall, to the*
13 *extent authorized by law, furnish such informa-*
14 *tion upon request made by—*

15 (i) *the Chair;*

16 (ii) *the Chair of any subcommittee cre-*
17 *ated by a majority of the Commission; or*

18 (iii) *any member of the Commission*
19 *designated by a majority of the commission*
20 *to request such information.*

21 (4) *ASSISTANCE FROM FEDERAL AGENCIES.*—

22 (A) *GENERAL SERVICES ADMINISTRA-*
23 *TION.*—*The Administrator of General Services*
24 *shall provide to the Commission on a reimburs-*
25 *able basis administrative support and other serv-*

1 *ices for the performance of the functions of the*
2 *Commission.*

3 *(B) OTHER DEPARTMENTS AND AGEN-*
4 *CIES.—In addition to the assistance prescribed*
5 *in subparagraph (A), at the request of the Com-*
6 *mission, departments and agencies of the United*
7 *States shall provide such services, funds, facili-*
8 *ties, staff, and other support services as may be*
9 *authorized by law.*

10 *(5) POSTAL SERVICE.—The Commission may use*
11 *the United States mails in the same manner and*
12 *under the same conditions as other departments and*
13 *agencies of the United States.*

14 *(f) COMMISSION PERSONNEL.—*

15 *(1) APPOINTMENT AND COMPENSATION OF*
16 *STAFF.—*

17 *(A) IN GENERAL.—Subject to rules pre-*
18 *scribed by the Commission, the Chair may ap-*
19 *point and fix the pay of the executive director*
20 *and other personnel as the Chair considers ap-*
21 *propriate.*

22 *(B) APPLICABILITY OF CIVIL SERVICE*
23 *LAWS.—The staff of the Commission may be ap-*
24 *pointed without regard to the provisions of title*
25 *5, United States Code, governing appointments*

1 *in the competitive service, and may be paid*
2 *without regard to the provisions of chapter 51*
3 *and subchapter III of chapter 53 of that title re-*
4 *lating to classification and General Schedule pay*
5 *rates, except that an individual so appointed*
6 *may not receive pay in excess of level V of the*
7 *Executive Schedule.*

8 (2) *CONSULTANTS.—The Commission may pro-*
9 *cure temporary and intermittent services under sec-*
10 *tion 3109(b) of title 5, United States Code, but at*
11 *rates for individuals not to exceed the daily equiva-*
12 *lent of the rate of pay for a person occupying a posi-*
13 *tion at level IV of the Executive Schedule.*

14 (3) *STAFF OF FEDERAL AGENCIES.—Upon re-*
15 *quest of the Commission, the head of any Federal de-*
16 *partment or agency may detail, on a reimbursable*
17 *basis, any of the personnel of such department or*
18 *agency to the Commission to assist it in carrying out*
19 *its duties under this section.*

20 (g) *TERMINATION OF COMMISSION.—*

21 (1) *IN GENERAL.—The Commission shall termi-*
22 *nate 6 months after the date on which the report is*
23 *submitted under subsection (c)(2).*

24 (2) *ADMINISTRATIVE ACTIVITIES BEFORE TERMI-*
25 *NATION.—The Commission may use the period be-*

1 *tween the submission of its report and its termination*
 2 *for the purpose of concluding its activities, including*
 3 *providing testimony to the committee of Congress con-*
 4 *cerning its report.*

5 *(h) AUTHORIZATION OF APPROPRIATIONS.—There is*
 6 *authorized to be appropriated to carry out this section*
 7 *\$1,000,000, which shall remain available until the date on*
 8 *which the Commission terminates.*

9 **TITLE XI—IMPROVING INSUR-**
 10 **ANCE COORDINATION**
 11 **THROUGH AN INDEPENDENT**
 12 **ADVOCATE**

13 **SEC. 1101. REPEAL OF THE FEDERAL INSURANCE OFFICE;**
 14 **CREATION OF THE OFFICE OF THE INDE-**
 15 **PENDENT INSURANCE ADVOCATE.**

16 *(a) ESTABLISHMENT.—Section 313 of title 31, United*
 17 *States Code, is amended to read as follows (and conforming*
 18 *the table of contents for chapter 3 of such title accordingly):*

19 **“§313. Office of the Independent Insurance Advocate**

20 *“(a) ESTABLISHMENT.—There is established in the De-*
 21 *partment of the Treasury a bureau to be known as the Office*
 22 *of the Independent Insurance Advocate (in this section re-*
 23 *ferred to as the ‘Office’).*

24 *“(b) INDEPENDENT INSURANCE ADVOCATE.—*

1 “(1) *ESTABLISHMENT OF POSITION.*—*The chief*
2 *officer of the Office of the Independent Insurance Ad-*
3 *vocate shall be known as the Independent Insurance*
4 *Advocate. The Independent Insurance Advocate shall*
5 *perform the duties of such office under the general di-*
6 *rection of the Secretary of the Treasury.*

7 “(2) *APPOINTMENT.*—*The Independent Insurance*
8 *Advocate shall be appointed by the President, by and*
9 *with the advice and consent of the Senate, from*
10 *among persons having insurance expertise.*

11 “(3) *TERM.*—

12 “(A) *IN GENERAL.*—*The Independent Insur-*
13 *ance Advocate shall serve a term of 6 years, un-*
14 *less sooner removed by the President upon rea-*
15 *sons which shall be communicated to the Senate.*

16 “(B) *SERVICE AFTER EXPIRATION.*—*If a*
17 *successor is not nominated and confirmed by the*
18 *end of the term of service of the Independent In-*
19 *surance Advocate, the person serving as Inde-*
20 *pendent Insurance Advocate shall continue to*
21 *serve until such time a successor is appointed*
22 *and confirmed.*

23 “(C) *VACANCY.*—*An Independent Insurance*
24 *Advocate who is appointed to serve the remain-*
25 *der of a predecessor’s uncompleted term shall be*

1 *eligible thereafter to be appointed to a full 6 year*
2 *term.*

3 “(D) *ACTING OFFICIAL ON FINANCIAL STA-*
4 *BILITY OVERSIGHT COUNCIL.—In the event of a*
5 *vacancy in the office of the Independent Insur-*
6 *ance Advocate, and pending the appointment*
7 *and confirmation of a successor, or during the*
8 *absence or disability of the Independent Insur-*
9 *ance Advocate, the Independent Member shall ap-*
10 *point a federal official appointed by the Presi-*
11 *dent and confirmed by the Senate from a mem-*
12 *ber agency of the Financial Stability Oversight*
13 *Council, not otherwise serving on the Council,*
14 *who shall serve as a member of the Council and*
15 *act in the place of the Independent Insurance*
16 *Advocate until such vacancy, absence, or dis-*
17 *ability concludes.*

18 “(4) *EMPLOYMENT.—The Independent Insurance*
19 *Advocate shall be an employee of the Federal Govern-*
20 *ment within the definition of employee under section*
21 *2105 of title 5, United States Code.*

22 “(c) *INDEPENDENCE; OVERSIGHT.—*

23 “(1) *INDEPENDENCE.—The Secretary of the*
24 *Treasury may not delay or prevent the issuance of*
25 *any rule or the promulgation of any regulation by the*

1 *Independent Insurance Advocate, and may not inter-*
2 *vene in any matter or proceeding before the Inde-*
3 *pendent Insurance Advocate, unless otherwise specifi-*
4 *cally provided by law.*

5 “(2) *OVERSIGHT BY INSPECTOR GENERAL.—The*
6 *Office of the Independent Insurance Advocate shall be*
7 *an office in the establishment of the Department of*
8 *the Treasury for purposes of the Inspector General*
9 *Act of 1978 (5 U.S.C. App.).*

10 “(d) *RETENTION OF EXISTING STATE REGULATORY*
11 *AUTHORITY.—Nothing in this section or section 314 shall*
12 *be construed to establish or provide the Office or the Depart-*
13 *ment of the Treasury with general supervisory or regulatory*
14 *authority over the business of insurance.*

15 “(e) *BUDGET.—*

16 “(1) *ANNUAL TRANSMITTAL.—For each fiscal*
17 *year, the Independent Insurance Advocate shall trans-*
18 *mit a budget estimate and request to the Secretary of*
19 *the Treasury, which shall specify the aggregate*
20 *amount of funds requested for such fiscal year for the*
21 *operations of the Office of the Independent Insurance*
22 *Advocate.*

23 “(2) *INCLUSIONS.—In transmitting the proposed*
24 *budget to the President for approval, the Secretary of*
25 *the Treasury shall include—*

1 “(A) an aggregate request for the Inde-
2 pendent Insurance Advocate; and

3 “(B) any comments of the Independent In-
4 surance Advocate with respect to the proposal.

5 “(3) PRESIDENT’S BUDGET.—The President shall
6 include in each budget of the United States Govern-
7 ment submitted to the Congress—

8 “(A) a separate statement of the budget esti-
9 mate prepared in accordance with paragraph
10 (1);

11 “(B) the amount requested by the President
12 for the Independent Insurance Advocate; and

13 “(C) any comments of the Independent In-
14 surance Advocate with respect to the proposal if
15 the Independent Insurance Advocate concludes
16 that the budget submitted by the President would
17 substantially inhibit the Independent Insurance
18 Advocate from performing the duties of the office.

19 “(f) ASSISTANCE.—The Secretary of the Treasury shall
20 provide the Independent Insurance Advocate such services,
21 funds, facilities and other support services as the Inde-
22 pendent Insurance Advocate may request and as the Sec-
23 retary may approve.

24 “(g) PERSONNEL.—

1 “(1) *EMPLOYEES.*—*The Independent Insurance*
2 *Advocate may fix the number of, and appoint and di-*
3 *rect, the employees of the Office, in accordance with*
4 *the applicable provisions of title 5, United States*
5 *Code. The Independent Insurance Advocate is author-*
6 *ized to employ attorneys, analysts, economists, and*
7 *other employees as may be deemed necessary to assist*
8 *the Independent Insurance Advocate to carry out the*
9 *duties and functions of the Office. Unless otherwise*
10 *provided expressly by law, any individual appointed*
11 *under this paragraph shall be an employee as defined*
12 *in section 2105 of title 5, United States Code, and*
13 *subject to the provisions of such title and other laws*
14 *generally applicable to the employees of the Executive*
15 *Branch.*

16 “(2) *COMPENSATION.*—*Employees of the Office*
17 *shall be paid in accordance with the provisions of*
18 *chapter 51 and subchapter III of chapter 53 of title*
19 *5, United States Code, relating to classification and*
20 *General Schedule pay rates.*

21 “(3) *PROCUREMENT OF TEMPORARY AND INTER-*
22 *MITTENT SERVICES.*—*The Independent Insurance Ad-*
23 *vocate may procure temporary and intermittent serv-*
24 *ices under section 3109(b) of title 5, United States*
25 *Code, at rates for individuals which do not exceed the*

1 *daily equivalent of the annual rate of basic pay pre-*
2 *scribed for Level V of the Executive Schedule under*
3 *section 5316 of such title.*

4 “(4) *DETAILS.*—*Any employee of the Federal*
5 *Government may be detailed to the Office with or*
6 *without reimbursement, and such detail shall be with-*
7 *out interruption or loss of civil service status or*
8 *privilege. An employee of the Federal Government de-*
9 *tailed to the Office shall report to and be subject to*
10 *oversight by the Independent Insurance Advocate dur-*
11 *ing the assignment to the office, and may be com-*
12 *pensated by the branch, department, or agency from*
13 *which the employee was detailed.*

14 “(5) *INTERGOVERNMENTAL PERSONNEL.*—*The*
15 *Independent Insurance Advocate may enter into*
16 *agreements under subchapter VI of chapter 33 of title*
17 *5, United States Code, with State and local govern-*
18 *ments, institutions of higher education, Indian tribal*
19 *governments, and other eligible organizations for the*
20 *assignment of intermittent, part-time, and full-time*
21 *personnel, on a reimbursable or non-reimbursable*
22 *basis.*

23 “(h) *ETHICS.*—

24 “(1) *DESIGNATED ETHICS OFFICIAL.*—*The Legal*
25 *Counsel of the Financial Stability Oversight Council,*

1 or in the absence of a Legal Counsel of the Council,
2 the designated ethics official of any Council member
3 agency, as chosen by the Independent Insurance Advo-
4 cate, shall be the ethics official for the Independent
5 Insurance Advocate.

6 “(2) *RESTRICTION ON REPRESENTATION.*—In
7 addition to any restriction under section 205(c) of
8 title 18, United States Code, except as provided in
9 subsections (d) through (i) of section 205 of such title,
10 the Independent Insurance Advocate (except in the
11 proper discharge of official duties) shall not, with or
12 without compensation, represent anyone to or before
13 any officer or employee of—

14 “(A) *the Financial Stability Oversight*
15 *Council on any matter; or*

16 “(B) *the Department of Justice with respect*
17 *to litigation involving a matter described in sub-*
18 *paragraph (A).*

19 “(3) *COMPENSATION FOR SERVICES PROVIDED BY*
20 *ANOTHER.*—For purposes of section 203 of title 18,
21 United States Code, and if a special government em-
22 ployee—

23 “(A) *the Independent Insurance Advocate*
24 *shall not be subject to the restrictions of sub-*
25 *section (a)(1) of section 203, of title 18, United*

1 *States Code, for sharing in compensation earned*
2 *by another for representations on matters covered*
3 *by such section; and*

4 “(B) a person shall not be subject to the re-
5 *strictions of subsection (a)(2) of such section for*
6 *sharing such compensation with the Independent*
7 *Insurance Advocate.*

8 “(i) *ADVISORY, TECHNICAL, AND PROFESSIONAL COM-*
9 *MITTEES.—The Independent Insurance Advocate may ap-*
10 *point such special advisory, technical, or professional com-*
11 *mittees as may be useful in carrying out the functions of*
12 *the Office and the members of such committees may be staff*
13 *of the Office, or other persons, or both.*

14 “(j) *MISSION AND FUNCTIONS.—*

15 “(1) *MISSION.—In carrying out the functions*
16 *under this subsection, the mission of the Office shall*
17 *be to act as an independent advocate on behalf of the*
18 *interests of United States policyholders on prudential*
19 *aspects of insurance matters of importance, and to*
20 *provide perspective on protecting their interests, sepa-*
21 *rate and apart from any other Federal agency or*
22 *State insurance regulator.*

23 “(2) *OFFICE.—The Office shall have the author-*
24 *ity—*

1 “(A) to coordinate Federal efforts on pru-
2 dential aspects of international insurance mat-
3 ters, including representing the United States, as
4 appropriate, in the International Association of
5 Insurance Supervisors (or a successor entity)
6 and assisting the Secretary in negotiating cov-
7 ered agreements (as such term is defined in sub-
8 section (q)) in coordination with States (includ-
9 ing State insurance commissioners) and the
10 United States Trade Representative;

11 “(B) to consult with the States (including
12 State insurance regulators) regarding insurance
13 matters of national importance and prudential
14 insurance matters of international importance;

15 “(C) to assist the Secretary in admin-
16 istering the Terrorism Insurance Program estab-
17 lished in the Department of the Treasury under
18 the Terrorism Risk Insurance Act of 2002 (15
19 U.S.C. 6701 note);

20 “(D) to observe all aspects of the insurance
21 industry, including identifying issues or gaps in
22 the regulation of insurers that could contribute
23 to a systemic crisis in the insurance industry or
24 the United States financial system; and

1 “(E) to make determinations and exercise
2 the authority under subsection (m) with respect
3 to covered agreements and State insurance meas-
4 ures.

5 “(3) MEMBERSHIP ON FINANCIAL STABILITY
6 OVERSIGHT COUNCIL.—

7 “(A) IN GENERAL.—The Independent Insur-
8 ance Advocate shall serve, pursuant to section
9 111(b)(1)(J) of the Financial Stability Act of
10 2010 (12 U.S.C. 5321(b)(1)(J)), as a member on
11 the Financial Stability Oversight Council.

12 “(B) AUTHORITY.—To assist the Financial
13 Stability Oversight Council with its responsibil-
14 ities to monitor international insurance develop-
15 ments, advise the Congress, and make rec-
16 ommendations, the Independent Insurance Advo-
17 cate shall have the authority—

18 “(i) to regularly consult with inter-
19 national insurance supervisors and inter-
20 national financial stability counterparts;

21 “(ii) to consult with the Board of Gov-
22 ernors of the Federal Reserve System and
23 the States with respect to representing the
24 United States, as appropriate, in the Inter-
25 national Association of Insurance Super-

1 visors (including to become a non-voting
2 member thereof), particularly on matters of
3 systemic risk;

4 “(iii) to participate at the Financial
5 Stability Board of The Group of Twenty
6 and to join with other members from the
7 United States including on matters related
8 to insurance; and

9 “(iv) to participate with the United
10 States delegation to the Organization for
11 Economic Cooperation and Development
12 and observe and participate at the Insur-
13 ance and Private Pensions Committee.

14 “(4) *LIMITATIONS ON PARTICIPATION IN SUPER-*
15 *VISORY COLLEGES.*—The Office may not engage in
16 any activities that it is not specifically authorized to
17 engage in under this section or any other provision
18 of law, including participation in any supervisory
19 college or other meetings or fora for cooperation and
20 communication between the involved insurance super-
21 visors established for the fundamental purpose of fa-
22 cilitating the effectiveness of supervision of entities
23 which belong to an insurance group.

1 “(k) *SCOPE.*—*The authority of the Office as specified*
2 *and limited in this section shall extend to all lines of insur-*
3 *ance except—*

4 “(1) *health insurance, as determined by the Sec-*
5 *retary in coordination with the Secretary of Health*
6 *and Human Services based on section 2791 of the*
7 *Public Health Service Act (42 U.S.C. 300gg-91);*

8 “(2) *long-term care insurance, except long-term*
9 *care insurance that is included with life or annuity*
10 *insurance components, as determined by the Secretary*
11 *in coordination with the Secretary of Health and*
12 *Human Services, and in the case of long-term care*
13 *insurance that is included with such components, the*
14 *Secretary shall coordinate with the Secretary of*
15 *Health and Human Services in performing the func-*
16 *tions of the Office; and*

17 “(3) *crop insurance, as established by the Fed-*
18 *eral Crop Insurance Act (7 U.S.C. 1501 et seq.).*

19 “(l) *ACCESS TO INFORMATION.*—*In carrying out the*
20 *functions required under subsection (j), the Office may co-*
21 *ordinate with any relevant Federal agency and any State*
22 *insurance regulator (or other relevant Federal or State reg-*
23 *ulatory agency, if any, in the case of an affiliate of an in-*
24 *surer) and any publicly available sources for the provision*
25 *to the Office of publicly available information. Notwith-*

1 *standing any other provision of law, each such relevant*
2 *Federal agency and State insurance regulator or other Fed-*
3 *eral or State regulatory agency is authorized to provide to*
4 *the Office such data or information.*

5 “(m) *PREEMPTION PURSUANT TO COVERED AGREE-*
6 *MENTS.—*

7 “(1) *STANDARDS.—A State insurance measure*
8 *shall be preempted pursuant to this section or section*
9 *314 if, and only to the extent that the Independent*
10 *Insurance Advocate determines, in accordance with*
11 *this subsection, that the measure—*

12 “(A) *results in less favorable treatment of a*
13 *non-United States insurer domiciled in a foreign*
14 *jurisdiction that is subject to a covered agree-*
15 *ment than a United States insurer domiciled, li-*
16 *censed, or otherwise admitted in that State; and*

17 “(B) *is inconsistent with a covered agree-*
18 *ment.*

19 “(2) *DETERMINATION.—*

20 “(A) *NOTICE OF POTENTIAL INCONSIST-*
21 *ENCY.—Before making any determination under*
22 *paragraph (1), the Independent Insurance Advo-*
23 *cate shall—*

1 “(i) notify and consult with the appro-
2 priate State regarding any potential incon-
3 sistency or preemption;

4 “(ii) notify and consult with the
5 United States Trade Representative regard-
6 ing any potential inconsistency or preemp-
7 tion;

8 “(iii) cause to be published in the Fed-
9 eral Register notice of the issue regarding
10 the potential inconsistency or preemption,
11 including a description of each State insur-
12 ance measure at issue and any applicable
13 covered agreement;

14 “(iv) provide interested parties a rea-
15 sonable opportunity to submit written com-
16 ments to the Office; and

17 “(v) consider any comments received.

18 “(B) SCOPE OF REVIEW.—For purposes of
19 this subsection, any determination of the Inde-
20 pendent Insurance Advocate regarding State in-
21 surance measures, and any preemption under
22 paragraph (1) as a result of such determination,
23 shall be limited to the subject matter contained
24 within the covered agreement involved and shall
25 achieve a level of protection for insurance or re-

1 *insurance consumers that is substantially equiv-*
2 *alent to the level of protection achieved under*
3 *State insurance or reinsurance regulation.*

4 “(C) *NOTICE OF DETERMINATION OF INCON-*
5 *SISTENCY.—Upon making any determination*
6 *under paragraph (1), the Director shall—*

7 “(i) *notify the appropriate State of the*
8 *determination and the extent of the incon-*
9 *sistency;*

10 “(ii) *establish a reasonable period of*
11 *time, which shall not be less than 30 days,*
12 *before the determination shall become effec-*
13 *tive; and*

14 “(iii) *notify the Committees on Finan-*
15 *cial Services and Ways and Means of the*
16 *House of Representatives and the Commit-*
17 *tees on Banking, Housing, and Urban Af-*
18 *airs and Finance of the Senate.*

19 “(3) *NOTICE OF EFFECTIVENESS.—Upon the*
20 *conclusion of the period referred to in paragraph*
21 *(2)(C)(ii), if the basis for such determination still ex-*
22 *ists, the determination shall become effective and the*
23 *Independent Insurance Advocate shall—*

1 “(A) cause to be published a notice in the
2 *Federal Register* that the preemption has become
3 effective, as well as the effective date; and

4 “(B) notify the appropriate State.

5 “(4) *LIMITATION.*—No State may enforce a State
6 insurance measure to the extent that such measure
7 has been preempted under this subsection.

8 “(5) *APPLICABILITY OF ADMINISTRATIVE PROCE-*
9 *DURES ACT.*—Determinations of inconsistency made
10 pursuant to paragraph (2) shall be subject to the ap-
11 plicable provisions of subchapter II of chapter 5 of
12 title 5, United States Code (relating to administrative
13 procedure), and chapter 7 of such title (relating to ju-
14 dicial review), except that in any action for judicial
15 review of a determination of inconsistency, the court
16 shall determine the matter *de novo*.

17 “(n) *CONSULTATION.*—The Independent Insurance Ad-
18 vocate shall consult with State insurance regulators, indi-
19 vidually or collectively, to the extent the Independent Insur-
20 ance Advocate determines appropriate, in carrying out the
21 functions of the Office.

22 “(o) *NOTICES AND REQUESTS FOR COMMENT.*—In ad-
23 dition to the other functions and duties specified in this
24 section, the Independent Insurance Advocate may prescribe
25 such notices and requests for comment in the *Federal Reg-*

1 *ister as are deemed necessary related to and governing the*
2 *manner in which the duties and authorities of the Inde-*
3 *pendent Insurance Advocate are carried out;*

4 “(p) *SAVINGS PROVISIONS.—Nothing in this section*
5 *shall—*

6 “(1) *preempt—*

7 “(A) *any State insurance measure that gov-*
8 *erns any insurer’s rates, premiums, under-*
9 *writing, or sales practices;*

10 “(B) *any State coverage requirements for*
11 *insurance;*

12 “(C) *the application of the antitrust laws of*
13 *any State to the business of insurance; or*

14 “(D) *any State insurance measure gov-*
15 *erning the capital or solvency of an insurer, ex-*
16 *cept to the extent that such State insurance*
17 *measure results in less favorable treatment of a*
18 *non-United State insurer than a United States*
19 *insurer; or*

20 “(2) *affect the preemption of any State insur-*
21 *ance measure otherwise inconsistent with and pre-*
22 *empted by Federal law.*

23 “(q) *RETENTION OF AUTHORITY OF FEDERAL FINAN-*
24 *CIAL REGULATORY AGENCIES.—Nothing in this section or*
25 *section 314 shall be construed to limit the authority of any*

1 *Federal financial regulatory agency, including the author-*
2 *ity to develop and coordinate policy, negotiate, and enter*
3 *into agreements with foreign governments, authorities, reg-*
4 *ulators, and multinational regulatory committees and to*
5 *preempt State measures to affect uniformity with inter-*
6 *national regulatory agreements.*

7 “(r) *RETENTION OF AUTHORITY OF UNITED STATES*
8 *TRADE REPRESENTATIVE.*—*Nothing in this section or sec-*
9 *tion 314 shall be construed to affect the authority of the*
10 *Office of the United States Trade Representative pursuant*
11 *to section 141 of the Trade Act of 1974 (19 U.S.C. 2171)*
12 *or any other provision of law, including authority over the*
13 *development and coordination of United States inter-*
14 *national trade policy and the administration of the United*
15 *States trade agreements program.*

16 “(s) *CONGRESSIONAL TESTIMONY.*—*The Independent*
17 *Insurance Advocate shall appear before the Committee on*
18 *Financial Services of the House of Representatives and the*
19 *Committee on Banking, Housing, and Urban Affairs at*
20 *semi-annual hearings and shall provide testimony, which*
21 *shall include submitting written testimony in advance of*
22 *such appearances to such committees and to the Committee*
23 *on Ways and Means of the House of Representatives and*
24 *the Committee on Finance of the Senate, on the following*
25 *matters:*

1 “(1) *OFFICE ACTIVITIES.*—*The efforts, activities,*
2 *objectives, and plans of the Office.*

3 “(2) *SECTION 313(L) ACTIONS.*—*Any actions*
4 *taken by the Office pursuant to subsection (l) (regard-*
5 *ing preemption pursuant to covered agreements).*

6 “(3) *INSURANCE INDUSTRY.*—*The state of, and*
7 *developments in, the insurance industry.*

8 “(4) *U.S. AND GLOBAL INSURANCE AND REIN-*
9 *SURANCE MARKETS.*—*The breadth and scope of the*
10 *global insurance and reinsurance markets and the*
11 *critical role such markets plays in supporting insur-*
12 *ance in the United States and the ongoing impacts of*
13 *part II of the Nonadmitted and Reinsurance Reform*
14 *Act of 2010 on the ability of State regulators to access*
15 *reinsurance information for regulated companies in*
16 *their jurisdictions.*

17 “(5) *OTHER.*—*Any other matters as deemed rel-*
18 *evant by the Independent Insurance Advocate or re-*
19 *quested by such Committees.*

20 “(t) *REPORT UPON END OF TERM OF OFFICE.*—*Not*
21 *later than two months prior to the expiration of the term*
22 *of office, or discontinuation of service, of each individual*
23 *serving as the Independent Insurance Advocate, the Inde-*
24 *pendent Insurance Advocate shall submit a report to the*
25 *Committees on Financial Services and Ways and Means*

1 *of the House of Representatives and the Committees on*
2 *Banking, Housing, and Urban Affairs and Finance of the*
3 *Senate setting forth recommendations regarding the Finan-*
4 *cial Stability Oversight Council and the role, duties, and*
5 *functions of the Independent Insurance Advocate.*

6 “(u) *DEFINITIONS.—In this section and section 314,*
7 *the following definitions shall apply:*

8 “(1) *AFFILIATE.—The term ‘affiliate’ means,*
9 *with respect to an insurer, any person who controls,*
10 *is controlled by, or is under common control with the*
11 *insurer.*

12 “(2) *COVERED AGREEMENT.—The term ‘covered*
13 *agreement’ means a written bilateral or multilateral*
14 *agreement regarding prudential measures with respect*
15 *to the business of insurance or reinsurance that—*

16 “(A) *is entered into between the United*
17 *States and one or more foreign governments, au-*
18 *thorities, or regulatory entities; and*

19 “(B) *relates to the recognition of prudential*
20 *measures with respect to the business of insur-*
21 *ance or reinsurance that achieves a level of pro-*
22 *tection for insurance or reinsurance consumers*
23 *that is substantially equivalent to the level of*
24 *protection achieved under State insurance or re-*
25 *insurance regulation.*

1 “(3) *INSURER.*—*The term ‘insurer’ means any*
2 *person engaged in the business of insurance, includ-*
3 *ing reinsurance.*

4 “(4) *FEDERAL FINANCIAL REGULATORY AGEN-*
5 *CY.*—*The term ‘Federal financial regulatory agency’*
6 *means the Department of the Treasury, the Board of*
7 *Governors of the Federal Reserve System, the Office of*
8 *the Comptroller of the Currency, the Office of Thrift*
9 *Supervision, the Securities and Exchange Commis-*
10 *sion, the Commodity Futures Trading Commission,*
11 *the Federal Deposit Insurance Corporation, the Fed-*
12 *eral Housing Finance Agency, or the National Credit*
13 *Union Administration.*

14 “(5) *FINANCIAL STABILITY OVERSIGHT COUN-*
15 *CIL.*—*The term ‘Financial Stability Oversight Coun-*
16 *cil ’ means the Financial Stability Oversight Council*
17 *established under section 111(a) of the Dodd-Frank*
18 *Wall Street Reform and Consumer Protection Act (12*
19 *U.S.C. 5321(a)).*

20 “(6) *MEMBER AGENCY.*—*The term ‘member*
21 *agency’ has the meaning given such term in section*
22 *111(a) of the Dodd-Frank Wall Street Reform and*
23 *Consumer Protection Act (12 U.S.C. 5321(a)).*

24 “(7) *NON-UNITED STATES INSURER.*—*The term*
25 *‘non-United States insurer’ means an insurer that is*

1 organized under the laws of a jurisdiction other than
2 a State, but does not include any United States
3 branch of such an insurer.

4 “(8) OFFICE.—The term ‘Office’ means the Office
5 of the Independent Insurance Advocate established by
6 this section.

7 “(9) STATE INSURANCE MEASURE.—The term
8 ‘State insurance measure’ means any State law, regu-
9 lation, administrative ruling, bulletin, guideline, or
10 practice relating to or affecting prudential measures
11 applicable to insurance or reinsurance.

12 “(10) STATE INSURANCE REGULATOR.—The term
13 ‘State insurance regulator’ means any State regu-
14 latory authority responsible for the supervision of in-
15 surers.

16 “(11) SUBSTANTIALLY EQUIVALENT TO THE
17 LEVEL OF PROTECTION ACHIEVED.—The term ‘sub-
18 stantially equivalent to the level of protection
19 achieved’ means the prudential measures of a foreign
20 government, authority, or regulatory entity achieve a
21 similar outcome in consumer protection as the out-
22 come achieved under State insurance or reinsurance
23 regulation.

24 “(12) UNITED STATES INSURER.—The term
25 ‘United States insurer’ means—

1 “(A) an insurer that is organized under the
2 laws of a State; or

3 “(B) a United States branch of a non-
4 United States insurer.”.

5 (b) *PAY AT LEVEL III OF EXECUTIVE SCHEDULE.*—
6 Section 5314 of title 5, United States Code, is amended by
7 adding at the end the following new item:

8 “Independent Insurance Advocate, Department
9 of the Treasury.”.

10 (c) *VOTING MEMBER OF FSOC.*—Paragraph (1) of sec-
11 tion 111(b) of the Dodd-Frank Wall Street Reform and Con-
12 sumer Protection Act (12 U.S.C. 5321(b)(1)) is amended
13 by striking subparagraph (J) and inserting the following
14 new subparagraph:

15 “(J) the Independent Insurance Advocate
16 appointed pursuant to section 313 of title 31,
17 United States Code.”.

18 (d) *INDEPENDENCE.*—Section 111 of Public Law 93-
19 495 (12 U.S.C. 250) is amended—

20 (1) by inserting “the Independent Insurance Ad-
21 vocate of the Department of the Treasury,” after
22 “Federal Housing Finance Agency,”; and

23 (2) by inserting “or official” before “submitting
24 them”.

1 (e) *TRANSFER OF EMPLOYEES.*—All employees of the
2 *Department of Treasury who are performing staff functions*
3 *for the independent member of the Financial Stability*
4 *Oversight Council under section 111(b)(2)(J) of the Dodd-*
5 *Frank Wall Street Reform and Consumer Protection Act*
6 *(12 U.S.C. 5321(b)(2)(J)) on a full-time equivalent basis*
7 *as of the date of enactment of this Act shall be eligible for*
8 *transfer to the Office of the Independent Insurance Advocate*
9 *established pursuant to the amendment made by subsection*
10 *(a) of this section for appointment as an employee and shall*
11 *be transferred at the joint discretion of the Independent In-*
12 *surance Advocate and the eligible employee. Any employee*
13 *eligible for transfer that is not appointed within 360 days*
14 *from the date of enactment of this Act shall be eligible for*
15 *detail under section 313(f)(4) of title 31, United States*
16 *Code.*

17 (f) *TEMPORARY SERVICE; TRANSITION.*—Notwith-
18 *standing the amendment made by subsection (a) of this sec-*
19 *tion, during the period beginning on the date of the enact-*
20 *ment of this Act and ending on the date on which the Inde-*
21 *pendent Insurance Advocate is appointed and confirmed*
22 *pursuant to section 313(b)(2) of title 31, United States*
23 *Code, as amended by such amendment, the person serving,*
24 *on such date of enactment, as the independent member of*
25 *the Financial Stability Oversight Council pursuant to sec-*

1 *tion 111(b)(1)(J) of the Dodd-Frank Wall Street Reform*
2 *and Consumer Protection Act (12 U.S.C. 5321(b)(1)(J))*
3 *shall act for all purposes as, and with the full powers of,*
4 *the Independent Insurance Advocate.*

5 *(g) COMPARABILITY IN COMPENSATION SCHEDULES.—*
6 *Subsection (a) of section 1206 of the Financial Institutions*
7 *Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C.*
8 *1833b(a)) is amended by inserting “the Office of the Inde-*
9 *pendent Insurance Advocate of the Department of the Treas-*
10 *ury,” before “and the Farm Credit Administration,”.*

11 *(h) SENIOR EXECUTIVES.—Subparagraph (D) of sec-*
12 *tion 3132(a)(1) of title 5, United States Code, is amended*
13 *by inserting “the Office of the Independent Insurance Advo-*
14 *cate of the Department of the Treasury,” after “Finance*
15 *Agency,”.*

16 **SEC. 1102. TREATMENT OF COVERED AGREEMENTS.**

17 *Subsection (c) of section 314 of title 31, United States*
18 *Code is amended—*

19 *(1) by designating paragraphs (1) and (2) as*
20 *paragraphs (2) and (3), respectively; and*

21 *(2) by inserting before paragraph (2), as so re-*
22 *designated, the following new paragraph:*

23 *“(1) the Secretary of the Treasury and the*
24 *United States Trade Representative have caused to be*
25 *published in the Federal Register, and made available*

1 *for public comment for a period of not fewer than 30*
 2 *days and not greater than 90 days (which period*
 3 *may run concurrently with the 90-day period for the*
 4 *covered agreement referred to in paragraph (3)), the*
 5 *proposed text of the covered agreement;”.*

6 **TITLE XII—TECHNICAL**

7 **CORRECTIONS**

8 **SEC. 1201. TABLE OF CONTENTS; DEFINITIONAL CORREC-**

9 **TIONS.**

10 *(a) TABLE OF CONTENTS.—The table of contents for*
 11 *the Dodd-Frank Wall Street Reform and Consumer Protec-*
 12 *tion Act (Public Law 111–203; 124 Stat. 1376) is amended*
 13 *by striking the items relating to section 407 through 414*
 14 *and inserting the following:*

“Sec. 407. Exemption of and reporting by venture capital fund advisers.

“Sec. 408. Exemption of and reporting by certain private fund advisers.

“Sec. 409. Family offices.

“Sec. 410. State and Federal responsibilities; asset threshold for Federal registra-
tion of investment advisers.

“Sec. 411. Custody of client assets.

“Sec. 414. Rule of construction relating to the Commodity Exchange Act.

“Sec. 418. Qualified client standard.

“Sec. 419. Transition period.”.

15 *(b) DEFINITIONS.—Section 2 of the Dodd-Frank Wall*
 16 *Street Reform and Consumer Protection Act (12 U.S.C.*
 17 *5301) is amended—*

18 *(1) in paragraph (1)—*

19 *(A) by striking “section 3” and inserting*

20 *“section 3(w)”;* and

1 (B) by striking “(12 U.S.C. 1813)” and in-
2 serting “(12 U.S.C. 1813(w))”;

3 (2) in paragraph (6), by striking “1 et seq.” and
4 inserting “1a”; and

5 (3) in paragraph (18)(A)—

6 (A) by striking “‘bank holding company’”;
7 and

8 (B) by inserting “‘includes’” before “‘in-
9 cluding’”.

10 **SEC. 1202. ANTITRUST SAVINGS CLAUSE CORRECTIONS.**

11 Section 6 of the Dodd-Frank Wall Street Reform and
12 Consumer Protection Act (12 U.S.C. 5303) is amended, in
13 the second sentence—

14 (1) by inserting “(15 U.S.C. 12(a))” after “Clay-
15 ton Act”; and

16 (2) by striking “Act, to” and inserting “Act (15
17 U.S.C. 45) to”.

18 **SEC. 1203. TITLE I CORRECTIONS.**

19 Title I of the Dodd-Frank Wall Street Reform and
20 Consumer Protection Act (12 U.S.C. 5311 et seq.) is amend-
21 ed—

22 (1) in section 102(a)(6) (12 U.S.C. 5311(a)(6)),
23 by inserting “(12 U.S.C. 1843(k))” after “of 1956”
24 each place that term appears;

1 (2) *in section 111(c)(3) (12 U.S.C. 5321(c)(3)),*
2 *by striking “that agency or department head” and in-*
3 *serting “the head of that member agency or depart-*
4 *ment”;*

5 (3) *in section 112 (12 U.S.C. 5322)—*

6 (A) *in subsection (a)(2)—*

7 (i) *in subparagraph (C) (as redesign-*
8 *ated by section 151)—*

9 (I) *by striking “to monitor” and*
10 *inserting “monitor”; and*

11 (II) *by striking “to advise” and*
12 *inserting “advise”;*

13 (ii) *in subparagraph (H) (as redesign-*
14 *ated by section 151), by striking “may”;*
15 *and*

16 (B) *in subsection (d)(5), by striking “sub-*
17 *section and subtitle B” each place such term ap-*
18 *pears and inserting “subtitle”; and*

19 (4) *in section 171(b)(4)(D) (12 U.S.C.*
20 *5371(b)(4)(D)), by adding a period at the end.*

21 **SEC. 1204. TITLE III CORRECTIONS.**

22 (a) *IN GENERAL.—Title III of the Dodd-Frank Wall*
23 *Street Reform and Consumer Protection Act (12 U.S.C.*
24 *5401 et seq.) is amended—*

1 (1) *in section 327(b)(5) (12 U.S.C. 5437(b)(5)),*
2 *by striking “in” and inserting “into”;*

3 (2) *in section 333(b)(2) (124 Stat. 1539), by in-*
4 *serting “the second place that term appears” before*
5 *“and inserting”; and*

6 (3) *in section 369(5) (124 Stat. 1559)—*

7 (A) *in subparagraph (D)(i)—*

8 (i) *in subclause (III), by redesignating*
9 *items (aa), (bb), and (cc) as subitems (AA),*
10 *(BB), and (CC), respectively, and adjusting*
11 *the margins accordingly;*

12 (ii) *in subclause (IV), redesignating*
13 *items (aa) and (bb) as subitems (AA) and*
14 *(BB), respectively, and adjusting the mar-*
15 *gins accordingly;*

16 (iii) *in subclause (V), by redesignating*
17 *items (aa), (bb), and (cc) as subitems (AA),*
18 *(BB), and (CC), respectively, and adjusting*
19 *the margins accordingly; and*

20 (iv) *by redesignating subclauses (III),*
21 *(IV), and (V) as items (bb), (cc), and (dd),*
22 *respectively, and adjusting the margins ac-*
23 *cordingly;*

24 (B) *in subparagraph (F)—*

1 (i) in clause (ii), by adding “and” at
2 the end;

3 (ii) in clause (iii), by striking “; and”
4 and inserting a period; and

5 (iii) by striking clause (iv); and

6 (C) in subparagraph (G)(i), by inserting
7 “each place such term appears” before “and in-
8 serting”.

9 (b) *EFFECTIVE DATES.*—

10 (1) *SECTION 333.*—The amendment made by sub-
11 section (a)(2) of this section shall take effect as though
12 enacted as part of subtitle C of title III of the Dodd-
13 Frank Wall Street Reform and Consumer Protection
14 Act (124 Stat. 1538).

15 (2) *SECTION 369.*—The amendments made by
16 subsection (a)(3) of this section shall take effect as
17 though enacted as part of subtitle E of title III of the
18 Dodd-Frank Wall Street Reform and Consumer Pro-
19 tection Act (124 Stat. 1546).

20 **SEC. 1205. TITLE IV CORRECTION.**

21 Section 414 of the Dodd-Frank Wall Street Reform
22 and Consumer Protection Act (124 Stat. 1578) is amended
23 in the section heading by striking “**COMMODITIES**” and
24 inserting “**COMMODITY**”.

1 **SEC. 1206. TITLE VI CORRECTIONS.**

2 (a) *IN GENERAL.*—Section 610 of the Dodd-Frank
3 Wall Street Reform and Consumer Protection Act (124
4 Stat. 1596) is amended—

5 (1) by striking subsection (b); and

6 (2) by redesignating subsection (c) as subsection
7 (b).

8 (b) *EFFECTIVE DATE.*—The amendments made by sub-
9 section (a) of this section shall take effect as though enacted
10 as part of section 610 of the Dodd-Frank Wall Street Re-
11 form and Consumer Protection Act (124 Stat. 1611).

12 **SEC. 1207. TITLE VII CORRECTIONS.**

13 (a) *IN GENERAL.*—Title VII of the Dodd-Frank Wall
14 Street Reform and Consumer Protection Act (15 U.S.C.
15 8301 et seq.) is amended—

16 (1) in section 719(c)(1)(B) (15 U.S.C.
17 8307(c)(1)(B)), by adding a period at the end;

18 (2) in section 723(a)(1)(B) (124 Stat. 1675), by
19 inserting “, as added by section 107 of the Com-
20modity Futures Modernization Act of 2000 (Appendix
21 E of Public Law 106–554; 114 Stat. 2763A–382),”
22 after “subsection (i)”;

23 (3) in section 734(b)(1) (124 Stat. 1718), by
24 striking “is amended” and all that follows through
25 “(B) in” and inserting “is amended in”;

1 (4) in section 741(b)(10) (124 Stat. 1732), by
2 striking “1a(19)(A)(iv)(II)” each place it appears
3 and inserting “1a(18)(A)(iv)(II)”; and

4 (5) in section 749 (124 Stat. 1746)—

5 (A) in subsection (a)(2), by striking “add-
6 ing at the end” and inserting “inserting after
7 subsection (f)”; and

8 (B) in subsection (h)(1)(B), by inserting
9 “the second place that term appears” before the
10 semicolon.

11 (b) *EFFECTIVE DATE.*—The amendments made by
12 paragraphs (3), (4), and (5) of subsection (a) of this section
13 shall take effect as though enacted as part of part II of sub-
14 title A of title VII of the Dodd-Frank Wall Street Reform
15 and Consumer Protection Act (124 Stat. 1658).

16 **SEC. 1208. TITLE IX CORRECTIONS.**

17 Section 939(h)(1) of the Dodd-Frank Wall Street Re-
18 form and Consumer Protection Act (124 Stat. 1887) is
19 amended—

20 (1) in the matter preceding subparagraph (A),
21 by inserting “The” before “Commission”; and

22 (2) by striking “feasability” and inserting “fea-
23 sibility”.

1 **SEC. 1209. TITLE X CORRECTIONS.**

2 (a) *IN GENERAL.*—*Title X of the Dodd-Frank Wall*
3 *Street Reform and Consumer Protection Act (12 U.S.C.*
4 *5481 et seq.) is amended—*

5 (1) *in section 1002(12)(G) (12 U.S.C.*
6 *5481(12)(G)), by striking “Home Owners” and in-*
7 *serting “Homeowners”;*

8 (2) *in section 1013(a)(1)(C) (12 U.S.C.*
9 *5493(a)(1)(C)), by striking “section 11(1)” and in-*
10 *serting “subsection (l) of section 11”;*

11 (3) *in section 1017(a)(2) (as so redesignated by*
12 *section 713) (12 U.S.C. 5497(a)(5))—*

13 (A) *in subparagraph (A), in the last sen-*
14 *tence by striking “716(c) of title 31, United*
15 *States Code” and inserting “716 of title 31,*
16 *United States Code”;* and

17 (B) *in subparagraph (C), by striking “sec-*
18 *tion 3709 of the Revised Statutes of the United*
19 *States (41 U.S.C. 5)” and inserting “section*
20 *6101 of title 41, United States Code”;*

21 (4) *in section 1027(d)(1)(B) (12 U.S.C.*
22 *5517(d)(1)(B)), by inserting a comma after “(A)”;*

23 (5) *in section 1029(d) (12 U.S.C. 5519(d)), by*
24 *striking the period after “Commission Act”;*

25 (6) *in section 1061(b)(7) (12 U.S.C.*
26 *5581(b)(7))—*

1 (A) by striking “Secretary of the Depart-
2 ment of Housing and Urban Development” each
3 place that term appears and inserting “Depart-
4 ment of Housing and Urban Development”; and

5 (B) in subparagraph (A), by striking “(12
6 U.S.C. 5102 et seq.)” and inserting “(12 U.S.C.
7 5101 et seq.)”;

8 (7) in section 1063 (12 U.S.C. 5583)—

9 (A) in subsection (f)(1)(B), by striking
10 “that”; and

11 (B) in subsection (g)(1)(A)—

12 (i) by striking “(12 U.S.C. 5102 et
13 seq.)” and inserting “(12 U.S.C. 5101 et
14 seq.)”; and

15 (ii) by striking “seq.” and inserting
16 “seq.”;

17 (8) in section 1064(i)(1)(A)(iii) (12 U.S.C.
18 5584(i)(1)(A)(iii)), by inserting a period before “If
19 an”;

20 (9) in section 1073(c)(2) (12 U.S.C.
21 5601(c)(2))—

22 (A) in the paragraph heading, by inserting
23 “AND EDUCATION” after “FINANCIAL LITERACY”;
24 and

1 (B) by striking “its duties” and inserting
2 “their duties”;

3 (10) in section 1076(b)(1) (12 U.S.C.
4 5602(b)(1)), by inserting before the period at the end
5 the following: “, the Agency may, after notice and op-
6 portunity for comment, prescribe regulations”;

7 (11) in section 1077(b)(4)(F) (124 Stat. 2076),
8 by striking “associates” and inserting “associate’s”;

9 (12) in section 1084(1) (124 Stat. 2081), by in-
10 serting a comma after “2009”;

11 (13) in section 1089 (124 Stat. 2092)—

12 (A) in paragraph (3)—

13 (i) in subparagraph (A), by striking
14 “and” at the end; and

15 (ii) in subparagraph (B)(vi), by strik-
16 ing the period at the end and inserting “;
17 and”; and

18 (B) by redesignating paragraph (4) as sub-
19 paragraph (C) and adjusting the margins ac-
20 cordingly; and

21 (14) in section 1098(6) (124 Stat. 2104), by in-
22 serting “the first place that term appears” before
23 “and”.

24 (b) *EFFECTIVE DATE.*—The amendments made by
25 paragraphs (11), (12), (13), (14), and (15) of subsection

1 (a) shall take effect as though enacted as part of subtitle
2 H of title X of the Dodd-Frank Wall Street Reform and
3 Consumer Protection Act (124 Stat. 2080).

4 **SEC. 1210. TITLE XII CORRECTION.**

5 Title XII of the Dodd-Frank Wall Street Reform and
6 Consumer Protection Act (124 Stat. 2129) is amended, in
7 section 1208(b) (12 U.S.C. 5626(b)), by inserting “, as de-
8 fined in section 103(10) of the Riegle Community Develop-
9 ment and Regulatory Improvement Act of 1994 (12 U.S.C.
10 4702(10)),” after “appropriated to the Fund”.

11 **SEC. 1211. TITLE XIV CORRECTION.**

12 Title XIV of the Dodd-Frank Wall Street Reform and
13 Consumer Protection Act (124 Stat. 2136) is amended, in
14 section 1451(c) (12 U.S.C. 1701x-1(c)), by striking “pursu-
15 ant”.

16 **SEC. 1212. TECHNICAL CORRECTIONS TO OTHER STATUTES.**

17 (a) *ALTERNATIVE MORTGAGE TRANSACTION PARITY*
18 *ACT OF 1982.*—*The Alternative Mortgage Transaction Par-*
19 *ity Act of 1982 (12 U.S.C. 3801 et seq.) is amended—*

20 (1) *in section 802(a)(3) (12 U.S.C. 3801(a)(3)),*
21 *by striking “the Director of the Office of Thrift Super-*
22 *vision” and inserting “the Consumer Law Enforce-*
23 *ment Agency”;*

24 (2) *in section 804 (12 U.S.C. 3803)—*

1 (A) in subsection (a), by striking “the Di-
2 rector of the Office of Thrift Supervision” each
3 place such term appears and inserting “the
4 Comptroller of the Currency”; and

5 (B) in subsection (d)(1), by striking the
6 comma after “Administration”.

7 (b) *BANK HOLDING COMPANY ACT AMENDMENTS OF*
8 1970.—Section 106(b)(1) of the Bank Holding Company
9 Act Amendments of 1970 (12 U.S.C. 1972(1)) is amended,
10 in the undesignated matter at the end, by striking “Federal
11 Deposit Insurance Company” and inserting “Federal De-
12 posit Insurance Corporation”.

13 (c) *BALANCED BUDGET AND EMERGENCY DEFICIT*
14 *CONTROL ACT*.—Section 255(g)(1)(A) of the *Balanced*
15 *Budget and Emergency Deficit Control Act of 1985* (2
16 U.S.C. 905(g)(1)(A)) is amended by striking “Office of
17 Thrift Supervision (20–4108–0–3–373).”.

18 (d) *BRETTON WOODS AGREEMENTS ACT*.—Section
19 68(a)(1) of the *Bretton Woods Agreements Act* (22 U.S.C.
20 286tt(a)(1)) is amended by striking “Fund ,” and inserting
21 “Fund,”.

22 (e) *CAN–SPAM ACT OF 2003*.—Section 7(b)(1)(D) of
23 the *CAN–SPAM Act of 2003* (15 U.S.C. 7706(b)(1)(D)) is
24 amended by striking “Director of the Office of Thrift Super-
25 vision” and inserting “Comptroller of the Currency or the

1 *Board of Directors of Federal Deposit Insurance Corpora-*
2 *tion, as applicable,”.*

3 (f) *CHILDREN’S ONLINE PRIVACY PROTECTION ACT OF*
4 *1998.—Section 1306(b)(2) of the Children’s Online Privacy*
5 *Protection Act of 1998 (15 U.S.C. 6505(b)(2)) is amended*
6 *by striking “Director of the Office of Thrift Supervision”*
7 *and inserting “Comptroller of the Currency and the Board*
8 *of Directors of Federal Deposit Insurance Corporation, as*
9 *applicable,”.*

10 (g) *COMMUNITY REINVESTMENT ACT OF 1977.—The*
11 *Community Reinvestment Act of 1977 (12 U.S.C. 2901 et*
12 *seq.) is amended—*

13 (1) *in section 803(1)(C) (12 U.S.C. 2902(1)(C)),*
14 *by striking the period at the end and inserting a*
15 *semicolon; and*

16 (2) *in section 806 (12 U.S.C. 2905), by striking*
17 *“companies,” and inserting “companies,”.*

18 (h) *CREDIT REPAIR ORGANIZATIONS ACT.—Section*
19 *403(4) of the Credit Repair Organizations Act (15 U.S.C.*
20 *1679a(4)) is amended by striking “103(e)” and inserting*
21 *“103(f)”.*

22 (i) *DEPOSITORY INSTITUTION MANAGEMENT INTER-*
23 *LOCKS ACT.—Section 205(9) of the Depository Institution*
24 *Management Interlocks Act (12 U.S.C. 3204(9)) is amended*

1 by striking “Director of the Office of Thrift Supervision”
2 and inserting “appropriate Federal banking agency”.

3 (j) *ECONOMIC GROWTH AND REGULATORY PAPER-*
4 *WORK REDUCTION ACT OF 1996.*—Section 2227(a)(1) of the
5 *Economic Growth and Regulatory Paperwork Reduction*
6 *Act of 1996 (12 U.S.C. 252(a)(1))* is amended by striking
7 “the Director of the Office of Thrift Supervision,”.

8 (k) *ELECTRONIC FUND TRANSFER ACT.*—The *Elec-*
9 *tronic Fund Transfer Act (15 U.S.C. 1693 et seq.)* is
10 amended—

11 (1) in section 903 (15 U.S.C. 1693a)—

12 (A) in paragraph (2), by striking “103(i)”
13 and inserting “103(j)”; and

14 (B) by redesignating the first paragraph
15 designated as paragraph (4) (defining the term
16 “Board”), as paragraph (3);

17 (2) in section 904(a) (15 U.S.C. 1693b(a))—

18 (A) by redesignating the second paragraph
19 designated as paragraph (1) (relating to con-
20 sultation with other agencies), the second para-
21 graph designated as paragraph (2) (relating to
22 the preparation of an analysis of economic im-
23 pact), paragraph (3), and paragraph (4), as sub-
24 paragraphs (A), (B), (C), and (D), respectively,
25 and adjusting the margins accordingly; and

1 (B) by striking “In prescribing such regula-
2 tions, the Board shall:” and inserting the fol-
3 lowing:

4 “(3) REGULATIONS.—In prescribing regulations
5 under this subsection, the Agency and the Board
6 shall—”;

7 (3) in section 909(c) (15 U.S.C. 1693g(c)), by
8 striking “103(e)” and inserting “103(f)”;

9 (4) in section 918(a)(4) (15 U.S.C. 1693o(a)(4)),
10 by striking “Act and” and inserting “Act; and”;

11 (5) by redesignating the section added by section
12 1073(4) of the Dodd-Frank Wall Street Reform and
13 Consumer Protection Act (relating to remittance
14 transfers) (15 U.S.C. 1693o–1) as section 920 of the
15 Electronic Fund Transfer Act;

16 (6) by redesignating the section headed “Relation
17 to State laws” (15 U.S.C. 1693q) as section 921 of the
18 Electronic Fund Transfer Act;

19 (7) by redesignating the section headed “Exemp-
20 tion for State regulation” (15 U.S.C. 1693r) as sec-
21 tion 922 of the Electronic Fund Transfer Act; and

22 (8) by redesignating the section headed “Effective
23 date” (15 U.S.C. 1693 note) as section 923 of the
24 Electronic Fund Transfer Act.

1 (l) *EMERGENCY ECONOMIC STABILIZATION ACT OF*
2 *2008.—Section 101(b) of the Emergency Economic Sta-*
3 *bilization Act of 2008 (12 U.S.C. 5211(b)) is amended by*
4 *striking “the Director of the Office of Thrift Supervision,”.*

5 (m) *EQUAL CREDIT OPPORTUNITY ACT.—The Equal*
6 *Credit Opportunity Act (15 U.S.C. 1691 et seq.) is amend-*
7 *ed—*

8 (1) *in section 703 (15 U.S.C. 1691b)—*

9 (A) *in each of subsections (c) and (d), by*
10 *striking “paragraph” each place that term ap-*
11 *pears and inserting “subsection”; and*

12 (B) *in subsection (g), by adding a period at*
13 *the end;*

14 (2) *in section 704 (15 U.S.C. 1691c)—*

15 (A) *in subsection (a)—*

16 (i) *by striking “Consumer Protection*
17 *Financial Protection Act of 2010 with” and*
18 *inserting “Consumer Financial Protection*
19 *Act of 2010, compliance with”;*

20 (ii) *in paragraph (1)—*

21 (I) *by striking “section 8” and in-*
22 *serting “Section 8”; and*

23 (II) *in subparagraph (C), by*
24 *striking “banks;” and inserting*
25 *“banks.”;*

1 (iii) in each of paragraphs (6) and (7),
2 by striking the semicolon at the end and in-
3 serting a period; and

4 (iv) in paragraph (8), by striking “;
5 and” and inserting a period; and

6 (B) in subsection (c), in the second sentence,
7 by striking “subchapter” and inserting “title”;
8 and

9 (3) in section 706(k) (15 U.S.C. 1691e(k)), by
10 striking “, (2), or (3)” and inserting “or (2)”.

11 (n) *EXPEDITED FUNDS AVAILABILITY ACT*.—*The Ex-*
12 *pedited Funds Availability Act (12 U.S.C. 4001 et seq.) is*
13 *amended—*

14 (1) in section 605(f)(2)(A) (12 U.S.C.
15 4004(f)(2)(A)), by striking “,” and inserting a semi-
16 colon; and

17 (2) in section 610(a)(2) (12 U.S.C. 4009(a)(2)),
18 by striking “Director of the Office of Thrift Super-
19 vision” and inserting “Comptroller of the Currency
20 and the Board of Directors of the Federal Deposit In-
21 surance Corporation, as appropriate,”.

22 (o) *FAIR CREDIT REPORTING ACT*.—*The Fair Credit*
23 *Reporting Act (15 U.S.C. 1681 et seq.) is amended—*

24 (1) in section 603 (15 U.S.C. 1681a)—

1 (A) in subsection (d)(2)(D), by striking
2 “(x)” and inserting “(y)”;

3 (B) in subsection (q)(5), by striking
4 “103(i)” and inserting “103(j)”; and

5 (C) in subsection (v), by striking “Bureau”
6 and inserting “Federal Trade Commission”;

7 (2) in section 604 (15 U.S.C. 1681b)—

8 (A) in subsection (b)—

9 (i) in paragraph (2)(B)(i), by striking
10 “section 615(a)(3)” and inserting “section
11 615(a)(4)”;

12 (ii) in paragraph (3)(B)(ii), by strik-
13 ing “clause (B)(i)(IV)” and inserting
14 “clause (i)(IV)”;

15 (iii) in paragraph (4)(A)(ii), by in-
16 serting “and” after the semicolon; and

17 (iv) by striking “section 609(c)(3)”
18 each place that term appears and inserting
19 “section 609(c)”; and

20 (B) in subsection (g)(5), by striking “PARA-
21 GRAPH (2).—” and all that follows through “The
22 Bureau” and inserting “PARAGRAPH (2).—The
23 Agency”;

24 (3) in section 605 (15 U.S.C. 1681c)—

1 (A) in subsection (f), by striking “who” and
2 inserting “which”; and

3 (B) in subsection (h)(2)(A)—

4 (i) by striking “shall,,” and inserting
5 “shall,,”; and

6 (ii) by striking “Commission,,” and
7 inserting “Commission,,”;

8 (4) in section 605A(h)(1)(A) (15 U.S.C. 1681c–
9 1(h)(1)(A)), by striking “103(i)” and inserting
10 “103(j)”;

11 (5) in section 607(e)(3)(A) (15 U.S.C.
12 1681e(e)(3)(A)), by striking “section 604(b)(4)(E)(i)”
13 and inserting “section 604(b)(4)(D)(i)”;

14 (6) in section 609 (15 U.S.C. 1681g)—

15 (A) in subsection (a)(3)(C)(i), by striking
16 “section 604(b)(4)(E)(i)” and inserting “section
17 604(b)(4)(D)(i)”;

18 (B) in subsection (c)(1)—

19 (i) in the paragraph heading, by strik-
20 ing “COMMISSION” and inserting “BU-
21 REAU”; and

22 (ii) in subparagraph (B)(vi), by strik-
23 ing “603(w)” and inserting “603(x)”;

24 (C) in subsection (e)(2)(B)(ii)(II), by strik-
25 ing “an”; and

1 (D) by striking “The Commission” each
2 place that term appears and inserting “The Bu-
3 reau”;

4 (7) in section 610 (15 U.S.C. 1681h)—

5 (A) in subsection (b)(1), by inserting “sec-
6 tion” after “under”; and

7 (B) in subsection (e), by inserting a comma
8 after “on the report”;

9 (8) in section 611 (15 U.S.C. 1681i), by striking
10 “The Commission” each place that term appears and
11 inserting “The Agency”;

12 (9) in section 612 (15 U.S.C. 1681j)—

13 (A) in subsection (a)(1)—

14 (i) by striking “(w)” and inserting
15 “(x)”; and

16 (ii) in subparagraph (C), by striking
17 “603(w)” each place that term appears and
18 inserting “603(x)”;

19 (B) in subsection (g), by striking
20 “televison” and inserting “television”; and

21 (C) by striking “The Commission” each
22 place that term appears and inserting “The Bu-
23 reau”;

24 (10) in section 621 (15 U.S.C. 1681s)—

1 (A) in subsection (a)(1), in the first sen-
2 tence, by striking “, subsection (b)”;

3 (B) in subsection (e)(2), by inserting a pe-
4 riod after “provisions of this title”; and

5 (C) in subsection (f)(2), by striking “The
6 Commission” and inserting “The Agency” and

7 (11) in section 623(a)(5) (15 U.S.C. 1681s-
8 2(a)(5)), by striking “OF ACCOUNTS.—(A) IN GEN-
9 ERAL.—A person” and inserting “OF ACCOUNTS.—

10 “(A) IN GENERAL.—A person”.

11 (p) *FEDERAL CREDIT UNION ACT.*—Section
12 206(g)(7)(D)(iv) of the Federal Credit Union Act (12
13 U.S.C. 1786(g)(7)(D)(iv)) is amended by striking the semi-
14 colon at the end and inserting a period.

15 (q) *FEDERAL DEPOSIT INSURANCE ACT.*—The Federal
16 Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amend-
17 ed—

18 (1) in section 3(q)(2)(C) (12 U.S.C.
19 1813(q)(2)(C)), by adding “and” at the end;

20 (2) in section 7 (12 U.S.C. 1817)—

21 (A) in subsection (b)(2)—

22 (i) in subparagraph (A), by striking
23 “(D)” and inserting “(C)”; and

1 (ii) by redesignating subparagraphs
2 (D) and (E) as subparagraphs (C) and (D),
3 respectively; and

4 (B) in subsection (e)(2)(C), by adding a pe-
5 riod at the end;

6 (3) in section 8 (12 U.S.C. 1818)—

7 (A) in subsection (b)(3), by striking “Act)”
8 and inserting “Act”); and

9 (B) in subsection (t)(2)(C), by striking “de-
10 positors or” and inserting “depositors; or”;

11 (4) in section 11 (12 U.S.C. 1821)—

12 (A) in subsection (d)(2)(I)(ii), by striking
13 “and section 21A(b)(4)”); and

14 (B) in subsection (m), in each of para-
15 graphs (16) and (18), by striking the comma
16 after “Comptroller of the Currency” each place it
17 appears; and

18 (5) in section 26(a) (12 U.S.C. 1831c(a)), by
19 striking “Holding Company Act” each place that
20 term appears and inserting “Holding Company Act
21 of 1956”.

22 (r) FEDERAL FIRE PREVENTION AND CONTROL ACT
23 OF 1974.—Section 31(a)(5)(B) of the Federal Fire Preven-
24 tion and Control Act of 1974 (15 U.S.C. 2227(a)(5)(B)) is
25 amended by striking “the Federal Deposit Insurance Cor-

1 *poration” and all that follows through the period and in-*
2 *serting “or the Federal Deposit Insurance Corporation*
3 *under the affordable housing program under section 40 of*
4 *the Federal Deposit Insurance Act.”.*

5 (s) *FEDERAL HOME LOAN BANK ACT.—The Federal*
6 *Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amend-*
7 *ed—*

8 (1) *in section 10(h)(1) (12 U.S.C. 1430(h)(1)),*
9 *by striking “Director of the Office of Thrift Super-*
10 *vision” and inserting “Comptroller of the Currency or*
11 *the Board of Directors of the Federal Deposit Insur-*
12 *ance Corporation, as applicable”; and*

13 (2) *in section 22(a) (12 U.S.C. 1442(a))—*

14 (A) *in the matter preceding paragraph (1),*
15 *by striking “Comptroller of the Currency” and*
16 *all that follows through “Supervision” and in-*
17 *serting “Comptroller of the Currency, the Chair-*
18 *man of the Board of Governors of the Federal*
19 *Reserve System, the Chairperson of the Federal*
20 *Deposit Insurance Corporation, and the Chair-*
21 *man of the National Credit Union Administra-*
22 *tion”; and*

23 (B) *in the undesignated matter following*
24 *paragraph (2), by striking “Comptroller of the*
25 *Currency” and all that follows through “Super-*

1 *vision” and inserting “Comptroller of the Cur-*
2 *rency, the Chairman of the Board of Governors*
3 *of the Federal Reserve System, and the Chair-*
4 *man of the National Credit Union Administra-*
5 *tion”.*

6 (t) *FEDERAL RESERVE ACT.—Paragraph (8)(B) of*
7 *section 11(s) of the Federal Reserve Act (headed “Federal*
8 *Reserve Transparency and Release of Information”)* (12
9 *U.S.C. 248) is amended by striking “this section” and in-*
10 *serting “this subsection”.*

11 (u) *FINANCIAL INSTITUTIONS REFORM, RECOVERY,*
12 *AND ENFORCEMENT ACT OF 1989.—The Financial Institu-*
13 *tions Reform, Recovery, and Enforcement Act of 1989 (Pub-*
14 *lic Law 101–73; 103 Stat. 183) is amended in section*
15 *1121(6) (12 U.S.C. 3350(6)), by striking “the Office of*
16 *Thrift Supervision,”.*

17 (v) *GRAMM-LEACH-BLILEY ACT.—The Gramm-Leach-*
18 *Bliley Act (Public Law 106–102; 113 Stat. 1338) is amend-*
19 *ed—*

20 (1) *in section 132(a) (12 U.S.C. 1828b(a)), by*
21 *striking “the Director of the Office of Thrift Super-*
22 *vision,”;*

23 (2) *in section 206(a) (15 U.S.C. 78c note), by*
24 *striking “Except as provided in subsection (e), for”*
25 *and inserting “For”;*

1 (3) *in section 502(e)(5) (15 U.S.C. 6802(e)(5)),*
2 *by striking “a Federal” and inserting “, a Federal”;*

3 (4) *in section 504(a)(2) (15 U.S.C. 6804(a)(2)),*
4 *by striking “and, as appropriate, and with” and in-*
5 *serting “and, as appropriate, with”;*

6 (5) *in section 509(2) (15 U.S.C. 6809(2))—*

7 (A) *by striking subparagraph (D); and*

8 (B) *by redesignating subparagraphs (E)*
9 *and (F) as subparagraphs (D) and (E), respec-*
10 *tively; and*

11 (6) *in section 522(b)(1)(A)(iv) (15 U.S.C.*
12 *6822(b)(1)(A)(iv)), by striking “Director of the Office*
13 *of Thrift Supervision” and inserting “Comptroller of*
14 *the Currency and the Board of Directors of the Fed-*
15 *eral Deposit Insurance Corporation, as appropriate”.*

16 (w) *HELPING FAMILIES SAVE THEIR HOMES ACT OF*
17 *2009.—Section 104 of the Helping Families Save Their*
18 *Homes Act of 2009 (12 U.S.C. 1715z–25) is amended—*

19 (1) *in subsection (a)—*

20 (A) *by striking “and the Director of the Of-*
21 *fice of Thrift Supervision, shall jointly” and in-*
22 *serting “shall”;*

23 (B) *by striking “and the Office of Thrift*
24 *Supervision”;* and

1 (C) by striking “each such” and inserting
2 “such”; and

3 (2) in subsection (b)(1)—

4 (A) in subparagraph (A)—

5 (i) in the first sentence—

6 (I) by striking “and the Director
7 of the Office of Thrift Supervision,”;
8 and

9 (II) by striking “or the Director”;

10 (ii) in the second sentence, by striking
11 “and the Director of the Office of Thrift Su-
12 pervision”; and

13 (B) in subparagraph (B), by striking “and
14 the Director of the Office of Thrift Supervision”.

15 (x) HOME MORTGAGE DISCLOSURE ACT OF 1975.—

16 *The Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801*
17 *et seq.) is amended—*

18 (1) in section 304—

19 (A) in subsection (b)(5)(A), by striking “15
20 U.S.C. 1602(aa)(4)” and inserting “section
21 103(aa)(4) of the Truth in Lending Act”; and

22 (B) in subsection (j)(3) (12 U.S.C.
23 2803(j)(3)), by adding a period at the end; and

1 (2) in section 305(b)(1)(A)(iii) (12 U.S.C.
2 2804(b)(1)(A)(iii)), by striking “bank as,” and insert-
3 ing “bank, as”.

4 (y) *HOME OWNERS’ LOAN ACT.*—*The Home Owners’*
5 *Loan Act (12 U.S.C. 1461 et seq.) is amended—*

6 (1) in section 5 (12 U.S.C. 1464)—

7 (A) in subsection (d)(2)(E)(ii)—

8 (i) in the first sentence, by striking
9 “Except as provided in section 21A of the
10 Federal Home Loan Bank Act, the” and in-
11 serting “The”; and

12 (ii) by striking “, at the Director’s dis-
13 cretion,”;

14 (B) in subsection (i)(6), by striking “the Of-
15 fice of Thrift Supervision or”;

16 (C) in subsection (m), by striking “Direc-
17 tor’s” each place that term appears and insert-
18 ing “appropriate Federal banking agency’s”;

19 (D) in subsection (n)(9)(B), by striking
20 “Director’s” and inserting “Comptroller’s”; and

21 (E) in subsection (s)—

22 (i) in paragraph (1)—

23 (I) in the matter preceding sub-
24 paragraph (A), by striking “of such
25 Act)” and all that follows through

1 *“shall require” and inserting “of such*
2 *Act), the appropriate Federal banking*
3 *agency shall require”;* and

4 *(II) in subparagraph (B), by*
5 *striking “other methods” and all that*
6 *follows through “determines” and in-*
7 *serting “other methods as the appro-*
8 *priate Federal banking agency deter-*
9 *mines”;*

10 *(ii) in paragraph (2)—*

11 *(I) by striking “DETERMINED”*
12 *and all that follows through “may,*
13 *consistent” and inserting “DETER-*
14 *MINED BY APPROPRIATE FEDERAL*
15 *BANKING AGENCY CASE-BY-CASE.—The*
16 *appropriate Federal banking agency*
17 *may, consistent”;* and

18 *(II) by striking “capital-to-assets”*
19 *and all that follows through “deter-*
20 *mines to be necessary” and inserting*
21 *“capital-to-assets as the appropriate*
22 *Federal banking agency determines to*
23 *be necessary”;*

24 *(2) in section 6(c) (12 U.S.C. 1465(c)), by strik-*
25 *ing “sections” and inserting “section”;*

1 (3) *in section 10 (12 U.S.C. 1467a)—*

2 (A) *in subsection (b)(6), by striking “time”*
3 *and all that follows through “release” and insert-*
4 *ing “time, upon the motion or application of the*
5 *Board, release”;*

6 (B) *in subsection (c)(2)(H)—*

7 (i) *in the matter preceding clause (i)—*

8 (I) *by striking “1841(p)” and in-*
9 *serting “1841(p))”;* and

10 (II) *by inserting “(12 U.S.C.*
11 *1843(k))” before “if—”;* and

12 (ii) *in clause (i), by inserting “of 1956*
13 *(12 U.S.C. 1843(l) and (m))” after “Com-*
14 *pany Act”;* and

15 (C) *in subsection (e)(7)(B)(iii)—*

16 (i) *by striking “Board of the Office of*
17 *Thrift Supervision” and inserting “Director*
18 *of the Office of Thrift Supervision”;* and

19 (ii) *by inserting “, as defined in sec-*
20 *tion 2 of the Dodd-Frank Wall Street Re-*
21 *form and Consumer Protection Act (12*
22 *U.S.C. 5301)” after “transfer date”;* and

23 (4) *in section 13 (12 U.S.C. 1468b), by striking*
24 *“the a” and inserting “a”.*

1 (z) *HOUSING ACT OF 1948*.—Section 502(c)(3) of the
2 *Housing Act of 1948 (12 U.S.C. 1701c(c)(3))* is amended
3 by striking “*Federal Home Loan Bank Agency*” and insert-
4 ing “*Federal Housing Finance Agency*”.

5 (aa) *HOUSING AND URBAN DEVELOPMENT ACT OF*
6 *1968*.—Section 106(h)(5) of the *Housing and Urban Devel-*
7 *opment Act of 1968 (12 U.S.C. 1701x(h)(5))* is amended
8 by striking “*authorised*” and inserting “*authorized*”.

9 (bb) *INTERNATIONAL BANKING ACT OF 1978*.—Section
10 *15 of the International Banking Act of 1978 (12 U.S.C.*
11 *3109)* is amended—

12 (1) in each of subsections (a) and (b)—

13 (A) by striking “, and Director of the Office
14 of Thrift Supervision” each place that term ap-
15 pears; and

16 (B) by inserting “and” before “*Federal De-*
17 *posit*” each place that term appears;

18 (2) in subsection (a), by striking “*Comptroller,*
19 *Corporation, or Director*” and inserting “*Comptroller*
20 *of the Currency, or Corporation*”; and

21 (3) in subsection (c)(4)—

22 (A) by inserting “and” before “*the Federal*
23 *Deposit*”; and

24 (B) by striking “, and the Director of the
25 *Office of Thrift Supervision*”.

1 (cc) *INTERNATIONAL LENDING SUPERVISION ACT OF*
2 *1983.—Section 912 of the International Lending Super-*
3 *vision Act of 1983 (12 U.S.C. 3911) is amended—*

4 (1) *by amending the section heading to read as*
5 *follows: “**EQUAL REPRESENTATION FOR FED-***
6 ***ERAL DEPOSIT INSURANCE CORPORATION**”;*

7 (2) *by striking “(a) IN GENERAL.—”;* and

8 (3) *by striking subsection (b).*

9 (dd) *INTERSTATE LAND SALES FULL DISCLOSURE*
10 *ACT.—The Interstate Land Sales Full Disclosure Act (15*
11 *U.S.C. 1701 et seq.) is amended in each of section 1411(b)*
12 *(15 U.S.C. 1710(b)) and subsections (b)(4) and (d) of sec-*
13 *tion 1418a (15 U.S.C. 1717a), by striking “Secretary’s”*
14 *each place that term appears and inserting “Director’s”.*

15 (ee) *LEGAL CERTAINTY FOR BANK PRODUCTS ACT OF*
16 *2000.—Section 403(b)(1) of the Legal Certainty for Bank*
17 *Products Act of 2000 (7 U.S.C. 27a(b)(1)) is amended by*
18 *striking “that section” and inserting “section”.*

19 (ff) *PUBLIC LAW 93–495.—Section 111 of Public Law*
20 *93–495 (12 U.S.C. 250) is amended by striking “the Direc-*
21 *tor of the Office of Thrift Supervision,”.*

22 (gg) *REVISED STATUTES OF THE UNITED STATES.—*
23 *Section 5136C(i) of the Revised Statutes of the United*
24 *States (12 U.S.C. 25b(i)) is amended by striking “POW-*

1 *ERS.—*” and all that follows through “*In accordance*” and
2 *inserting “POWERS.—In accordance”.*

3 *(hh) RIEGLE COMMUNITY DEVELOPMENT AND REGU-*
4 *LATORY IMPROVEMENT ACT OF 1994.—Section 117(e) of the*
5 *Riegle Community Development and Regulatory Improve-*
6 *ment Act of 1994 (12 U.S.C. 4716(e)) is amended by strik-*
7 *ing “the Director of the Office of Thrift Supervision,”.*

8 *(ii) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—*
9 *Section 1514 of the S.A.F.E. Mortgage Licensing Act of*
10 *2008 (12 U.S.C. 5113) is amended in each of subsections*
11 *(b)(5) and (c)(4)(C), by striking “Secretary’s” each place*
12 *that term appears and inserting “Director’s”.*

13 *(jj) SECURITIES EXCHANGE ACT OF 1934.—The Secu-*
14 *rities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is*
15 *amended—*

16 *(1) in section 3C(g)(4)(B)(v) (15 U.S.C. 78c-*
17 *3(g)(4)(B)(v)), by striking “of that Act” and inserting*
18 *“of that section”;*

19 *(2) in section 3D(d)(10)(A) (15 U.S.C. 78c-*
20 *4(d)(10)(A)), by striking “taking” and inserting*
21 *“take”;*

22 *(3) in section 3E(b)(1) (15 U.S.C. 78c-5(b)(1)),*
23 *by striking “though” and inserting “through”;*

1 (4) in section 4(g)(8)(A) (15 U.S.C.
2 78d(g)(8)(A)), by striking “(2)(A)(i)” and inserting
3 “(2)(A)(ii)”;

4 (5) in section 15 (15 U.S.C. 78o)—

5 (A) in each of subparagraphs (B)(ii) and
6 (C) of subsection (b)(4), by striking “dealer mu-
7 nicipal advisor,,” and inserting “dealer, munic-
8 ipal advisor,”;

9 (B) by redesignating subsection (j) (relating
10 to the authority of the Commission) as subsection
11 (p) and moving that subsection to the end;

12 (C) as amended by section 841(d), by redес-
13 ignating the section subsection (k) and second
14 subsection (l) (relating to standard of conduct
15 and other matters, respectively), as added by sec-
16 tion 913(g)(1) of the Dodd-Frank Wall Street
17 Reform and Consumer Protection Act (124 Stat.
18 1828), as subsections (q) and (r), respectively
19 and moving those subsections to the end; and

20 (D) in subsection (m), by inserting “the”
21 before “same extent”;

22 (6) in section 15F(h) (15 U.S.C. 78o-10(h))—

23 (A) in paragraph (2)(A), by inserting “a”
24 after “that acts as an advisor to”;

1 (B) in paragraph (2)(B), by inserting “a”
2 after “offers to enter into”; and
3 (C) in paragraph (5)(A)(i)—
4 (i) by inserting “(A)” after “(18)”;
5 and
6 (ii) in subclause (VII), by striking “act
7 of” and inserting “Act of”;
8 (7) in section 15G (15 U.S.C. 78o–11)—
9 (A) in subsection (b)(2), by inserting
10 “Board of Directors of the” before “Federal
11 Housing”;
12 (B) in subsection (e)(4)(A), by striking
13 “subsection” and inserting “section”;
14 (C) in subsection (e)(4)(C)—
15 (i) by striking “129C(e)(2)” and in-
16 serting “129C(b)(2)(A)”; and
17 (ii) by inserting “(15 U.S.C.
18 1639c(b)(2)(A))” after “Lending Act”; and
19 (D) in subsection (e)(5), by striking “sub-
20 section” and inserting “section”; and
21 (8) in section 17A (15 U.S.C. 78q–1), by redesignig-
22 nating subsection (g), as added by section 929W of the
23 Dodd-Frank Wall Street Reform and Consumer Pro-
24 tection Act (relating to due diligence for the delivery
25 of dividends, interest, and other valuable property

1 rights) as subsection (n) and moving that subsection
2 to the end.

3 (kk) *TELEMARKETING AND CONSUMER FRAUD AND*
4 *ABUSE PREVENTION ACT.*—Section 3(b) of the Tele-
5 *marketing and Consumer Fraud and Abuse Prevention Act*
6 *(15 U.S.C. 6102(b)) is amended by inserting before the pe-*
7 *riod at the end the following: “, provided, however, nothing*
8 *in this section shall conflict with or supersede section 6 of*
9 *the Federal Trade Commission Act (15 U.S.C. 46)”.*

10 (ll) *TITLE 5.*—Title 5, United States Code, is amend-
11 *ed—*

12 (1) *in section 3132(a)(1)(D), as amended by sec-*
13 *tion 711, by striking “the Office of Thrift Super-*
14 *vision,, the Resolution Trust Corporation,”; and*

15 (2) *in section 5314, by striking “Director of the*
16 *Office of Thrift Supervision.”.*

17 (mm) *TITLE 31.*—

18 (1) *AMENDMENTS.*—Title 31, United States
19 *Code, is amended—*

20 (A) *by striking section 309; and*

21 (B) *in section 714(d)(3)(B) by striking “a*
22 *audit” and inserting “an audit”.*

23 (2) *ANALYSIS.*—The analysis for subchapter I of
24 *chapter 3 of title 31, United States Code, is amended*
25 *by striking the item relating to section 309.*

1 *(nn) TRUTH IN LENDING ACT.—The Truth in Lending*
2 *Act (15 U.S.C. 1601 et seq.) is amended—*

3 *(1) in section 105 (15 U.S.C. 1604), by inserting*
4 *subsection (h), as added by section 1472(c) of the*
5 *Dodd-Frank Wall Street Reform and Consumer Pro-*
6 *tection Act (124 Stat. 2187), before subsection (i), as*
7 *added by section 1100A(7) of that Act (124 Stat.*
8 *2108);*

9 *(2) in section 106(f)(2)(B)(i) (15 U.S.C.*
10 *1605(f)(2)(B)(i)), by striking “103(w)” and inserting*
11 *“103(x)”;*

12 *(3) in section 121(b) (15 U.S.C. 1631(b)), by*
13 *striking “103(f)” and inserting “103(g)”;*

14 *(4) in section 122(d)(5) (15 U.S.C. 1632(d)(5)),*
15 *by striking “section 603” and all that follows*
16 *through “promulgate” and inserting “section 603,*
17 *may promulgate”;*

18 *(5) in section 125(e)(1) (15 U.S.C. 1635(e)(1)),*
19 *by striking “103(w)” and inserting “103(x)”;*

20 *(6) in section 129 (15 U.S.C. 1639)—*

21 *(A) in subsection (q), by striking “(l)(2)”*
22 *and inserting “(p)(2)”;* and

23 *(B) in subsection (u)(3), by striking*
24 *“Board” each place that term appears and in-*
25 *serting “Agency”;*

1 (7) *in section 129C (15 U.S.C. 1639c)*—

2 (A) *in subsection (b)(2)(B), by striking the*
3 *second period at the end; and*

4 (B) *in subsection (c)(1)(B)(ii)(I), by strik-*
5 *ing “a original” and inserting “an original”;*

6 (8) *in section 148(d) (15 U.S.C. 1665c(d)), by*
7 *striking “Bureau” and inserting “Board”;*

8 (9) *in section 149 (15 U.S.C. 1665d)*—

9 (A) *by striking “the Director of the Office of*
10 *Thrift Supervision,” each place that term ap-*
11 *pears;*

12 (B) *by striking “National Credit Union Ad-*
13 *ministration Bureau” and inserting “National*
14 *Credit Union Administration Board” each place*
15 *that term appears; and*

16 (C) *by striking “Bureau of Directors of the*
17 *Federal Deposit Insurance Corporation” and in-*
18 *serting “Board of Directors of the Federal De-*
19 *posit Insurance Corporation” each place that*
20 *term appears; and*

21 (10) *in section 181(1) (15 U.S.C. 1667(1)), by*
22 *striking “103(g)” and inserting “103(h)”.*

23 (oo) *TRUTH IN SAVINGS ACT.—The Truth in Savings*
24 *Act (12 U.S.C. 4301 et seq.) is amended in each of sections*
25 *269(a)(4) (12 U.S.C. 4308(a)(4)), 270(a)(2) (12 U.S.C.*

1 4309(a)(2)), and 274(6) (12 U.S.C. 4313(6)), by striking
2 “Administration Bureau” each place that term appears
3 and inserting “Administration Board”.

Union Calendar No. 100

115TH CONGRESS
1ST Session

H. R. 10

[Report No. 115-153, Part I]

A BILL

To create hope and opportunity for investors, consumers, and entrepreneurs by ending bailouts and Too Big to Fail, holding Washington and Wall Street accountable, eliminating red tape to increase access to capital and credit, and repealing the provisions of the Dodd-Frank Act that make America less prosperous, less stable, and less free, and for other purposes.

MAY 25, 2017

Reported from the Committee on Financial Services with
an amendment

MAY 25, 2017

The Committees on Agriculture, Ways and Means, the Judiciary, Oversight and Government Reform, Transportation and Infrastructure, Rules, the Budget, and Education and the Workforce discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed