

AMENDMENT NO. 144 Calendar No. _____

Purpose: To clarify the role of the Council in identifying risks.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. SHELBY

Viz:

1 On page 1335, strike lines 19 through 25.

AMENDMENT NO. 215 Calendar No. _____

Purpose: To clarify the emergency lending authority of the Board of Governors of the Federal Reserve System.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

1 On page 1302, strike line 17 and all that follows
2 through page 1308, line 17, and insert the following:

3 **SEC. 1151. RESERVE BOARD AUTHORITY.**

4 Section 13 of the Federal Reserve Act (12 U.S.C.
5 343) is amended—

6 (1) in the first undesignated paragraph, by
7 striking “Any Federal” and inserting “(a) IN GEN-
8 ERAL.—Any Federal”;

1 (2) in the second undesignated paragraph, by
2 striking “Upon the indorsement” and inserting “(b)
3 DISCOUNT OF COMMERCIAL, AGRICULTURAL, AND
4 INDUSTRIAL PAPER.—Upon the indorsement”; and

5 (3) by striking the third undesignated para-
6 graph (relating to emergency lending authority) and
7 inserting the following:

8 “(c) EMERGENCY AUTHORITY.—

9 “(1) IN GENERAL.—In unusual and exigent cir-
10 cumstances, with written consent of the Secretary of
11 the Treasury, the Board, by the affirmative vote of
12 not fewer than 5 members, may authorize any Fed-
13 eral reserve bank, during such periods as the Board
14 may determine, at rates established in accordance
15 with the provisions of section 14(d), to discount for
16 any solvent and viable individual, partnership, or
17 corporation, notes, drafts, and bills of exchange,
18 when such notes, drafts, and bills of exchange are
19 indorsed or otherwise secured to the satisfaction of
20 the Federal reserve bank and in conformance with
21 regulations or guidelines issued by the Board re-
22 garding the quality of notes, drafts, and bills of ex-
23 change available for discount and of the security for
24 those notes, drafts, and bills of exchange, subject to
25 the requirements of this subsection.

1 “(2) PRECONDITION OF ASSISTANCE.—Before
2 discounting any note, draft, or bill of exchange
3 under paragraph (1), for any solvent and viable indi-
4 vidual, partnership, or corporation, the Federal re-
5 serve bank shall obtain evidence that any such sol-
6 vent and viable individual, partnership, or corpora-
7 tion is unable to secure adequate credit accommoda-
8 tions from other banking institutions.

9 “(3) LIMITATIONS.—In carrying out this sub-
10 section, the Board—

11 “(A) may authorize a Federal reserve bank
12 to discount notes, drafts, or bills of exchange
13 under this subsection only as part of a broadly
14 available credit or other facility that treats
15 similarly situated individuals, partnerships, or
16 corporations in similar fashion with respect to
17 borrower eligibility, collateral eligibility, hair-
18 cuts, where a haircut refers to a reduction in
19 the value of a security assigned by the Federal
20 reserve in discounting and rates, reporting, and
21 other policies governing the facility;

22 “(B) may not authorize a Federal reserve
23 bank to discount notes, drafts, or bills of ex-
24 change for only a single and specified indi-
25 vidual, partnership, or corporation;

1 “(C) all discounts for a solvent and viable
2 individual, partnership, or corporation shall be
3 subject to such limitations, restrictions, and
4 regulations as the Board and the Secretary of
5 the Treasury may prescribe, including the
6 guidelines and regulations promulgated under
7 the principles arrived at pursuant to paragraph
8 (4); and

9 “(D) upon making any determination
10 under this subsection, the Board shall promptly
11 submit a notice of such determination to the
12 Committee on Banking, Housing, and Urban
13 Affairs in the Senate and the Committee on Fi-
14 nancial Services in the House of Representa-
15 tives.

16 “(4) GUIDELINES REGARDING QUALITY OF AS-
17 SETS.—The notes, drafts, and bills of exchange dis-
18 counted in accordance with paragraph (1), and any
19 security for those notes, drafts, and bills of ex-
20 change, may only include assets other than—

21 “(A) an asset (including a security) that
22 would be classified as ‘substandard’, ‘doubtful’,
23 or ‘loss’, or treated as ‘special mention’ or
24 ‘other transfer risk problems’, in a report of ex-
25 amination or inspection of a bank or an affiliate

1 of a bank prepared by a Federal or State super-
2 visory agency, or in any internal classification
3 system used by such individual, partnership, or
4 corporation;

5 “(B) an asset in nonaccrual status;

6 “(C) an asset on which principal or inter-
7 est payments are more than 30 days past due;

8 “(D) an asset, the terms of which have
9 been renegotiated or compromised due to the
10 deteriorating financial condition of the obligor,
11 unless such asset has been performing for at
12 least 6 months since the date of the renegoti-
13 ation;

14 “(E) an asset of a company that is criti-
15 cally undercapitalized, as determined by the ap-
16 propriate regulatory agency, if applicable;

17 “(F) an asset of a company that is, or is
18 likely to be, unable to pay its obligations (other
19 than those subject to a bona fide dispute) in the
20 normal course of business;

21 “(G) an asset of a company that has in-
22 curred, or is likely to incur, losses that will de-
23plete all or substantially all of its capital; or

24 “(H) an asset of a company in bankruptcy
25 or resolution proceedings.

1 “(5) ASSET MANAGEMENT.—Upon making any
2 determination under paragraph (1)—

3 “(A) the Board and the Secretary shall re-
4 tain an asset manager to manage assets used as
5 security in all discounts made under paragraph
6 (1);

7 “(B) the fair value of the net portfolio
8 holdings and the book value of the principal
9 and interest on any such discounts shall be—

10 “(i) updated, by the asset manager,
11 daily on a mark-to-market basis, or as fre-
12 quently as possible, but in no event less
13 than monthly, to reflect values at the end
14 of each update period; and

15 “(ii) reported to the Secretary; and

16 “(C) the asset manager shall charge the
17 Secretary any market-based fees associated
18 with management of the assets associated with
19 such discounts.

20 “(6) REPORTS TO CONGRESS.—The Board and
21 the Secretary shall provide a written report to the
22 Committee on Banking, Housing, and Urban Affairs
23 of the Senate and the Committee on Financial Serv-
24 ices of the House of Representatives, which report
25 shall be kept confidential, to the extent that such re-

1 port contains proprietary information of a private
2 entity.

3 “(A) not later than 7 days after the date
4 on which any action is taken pursuant to the
5 authority provided under paragraph (1), which
6 report shall include—

7 “(i) the legal, financial, and economic
8 justifications for the exercise of authority
9 to establish a broadly available credit or
10 other facility;

11 “(ii) the identity of the recipients of
12 funds from discounts in such facility;

13 “(iii) the identity of the asset man-
14 ager retained pursuant to paragraph (5)
15 and any charges and fees negotiated with
16 the asset manager;

17 “(iv) the date and amount of the dis-
18 counts, and the fair value of the net port-
19 folio holding and the book value of the
20 principal and interest on discounts in such
21 facility; and

22 “(v) the terms of each such discount
23 made in such facility, including—

24 “(I) the name of the entity for
25 which the discount was made;

1 “(II) the duration of the dis-
2 count;

3 “(III) the collateral pledged, the
4 value thereof under current market
5 conditions and under stress scenarios,
6 and the data and methodology used to
7 calculate the values;

8 “(IV) all interest, fees, and other
9 revenues or items of value received;

10 “(V) any requirements imposed
11 on the recipient of assistance with re-
12 spect to employee compensation, dis-
13 tribution of dividends, or any other
14 corporate decision in exchange for the
15 assistance;

16 “(VI) the expected costs to the
17 taxpayers of assistance provided and
18 the data and methodology used to cal-
19 culate the expected cost; and

20 “(VII) documentation dem-
21 onstrating solvency and viability of
22 the individual, partnership, or cor-
23 poration receiving assistance; and

24 “(B) at least once every 30 days after any
25 action is taken under paragraph (1), with re-

1 spect to any outstanding discounts made under
2 paragraph (1), written updates on—

3 “(i) the information required under
4 subparagraph (A); and

5 “(ii) the persistence and evolution of
6 the unusual and exigent circumstances
7 that were the basis of such action since the
8 inception of the discounts.

9 “(7) REPORTS TO THE PUBLIC.—The Board
10 and the Secretary may postpone public release of the
11 identity of a recipient of funds associated with any
12 discounts made under paragraph (1), and may with-
13 hold public reports of any detail about pledged col-
14 lateral that would identify the recipient, for a period
15 of not longer than 1 year, beginning on the date on
16 which such discounts are first made, if the Board
17 determines that public release of such information
18 poses a serious threat to the liquidity, solvency, or
19 viability of the recipient or to the credit risk of any
20 counterparty of the recipient. Nothing in this para-
21 graph shall prevent the Board or the Secretary from
22 fulfilling the requirement for informational reports
23 to Congress under paragraph (6).”.

AMENDMENT NO. 216 Calendar No. _____

Purpose: To strike sections 1154, 1155, and 1156.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr Shelby:

Viz:

- 1 On page 1314, strike line 13 and all that follows
- 2 through page 1333, line 15.
- 3 On page 1333, line 16, strike “**SEC. 1157**” and insert
- 4 “**SEC. 1154**”.

- 1 On page 1334, line 15, strike "**SEC. 1158**" and insert
- 2 "**SEC. 1155**".

AMENDMENT NO. 217 Calendar No. _____

Purpose: To tighten the emergency financial stabilization authority of the FDIC with respect to debt guarantees.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1332, line 23, strike “may” and insert
- 2 “shall”.

AMENDMENT NO. 218 Calendar No. _____

Purpose: To strike references to financial market utilities under section 1151.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

1 On page 1302, line 25, strike “financial market util-
2 ity” and all that follows through “important, or” on page
3 1303, line 2.

4 On page 1303, line 8, strike “such financial market”
5 and all that follows through “important, or” on lines 10
6 and 11.

- 1 On page 1303, line 14, strike “for any financial” and
- 2 all that follows through “important, or” on line 17.

AMENDMENT NO. 219 Calendar No. _____

Purpose: To establish principles for the use of the Federal Reserve's emergency lending authority.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1303, strike line 21 and all that follows
- 2 through page 1304, line 8, and insert the following:
- 3 “(B) FEDERAL RESERVE, TREASURY AC-
- 4 CORD ON EMERGENCY LENDING.—
- 5 “(i) IN GENERAL.—Not later than the
- 6 first day of the sixth month after the date
- 7 of the enactment of the Restoring Amer-

1 ican Financial Stability Act of 2010, the
2 Board and the Secretary of the Treasury
3 shall jointly publish for public comment a
4 set of principles for emergency Federal re-
5 serve lending in accordance with this sub-
6 section, and not later than the first day of
7 the eighteenth month after that date of en-
8 actment, the Board shall put into effect a
9 set of guidelines or regulations, based on
10 such principles.

11 “(ii) PRINCIPLES OF GUIDELINES AND
12 REGULATIONS.—Guidelines or regulations
13 governing the provision of funds to individ-
14 uals, partnerships, or corporations under
15 this subsection shall be based on the fol-
16 lowing principles:

17 “(I) Funds shall be provided only
18 to solvent and viable participants of
19 any program or facility with broad-
20 based participation.

21 “(II) Determination of solvency
22 and viability shall include certification
23 by the head of the Federal or State fi-
24 nancial regulator for the subject indi-
25 vidual, partnership, or corporation in

1 writing that the participant is solvent
2 and viable, or certification by the
3 Chairman of the Board of Governors,
4 in writing, that the participant is sol-
5 vent and viable.

6 “(III) Certification of solvency
7 and viability made by a Federal or
8 State financial regulator or by the
9 Chairman of the Board of Governors
10 shall be accompanied by analyses and
11 documentation of how solvency and vi-
12 ability have been determined.

13 “(IV) Any lending under para-
14 graph (1) to an individual, partner-
15 ship, or corporation that is treated as
16 critically undercapitalized by any Fed-
17 eral regulator shall be subject to limi-
18 tations for critically undercapitalized
19 institutions.

20 “(V) There shall be no lending
21 under section 13(3) of the Federal
22 Reserve Act to an individual, partner-
23 ship, or corporation in bankruptcy or
24 resolution proceedings.

1 “(VI) Any losses incurred on any
2 lending under section 13(3) of the
3 Federal Reserve Act to an individual,
4 partnership, or corporation that sub-
5 sequently files for bankruptcy protec-
6 tion or is in a resolution proceeding
7 shall have a senior claim on the estate
8 of the individual, partnership, or cor-
9 poration.

10 “(VII) Any losses incurred on
11 any lending under section 13(3) of the
12 Federal Reserve Act to an individual,
13 partnership, or corporation that is
14 subsequently subject to resolution pro-
15 ceedings which are not recovered from
16 the senior claim provided under para-
17 graph (6) shall be recovered by the
18 Board from industry assessments lev-
19 ied by the resolution authority.

20 “(VIII) Funds associated with
21 any discounts made under section
22 13(3) of the Federal Reserve Act shall
23 be provided so as to minimize any ef-
24 fect on relative asset values and credit
25 allocation within the private sector.

1 “(IX) Discounts and collateral
2 valuation and risk assessments associ-
3 ated with any discounts made under
4 section 13(3) of the Federal Reserve
5 Act shall be revised with frequencies
6 consistent with sound risk manage-
7 ment practice and reported in accord-
8 ance with the information provision
9 requirements of section 13(3) of the
10 Federal Reserve Act.

11 “(X) Any discounts made pursu-
12 ant to the authority provided under
13 section 13(3) of the Federal Reserve
14 Act which involve significant alloca-
15 tions of credit to specific segments of
16 the financial system, and all receipts
17 and disbursements resulting from
18 those discounts, shall be treated as
19 fiscal policy actions which are to be
20 moved on-budget and counted as new
21 budget authority, outlays, receipts or
22 deficit or surplus for purposes of—

23 “(aa) the budget of the
24 United States Government, as
25 submitted by the President;

1 “(bb) the congressional
2 budget; and

3 “(cc) the Balanced Budget
4 and Emergency Deficit Control
5 Act of 1985.

6 “(XI) Any discounts made pursu-
7 ant to the authority provided under
8 section 13(3) of the Federal Reserve
9 Act which have been on the balance
10 sheet of a Federal reserve bank for a
11 particular maximum period (where the
12 maximum period shall be agreed
13 upon, specified, and made public by
14 the Board and the Secretary of the
15 Treasury) of time shall be moved on-
16 budget and counted as new budget
17 authority, outlays, receipts or deficit
18 or surplus for purposes of—

19 “(aa) the budget of the
20 United States Government as
21 submitted by the President;

22 “(bb) the congressional
23 budget; and

7

1 “(cc) the Balanced Budget
2 and Emergency Deficit Control
3 Act of 1985.

4 On page 1304, line 9, strike “(ii)” and insert “(iii)”,
5 and move 2 ems to the right.

AMENDMENT NO. 220 Calendar No. _____

Purpose: To tighten reporting requirements with respect to emergency lending authority of the Federal Reserve.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

1 On page 1304, strike line 13 and all that follows
2 through page 1308, line 17, and insert the following:

3 “(C) REPORTS TO CONGRESS.—

4 “(i) IN GENERAL.—Not later than 7

5 days after the date on which any action is

6 taken pursuant to the authority provided

7 under paragraph (1), the Board and the

1 Secretary shall provide a written report to
2 the Committee on Banking, Housing, and
3 Urban Affairs of the Senate and the Com-
4 mittee on Financial Services of the House
5 of Representatives which report shall be
6 kept confidential, to the extent that such
7 report contains proprietary information of
8 a private entity.

9 “(ii) CONTENTS OF REPORT.—The re-
10 port required under clause (i) shall in-
11 clude—

12 “(I) the legal, financial, and eco-
13 nomic justifications for the exercise of
14 authority to establish a broadly avail-
15 able credit or other facility;

16 “(II) the identity of the recipi-
17 ents of funds from discounts in such
18 facility;

19 “(III) the identity of the asset
20 manager retained pursuant to para-
21 graph (5) and any charges and fees
22 negotiated with the asset manager;

23 “(IV) the date and amount of the
24 discounts, and the fair value of the
25 net portfolio holding and the book

1 value of the principal and interest on
2 discounts in such facility; and

3 “(V) the terms of each such dis-
4 count made in such facility, includ-
5 ing—

6 “(aa) the name of the entity
7 for which the discount was made;

8 “(bb) the duration of the
9 discount;

10 “(cc) the collateral pledged,
11 the value thereof under current
12 market conditions and under
13 stress scenarios, and the data
14 and methodology used to cal-
15 culate the values;

16 “(dd) all interest, fees, and
17 other revenues or items of value
18 received;

19 “(ee) any requirements im-
20 posed on the recipient of assist-
21 ance with respect to employee
22 compensation, distribution of
23 dividends, or any other corporate
24 decision in exchange for the as-
25 sistance;

1 such action since the inception of the
2 discounts.

3 “(D) REPORTS TO THE PUBLIC.—The
4 Board and the Secretary may postpone public
5 release of the identity of a recipient of funds as-
6 sociated with any discounts made under para-
7 graph (1), and may withhold public reports of
8 any detail about pledged collateral that would
9 identify the recipient, for a period of not longer
10 than 1 year, beginning on the date on which
11 such discounts are first made, if the Board de-
12 termines that public release of such information
13 poses a serious threat to the liquidity, solvency,
14 or viability of the recipient or to the credit risk
15 of any counterparty of the recipient. Nothing in
16 this paragraph shall prevent the Board or the
17 Secretary from fulfilling the requirement for in-
18 formational reports to Congress under subpara-
19 graph (C).”.

AMENDMENT NO. 221 Calendar No. _____

Purpose: To remove references to utility and special purpose vehicles in section 1152.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

1 On page 1308, line 25, strike “utility, facility, or”
2 and insert “facility or”.

3 On page 1309, line 4, strike “, including any special”
4 and all that follows through “Facility” on line 16.

AMENDMENT NO. 222 Calendar No. _____

Purpose: To enhance public access to information surrounding emergency lending authority of the Board of Governors.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1313, line 20, strike “for a reasonable pe-
- 2 riod of time,”.

AMENDMENT NO. 223 Calendar No. _____

Purpose: To remove potential for additional political influence into monetary policymaking.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

1 On page 1333, strike line 20 and all that follows
2 through page 1334, line 2.

3 On page 1334, line 3, strike “(26)” and insert
4 “(25)”.

AMENDMENT NO. 224 Calendar No. _____

Purpose: To remove potential for additional political influence into monetary policymaking.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1334, strike line 18 and all that follows
- 2 through page 1335, line 18, and insert the following:
- 3 (a) ENHANCING SUPERVISION AND REGULATION.—
- 4 (1) POSITION ESTABLISHED.—There is estab-
- 5 lished in the Federal Reserve the Bureau of Super-
- 6 vision and Regulation, which shall oversee the Divi-
- 7 sion of Banking Supervision and Regulation of the

1 Federal Reserve Board and all supervision and regu-
2 lation activities of the regional Federal Reserve dis-
3 trict banks.

4 (2) APPOINTMENT.—The Director shall be ap-
5 pointed by the President, by and with the advice and
6 consent of the Senate.

7 (3) QUALIFICATION.—The Director shall have
8 extensive experience in supervision and regulation of
9 financial institutions and markets.

10 (4) COMPENSATION.—The Director shall be
11 compensated at the rate prescribed for level III of
12 the Executive Schedule under section 5313 of title
13 5, United States Code.

14 (5) TERM.—The Director shall serve for a term
15 of 5 years.

16 (6) EXPIRATION OF THE TERM.—An individual
17 may serve as Director after the expiration of the
18 term for which appointed, until a successor has been
19 appointed and qualified.

20 (7) REMOVAL FOR CAUSE.—The President may
21 remove the Director for inefficiency, neglect of duty,
22 or malfeasance in office.

23 (8) DIRECTOR APPEARANCES BEFORE CON-
24 GRESS.—The Director shall testify annually and pro-
25 vide a report on Federal Reserve supervision and

1 regulation before the Committee on Banking, Hous-
2 ing, and Urban Affairs of the Senate and the Com-
3 mittee on Financial Services of the House of Rep-
4 resentatives.

AMENDMENT NO. 225 Calendar No. _____

Purpose: To remove the financial stability function given to the Board of Governors.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

1 On page 1335, strike lines 19 through 25.

2 On page 1336, line 1, strike “(c)” and insert “(b)”.

3 On page 1336, line 14, strike “(d)” and insert “(c)”.

AMENDMENT NO. 224 Calendar No. _____

Purpose: To clarify the definition of liquidity event.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1331, lines 18 and 19, strike “and non-
- 2 financial”.

AMENDMENT NO. 227 Calendar No. _____

Purpose: To clarify the terms and conditions of the FDIC emergency debt guarantee program.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1317, line 14, strike “may” and insert
- 2 “shall”.

AMENDMENT NO. 228 Calendar No. _____

Purpose: To ensure that institutions do not take advantage of the FDIC's emergency debt guarantee program.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

1 On page 1315, line 23, strike “(c)” and insert “(d)”.

2 On page 1317, between lines 6 and 7, insert the fol-
3 lowing:

4 (b) ANTI-CIRCUMVENTION.—The Corporation shall
5 not provide a guarantee of obligations under this section
6 to any institution that, in the determination of the Cor-

1 poration, with the concurrence of the Secretary, becomes
2 a depository institution or acquires a depository institution
3 primarily for the purpose of obtaining a guarantee of its
4 obligations during times of severe economic distress.

5 On page 1317, line 7, strike "(b)" and insert "(c)".

6 On page 1317, line 20, strike "(e)" and insert "(d)".

7 On page 1318, line 13, strike "(d)" and insert "(e)".

8 On page 1319, line 6, strike "(d)" and insert "(e)".

9 On page 1319, line 7, strike "(d)" and insert "(e)".

10 On page 1320, line 4, strike "(c)" and insert "(d)".

11 On page 1320, line 15, strike "(c)" and insert "(d)".

12 On page 1321, line 2, strike "(c)" and insert "(d)".

13 On page 1321, line 24, strike "(c)" and insert "(d)".

14 On page 1322, line 16, strike "(c)" and insert "(d)".

- 1 On page 1322, line 18, strike "(c)" and insert "(d)".
 - 2 On page 1325, line 24, strike "(c)" and insert "(d)".
 - 3 On page 1326, line 10, strike "(c)" and insert "(d)".
 - 4 On page 1327, line 10, strike "(e)" and insert "(f)".
 - 5 On page 1328, line 1, strike "(c)" and insert "(d)".
 - 6 On page 1328, line 9, strike "(c)" and insert "(d)".
 - 7 On page 1330, line 15, strike "(f)" and insert "(g)".
 - 8 On page 1330, line 19, strike "(g)" and insert "(h)".
-

AMENDMENT NO. 229 Calendar No. _____

Purpose: To repeal the emergency lending authority of the Board of Governors.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. Shelby

Viz:

1 On page 1302, strike line 17 and all that follows
2 through page 1314, line 12, and insert the following:

3 **SEC. 1151. FEDERAL RESERVE ACT AMENDMENTS ON**
4 **EMERGENCY LENDING AUTHORITY.**

5 The third undesignated paragraph of section 13 of
6 the Federal Reserve Act (12 U.S.C. 343) is hereby re-
7 pealed.

- 1 On page 1314, line 13, strike “**SEC. 1154**” and insert
2 “**SEC. 1152**”.
- 3 On page 1314, line 20, strike “1155” and insert
4 “1153”.
- 5 On page 1315, line 7, strike “1155” and insert
6 “1153”.
- 7 On page 1315, line 18, strike “1155” and insert
8 “1153”.
- 9 On page 1315, line 20, strike “1155” and insert
10 “1153”.
- 11 On page 1315, line 23, strike “1155” and insert
12 “1153”.
- 13 On page 1316, line 15, strike “1155” and insert
14 “1153”.
- 15 On page 1316, line 16, strike “**SEC. 1155**” and insert
16 “**SEC. 1153**”.

1 On page 1316, line 25, strike "1154" and insert
2 "1152".

3 On page 1319, line 15, strike "1154" and insert
4 "1152".

5 On page 1319, line 20, strike "1155" and insert
6 "1153".

7 On page 1332, line 1, strike "**SEC. 1156**" and insert
8 "**SEC. 1154**".

9 On page 1332, line 18, strike "1155" and insert
10 "1153".

11 On page 1333, line 16, strike "**SEC. 1157**" and insert
12 "**SEC. 1155**".

13 On page 1334, line 15, strike "**SEC. 1158**" and insert
14 "**SEC. 1156**".

AMENDMENT NO. 230 Calendar No. _____

Purpose: To prohibit the Board of Governors from lending to an institution in resolution.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

1 On page 1304, between lines 12 and 13, insert the
2 following:

3 (iii) The policies and procedures to be es-
4 tablished pursuant to clause (i) shall ensure
5 that notes, drafts, and bills of exchange dis-
6 counted in accordance with this paragraph, and

- 1 any security for those notes, drafts, and bills of
2 exchange, may only include assets other than—
- 3 (I) an asset (including a security) that
4 would be classified as “substandard”,
5 “doubtful”, or “loss”, or treated as “spe-
6 cial mention” or “other transfer risk prob-
7 lems”, in a report of examination or in-
8 spection of a bank or an affiliate of a bank
9 prepared by a Federal or State financial
10 supervisory agency, or in any internal clas-
11 sification system used by such individual,
12 partnership, or corporation;
- 13 (II) an asset in nonaccrual status;
- 14 (III) an asset on which principal or
15 interest payments are more than 30 days
16 past due;
- 17 (IV) an asset, the terms of which have
18 been renegotiated or compromised due to
19 the deteriorating financial condition of the
20 obligor, unless such asset has been per-
21 forming for at least 6 months since the
22 date of the renegotiation;
- 23 (V) an asset of a company that is
24 critically undercapitalized, as determined

1 by the appropriate regulatory agency, if
2 applicable;

3 (VI) an asset of a company that is, or
4 is likely to be, unable to pay its obligations
5 (other than those subject to a bona fide
6 dispute) in the normal course of business;

7 (VII) an asset of a company that has
8 incurred, or is likely to incur, losses that
9 will deplete all or substantially all of its
10 capital; or

11 (VIII) an asset of a company in bank-
12 ruptcy or resolution proceedings.

AMENDMENT NO. 231 Calendar No. _____

Purpose: To prohibit the Board of Governors from lending to an institution in resolution.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end "too big to fail", to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Dr. Shelby

Viz:

1 On page 1304, between lines 12 and 13, insert the
2 following:

3 (iii) The policies and procedures to be es-
4 tablished pursuant to clause (i) shall require
5 that the Board may not provide liquidity or
6 loans or make guarantees of any obligations of

1 a company in bankruptcy or resolution pro-
2 ceedings.

AMENDMENT NO. 232

Calendar No. _____

Purpose: To allow votes in Federal Reserve district bank boards of directors and correct a confusing error.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. _____

To promote the financial stability of the United States by improving accountability and transparency the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Shelby

Viz:

- 1 On page 1334, strike line 3 and all that follows through page 1334, line 14.