

AMENDMENT NO. 178 Calendar No. \_\_\_\_\_

Purpose: To change the appropriate Federal banking agency for certain State banks.

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 298, strike line 20 and all that follows
- 2 through “subparagraph (C),” on line 23 and insert the
- 3 following:
- 4 (1) COMPTROLLER OF THE CURRENCY.—Ex-
- 5 cept as provided in paragraph (3),

1 On page 299, line 3, strike “(i) any” and insert the  
2 following:

3 (A) any

4 On page 299, line 4, strike “(I) having” and insert  
5 the following:

6 (i) having

7 On page 299, strike line 7 and all that follows  
8 through “(aa) a” on line 8 and insert the following:

9 (ii) having—

10 (I) a

11 On page 299, line 13, strike “(bb) a” and insert the  
12 following:

13 (II) a

14 On page 299, strike lines 23 through 25 and insert  
15 the following:

16 (B) any subsidiary (other than a deposi-  
17 tory institution) of a bank holding company  
18 that is described in subparagraph (A).

1 On page 300, strike line 1 and all that follows  
2 through "subparagraph (C)," on line 2 and insert the fol-  
3 lowing:

4 (2) CORPORATION.—Except as provided in  
5 paragraph (3),

6 On page 300, strike line 6 and all that follows  
7 through "(I) having" on line 7 and insert the following:

8 (A) any bank holding company—

9 (i) having

10 On page 300, strike line 10 and all that follows  
11 through "(aa) a" on line 11 and insert the following:

12 (ii) having—

13 (I) a

14 On page 300, line 16, strike "(bb) a" and insert the  
15 following:

16 (II) a

17 On page 301, strike line 1 and all that follows  
18 through "No" on line 4 and insert the following:

19 (B) any subsidiary (other than a deposi-  
20 tory institution) of a bank holding company de-  
21 scribed in subparagraph (A).

- 1           (3) RULEMAKING AUTHORITY.—No
  
- 2           On page 301, strike lines 9 through 14.
  
- 3           On page 303, line 19, strike “insured State bank”
- 4           and insert “insured nonmember State bank”.
  
- 5           On page 305, line 17, strike “noninsured”.
  
- 6           On page 323, lines 21 through 22, strike “or any
- 7           Federal reserve bank”.

AMENDMENT NO. 180 Calendar No. \_\_\_\_\_

Purpose: To address confidentiality of deliberations involving financial companies, and for other purposes.

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

(no.) \_\_\_\_\_

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 297, between lines 22 and 23, insert the  
2 following:

3  
4 (G) The adequacy of the state insurance  
5 guaranty fund for resolving large, interconnected,  
6 international insurance companies.  
7

AMENDMENT NO. 188 Calendar No. \_\_\_\_\_

Purpose: To amend the provisions relating to restrictions on capital market activity by banks and bank holding companies and concentration limits on large firms.

**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  
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Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. SHELBY

Viz:

- 1 On page 477, line 24, strike “and modifications”.
- 2 On page 478, line 2, strike “shall” and insert “may”.
- 3 On page 478, line 7, strike “and” and insert “or”.

1       On page 478, line 10, strike “The prohibition” and  
2 insert “A prohibition under a rule issued”.

3       On page 479, line 25, strike “and” and all that fol-  
4 lows through “modifications” on page 480, line 1.

5       On page 480, lines 16 through 17, strike “the prohi-  
6 bitions and restrictions” and insert “any prohibition or re-  
7 striction under a rule issued”.

8       On page 481, line 18, strike “An” and insert “The  
9 appropriate Federal banking agencies may, by rule, pro-  
10 hibit an”.

11       On page 482, line 1, strike “may not enter” and in-  
12 sert “from entering”.

13       On page 482, lines 21 through 22, strike “and modi-  
14 fications”.

15       On page 482, line 23, strike “shall” and insert  
16 “may”.

1       On page 483, line 5, strike “The rules” and insert  
2 “A rule issued”.

3       On page 484, line 7, strike “RULEMAKING.—” and  
4 all that follows through “Not” on line 8 and insert the  
5 following: “RULEMAKING.—Not”.

6       On page 484, line 11, strike “(A) shall” and insert  
7 the following:

8           (1) shall

9       On page 484, line 15, strike “the implementation of”  
10 and insert “any rule issued under”.

11       On page 484, line 17, strike “(i) promote” and insert  
12 the following:

13           (A) promote

14       On page 484, line 20, strike “(ii) protect” and insert  
15 the following:

16           (B) protect

17       On page 485, line 1, strike “(iii) limit” and insert  
18 the following:

19           (C) limit



1           On page 485, line 6, strike “(iv) reduce” and insert  
2 the following:

3                   (D) reduce

4           On page 485, line 13, strike “(v) raise” and insert  
5 the following:

6                   (E) raise

7           On page 485, line 18, strike “(vi) limit” and insert  
8 the following:

9                   (F) limit

10          On page 486, line 1, strike “(B) shall” and insert  
11 the following:

12                  (2) shall

13          On page 486, line 9, strike (C) may and insert the  
14 following:

15                  (3) may

16          On page 486, strike line 15 and all that follows  
17 through page 488, line 11.

1       On page 490, line 15, strike “subsection (e),” and  
2 insert “subsection (d), the Board may issue rules that pro-  
3 vide that”.

4       On page 490, line 20, “an amount that is equal to  
5 not less than” before “10 percent”.

6       On page 491, strike line 11 and all that follows  
7 through “Not” on line 19 and insert the following:

8       “(d) COUNCIL STUDY AND RULEMAKING.—Not

9       On page 491, line 22, strike “(A) complete” and in-  
10 sert the following:

11           (1) complete

12       On page 492, line 5, strike “(B) make” and insert  
13 the following:

14           (2) make

15       On page 492, strike line 9 and all that follows  
16 through the first period on line 15.



AMENDMENT NO. 189 Calendar No. \_\_\_\_\_

Purpose: To amend the source of strength requirements.

**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  
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AMENDMENTS intended to be proposed by Mr. SHELBY

Viz:

- 1 On page 464, line 4, strike “shall” and insert “may”.
- 2 On page 464, line 13, strike “shall” and insert
- 3 “may”.
- 4 On page 464, line 23, strike “the requirement” and
- 5 insert “any requirement imposed”.

1       On page 464, line 26, strike “the requirement” and  
2 insert “any requirement imposed”.

3       On page 465, strike lines 1 through 5 and insert the  
4 following:

5       “(d) STUDY AND REPORT.—

6               “(1) STUDY.—The appropriate Federal banking  
7 agencies shall jointly carry out a study on the con-  
8 tinuing effectiveness of the imposition of any re-  
9 quirement under this section in protecting insured  
10 depository institutions and attracting capital invest-  
11 ments in banks and savings associations in the  
12 United States.

13               “(2) REPORT.—Not later than 2 years after the  
14 transfer date, as defined in section 2 of the Restor-  
15 ing American Financial Stability Act of 2010, the  
16 appropriate Federal banking agencies shall jointly  
17 submit to Congress a report on the results of the  
18 study under paragraph (1).



AMENDMENT NO. 190 Calendar No. \_\_\_\_\_

Purpose: To amend the provisions relating to restrictions on capital market activity by banks and bank holding companies and concentration limits on large firms.

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.

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14 fications”.

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16 “may”.



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18 the following:

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1       On page 485, line 6, strike “(iv) reduce” and insert  
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13 the following:

14               (2) make

15       On page 492, strike line 9 and all that follows  
16 through the first period on line 15.



March 18, 2010  
March 18, 2010

Amendment to Restoring American Financial Stability Act of 2010  
(Senate Committee Print of March 15, 2010)

# 191

TITLE IV

by Mr. Shelby:

To establish uniform minimum prudential standards for underwriting mortgages.

Insert the following new section at the end of Title VI:

**SEC. \_\_\_\_ UNDERWRITING MORTGAGE LOANS**

(a) **MINIMUM PRUDENT UNDERWRITING STANDARDS.**—The [Agency] shall adopt regulations specifying minimum prudent underwriting standards for residential mortgage loans, which shall include minimum requirements for:

(1) verification and documentation of income and assets relied upon to qualify the obligor on the loan;

(2) down payment requirements;

(3) determination of the obligor's ability to repay based on all terms of the loan, including principal payments that fully amortize the balance over the term of the loan; and

(4) any other standards the [Agency] determines appropriate to ensure prudent underwriting.

(b) COMPLIANCE.—It shall be a violation of federal law—

(1) for any mortgage loan originator to fail to comply with the minimum prudent underwriting standards established pursuant to subsection (a) in originating a residential mortgage loan;

(2) for any enterprise to maintain an extension of credit on a revolving basis to any person to fund one or more residential mortgage loans, unless the enterprise reasonably determines that residential mortgage loans funded by such credit were underwritten under standards no less stringent than the minimum prudent underwriting standards established pursuant to subsection (a); or

(3) for any enterprise to purchase, fund by assignment, or guarantee residential mortgage loans unless the enterprise reasonably determines that such residential mortgage loans were underwritten under standards no less stringent than the minimum prudent underwriting standards established pursuant to subsection (a).

(c) COMPARABILITY OF STANDARDS BETWEEN DEPOSITORY INSTITUTIONS AND AFFILIATES.— The standards applied by affiliates of a depository institution in connection with the transactions described in subsection (b) shall be no less stringent than the standards applied by the depository institution in comparable transactions for comparable types of mortgages.

(d) IMPLEMENTATION.—

(1) The [Agency] shall adopt regulations to implement subsections (b) and (c).

(2) Nothing in this section shall alter, impair, or restrict the authority of:

(A) any federal agency to impose additional standards with respect to the origination, purchase, funding, lending or provision of guarantees with respect to residential mortgage loans by any entity regulated by such agency under applicable law; or

(B) any state agency to impose additional standards with respect to the origination, purchase, funding, lending or provision of guarantees with respect to residential mortgage loans by any entity regulated by such agency under applicable law.

(f) STATE ENFORCEMENT.—An action to enforce this section may be brought by an appropriate state attorney general against any entity that is not a depository institution supervised by the [Agency] under this [Title] or a subsidiary of such institution owned and controlled by such institution and supervised by the [Agency], in any appropriate United States district court, or in any other court of competent jurisdiction, not later than 3 years after the date on which the violation occurs.

(g) DEFINITIONS.—For purposes of this section—

(1) AFFILIATE.—The term “affiliate” means:

(A) an “affiliate” as defined in section 2 of the Bank Holding Company Act (12 U.S.C. 1841); and

(B) any special purpose vehicle sponsored by the depository institution or its affiliate (as so defined).

(2) ENTERPRISE.—The term “enterprise” means any entity (such as a corporation, partnership, limited liability company, business trust, association, trust, or sole proprietorship) that engages in activities regulated under this section with respect to residential mortgage loans.

(3) MORTGAGE LOAN ORIGINATOR.—The term “mortgage loan originator” means any entity (such as a corporation, partnership, limited liability company, business trust, association, trust, or sole proprietorship) that takes residential mortgage loan applications and offers or negotiates terms of residential mortgage loans.

(4) RESIDENTIAL MORTGAGE LOAN—The term “residential mortgage loan” means any extension of credit (as defined in section 103 of the Truth in Lending Act) primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent security interest in a dwelling (as defined in section 103 of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).