

In the House of Representatives, U. S.,

September 27, 2006.

Resolved, That the bill from the Senate (S. 2856) entitled “An Act to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the “Fi-*
3 *ancial Services Regulatory Relief Act of 2006”.*

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

Sec. 1. Short title; table of contents.

TITLE I—BROKER RELIEF

Sec. 101. Joint rulemaking required for revised definition of broker in the Securities Exchange Act of 1934.

TITLE II—MONETARY POLICY PROVISIONS

Sec. 201. Authorization for the Federal reserve to pay interest on reserves.

Sec. 202. Increased flexibility for the Federal Reserve Board to establish reserve requirements.

Sec. 203. Effective date.

TITLE III—NATIONAL BANK PROVISIONS

Sec. 301. Voting in shareholder elections.

Sec. 302. Simplifying dividend calculations for national banks.

Sec. 303. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.

Sec. 304. Repeal of obsolete provision in the Revised Statutes.

Sec. 305. Enhancing the authority for banks to make community development investments.

TITLE IV—SAVINGS ASSOCIATION PROVISIONS

Sec. 401. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.

Sec. 402. Repeal of overlapping rules governing purchased mortgage servicing rights.

Sec. 403. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.

Sec. 404. Repeal of limitation on loans to one borrower.

TITLE V—CREDIT UNION PROVISIONS

Sec. 501. Leases of land on Federal facilities for credit unions.

Sec. 502. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.

Sec. 503. Check cashing and money transfer services offered within the field of membership.

Sec. 504. Clarification of definition of net worth under certain circumstances for purposes of prompt corrective action.

Sec. 505. Amendments relating to nonfederally insured credit unions.

TITLE VI—DEPOSITORY INSTITUTION PROVISIONS

Sec. 601. Reporting requirements relating to insider lending.

Sec. 602. Investments by insured savings associations in bank service companies authorized.

Sec. 603. Authorization for member bank to use pass-through reserve accounts.

Sec. 604. Streamlining reports of condition.

Sec. 605. Expansion of eligibility for 18-month examination schedule for community banks.

Sec. 606. Streamlining depository institution merger application requirements.

Sec. 607. Nonwaiver of privileges.

Sec. 608. Clarification of application requirements for optional conversion for Federal savings associations.

Sec. 609. Exemption from disclosure of privacy policy for accounting firms.

Sec. 610. Inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.

Sec. 611. Modification to cross marketing restrictions.

TITLE VII—BANKING AGENCY PROVISIONS

Sec. 701. Statute of limitations for judicial review of appointment of a receiver for depository institutions.

Sec. 702. Enhancing the safety and soundness of insured depository institutions.

Sec. 703. Cross guarantee authority.

Sec. 704. Golden parachute authority and nonbank holding companies.

Sec. 705. Amendments relating to change in bank control.

Sec. 706. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.

Sec. 707. Interagency data sharing.

Sec. 708. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.

- Sec. 709. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.*
- Sec. 710. Prohibition on participation by convicted individuals.*
- Sec. 711. Coordination of State examination authority.*
- Sec. 712. Deputy Director; succession authority for Director of the Office of Thrift Supervision.*
- Sec. 713. Office of Thrift Supervision representation on Basel Committee on Banking Supervision.*
- Sec. 714. Federal Financial Institutions Examination Council.*
- Sec. 715. Technical amendments relating to insured institutions.*
- Sec. 716. Clarification of enforcement authority.*
- Sec. 717. Federal banking agency authority to enforce deposit insurance conditions.*
- Sec. 718. Receiver or conservator consent requirement.*
- Sec. 719. Acquisition of FICO scores.*
- Sec. 720. Elimination of criminal indictments against receiverships.*
- Sec. 721. Resolution of deposit insurance disputes.*
- Sec. 722. Recordkeeping.*
- Sec. 723. Preservation of records.*
- Sec. 724. Technical amendments to information sharing provision in the Federal Deposit Insurance Act.*
- Sec. 725. Technical and conforming amendments relating to banks operating under the Code of Law for the District of Columbia.*
- Sec. 726. Technical corrections to the Federal Credit Union Act.*
- Sec. 727. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.*
- Sec. 728. Development of model privacy forms.*

**TITLE VIII—FAIR DEBT COLLECTION PRACTICES ACT
AMENDMENTS**

- Sec. 801. Exception for certain bad check enforcement programs.*
- Sec. 802. Other amendments.*

TITLE IX—CASH MANAGEMENT MODERNIZATION

- Sec. 901. Collateral modernization.*

TITLE X—STUDIES AND REPORTS

- Sec. 1001. Study and report by the Comptroller General on the currency transaction report filing system.*
- Sec. 1002. Study and report on institution diversity and consolidation.*

- 1 **TITLE I—BROKER RELIEF**
- 2 **SEC. 101. JOINT RULEMAKING REQUIRED FOR REVISED**
- 3 **DEFINITION OF BROKER IN THE SECURITIES**
- 4 **EXCHANGE ACT OF 1934.**
- 5 **(a) FINAL RULES REQUIRED.—**

1 (1) *AMENDMENT TO SECURITIES EXCHANGE*
2 *ACT.—Section 3(a)(4) of the Securities Exchange Act*
3 *of 1934 (15 U.S.C. 78c(a)(4)) is amended by adding*
4 *at the end the following:*

5 “(F) *JOINT RULEMAKING REQUIRED.—The*
6 *Commission and the Board of Governors of the*
7 *Federal Reserve System shall jointly adopt a sin-*
8 *gle set of rules or regulations to implement the*
9 *exceptions in subparagraph (B).”.*

10 (2) *TIMING.—Not later than 180 days after the*
11 *date of the enactment of this Act, the Securities and*
12 *Exchange Commission (in this section referred to as*
13 *the “Commission”) and the Board of Governors of the*
14 *Federal Reserve System (hereafter in this section re-*
15 *ferred to as the “Board”) shall jointly issue a pro-*
16 *posed single set of rules or regulations to define the*
17 *term “broker” in accordance with section 3(a)(4) of*
18 *the Securities Exchange Act of 1934, as amended by*
19 *this subsection.*

20 (3) *RULEMAKING SUPERSEDES PREVIOUS RULE-*
21 *MAKING.—A final single set of rules or regulations*
22 *jointly adopted in accordance with this section shall*
23 *supersede any other proposed or final rule issued by*
24 *the Commission on or after the date of enactment of*
25 *section 201 of the Gramm-Leach-Bliley Act with re-*

1 *gard to the exceptions to the definition of a broker*
 2 *under section 3(a)(4)(B) of the Securities Exchange*
 3 *Act of 1934. No such other rule, whether or not issued*
 4 *in final form, shall have any force or effect on or after*
 5 *that date of enactment.*

6 *(b) CONSULTATION.—Prior to jointly adopting the sin-*
 7 *gle set of final rules or regulations required by this section,*
 8 *the Commission and the Board shall consult with and seek*
 9 *the concurrence of the Federal banking agencies concerning*
 10 *the content of such rulemaking in implementing section*
 11 *3(a)(4)(B) of the Securities Exchange Act of 1934, as*
 12 *amended by this section and section 201 of the Gramm-*
 13 *Leach-Bliley Act.*

14 *(c) DEFINITION.—For purposes of this section, the*
 15 *term “Federal banking agencies” means the Office of the*
 16 *Comptroller of the Currency, the Office of Thrift Super-*
 17 *vision, and the Federal Deposit Insurance Corporation.*

18 **TITLE II—MONETARY POLICY**

19 **PROVISIONS**

20 **SEC. 201. AUTHORIZATION FOR THE FEDERAL RESERVE TO**

21 **PAY INTEREST ON RESERVES.**

22 *(a) IN GENERAL.—Section 19(b) of the Federal Re-*
 23 *serve Act (12 U.S.C. 461(b)) is amended by adding at the*
 24 *end the following:*

25 *“(12) EARNINGS ON BALANCES.—*

1 “(A) *IN GENERAL.*—*Balances maintained*
2 *at a Federal Reserve bank by or on behalf of a*
3 *depository institution may receive earnings to be*
4 *paid by the Federal Reserve bank at least once*
5 *each calendar quarter, at a rate or rates not to*
6 *exceed the general level of short-term interest*
7 *rates.*

8 “(B) *REGULATIONS RELATING TO PAY-*
9 *MENTS AND DISTRIBUTIONS.*—*The Board may*
10 *prescribe regulations concerning—*

11 “(i) *the payment of earnings in ac-*
12 *cordance with this paragraph;*

13 “(ii) *the distribution of such earnings*
14 *to the depository institutions which main-*
15 *tain balances at such banks, or on whose be-*
16 *half such balances are maintained; and*

17 “(iii) *the responsibilities of depository*
18 *institutions, Federal Home Loan Banks,*
19 *and the National Credit Union Administra-*
20 *tion Central Liquidity Facility with respect*
21 *to the crediting and distribution of earnings*
22 *attributable to balances maintained, in ac-*
23 *cordance with subsection (c)(1)(A), in a*
24 *Federal Reserve bank by any such entity on*
25 *behalf of depository institutions.*

1 “(C) *DEPOSITORY INSTITUTIONS DE-*
 2 *FINED.—For purposes of this paragraph, the*
 3 *term ‘depository institution’, in addition to the*
 4 *institutions described in paragraph (1)(A), in-*
 5 *cludes any trust company, corporation organized*
 6 *under section 25A or having an agreement with*
 7 *the Board under section 25, or any branch or*
 8 *agency of a foreign bank (as defined in section*
 9 *1(b) of the International Banking Act of 1978).”.*

10 (b) *CONFORMING AMENDMENT.—Section 19 of the Fed-*
 11 *eral Reserve Act (12 U.S.C. 461) is amended—*

12 (1) *in subsection (b)(4)—*

13 (A) *by striking subparagraph (C); and*

14 (B) *by redesignating subparagraphs (D)*
 15 *and (E) as subparagraphs (C) and (D), respec-*
 16 *tively; and*

17 (2) *in subsection (c)(1)(A), by striking “sub-*
 18 *section (b)(4)(C)” and inserting “subsection (b)”.*

19 **SEC. 202. INCREASED FLEXIBILITY FOR THE FEDERAL RE-**
 20 **SERVE BOARD TO ESTABLISH RESERVE RE-**
 21 **QUIREMENTS.**

22 *Section 19(b)(2)(A) of the Federal Reserve Act (12*
 23 *U.S.C. 461(b)(2)(A)) is amended—*

1 (1) *in clause (i), by striking “the ratio of 3 per*
 2 *centum” and inserting “a ratio of not greater than 3*
 3 *percent (and which may be zero)”;* and

4 (2) *in clause (ii), by striking “and not less than*
 5 *8 per centum,” and inserting “(and which may be*
 6 *zero),”.*

7 **SEC. 203. EFFECTIVE DATE.**

8 *The amendments made by this title shall take effect*
 9 *October 1, 2011.*

10 **TITLE III—NATIONAL BANK**
 11 **PROVISIONS**

12 **SEC. 301. VOTING IN SHAREHOLDER ELECTIONS.**

13 *Section 5144 of the Revised Statutes of the United*
 14 *States (12 U.S.C. 61) is amended—*

15 (1) *by striking “or to cumulate” and inserting*
 16 *“or, if so provided by the articles of association of the*
 17 *national bank, to cumulate”;* and

18 (2) *by striking the comma after “his shares shall*
 19 *equal”.*

20 **SEC. 302. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-**
 21 **TIONAL BANKS.**

22 (a) *IN GENERAL.*—*Section 5199 of the Revised Stat-*
 23 *utes of the United States (12 U.S.C. 60) is amended to read*
 24 *as follows:*

1 **“SEC. 5199. NATIONAL BANK DIVIDENDS.**

2 “(a) *IN GENERAL.*—Subject to subsection (b), the di-
3 rectors of any national bank may declare a dividend of so
4 much of the undivided profits of the bank as the directors
5 judge to be expedient.

6 “(b) *APPROVAL REQUIRED UNDER CERTAIN CIR-*
7 *CUMSTANCES.*—A national bank may not declare and pay
8 dividends in any year in excess of an amount equal to the
9 sum of the total of the net income of the bank for that year
10 and the retained net income of the bank for the preceding
11 2 years, minus the sum of any transfers required by the
12 Comptroller of the Currency and any transfers required to
13 be made to a fund for the retirement of any preferred stock,
14 unless the Comptroller of the Currency approves the dec-
15 laration and payment of dividends in excess of such
16 amount.”.

17 (b) *CLERICAL AMENDMENT.*—The table of sections for
18 chapter three of title LXII of the Revised Statutes of the
19 United States is amended by striking the item relating to
20 section 5199 and inserting the following:

“5199. *National bank dividends.*”.

1 **SEC. 303. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**
 2 **AUTHORITY OF THE COMPTROLLER OF THE**
 3 **CURRENCY.**

4 *Section 8(e)(4) of the Federal Deposit Insurance Act*
 5 *(12 U.S.C. 1818(e)(4)) is amended by striking the 5th sen-*
 6 *tence.*

7 **SEC. 304. REPEAL OF OBSOLETE PROVISION IN THE RE-**
 8 **ISED STATUTES.**

9 *Section 5143 of the Revised Statutes of the United*
 10 *States (12 U.S.C. 59) is amended to read as follows:*

11 **“SEC. 5143. REDUCTION OF CAPITAL.**

12 *“(a) IN GENERAL.—Subject to the approval of the*
 13 *Comptroller of the Currency, a national banking associa-*
 14 *tion may, by a vote of shareholders owning, in the aggre-*
 15 *gate, two-thirds of its capital stock, reduce its capital.*

16 *“(b) SHAREHOLDER DISTRIBUTIONS AUTHORIZED.—*
 17 *As part of its capital reduction plan approved in accord-*
 18 *ance with subsection (a), and with the affirmative vote of*
 19 *shareholders owning at least two thirds of the shares of each*
 20 *class of its stock outstanding (each voting as a class), a na-*
 21 *tional banking association may distribute cash or other as-*
 22 *sets to its shareholders.”.*

1 **SEC. 305. ENHANCING THE AUTHORITY FOR BANKS TO**
2 **MAKE COMMUNITY DEVELOPMENT INVEST-**
3 **MENTS.**

4 (a) *NATIONAL BANKS.*—*The paragraph designated as*
5 *the “Eleventh.” of section 5136 of the Revised Statutes of*
6 *the United States (12 U.S.C. 24) is amended to read as*
7 *follows:*

8 *“Eleventh. To make investments directly or indirectly,*
9 *each of which promotes the public welfare by benefiting pri-*
10 *marily low- and moderate-income communities or families*
11 *(such as by providing housing, services, or jobs). An associa-*
12 *tion shall not make any such investment if the investment*
13 *would expose the association to unlimited liability. The*
14 *Comptroller of the Currency shall limit an association’s in-*
15 *vestments in any 1 project and an association’s aggregate*
16 *investments under this paragraph. An association’s aggre-*
17 *gate investments under this paragraph shall not exceed an*
18 *amount equal to the sum of 5 percent of the association’s*
19 *capital stock actually paid in and unimpaired and 5 per-*
20 *cent of the association’s unimpaired surplus fund, unless*
21 *the Comptroller determines by order that the higher amount*
22 *will pose no significant risk to the affected deposit insur-*
23 *ance fund, and the association is adequately capitalized.*
24 *In no case shall an association’s aggregate investments*
25 *under this paragraph exceed an amount equal to the sum*
26 *of 15 percent of the association’s capital stock actually paid*

1 *in and unimpaired and 15 percent of the association's*
2 *unimpaired surplus fund. The foregoing standards and lim-*
3 *itations apply to investments under this paragraph made*
4 *by a national bank directly and by its subsidiaries.”.*

5 (b) *CONFORMING AMENDMENTS FOR STATE MEMBER*
6 *BANKS.—The 23rd undesignated paragraph of section 9 of*
7 *the Federal Reserve Act (12 U.S.C. 338a) is amended to*
8 *read as follows:*

9 “(23) *A State member bank may make invest-*
10 *ments directly or indirectly, each of which promotes*
11 *the public welfare by benefiting primarily low- and*
12 *moderate-income communities or families (such as by*
13 *providing housing, services, or jobs), to the extent per-*
14 *missible under State law. A State member bank shall*
15 *not make any such investment if the investment*
16 *would expose the State member bank to unlimited li-*
17 *ability. The Board shall limit a State member bank's*
18 *investment in any 1 project and a State member*
19 *bank's aggregate investments under this paragraph.*
20 *The aggregate amount of investments of any State*
21 *member bank under this paragraph may not exceed*
22 *an amount equal to the sum of 5 percent of the State*
23 *member bank's capital stock actually paid in and*
24 *unimpaired and 5 percent of the State member bank's*
25 *unimpaired surplus, unless the Board determines, by*

1 *order, that a higher amount will pose no significant*
 2 *risk to the affected deposit insurance fund; and the*
 3 *State member bank is adequately capitalized. In no*
 4 *case shall the aggregate amount of investments of any*
 5 *State member bank under this paragraph exceed an*
 6 *amount equal to the sum of 15 percent of the State*
 7 *member bank’s capital stock actually paid in and*
 8 *unimpaired and 15 percent of the State member*
 9 *bank’s unimpaired surplus. The foregoing standards*
 10 *and limitations apply to investments under this*
 11 *paragraph made by a State member bank directly*
 12 *and by its subsidiaries.”.*

13 **TITLE IV—SAVINGS**
 14 **ASSOCIATION PROVISIONS**

15 **SEC. 401. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**
 16 **SECURITIES EXCHANGE ACT OF 1934 AND THE**
 17 **INVESTMENT ADVISERS ACT OF 1940.**

18 *(a) SECURITIES EXCHANGE ACT OF 1934.—*

19 *(1) DEFINITION OF BANK.—Section 3(a)(6) of*
 20 *the Securities Exchange Act of 1934 (15 U.S.C.*
 21 *78c(a)(6)) is amended—*

22 *(A) in subparagraph (A), by inserting “or*
 23 *a Federal savings association, as defined in sec-*
 24 *tion 2(5) of the Home Owners’ Loan Act” after*

1 *“a banking institution organized under the laws*
 2 *of the United States”*; and

3 *(B) in subparagraph (C)—*

4 *(i) by inserting “or savings associa-*
 5 *tion, as defined in section 2(4) of the Home*
 6 *Owners’ Loan Act” after “banking institu-*
 7 *tion”*; and

8 *(ii) by inserting “or savings associa-*
 9 *tions” after “having supervision over*
 10 *banks”.*

11 (2) *INCLUSION OF OTS UNDER THE DEFINITION*
 12 *OF APPROPRIATE REGULATORY AGENCY FOR CERTAIN*
 13 *PURPOSES.—Section 3(a)(34) of the Securities Ex-*
 14 *change Act of 1934 (15 U.S.C. 78c(a)(34)) is amend-*
 15 *ed—*

16 *(A) in subparagraph (A)—*

17 *(i) in clause (ii), by striking “(i) or*
 18 *(iii)” and inserting “(i), (iii), or (iv)”*;

19 *(ii) in clause (iii), by striking “and”*
 20 *at the end*;

21 *(iii) by redesignating clause (iv) as*
 22 *clause (v)*; and

23 *(iv) by inserting after clause (iii) the*
 24 *following:*

1 “(iv) the Director of the Office of
2 Thrift Supervision, in the case of a savings
3 association (as defined in section 3(b) of the
4 Federal Deposit Insurance Act (12 U.S.C.
5 1813(b))), the deposits of which are insured
6 by the Federal Deposit Insurance Corpora-
7 tion, a subsidiary or a department or divi-
8 sion of any such savings association, or a
9 savings and loan holding company; and”;

10 (B) in subparagraph (B)—

11 (i) in clause (ii), by striking “(i) or
12 (iii)” and inserting “(i), (iii), or (iv)”;

13 (ii) in clause (iii), by striking “and”
14 at the end;

15 (iii) by redesignating clause (iv) as
16 clause (v); and

17 (iv) by inserting after clause (iii) the
18 following:

19 “(iv) the Director of the Office of
20 Thrift Supervision, in the case of a savings
21 association (as defined in section 3(b) of the
22 Federal Deposit Insurance Act (12 U.S.C.
23 1813(b))), the deposits of which are insured
24 by the Federal Deposit Insurance Corpora-
25 tion, or a subsidiary of any such savings

1 *association, or a savings and loan holding*
2 *company; and”;*

3 *(C) in subparagraph (C)—*

4 *(i) in clause (ii), by striking “(i) or*
5 *(iii)” and inserting “(i), (iii), or (iv)”;*

6 *(ii) in clause (iii), by striking “and”*
7 *at the end;*

8 *(iii) by redesignating clause (iv) as*
9 *clause (v); and*

10 *(iv) by inserting after clause (iii) the*
11 *following:*

12 *“(iv) the Director of the Office of*
13 *Thrift Supervision, in the case of a savings*
14 *association (as defined in section 3(b) of the*
15 *Federal Deposit Insurance Act (12 U.S.C.*
16 *1813(b))), the deposits of which are insured*
17 *by the Federal Deposit Insurance Corpora-*
18 *tion, a savings and loan holding company,*
19 *or a subsidiary of a savings and loan hold-*
20 *ing company when the appropriate regu-*
21 *latory agency for such clearing agency is*
22 *not the Commission; and”;*

23 *(D) in subparagraph (D)—*

24 *(i) in clause (i), by striking “and” at*
25 *the end;*

1 (ii) by redesignating clause (iii) as
2 clause (iv); and

3 (iii) by inserting after clause (ii) the
4 following:

5 “(iii) the Director of the Office of
6 Thrift Supervision, in the case of a savings
7 association (as defined in section 3(b) of the
8 Federal Deposit Insurance Act (12 U.S.C.
9 1813(b))) the deposits of which are insured
10 by the Federal Deposit Insurance Corpora-
11 tion; and”;

12 (E) in subparagraph (F)—

13 (i) by redesignating clauses (ii), (iii),
14 and (iv) as clauses (iii), (iv), and (v), re-
15 spectively; and

16 (ii) by inserting after clause (i) the fol-
17 lowing:

18 “(ii) the Director of the Office of Thrift
19 Supervision, in the case of a savings asso-
20 ciation (as defined in section 3(b) of the
21 Federal Deposit Insurance Act (12 U.S.C.
22 1813(b))), the deposits of which are insured
23 by the Federal Deposit Insurance Corpora-
24 tion; and”;

1 (F) by moving subparagraph (H) and in-
 2 serting such subparagraph immediately after
 3 subparagraph (G); and

4 (G) by adding at the end of the undesig-
 5 nated matter at the end the following: “As used
 6 in this paragraph, the term ‘savings and loan
 7 holding company’ has the same meaning as in
 8 section 10(a) of the Home Owners’ Loan Act (12
 9 U.S.C. 1467a(a)).”.

10 (3) *CONFORMING EXEMPTION TO REPORTING RE-*
 11 *QUIREMENT.*—Section 23(b)(1) of the Securities Ex-
 12 change Act of 1934 (15 U.S.C. 78w(b)(1)) is amended
 13 by inserting “other than the Office of Thrift Super-
 14 vision,” before “shall each”.

15 (b) *INVESTMENT ADVISERS ACT OF 1940.*—

16 (1) *DEFINITION OF BANK.*—Section 202(a)(2) of
 17 the Investment Advisers Act of 1940 (15 U.S.C. 80b-
 18 2(a)(2)) is amended—

19 (A) in subparagraph (A), by inserting “or
 20 a Federal savings association, as defined in sec-
 21 tion 2(5) of the Home Owners’ Loan Act” after
 22 “a banking institution organized under the laws
 23 of the United States”; and

24 (B) in subparagraph (C)—

1 (i) by inserting “, savings association,
 2 as defined in section 2(4) of the Home Own-
 3 ers’ Loan Act,” after “banking institution”;
 4 and

5 (ii) by inserting “or savings associa-
 6 tions” after “having supervision over
 7 banks”.

8 (2) *CONFORMING AMENDMENTS.*—Section 210A
 9 of the Investment Advisers Act of 1940 (15 U.S.C.
 10 80b–10a) is amended in each of subsections
 11 (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b), by striking
 12 “bank holding company” each place that term ap-
 13 pears and inserting “bank holding company or sav-
 14 ings and loan holding company”.

15 (c) *CONFORMING AMENDMENT TO THE INVESTMENT*
 16 *COMPANY ACT OF 1940.*—Section 10(c) of the Investment
 17 Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended
 18 by inserting after “1956)” the following: “or any one sav-
 19 ings and loan holding company, together with its affiliates
 20 and subsidiaries (as such terms are defined in section 10
 21 of the Home Owners’ Loan Act),”.

22 **SEC. 402. REPEAL OF OVERLAPPING RULES GOVERNING**
 23 **PURCHASED MORTGAGE SERVICING RIGHTS.**

24 Section 5(t) of the Home Owners’ Loan Act (12 U.S.C.
 25 1464(t)) is amended—

1 (1) *by striking paragraph (4) and inserting the*
 2 *following:*

3 “(4) [Repealed].”; and

4 (2) *in paragraph (9)(A), by striking “intangible*
 5 *assets, plus” and all that follows through the period*
 6 *at the end and inserting “intangible assets.”.*

7 **SEC. 403. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**
 8 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**
 9 **DICTION.**

10 *Section 5 of the Home Owners’ Loan Act (12 U.S.C.*
 11 *1464) is amended by adding at the end the following:*

12 “(x) *HOME STATE CITIZENSHIP.—In determining*
 13 *whether a Federal court has diversity jurisdiction over a*
 14 *case in which a Federal savings association is a party, the*
 15 *Federal savings association shall be considered to be a cit-*
 16 *izen only of the State in which such savings association*
 17 *has its home office.”.*

18 **SEC. 404. REPEAL OF LIMITATION ON LOANS TO ONE BOR-**
 19 **ROWER.**

20 *Section 5(u)(2)(A) of the Home Owners’ Loan Act (12*
 21 *U.S.C. 1464(u)(2)(A)) is amended—*

22 (1) *in clause (i)—*

23 (A) *by striking “for any” and inserting*
 24 *“For any”; and*

1 (B) by striking “; or” and inserting a pe-
2 riod; and

3 (2) in clause (ii)—

4 (A) by striking “to develop domestic” and
5 inserting “To develop domestic”;

6 (B) by striking subclause (I); and

7 (C) by redesignating subclauses (II) through
8 (V) as subclauses (I) through (IV), respectively.

9 **TITLE V—CREDIT UNION**
10 **PROVISIONS**

11 **SEC. 501. LEASES OF LAND ON FEDERAL FACILITIES FOR**
12 **CREDIT UNIONS.**

13 (a) *IN GENERAL.*—Section 124 of the Federal Credit
14 Union Act (12 U.S.C. 1770) is amended—

15 (1) by striking “Upon application by any credit
16 union” and inserting “Notwithstanding any other
17 provision of law, upon application by any credit
18 union”;

19 (2) by inserting “on lands reserved for the use of,
20 and under the exclusive or concurrent jurisdiction of,
21 the United States or” after “officer or agency of the
22 United States charged with the allotment of space”;

23 (3) by inserting “lease land or” after “such offi-
24 cer or agency may in his or its discretion”; and

1 checks), money orders, and other similar money
 2 transfer instruments (including international
 3 and domestic electronic fund transfers); and

4 “(B) to cash checks and money orders and
 5 receive international and domestic electronic
 6 fund transfers for persons in the field of member-
 7 ship for a fee;”.

8 **SEC. 504. CLARIFICATION OF DEFINITION OF NET WORTH**
 9 **UNDER CERTAIN CIRCUMSTANCES FOR PUR-**
 10 **POSES OF PROMPT CORRECTIVE ACTION.**

11 Section 216(o)(2)(A) of the Federal Credit Union Act
 12 (12 U.S.C. 1790d(o)(2)(A)) is amended—

13 (1) by inserting “the” before “retained earnings
 14 balance”; and

15 (2) by inserting “, together with any amounts
 16 that were previously retained earnings of any other
 17 credit union with which the credit union has com-
 18 bined” before the semicolon at the end.

19 **SEC. 505. AMENDMENTS RELATING TO NONFEDERALLY IN-**
 20 **SURED CREDIT UNIONS.**

21 (a) *IN GENERAL.*—Subsection (a) of section 43 of the
 22 Federal Deposit Insurance Act (12 U.S.C. 1831t(a)) is
 23 amended by adding at the end the following new paragraph:

24 “(3) *ENFORCEMENT BY APPROPRIATE STATE SU-*
 25 *PERVISOR.*—Any appropriate State supervisor of a

1 *private deposit insurer, and any appropriate State*
 2 *supervisor of a depository institution which receives*
 3 *deposits that are insured by a private deposit insurer,*
 4 *may examine and enforce compliance with this sub-*
 5 *section under the applicable regulatory authority of*
 6 *such supervisor.”.*

7 (b) *AMENDMENT RELATING TO DISCLOSURES*
 8 *REQUIRED, PERIODIC STATEMENTS, AND ACCOUNT*
 9 *RECORDS.—Section 43(b)(1) of the Federal Deposit*
 10 *Insurance Act (12 U.S.C. 1831t(b)(1)) is amended by*
 11 *striking “or similar instrument evidencing a deposit”*
 12 *and inserting “or share certificate.”.*

13 (c) *AMENDMENTS RELATING TO DISCLOSURES RE-*
 14 *QUIRED, ADVERTISING, PREMISES.—Section 43(b)(2) of the*
 15 *Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(2)) is*
 16 *amended to read as follows:*

17 “(2) *ADVERTISING; PREMISES.—*

18 “(A) *IN GENERAL.—Include clearly and*
 19 *conspicuously in all advertising, except as pro-*
 20 *vided in subparagraph (B); and at each station*
 21 *or window where deposits are normally received,*
 22 *its principal place of business and all its*
 23 *branches where it accepts deposits or opens ac-*
 24 *counts (excluding automated teller machines or*
 25 *point of sale terminals), and on its main Inter-*

1 *net page, a notice that the institution is not fed-*
 2 *erally insured.*

3 “(B) *EXCEPTIONS.*—*The following need not*
 4 *include a notice that the institution is not feder-*
 5 *ally insured:*

6 “(i) *Any sign, document, or other item*
 7 *that contains the name of the depository in-*
 8 *stitution, its logo, or its contact informa-*
 9 *tion, but only if the sign, document, or item*
 10 *does not include any information about the*
 11 *institution’s products or services or infor-*
 12 *mation otherwise promoting the institution.*

13 “(ii) *Small utilitarian items that do*
 14 *not mention deposit products or insurance*
 15 *if inclusion of the notice would be imprac-*
 16 *tical.”.*

17 (d) *AMENDMENTS RELATING TO ACKNOWLEDG-*
 18 *MENT OF DISCLOSURE.*—*Section 43(b)(3) of the Fed-*
 19 *eral Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is*
 20 *amended to read as follows:*

21 “(3) *ACKNOWLEDGMENT OF DISCLOSURE.*—

22 “(A) *NEW DEPOSITORS OBTAINED OTHER*
 23 *THAN THROUGH A CONVERSION OR MERGER.*—
 24 *With respect to any depositor who was not a de-*
 25 *positor at the depository institution before the ef-*

1 *fective date of the Financial Services Regulatory*
2 *Relief Act of 2006, and who is not a depositor*
3 *as described in subparagraph (B), receive any*
4 *deposit for the account of such depositor only if*
5 *the depositor has signed a written acknowledge-*
6 *ment that—*

7 *“(i) the institution is not federally in-*
8 *sured; and*

9 *“(ii) if the institution fails, the Fed-*
10 *eral Government does not guarantee that the*
11 *depositor will get back the depositor’s*
12 *money.*

13 *“(B) NEW DEPOSITORS OBTAINED*
14 *THROUGH A CONVERSION OR MERGER.—With re-*
15 *spect to a depositor at a federally insured deposi-*
16 *tory institution that converts to, or merges into,*
17 *a depository institution lacking federal insur-*
18 *ance after the effective date of the Financial*
19 *Services Regulatory Relief Act of 2006, receive*
20 *any deposit for the account of such depositor*
21 *only if—*

22 *“(i) the depositor has signed a written*
23 *acknowledgement described in subparagraph*
24 *(A); or*

1 “(ii) the institution makes an attempt,
2 as described in subparagraph (D) and sent
3 by mail no later than 45 days after the ef-
4 fective date of the conversion or merger, to
5 obtain the acknowledgment.

6 “(C) *CURRENT DEPOSITORS.*—Receive any
7 deposit after the effective date of the *Financial*
8 *Services Regulatory Relief Act of 2006* for the ac-
9 count of any depositor who was a depositor on
10 that date only if—

11 “(i) the depositor has signed a written
12 acknowledgement described in subparagraph
13 (A); or

14 “(ii) the institution has complied with
15 the provisions of subparagraph (E) which
16 are applicable as of the date of the deposit.

17 “(D) *ALTERNATIVE PROVISION OF NOTICE*
18 *TO NEW DEPOSITORS OBTAINED THROUGH A*
19 *CONVERSION OR MERGER.*—

20 “(i) *IN GENERAL.*—Transmit to each
21 depositor who has not signed a written ac-
22 knowledgement described in subparagraph
23 (A)—

24 “(I) a conspicuous card con-
25 taining the information described in

1 *clauses (i) and (ii) of subparagraph*
2 *(A), and a line for the signature of the*
3 *depositor; and*

4 *“(II) accompanying materials re-*
5 *questing the depositor to sign the card,*
6 *and return the signed card to the insti-*
7 *tution.*

8 *“(E) ALTERNATIVE PROVISION OF NOTICE*
9 *TO CURRENT DEPOSITORS.—*

10 *“(i) IN GENERAL.—Transmit to each*
11 *depositor who was a depositor before the ef-*
12 *fective date of the Financial Services Regu-*
13 *latory Relief Act of 2006, and has not*
14 *signed a written acknowledgement described*
15 *in subparagraph (A)—*

16 *“(I) a conspicuous card con-*
17 *taining the information described in*
18 *clauses (i) and (ii) of subparagraph*
19 *(A), and a line for the signature of the*
20 *depositor; and*

21 *“(II) accompanying materials re-*
22 *questing the depositor to sign the card,*
23 *and return the signed card to the insti-*
24 *tution.*

1 “(i) *MANNER AND TIMING OF NO-*
2 *TICE.*—

3 “(I) *FIRST NOTICE.*—*Make the*
4 *transmission described in clause (i) via*
5 *mail not later than three months after*
6 *the effective date of the Financial Serv-*
7 *ices Regulatory Relief Act of 2006.*

8 “(II) *SECOND NOTICE.*—*Make a*
9 *second transmission described in clause*
10 *(i) via mail not less than 30 days and*
11 *not more than three months after a*
12 *transmission to the depositor in ac-*
13 *cordance with subclause (I), if the in-*
14 *stitution has not, by the date of such*
15 *mailing, received from the depositor a*
16 *card referred to in clause (i) which has*
17 *been signed by the depositor.”.*

18 “(e) *AMENDMENTS RELATING TO MANNER AND CON-*
19 *TENT OF DISCLOSURE.*—*Section 43(c) of the Federal De-*
20 *posit Insurance Act (12 U.S.C. 1831t(c)) is amended to*
21 *read as follows:*

22 “(c) *MANNER AND CONTENT OF DISCLOSURE.*—*To en-*
23 *sure that current and prospective customers understand the*
24 *risks involved in foregoing Federal deposit insurance, the*
25 *Federal Trade Commission, by regulation or order, shall*

1 *prescribe the manner and content of disclosure required*
 2 *under this section, which shall be presented in such format*
 3 *and in such type size and manner as to be simple and easy*
 4 *to understand.”.*

5 *(f) REPEAL OF PROVISION PROHIBITING NONDEPOSI-*
 6 *TORY INSTITUTIONS FROM ACCEPTING DEPOSITS.—Section*
 7 *43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t)*
 8 *is amended—*

9 *(1) by striking subsection (e); and*

10 *(2) by redesignating subsections (f) and (g) as*
 11 *subsections (e) and (f), respectively.*

12 *(g) REPEAL OF FTC AUTHORITY TO ENFORCE INDE-*
 13 *PENDENT AUDIT REQUIREMENT; CONCURRENT STATE EN-*
 14 *FORCEMENT.—Subsection (f) (as so redesignated by sub-*
 15 *section (e) of this section) of section 43 of the Federal De-*
 16 *posit Insurance Act (12 U.S.C. 1831t) is amended to read*
 17 *as follows:*

18 *“(f) ENFORCEMENT.—*

19 *“(1) LIMITED FTC ENFORCEMENT AUTHORITY.—*
 20 *Compliance with the requirements of subsections (b),*
 21 *(c) and (e), and any regulation prescribed or order*
 22 *issued under any such subsection, shall be enforced*
 23 *under the Federal Trade Commission Act by the Fed-*
 24 *eral Trade Commission.*

1 “(2) *BROAD STATE ENFORCEMENT AUTHOR-*
2 *ITY.*—

3 “(A) *IN GENERAL.*—*Subject to subpara-*
4 *graph (C), an appropriate State supervisor of a*
5 *depository institution lacking Federal deposit in-*
6 *surance may examine and enforce compliance*
7 *with the requirements of this section, and any*
8 *regulation prescribed under this section.*

9 “(B) *STATE POWERS.*—*For purposes of*
10 *bringing any action to enforce compliance with*
11 *this section, no provision of this section shall be*
12 *construed as preventing an appropriate State su-*
13 *ervisor of a depository institution lacking Fed-*
14 *eral deposit insurance from exercising any pow-*
15 *ers conferred on such official by the laws of such*
16 *State.*

17 “(C) *LIMITATION ON STATE ACTION WHILE*
18 *FEDERAL ACTION PENDING.*—*If the Federal*
19 *Trade Commission has instituted an enforcement*
20 *action for a violation of this section, no appro-*
21 *priate State supervisor may, during the pend-*
22 *ency of such action, bring an action under this*
23 *section against any defendant named in the com-*
24 *plaint of the Commission for any violation of*
25 *this section that is alleged in that complaint.”.*

1 **TITLE VI—DEPOSITORY**
 2 **INSTITUTION PROVISIONS**

3 **SEC. 601. REPORTING REQUIREMENTS RELATING TO IN-**
 4 **SIDER LENDING.**

5 (a) *REPORTING REQUIREMENTS REGARDING LOANS*
 6 *TO EXECUTIVE OFFICERS OF MEMBER BANKS.*—Section
 7 *22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amend-*
 8 *ed—*

9 (1) *by striking paragraphs (6) and (9); and*

10 (2) *by redesignating paragraphs (7), (8), and*
 11 *(10) as paragraphs (6), (7), and (8), respectively.*

12 (b) *REPORTING REQUIREMENTS REGARDING LOANS*
 13 *FROM CORRESPONDENT BANKS TO EXECUTIVE OFFICERS*
 14 *AND SHAREHOLDERS OF INSURED BANKS.*—Section
 15 *106(b)(2) of the Bank Holding Company Act Amendments*
 16 *of 1970 (12 U.S.C. 1972(2)) is amended—*

17 (1) *by striking subparagraph (G); and*

18 (2) *by redesignating subparagraphs (H) and (I)*
 19 *as subparagraphs (G) and (H), respectively.*

20 **SEC. 602. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**
 21 **TIONS IN BANK SERVICE COMPANIES AU-**
 22 **THORIZED.**

23 (a) *IN GENERAL.*—Sections 2 and 3 of the *Bank Serv-*
 24 *ice Company Act (12 U.S.C. 1862, 1863) are each amended*

1 *by striking “insured bank” each place that term appears*
 2 *and inserting “insured depository institution”.*

3 *(b) TECHNICAL AND CONFORMING AMENDMENTS.—*

4 *(1) BANK SERVICE COMPANY ACT DEFINITIONS.—*

5 *Section 1(b) of the Bank Service Company Act (12*
 6 *U.S.C. 1861(b)) is amended—*

7 *(A) in paragraph (4)—*

8 *(i) by inserting “, except when such*
 9 *term appears in connection with the term*
 10 *‘insured depository institution’,” after*
 11 *“means”; and*

12 *(ii) by striking “Federal Home Loan*
 13 *Bank Board” and inserting “Director of the*
 14 *Office of Thrift Supervision”;*

15 *(B) by striking paragraph (5) and inserting*
 16 *the following:*

17 *“(5) INSURED DEPOSITORY INSTITUTION.—The*
 18 *term ‘insured depository institution’ has the same*
 19 *meaning as in section 3(c) of the Federal Deposit In-*
 20 *surance Act;”;*

21 *(C) by striking “and” at the end of para-*
 22 *graph (7);*

23 *(D) by striking the period at the end of*
 24 *paragraph (8) and inserting “; and”;*

25 *(E) by adding at the end the following:*

1 “(9) the terms ‘State depository institution’,
 2 ‘Federal depository institution’, ‘State savings asso-
 3 ciation’ and ‘Federal savings association’ have the
 4 same meanings as in section 3 of the Federal Deposit
 5 Insurance Act.”;

6 (F) in paragraph (2), in subparagraphs
 7 (A)(ii) and (B)(ii), by striking “insured banks”
 8 each place that term appears and inserting “in-
 9 sured depository institutions”; and

10 (G) in paragraph (8)—

11 (i) by striking “insured bank” and in-
 12 serting “insured depository institution”;

13 (ii) by striking “insured banks” each
 14 place that term appears and inserting “in-
 15 sured depository institutions”; and

16 (iii) by striking “the bank’s” and in-
 17 serting “the depository institution’s”.

18 (2) AMOUNT OF INVESTMENT.—Section 2 of the
 19 Bank Service Company Act (12 U.S.C. 1862) is
 20 amended by inserting “or savings associations, other
 21 than the limitation on the amount of investment by
 22 a Federal savings association contained in section
 23 5(c)(4)(B) of the Home Owners’ Loan Act” after “re-
 24 lating to banks”.

1 (3) *LOCATION OF SERVICES.*—Section 4 of the
2 *Bank Service Company Act (12 U.S.C. 1864)* is
3 *amended—*

4 (A) *in subsection (b), by inserting “as per-*
5 *missible under subsection (c), (d), or (e) or” after*
6 *“Except”;*

7 (B) *in subsection (c), by inserting “or State*
8 *savings association” after “State bank” each*
9 *place that term appears;*

10 (C) *in subsection (d), by inserting “or Fed-*
11 *eral savings association” after “national bank”*
12 *each place that term appears;*

13 (D) *by striking subsection (e) and inserting*
14 *the following:*

15 “(e) *PERFORMANCE WHERE STATE BANK AND NA-*
16 *TIONAL BANK ARE SHAREHOLDERS OR MEMBERS.*—A
17 *bank service company may perform—*

18 “(1) *only those services that each depository in-*
19 *stitution shareholder or member is otherwise author-*
20 *ized to perform under any applicable Federal or State*
21 *law; and*

22 “(2) *such services only at locations in a State in*
23 *which each such shareholder or member is authorized*
24 *to perform such services.”; and*

1 (E) in subsection (f), by inserting “or sav-
2 ings associations” after “location of banks”.

3 (4) *PRIOR APPROVAL OF INVESTMENTS.*—Section
4 5 of the *Bank Service Company Act* (12 U.S.C. 1865)
5 is amended—

6 (A) in subsection (a)—

7 (i) by striking “insured bank” and in-
8 serting “insured depository institution”;
9 and

10 (ii) by striking “bank’s”; and

11 (iii) by inserting before the period “for
12 the insured depository institution”;

13 (B) in subsection (b)—

14 (i) by striking “insured bank” and in-
15 serting “insured depository institution”;

16 (ii) by inserting “authorized only”
17 after “performs any service”; and

18 (iii) by inserting “authorized only”
19 after “perform any activity”; and

20 (C) in subsection (c)—

21 (i) by striking “the bank or banks”
22 and inserting “any insured depository in-
23 stitution”; and

1 (ii) by striking “capability of the
2 bank” and inserting “capability of the in-
3 sured depository institution”.

4 (5) *REGULATION AND EXAMINATION*.—Section 7
5 of the Bank Service Company Act (12 U.S.C. 1867)
6 is amended—

7 (A) in subsection (b), by striking “insured
8 bank” and inserting “insured depository institu-
9 tion”; and

10 (B) in subsection (c)—

11 (i) by striking “a bank” each place
12 that term appears and inserting “a depository
13 institution”; and

14 (ii) by striking “the bank” each place
15 that term appears and inserting “the depository
16 institution”.

17 **SEC. 603. AUTHORIZATION FOR MEMBER BANK TO USE**
18 **PASS-THROUGH RESERVE ACCOUNTS.**

19 Section 19(c)(1)(B) of the Federal Reserve Act (12
20 U.S.C. 461(c)(1)(B)) is amended by striking “which is not
21 a member bank”.

22 **SEC. 604. STREAMLINING REPORTS OF CONDITION.**

23 Section 7(a) of the Federal Deposit Insurance Act (12
24 U.S.C. 1817(a)) is amended by adding at the end the fol-
25 lowing:

1 “(11) *STREAMLINING REPORTS OF CONDITION.*—

2 “(A) *REVIEW OF INFORMATION AND SCHED-*
3 *ULES.*—*Before the end of the 1-year period be-*
4 *ginning on the date of enactment of the Finan-*
5 *cial Services Regulatory Relief Act of 2006 and*
6 *before the end of each 5-year period thereafter,*
7 *each Federal banking agency shall, in conjunc-*
8 *tion with the other relevant Federal banking*
9 *agencies, review the information and schedules*
10 *that are required to be filed by an insured depos-*
11 *itory institution in a report of condition re-*
12 *quired under paragraph (3).*

13 “(B) *REDUCTION OR ELIMINATION OF IN-*
14 *FORMATION FOUND TO BE UNNECESSARY.*—*After*
15 *completing the review required by subparagraph*
16 *(A), a Federal banking agency, in conjunction*
17 *with the other relevant Federal banking agencies,*
18 *shall reduce or eliminate any requirement to file*
19 *information or schedules under paragraph (3)*
20 *(other than information or schedules that are*
21 *otherwise required by law) if the agency deter-*
22 *mines that the continued collection of such infor-*
23 *mation or schedules is no longer necessary or ap-*
24 *propriate.*”.

1 **SEC. 605. EXPANSION OF ELIGIBILITY FOR 18-MONTH EXAM-**
 2 **INATION SCHEDULE FOR COMMUNITY BANKS.**

3 *Section 10(d)(4)(A) of the Federal Deposit Insurance*
 4 *Act (12 U.S.C. 1820(d)(4)(A)) is amended by striking*
 5 *“\$250,000,000” and inserting “\$500,000,000”.*

6 **SEC. 606. STREAMLINING DEPOSITORY INSTITUTION MERG-**
 7 **ER APPLICATION REQUIREMENTS.**

8 *(a) IN GENERAL.—Section 18(c)(4) of the Federal De-*
 9 *posit Insurance Act (12 U.S.C. 1828(c)(4)) is amended to*
 10 *read as follows:*

11 *“(4) REPORTS ON COMPETITIVE FACTORS.—*

12 *“(A) REQUEST FOR REPORT.—In the inter-*
 13 *ests of uniform standards and subject to sub-*
 14 *paragraph (B), before acting on any application*
 15 *for approval of a merger transaction, the respon-*
 16 *sible agency shall—*

17 *“(i) request a report on the competitive*
 18 *factors involved from the Attorney General*
 19 *of the United States; and*

20 *“(ii) provide a copy of the request to*
 21 *the Corporation (when the Corporation is*
 22 *not the responsible agency).*

23 *“(B) FURNISHING OF REPORT.—The report*
 24 *requested under subparagraph (A) shall be fur-*
 25 *nished by the Attorney General to the responsible*
 26 *agency—*

1 “(i) not later than 30 calendar days
2 after the date on which the Attorney Gen-
3 eral received the request; or

4 “(ii) not later than 10 calendar days
5 after such date, if the requesting agency ad-
6 vises the Attorney General that an emer-
7 gency exists requiring expeditious action.

8 “(C) *EXCEPTIONS.*—A responsible agency
9 may not be required to request a report under
10 subparagraph (A) if—

11 “(i) the responsible agency finds that it
12 must act immediately in order to prevent
13 the probable failure of 1 of the insured de-
14 pository institutions involved in the merger
15 transaction; or

16 “(ii) the merger transaction involves
17 solely an insured depository institution and
18 1 or more of the affiliates of such depository
19 institution.”.

20 (b) *TECHNICAL AND CONFORMING AMENDMENTS.*—
21 Section 18(c)(6) of the Federal Deposit Insurance Act (12
22 U.S.C. 1828(c)(6)) is amended—

23 (1) in the second sentence, by striking “banks or
24 savings associations involved and reports on the com-
25 petitive factors have” and inserting “insured depository

1 *tory institutions involved, or if the proposed merger*
 2 *transaction is solely between an insured depository*
 3 *institution and 1 or more of its affiliates, and the re-*
 4 *port on the competitive factors has”; and*

5 *(2) by striking the penultimate sentence and in-*
 6 *serting the following: “If the agency has advised the*
 7 *Attorney General under paragraph (4)(B)(ii) of the*
 8 *existence of an emergency requiring expeditious ac-*
 9 *tion and has requested a report on the competitive*
 10 *factors within 10 days, the transaction may not be*
 11 *consummated before the fifth calendar day after the*
 12 *date of approval by the agency.”.*

13 **SEC. 607. NONWAIVER OF PRIVILEGES.**

14 *(a) INSURED DEPOSITORY INSTITUTIONS.—Section 18*
 15 *of the Federal Deposit Insurance Act (12 U.S.C. 1828) is*
 16 *amended by adding at the end the following:*

17 *“(x) PRIVILEGES NOT AFFECTED BY DISCLOSURE TO*
 18 *BANKING AGENCY OR SUPERVISOR.—*

19 *“(1) IN GENERAL.—The submission by any per-*
 20 *son of any information to any Federal banking agen-*
 21 *cy, State bank supervisor, or foreign banking author-*
 22 *ity for any purpose in the course of any supervisory*
 23 *or regulatory process of such agency, supervisor, or*
 24 *authority shall not be construed as waiving, destroy-*
 25 *ing, or otherwise affecting any privilege such person*

1 *may claim with respect to such information under*
 2 *Federal or State law as to any person or entity other*
 3 *than such agency, supervisor, or authority.*

4 “(2) *RULE OF CONSTRUCTION.*—No provision of
 5 *paragraph (1) may be construed as implying or es-*
 6 *tablishing that—*

7 “(A) *any person waives any privilege ap-*
 8 *plicable to information that is submitted or*
 9 *transferred under any circumstance to which*
 10 *paragraph (1) does not apply; or*

11 “(B) *any person would waive any privilege*
 12 *applicable to any information by submitting the*
 13 *information to any Federal banking agency,*
 14 *State bank supervisor, or foreign banking au-*
 15 *thority, but for this subsection.”*

16 (b) *INSURED CREDIT UNIONS.*—Section 205 of the
 17 *Federal Credit Union Act (12 U.S.C.1785) is amended by*
 18 *adding at the end the following:*

19 “(j) *PRIVILEGES NOT AFFECTED BY DISCLOSURE TO*
 20 *BANKING AGENCY OR SUPERVISOR.*—

21 “(1) *IN GENERAL.*—The submission by any per-
 22 *son of any information to the Administration, any*
 23 *State credit union supervisor, or foreign banking au-*
 24 *thority for any purpose in the course of any super-*
 25 *visory or regulatory process of such Board, supervisor,*

1 *or authority shall not be construed as waiving, de-*
 2 *stroying, or otherwise affecting any privilege such*
 3 *person may claim with respect to such information*
 4 *under Federal or State law as to any person or entity*
 5 *other than such Board, supervisor, or authority.*

6 “(2) *RULE OF CONSTRUCTION.*—No provision of
 7 *paragraph (1) may be construed as implying or es-*
 8 *tablishing that—*

9 “(A) *any person waives any privilege ap-*
 10 *plicable to information that is submitted or*
 11 *transferred under any circumstance to which*
 12 *paragraph (1) does not apply; or*

13 “(B) *any person would waive any privilege*
 14 *applicable to any information by submitting the*
 15 *information to the Administration, any State*
 16 *credit union supervisor, or foreign banking au-*
 17 *thority, but for this subsection.”.*

18 **SEC. 608. CLARIFICATION OF APPLICATION REQUIREMENTS**
 19 **FOR OPTIONAL CONVERSION FOR FEDERAL**
 20 **SAVINGS ASSOCIATIONS.**

21 (a) *HOME OWNERS’ LOAN ACT.*—Section 5(i)(5) of the
 22 *Home Owners’ Loan Act (12 U.S.C. 1464(i)(5)) is amended*
 23 *to read as follows:*

24 “(5) *CONVERSION TO NATIONAL OR STATE*
 25 *BANK.*—

1 “(A) *IN GENERAL.*—*Any Federal savings*
2 *association chartered and in operation before the*
3 *date of enactment of the Gramm-Leach-Bliley*
4 *Act, with branches in operation before such date*
5 *of enactment in 1 or more States, may convert,*
6 *at its option, with the approval of the Comp-*
7 *troller of the Currency for each national bank,*
8 *and with the approval of the appropriate State*
9 *bank supervisor and the appropriate Federal*
10 *banking agency for each State bank, into 1 or*
11 *more national or State banks, each of which may*
12 *encompass 1 or more of the branches of the Fed-*
13 *eral savings association in operation before such*
14 *date of enactment in 1 or more States subject to*
15 *subparagraph (B).*

16 “(B) *CONDITIONS OF CONVERSION.*—*The*
17 *authority in subparagraph (A) shall apply only*
18 *if each resulting national or State bank—*

19 “(i) *will meet all financial, manage-*
20 *ment, and capital requirements applicable*
21 *to the resulting national or State bank; and*

22 “(ii) *if more than 1 national or State*
23 *bank results from a conversion under this*
24 *subparagraph, has received approval from*
25 *the Federal Deposit Insurance Corporation*

1 under section 5(a) of the Federal Deposit
2 Insurance Act.

3 “(C) NO MERGER APPLICATION UNDER FDIA
4 REQUIRED.—No application under section 18(c)
5 of the Federal Deposit Insurance Act shall be re-
6 quired for a conversion under this paragraph.

7 “(D) DEFINITIONS.—For purposes of this
8 paragraph, the terms ‘State bank’ and ‘State
9 bank supervisor’ have the same meanings as in
10 section 3 of the Federal Deposit Insurance Act.”.

11 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section 4(c)
12 of the Federal Deposit Insurance Act (12 U.S.C. 1814(c))
13 is amended—

14 (1) by inserting “of this Act and section 5(i)(5)
15 of the Home Owners’ Loan Act” after “Subject to sec-
16 tion 5(d)”;

17 (2) in paragraph (2), after “insured State,” by
18 inserting “or Federal”.

19 **SEC. 609. EXEMPTION FROM DISCLOSURE OF PRIVACY POL-**
20 **ICY FOR ACCOUNTANTS.**

21 (a) IN GENERAL.—Section 503 of the Gramm-Leach-
22 Bliley Act (15 U.S.C. 6803) is amended by adding at the
23 end the following:

24 “(d) EXEMPTION FOR CERTIFIED PUBLIC ACCOUNT-
25 ANTS.—

1 “(1) *IN GENERAL.*—*The disclosure requirements*
2 *of subsection (a) do not apply to any person, to the*
3 *extent that the person is—*

4 “(A) *a certified public accountant;*

5 “(B) *certified or licensed for such purpose*
6 *by a State; and*

7 “(C) *subject to any provision of law, rule,*
8 *or regulation issued by a legislative or regu-*
9 *latory body of the State, including rules of pro-*
10 *fessional conduct or ethics, that prohibits disclo-*
11 *sure of nonpublic personal information without*
12 *the knowing and expressed consent of the con-*
13 *sumer.*

14 “(2) *LIMITATION.*—*Nothing in this subsection*
15 *shall be construed to exempt or otherwise exclude any*
16 *financial institution that is affiliated or becomes af-*
17 *filiated with a certified public accountant described*
18 *in paragraph (1) from any provision of this section.*

19 “(3) *DEFINITIONS.*—*For purposes of this sub-*
20 *section, the term ‘State’ means any State or territory*
21 *of the United States, the District of Columbia, Puerto*
22 *Rico, Guam, American Samoa, the Trust Territory of*
23 *the Pacific Islands, the Virgin Islands, or the North-*
24 *ern Mariana Islands.”.*

1 (b) *CLERICAL AMENDMENTS.*—Section 503 of the
2 *Gramm-Leach-Bliley Act (15 U.S.C. 6803)* is amended—

3 (1) by redesignating subsection (b) as subsection
4 (c); and

5 (2) in subsection (a), by striking “Such disclo-
6 sures” and inserting the following:

7 “(b) *REGULATIONS.*—Disclosures required by sub-
8 section (a)”.

9 **SEC. 610. INFLATION ADJUSTMENT FOR THE SMALL DEPOS-**
10 **ITORY INSTITUTION EXCEPTION UNDER THE**
11 **DEPOSITORY INSTITUTION MANAGEMENT**
12 **INTERLOCKS ACT.**

13 Section 203(1) of the *Depository Institution Manage-*
14 *ment Interlocks Act (12 U.S.C. 3202(1))* is amended by
15 striking “\$20,000,000” and inserting “\$50,000,000”.

16 **SEC. 611. MODIFICATION TO CROSS MARKETING RESTRIC-**
17 **TIONS.**

18 Section 4(n)(5)(B) of the *Bank Holding Company Act*
19 *of 1956 (12 U.S.C. 1843(n)(5)(B))* is amended by striking
20 “subsection (k)(4)(I)” and inserting “subparagraph (H) or
21 (I) of subsection (k)(4)”.

1 **TITLE VII—BANKING AGENCY**
 2 **PROVISIONS**

3 **SEC. 701. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**
 4 **OF APPOINTMENT OF A RECEIVER FOR DE-**
 5 **POSITORY INSTITUTIONS.**

6 (a) *NATIONAL BANKS.*—Section 2 of the National
 7 *Bank Receivership Act (12 U.S.C. 191)* is amended—

8 (1) *by amending the section heading to read as*
 9 *follows:*

10 **“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL**
 11 **BANK.**

12 “(a) *IN GENERAL.*—*The Comptroller of the Currency*”;
 13 *and*

14 (2) *by adding at the end the following:*

15 “(b) *JUDICIAL REVIEW.*—*If the Comptroller of the*
 16 *Currency appoints a receiver under subsection (a), the na-*
 17 *tional bank may, within 30 days thereafter, bring an action*
 18 *in the United States district court for the judicial district*
 19 *in which the home office of such bank is located, or in the*
 20 *United States District Court for the District of Columbia,*
 21 *for an order requiring the Comptroller of the Currency to*
 22 *remove the receiver, and the court shall, upon the merits,*
 23 *dismiss such action or direct the Comptroller of the Cur-*
 24 *rency to remove the receiver.”.*

1 (b) *INSURED DEPOSITORY INSTITUTIONS.*—Section
2 *11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.*
3 *1821(c)(7)) is amended to read as follows:*

4 “(7) *JUDICIAL REVIEW.*—If the Corporation is
5 appointed (including the appointment of the Corpora-
6 tion as receiver by the Board of Directors) as conser-
7 vator or receiver of a depository institution under
8 paragraph (4), (9), or (10), the depository institution
9 may, not later than 30 days thereafter, bring an ac-
10 tion in the United States district court for the judi-
11 cial district in which the home office of such deposi-
12 tory institution is located, or in the United States
13 District Court for the District of Columbia, for an
14 order requiring the Corporation to be removed as the
15 conservator or receiver (regardless of how such ap-
16 pointment was made), and the court shall, upon the
17 merits, dismiss such action or direct the Corporation
18 to be removed as the conservator or receiver.”.

19 (c) *EFFECTIVE DATE.*—The amendments made by sub-
20 sections (a) and (b) shall apply with respect to conservators
21 or receivers appointed on or after the date of enactment of
22 this Act.

1 **SEC. 702. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**
 2 **SURED DEPOSITORY INSTITUTIONS.**

3 (a) *CLARIFICATION RELATING TO THE ENFORCE-*
 4 *ABILITY OF AGREEMENTS AND CONDITIONS.*—*The Federal*
 5 *Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended*
 6 *by adding at the end the following:*

7 **“SEC. 50. ENFORCEMENT OF AGREEMENTS.**

8 “(a) *IN GENERAL.*—*Notwithstanding clause (i) or (ii)*
 9 *of section 8(b)(6)(A) or section 38(e)(2)(E)(i), the appro-*
 10 *priate Federal banking agency for a depository institution*
 11 *may enforce, under section 8, the terms of—*

12 “(1) *any condition imposed in writing by the*
 13 *agency on the depository institution or an institu-*
 14 *tion-affiliated party in connection with any action on*
 15 *any application, notice, or other request concerning*
 16 *the depository institution; or*

17 “(2) *any written agreement entered into between*
 18 *the agency and the depository institution or an insti-*
 19 *tution-affiliated party.*

20 “(b) *RECEIVERSHIPS AND CONSERVATORSHIPS.*—*After*
 21 *the appointment of the Corporation as the receiver or con-*
 22 *servator for a depository institution, the Corporation may*
 23 *enforce any condition or agreement described in paragraph*
 24 *(1) or (2) of subsection (a) imposed on or entered into with*
 25 *such institution or institution-affiliated party through an*

1 *action brought in an appropriate United States district*
2 *court.”.*

3 (b) *PROTECTION OF CAPITAL OF INSURED DEPOSITARY INSTITUTIONS.*—Section 18(u)(1) of the *Federal Deposit Insurance Act (12 U.S.C. 1828(u)(1))* is amended—

6 (1) *by striking subparagraph (B);*

7 (2) *by redesignating subparagraph (C) as subparagraph (B); and*

9 (3) *in subparagraph (A), by adding “and” at the*
10 *end.*

11 (c) *CONFORMING AMENDMENTS.*—Section 8(b) of the
12 *Federal Deposit Insurance Act (12 U.S.C. 1818(b))* is
13 *amended—*

14 (1) *in paragraph (3), by striking “This subsection and subsections (c) through (s) and subsection (u) of this section” and inserting “This subsection, subsections (c) through (s) and subsection (u) of this section, and section 50 of this Act”;* and

19 (2) *in paragraph (4), by striking “This subsection and subsections (c) through (s) and subsection (u) of this section” and inserting “This subsection, subsections (c) through (s) and subsection (u) of this section, and section 50 of this Act”.*

1 **SEC. 703. CROSS GUARANTEE AUTHORITY.**

2 *Section 5(e)(9)(A) of the Federal Deposit Insurance*
3 *Act (12 U.S.C. 1815(e)(9)(A)) is amended to read as fol-*
4 *lows:*

5 *“(A) such institutions are controlled by the*
6 *same company; or”.*

7 **SEC. 704. GOLDEN PARACHUTE AUTHORITY AND NONBANK**
8 **HOLDING COMPANIES.**

9 *Section 18(k) of the Federal Deposit Insurance Act (12*
10 *U.S.C. 1828(k)) is amended—*

11 *(1) in paragraph (2)(A), by striking “or depository*
12 *institution holding company” and inserting “or*
13 *covered company”;*

14 *(2) in paragraph (2), by striking subparagraph*
15 *(B), and inserting the following:*

16 *“(B) Whether there is a reasonable basis to*
17 *believe that the institution-affiliated party is*
18 *substantially responsible for—*

19 *“(i) the insolvency of the depository in-*
20 *stitution or covered company;*

21 *“(ii) the appointment of a conservator*
22 *or receiver for the depository institution; or*

23 *“(iii) the troubled condition of the de-*
24 *pository institution (as defined in the regu-*
25 *lations prescribed pursuant to section*
26 *32(f)).”;*

1 (3) in paragraph (2)(F), by striking “depository
2 institution holding company” and inserting “covered
3 company,”;

4 (4) in paragraph (3) in the matter preceding
5 subparagraph (A), by striking “depository institution
6 holding company” and inserting “covered company”;

7 (5) in paragraph (3)(A), by striking “holding
8 company” and inserting “covered company”;

9 (6) in paragraph (4)(A)—

10 (A) by striking “depository institution hold-
11 ing company” each place that term appears and
12 inserting “covered company”; and

13 (B) by striking “holding company” each
14 place that term appears (other than in connec-
15 tion with the term referred to in subparagraph
16 (A)) and inserting “covered company”;

17 (7) in paragraph (5)(A), by striking “depository
18 institution holding company” and inserting “covered
19 company”;

20 (8) in paragraph (5), by adding at the end the
21 following:

22 “(D) COVERED COMPANY.—The term ‘cov-
23 ered company’ means any depository institution
24 holding company (including any company re-
25 quired to file a report under section 4(f)(6) of the

1 *Bank Holding Company Act of 1956), or any*
 2 *other company that controls an insured deposi-*
 3 *tory institution.”; and*

4 *(9) in paragraph (6)—*

5 *(A) by striking “depository institution hold-*
 6 *ing company” and inserting “covered com-*
 7 *pany,”; and*

8 *(B) by striking “or holding company” and*
 9 *inserting “or covered company”.*

10 **SEC. 705. AMENDMENTS RELATING TO CHANGE IN BANK**
 11 **CONTROL.**

12 *Section 7(j) of the Federal Deposit Insurance Act (12*
 13 *U.S.C. 1817(j)) is amended—*

14 *(1) in paragraph (1)(D)—*

15 *(A) by striking “is needed to investigate”*
 16 *and inserting “is needed—*

17 *“(i) to investigate”;*

18 *(B) by striking “United States Code.” and*
 19 *inserting “United States Code; or”;* and

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

21 *“(ii) to analyze the safety and sound-*
 22 *ness of any plans or proposals described in*
 23 *paragraph (6)(E) or the future prospects of*
 24 *the institution.”; and*

1 (2) in paragraph (7)(C), by striking “the finan-
 2 cial condition of any acquiring person” and inserting
 3 “either the financial condition of any acquiring per-
 4 son or the future prospects of the institution”.

5 **SEC. 706. AMENDMENT TO PROVIDE THE FEDERAL RE-**
 6 **SERVE BOARD WITH DISCRETION CON-**
 7 **CERNING THE IMPUTATION OF CONTROL OF**
 8 **SHARES OF A COMPANY BY TRUSTEES.**

9 Section 2(g)(2) of the Bank Holding Company Act of
 10 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting before
 11 the period at the end “, unless the Board determines that
 12 such treatment is not appropriate in light of the facts and
 13 circumstances of the case and the purposes of this Act”.

14 **SEC. 707. INTERAGENCY DATA SHARING.**

15 (a) **FEDERAL BANKING AGENCIES.**—Section 7(a)(2) of
 16 the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(2))
 17 is amended by adding at the end the following:

18 “(C) **DATA SHARING WITH OTHER AGEN-**
 19 **CIES AND PERSONS.**—In addition to reports of
 20 examination, reports of condition, and other re-
 21 ports required to be regularly provided to the
 22 Corporation (with respect to all insured deposi-
 23 tory institutions, including a depository institu-
 24 tion for which the Corporation has been ap-
 25 pointed conservator or receiver) or an appro-

1 *priate State bank supervisor (with respect to a*
2 *State depository institution) under subpara-*
3 *graph (A) or (B), a Federal banking agency*
4 *may, in the discretion of the agency, furnish any*
5 *report of examination or other confidential su-*
6 *pervisory information concerning any depository*
7 *institution or other entity examined by such*
8 *agency under authority of any Federal law, to—*

9 *“(i) any other Federal or State agency*
10 *or authority with supervisory or regulatory*
11 *authority over the depository institution or*
12 *other entity;*

13 *“(ii) any officer, director, or receiver of*
14 *such depository institution or entity; and*

15 *“(iii) any other person that the Fed-*
16 *eral banking agency determines to be appro-*
17 *priate.”.*

18 *(b) NATIONAL CREDIT UNION ADMINISTRATION.—Sec-*
19 *tion 202(a) of the Federal Credit Union Act (12 U.S.C.*
20 *1782(a)) is amended by adding at the end the following:*

21 *“(8) DATA SHARING WITH OTHER AGENCIES AND*
22 *PERSONS.—In addition to reports of examination, re-*
23 *ports of condition, and other reports required to be*
24 *regularly provided to the Board (with respect to all*
25 *insured credit unions, including a credit union for*

1 *which the Corporation has been appointed conservator*
 2 *or liquidating agent) or an appropriate State com-*
 3 *mission, board, or authority having supervision of a*
 4 *State-chartered credit union, the Board may, in the*
 5 *discretion of the Board, furnish any report of exam-*
 6 *ination or other confidential supervisory information*
 7 *concerning any credit union or other entity examined*
 8 *by the Board under authority of any Federal law,*
 9 *to—*

10 “(A) *any other Federal or State agency or*
 11 *authority with supervisory or regulatory author-*
 12 *ity over the credit union or other entity;*

13 “(B) *any officer, director, or receiver of*
 14 *such credit union or entity; and*

15 “(C) *any other person that the Board deter-*
 16 *mines to be appropriate.”.*

17 **SEC. 708. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**
 18 **MOVAL, AND PROHIBITION AUTHORITY OF**
 19 **FEDERAL BANKING AGENCIES IN CASES OF**
 20 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**
 21 **ATED PARTIES.**

22 *(a) INSURED DEPOSITORY INSTITUTIONS.—*

23 (1) *IN GENERAL.—Section 8(g)(1) of the Federal*
 24 *Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is*
 25 *amended—*

1 (A) in subparagraph (A)—

2 (i) by striking “is charged in any in-
3 formation, indictment, or complaint, with
4 the commission of or participation in” and
5 inserting “is the subject of any information,
6 indictment, or complaint, involving the
7 commission of or participation in”;

8 (ii) by striking “may pose a threat to
9 the interests of the depository institution’s
10 depositors or may threaten to impair public
11 confidence in the depository institution,”
12 and insert “posed, poses, or may pose a
13 threat to the interests of the depositors of, or
14 threatened, threatens, or may threaten to
15 impair public confidence in, any relevant
16 depository institution (as defined in sub-
17 paragraph (E)),”; and

18 (iii) by striking “affairs of the deposi-
19 tory institution” and inserting “affairs of
20 any depository institution”;

21 (B) in subparagraph (B)(i), by striking
22 “the depository institution” and inserting “any
23 depository institution that the subject of the no-
24 tice is affiliated with at the time the notice is
25 issued”;

1 (C) in subparagraph (C)(i)—

2 (i) by striking “may pose a threat to
3 the interests of the depository institution’s
4 depositors or may threaten to impair public
5 confidence in the depository institution,”
6 and insert “posed, poses, or may pose a
7 threat to the interests of the depositors of, or
8 threatened, threatens, or may threaten to
9 impair public confidence in, any relevant
10 depository institution (as defined in sub-
11 paragraph (E)),”; and

12 (ii) by striking “affairs of the depository
13 institution” and inserting “affairs of
14 any depository institution”;

15 (D) in subparagraph (C)(ii), by striking
16 “affairs of the depository institution” and insert-
17 ing “affairs of any depository institution”;

18 (E) in subparagraph (D)(i), by striking
19 “the depository institution” and inserting “any
20 depository institution that the subject of the
21 order is affiliated with at the time the order is
22 issued”; and

23 (F) by adding at the end the following:

24 “(E) RELEVANT DEPOSITORY INSTITU-
25 TION.—For purposes of this subsection, the term

1 *‘relevant depository institution’ means any de-*
 2 *pository institution of which the party is or was*
 3 *an institution-affiliated party at the time at*
 4 *which—*

5 *“(i) the information, indictment, or*
 6 *complaint described in subparagraph (A)*
 7 *was issued; or*

8 *“(ii) the notice is issued under sub-*
 9 *paragraph (A) or the order is issued under*
 10 *subparagraph (C)(i).”.*

11 (2) *CLERICAL AMENDMENT.—The subsection*
 12 *heading for section 8(g) of the Federal Deposit Insur-*
 13 *ance Act (12 U.S.C. 1818(g)) is amended to read as*
 14 *follows:*

15 *“(g) SUSPENSION, REMOVAL, AND PROHIBITION FROM*
 16 *PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMI-*
 17 *NAL OFFENSES.—”.*

18 (b) *INSURED CREDIT UNIONS.—*

19 (1) *IN GENERAL.—Section 206(i)(1) of the Fed-*
 20 *eral Credit Union Act (12 U.S.C. 1786(i)(1)) is*
 21 *amended—*

22 (A) *in subparagraph (A), by striking “the*
 23 *credit union” each place that term appears and*
 24 *inserting “any credit union”;*

1 (B) in subparagraph (B)(i), by inserting
2 “of which the subject of the order is, or most re-
3 cently was, an institution-affiliated party” be-
4 fore the period at the end;

5 (C) in subparagraph (C)—

6 (i) by striking “the credit union” each
7 place such term appears and inserting “any
8 credit union”; and

9 (ii) by striking “the credit union’s”
10 and inserting “any credit union’s”;

11 (D) in subparagraph (D)(i), by striking
12 “upon such credit union” and inserting “upon
13 the credit union of which the subject of the order
14 is, or most recently was, an institution-affiliated
15 party”; and

16 (E) by adding at the end the following:

17 “(E) CONTINUATION OF AUTHORITY.—The
18 Board may issue an order under this paragraph
19 with respect to an individual who is an institu-
20 tion-affiliated party at a credit union at the
21 time of an offense described in subparagraph (A)
22 without regard to—

23 “(i) whether such individual is an in-
24 stitution-affiliated party at any credit

1 union at the time the order is considered or
2 issued by the Board; or

3 “(ii) whether the credit union at which
4 the individual was an institution-affiliated
5 party at the time of the offense remains in
6 existence at the time the order is considered
7 or issued by the Board.”.

8 (2) *CLERICAL AMENDMENT.*—Section 206(i) of
9 the Federal Credit Union Act (12 U.S.C. 1786(i)) is
10 amended by striking “(i)” at the beginning and in-
11 serting the following:

12 “(i) *SUSPENSION, REMOVAL, AND PROHIBITION FROM*
13 *PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMI-*
14 *NAL OFFENSES.*—”.

15 **SEC. 709. PROTECTION OF CONFIDENTIAL INFORMATION**
16 **RECEIVED BY FEDERAL BANKING REGU-**
17 **LATORS FROM FOREIGN BANKING SUPER-**
18 **VISORS.**

19 Section 15 of the International Banking Act of 1978
20 (12 U.S.C. 3109) is amended by adding at the end the fol-
21 lowing:

22 “(c) *CONFIDENTIAL INFORMATION RECEIVED FROM*
23 *FOREIGN SUPERVISORS.*—

24 “(1) *IN GENERAL.*—Except as provided in para-
25 graph (3), a Federal banking agency may not be com-

1 *elled to disclose information received from a foreign*
2 *regulatory or supervisory authority if—*

3 *“(A) the Federal banking agency determines*
4 *that the foreign regulatory or supervisory au-*
5 *thority has, in good faith, determined and rep-*
6 *resented in writing to such Federal banking*
7 *agency that public disclosure of the information*
8 *would violate the laws applicable to that foreign*
9 *regulatory or supervisory authority; and*

10 *“(B) the relevant Federal banking agency*
11 *obtained such information pursuant to—*

12 *“(i) such procedures as the Federal*
13 *banking agency may establish for use in*
14 *connection with the administration and en-*
15 *forcement of Federal banking laws; or*

16 *“(ii) a memorandum of understanding*
17 *or other similar arrangement between the*
18 *Federal banking agency and the foreign reg-*
19 *ulatory or supervisory authority.*

20 *“(2) TREATMENT UNDER TITLE 5, UNITED*
21 *STATES CODE.—For purposes of section 552 of title 5,*
22 *United States Code, this subsection shall be treated as*
23 *a statute described in subsection (b)(3)(B) of such sec-*
24 *tion.*

1 “(3) *SAVINGS PROVISION.*—No provision of this
2 *section shall be construed as—*

3 “(A) *authorizing any Federal banking*
4 *agency to withhold any information from any*
5 *duly authorized committee of the House of Rep-*
6 *resentatives or the Senate; or*

7 “(B) *preventing any Federal banking agen-*
8 *cy from complying with an order of a court of*
9 *the United States in an action commenced by the*
10 *United States or such agency.*

11 “(4) *FEDERAL BANKING AGENCY DEFINED.*—For
12 *purposes of this subsection, the term ‘Federal banking*
13 *agency’ means the Board, the Comptroller of the Cur-*
14 *rency, the Federal Deposit Insurance Corporation,*
15 *and the Director of the Office of Thrift Supervision.”.*

16 **SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED**
17 **INDIVIDUALS.**

18 “(a) *EXTENSION OF AUTOMATIC PROHIBITION.*—Sec-
19 *tion 19 of the Federal Deposit Insurance Act (12 U.S.C.*
20 *1829) is amended by adding at the end the following new*
21 *subsections:*

22 “(d) *BANK HOLDING COMPANIES.*—

23 “(1) *IN GENERAL.*—Subsections (a) and (b) shall
24 *apply to any company (other than a foreign bank)*
25 *that is a bank holding company and any organiza-*

1 *tion organized and operated under section 25A of the*
2 *Federal Reserve Act or operating under section 25 of*
3 *the Federal Reserve Act, as if such bank holding com-*
4 *pany or organization were an insured depository in-*
5 *stitution, except that such subsections shall be applied*
6 *for purposes of this subsection by substituting ‘Board*
7 *of Governors of the Federal Reserve System’ for ‘Cor-*
8 *poration’ each place that term appears in such sub-*
9 *sections.*

10 *“(2) AUTHORITY OF BOARD.—The Board of Gov-*
11 *ernors of the Federal Reserve System may provide ex-*
12 *emptions, by regulation or order, from the application*
13 *of paragraph (1) if the exemption is consistent with*
14 *the purposes of this subsection.*

15 *“(e) SAVINGS AND LOAN HOLDING COMPANIES.—*

16 *“(1) IN GENERAL.—Subsections (a) and (b) shall*
17 *apply to any savings and loan holding company as*
18 *if such savings and loan holding company were an*
19 *insured depository institution, except that such sub-*
20 *sections shall be applied for purposes of this sub-*
21 *section by substituting ‘Director of the Office of Thrift*
22 *Supervision’ for ‘Corporation’ each place that term*
23 *appears in such subsections.*

24 *“(2) AUTHORITY OF DIRECTOR.—The Director of*
25 *the Office of Thrift Supervision may provide exemp-*

1 *tions, by regulation or order, from the application of*
2 *paragraph (1) if the exemption is consistent with the*
3 *purposes of this subsection.”.*

4 *(b) ENHANCED DISCRETION TO REMOVE CONVICTED*
5 *INDIVIDUALS.—Section 8(e)(2)(A) of the Federal Deposit*
6 *Insurance Act (12 U.S.C. 1818(e)(2)(A)) is amended—*

7 *(1) by striking “or” at the end of clause (ii);*

8 *(2) by striking the comma at the end of clause*
9 *(iii) and inserting “; or”; and*

10 *“(3) by adding at the end the following new*
11 *clause:*

12 *“(iv) an institution-affiliated party of*
13 *a subsidiary (other than a bank) of a bank*
14 *holding company or of a subsidiary (other*
15 *than a savings association) of a savings*
16 *and loan holding company has been con-*
17 *victed of any criminal offense involving dis-*
18 *honesty or a breach of trust or a criminal*
19 *offense under section 1956, 1957, or 1960 of*
20 *title 18, United States Code, or has agreed*
21 *to enter into a pretrial diversion or similar*
22 *program in connection with a prosecution*
23 *for such an offense.”.*

1 **SEC. 711. COORDINATION OF STATE EXAMINATION AU-**
2 **THORITY.**

3 *Section 10(h) of the Federal Deposit Insurance Act (12*
4 *U.S.C. 1820(h)) is amended to read as follows:*

5 *“(h) COORDINATION OF EXAMINATION AUTHORITY.—*

6 *“(1) STATE BANK SUPERVISORS OF HOME AND*
7 *HOST STATES.—*

8 *“(A) HOME STATE OF BANK.—The appro-*
9 *priate State bank supervisor of the home State of*
10 *an insured State bank has authority to examine*
11 *and supervise the bank.*

12 *“(B) HOST STATE BRANCHES.—The State*
13 *bank supervisor of the home State of an insured*
14 *State bank and any State bank supervisor of an*
15 *appropriate host State shall exercise its respec-*
16 *tive authority to supervise and examine the*
17 *branches of the bank in a host State in accord-*
18 *ance with the terms of any applicable coopera-*
19 *tive agreement between the home State bank su-*
20 *pervisor and the State bank supervisor of the rel-*
21 *evant host State.*

22 *“(C) SUPERVISORY FEES.—Except as ex-*
23 *pressly provided in a cooperative agreement be-*
24 *tween the State bank supervisors of the home*
25 *State and any host State of an insured State*
26 *bank, only the State bank supervisor of the home*

1 *State of an insured State bank may levy or*
2 *charge State supervisory fees on the bank.*

3 “(2) *HOST STATE EXAMINATION.*—

4 “(A) *IN GENERAL.*—*With respect to a*
5 *branch operated in a host State by an out-of-*
6 *State insured State bank that resulted from an*
7 *interstate merger transaction approved under*
8 *section 44, or that was established in such State*
9 *pursuant to section 5155(g) of the Revised Stat-*
10 *utes of the United States, the third undesignated*
11 *paragraph of section 9 of the Federal Reserve Act*
12 *or section 18(d)(4) of this Act, the appropriate*
13 *State bank supervisor of such host State may—*

14 “(i) *with written notice to the State*
15 *bank supervisor of the bank’s home State*
16 *and subject to the terms of any applicable*
17 *cooperative agreement with the State bank*
18 *supervisor of such home State, examine such*
19 *branch for the purpose of determining com-*
20 *pliance with host State laws that are appli-*
21 *cable pursuant to section 24(j), including*
22 *those that govern community reinvestment,*
23 *fair lending, and consumer protection; and*

24 “(ii) *if expressly permitted under and*
25 *subject to the terms of a cooperative agree-*

1 *ment with the State bank supervisor of the*
2 *bank's home State or if such out-of-State in-*
3 *insured State bank has been determined to be*
4 *in a troubled condition by either the State*
5 *bank supervisor of the bank's home State or*
6 *the bank's appropriate Federal banking*
7 *agency, participate in the examination of*
8 *the bank by the State bank supervisor of the*
9 *bank's home State to ascertain that the ac-*
10 *tivities of the branch in such host State are*
11 *not conducted in an unsafe or unsound*
12 *manner.*

13 *“(B) NOTICE OF DETERMINATION.—*

14 *“(i) IN GENERAL.—The State bank su-*
15 *pervisor of the home State of an insured*
16 *State bank shall notify the State bank su-*
17 *pervisor of each host State of the bank if*
18 *there has been a final determination that*
19 *the bank is in a troubled condition.*

20 *“(ii) TIMING OF NOTICE.—The State*
21 *bank supervisor of the home State of an in-*
22 *insured State bank shall provide notice under*
23 *clause (i) as soon as is reasonably possible,*
24 *but in all cases not later than 15 business*
25 *days after the date on which the State bank*

1 *supervisor has made such final determina-*
2 *tion or has received written notification of*
3 *such final determination.*

4 “(3) *HOST STATE ENFORCEMENT.*—*If the State*
5 *bank supervisor of a host State determines that a*
6 *branch of an out-of-State insured State bank is vio-*
7 *lating any law of the host State that is applicable to*
8 *such branch pursuant to section 24(j), including a*
9 *law that governs community reinvestment, fair lend-*
10 *ing, or consumer protection, the State bank supervisor*
11 *of the host State or, to the extent authorized by the*
12 *law of the host State, a host State law enforcement of-*
13 *ficer may, with written notice to the State bank su-*
14 *pervisor of the bank’s home State and subject to the*
15 *terms of any applicable cooperative agreement with*
16 *the State bank supervisor of the bank’s home State,*
17 *undertake such enforcement actions and proceedings*
18 *as would be permitted under the law of the host State*
19 *as if the branch were a bank chartered by that host*
20 *State.*

21 “(4) *COOPERATIVE AGREEMENT.*—

22 “(A) *IN GENERAL.*—*The State bank super-*
23 *visors from 2 or more States may enter into co-*
24 *operative agreements to facilitate State regu-*
25 *latory supervision of State banks, including co-*

1 *operative agreements relating to the coordination*
2 *of examinations and joint participation in ex-*
3 *aminations.*

4 “(B) *DEFINITION.*—*For purposes of this*
5 *subsection, the term ‘cooperative agreement’*
6 *means a written agreement that is signed by the*
7 *home State bank supervisor and the host State*
8 *bank supervisor to facilitate State regulatory su-*
9 *per vision of State banks, and includes nation-*
10 *wide or multi-State cooperative agreements and*
11 *cooperative agreements solely between the home*
12 *State and host State.*

13 “(C) *RULE OF CONSTRUCTION.*—*Except for*
14 *State bank supervisors, no provision of this sub-*
15 *section relating to such cooperative agreements*
16 *shall be construed as limiting in any way the*
17 *authority of home State and host State law en-*
18 *forcement officers, regulatory supervisors, or*
19 *other officials that have not signed such coopera-*
20 *tive agreements to enforce host State laws that*
21 *are applicable to a branch of an out-of-State in-*
22 *sured State bank located in the host State pursu-*
23 *ant to section 24(j).*

24 “(5) *FEDERAL REGULATORY AUTHORITY.*—*No*
25 *provision of this subsection shall be construed as lim-*

1 *iting in any way the authority of any Federal bank-*
 2 *ing agency.*

3 “(6) *STATE TAXATION AUTHORITY NOT AF-*
 4 *FECTED.*—*No provision of this subsection shall be*
 5 *construed as affecting the authority of any State or*
 6 *political subdivision of any State to adopt, apply, or*
 7 *administer any tax or method of taxation to any*
 8 *bank, bank holding company, or foreign bank, or any*
 9 *affiliate of any bank, bank holding company, or for-*
 10 *ign bank, to the extent that such tax or tax method*
 11 *is otherwise permissible by or under the Constitution*
 12 *of the United States or other Federal law.*

13 “(7) *DEFINITIONS.*—*For purpose of this section,*
 14 *the following definitions shall apply:*

15 “(A) *HOST STATE, HOME STATE, OUT-OF-*
 16 *STATE BANK.*—*The terms ‘host State’, ‘home*
 17 *State’, and ‘out-of-State bank’ have the same*
 18 *meanings as in section 44(g).*

19 “(B) *STATE SUPERVISORY FEES.*—*The term*
 20 *‘State supervisory fees’ means assessments, exam-*
 21 *ination fees, branch fees, license fees, and all*
 22 *other fees that are levied or charged by a State*
 23 *bank supervisor directly upon an insured State*
 24 *bank or upon branches of an insured State bank.*

1 “(C) *TROUBLED CONDITION.*—*Solely for*
2 *purposes of paragraph (2)(B), an insured State*
3 *bank has been determined to be in ‘troubled con-*
4 *dition’ if the bank—*

5 “(i) *has a composite rating, as deter-*
6 *mined in its most recent report of examina-*
7 *tion, of 4 or 5 under the Uniform Financial*
8 *Institutions Ratings System;*

9 “(ii) *is subject to a proceeding initi-*
10 *ated by the Corporation for termination or*
11 *suspension of deposit insurance; or*

12 “(iii) *is subject to a proceeding initi-*
13 *ated by the State bank supervisor of the*
14 *bank’s home State to vacate, revoke, or ter-*
15 *minate the charter of the bank, or to liq-*
16 *uidate the bank, or to appoint a receiver for*
17 *the bank.*

18 “(D) *FINAL DETERMINATION.*—*For pur-*
19 *poses of paragraph (2)(B), the term ‘final deter-*
20 *mination’ means the transmittal of a report of*
21 *examination to the bank or transmittal of offi-*
22 *cial notice of proceedings to the bank.’”.*

1 **SEC. 712. DEPUTY DIRECTOR; SUCCESSION AUTHORITY FOR**
2 **DIRECTOR OF THE OFFICE OF THRIFT SUPER-**
3 **VISION.**

4 (a) *ESTABLISHMENT OF POSITION OF DEPUTY DIREC-*
5 *TOR.—Section 3(c)(5) of the Home Owners' Loan Act (12*
6 *U.S.C. 1462a(c)(5)) is amended to read as follows:*

7 “(5) *DEPUTY DIRECTOR.—*

8 “(A) *IN GENERAL.—The Secretary of the*
9 *Treasury shall appoint a Deputy Director, and*
10 *may appoint not more than 3 additional Deputy*
11 *Directors of the Office.*

12 “(B) *FIRST DEPUTY DIRECTOR.—If the Sec-*
13 *retary of the Treasury appoints more than 1*
14 *Deputy Director of the Office, the Secretary shall*
15 *designate one such appointee as the First Deputy*
16 *Director.*

17 “(C) *DUTIES.—Each Deputy Director ap-*
18 *pointed under this paragraph shall take an oath*
19 *of office and perform such duties as the Director*
20 *shall direct.*

21 “(D) *COMPENSATION AND BENEFITS.—The*
22 *Director shall fix the compensation and benefits*
23 *for each Deputy Director in accordance with this*
24 *Act.”.*

1 (b) *SERVICE OF DEPUTY DIRECTOR AS ACTING DIREC-*
2 *TOR.—Section 3(c)(3) of the Home Owners’ Loan Act (12*
3 *U.S.C. 1462a(c)(3)) is amended—*

4 (1) *by striking “VACANCY.—A vacancy in the*
5 *position of Director” and inserting “VACANCY.—*

6 *“(A) IN GENERAL.—A vacancy in the posi-*
7 *tion of Director”;* and

8 (2) *by adding at the end the following:*

9 *“(B) ACTING DIRECTOR.—*

10 *“(i) IN GENERAL.—In the event of a*
11 *vacancy in the position of Director or dur-*
12 *ing the absence or disability of the Director,*
13 *the Deputy Director shall serve as Acting*
14 *Director.*

15 *“(ii) SUCCESSION IN CASE OF 2 OR*
16 *MORE DEPUTY DIRECTORS.—If there are 2*
17 *or more Deputy Directors serving at the*
18 *time a vacancy in the position of Director*
19 *occurs or the absence or disability of the Di-*
20 *rector commences, the First Deputy Director*
21 *shall serve as Acting Director under clause*
22 *(i) followed by such other Deputy Directors*
23 *under any order of succession the Director*
24 *may establish.*

1 “(iii) *AUTHORITY OF ACTING DIREC-*
 2 *TOR.—Any Deputy Director, while serving*
 3 *as Acting Director under this subpara-*
 4 *graph, shall be vested with all authority,*
 5 *duties, and privileges of the Director under*
 6 *this Act and any other provision of Federal*
 7 *law.”.*

8 **SEC. 713. OFFICE OF THRIFT SUPERVISION REPRESENTA-**
 9 **TION ON BASEL COMMITTEE ON BANKING SU-**
 10 **PERVISION.**

11 (a) *IN GENERAL.—Section 912 of the International*
 12 *Lending Supervision Act of 1983 (12 U.S.C. 3911) is*
 13 *amended—*

14 (1) *in the section heading, by inserting at the*
 15 *end the following: “AND THE OFFICE OF THRIFT*
 16 *SUPERVISION”;*

17 (2) *by striking “As one of the three” and insert-*
 18 *ing the following:*

19 “(a) *IN GENERAL.—As one of the 4”;* and

20 (3) *by adding at the end the following:*

21 “(b) *As one of the 4 Federal bank regulatory and su-*
 22 *pervisory agencies, the Office of Thrift Supervision shall be*
 23 *given equal representation with the Board of Governors of*
 24 *the Federal Reserve System, the Office of the Comptroller*
 25 *of the Currency, and the Federal Deposit Insurance Cor-*

1 *poration on the Committee on Banking Regulations and*
 2 *Supervisory Practices of the Group of Ten Countries and*
 3 *Switzerland.”.*

4 (b) *CONFORMING AMENDMENTS.—Section 910(a) of*
 5 *the International Lending Supervision Act of 1983 (12*
 6 *U.S.C. 3909(a)) is amended—*

7 (1) *in paragraph (2), by striking “insured bank”*
 8 *and inserting “insured depository institution”; and*

9 (2) *in paragraph (3), by striking “an ‘insured*
 10 *bank’, as such term is used in section 3(h)” and in-*
 11 *serting “an ‘insured depository institution’, as such*
 12 *term is defined in section 3(c)(2)”.*

13 **SEC. 714. FEDERAL FINANCIAL INSTITUTIONS EXAMINA-**
 14 **TION COUNCIL.**

15 (a) *COUNCIL MEMBERSHIP.—Section 1004(a) of the*
 16 *Federal Financial Institutions Examination Council Act of*
 17 *1978 (12 U.S.C. 3303(a)) is amended—*

18 (1) *in paragraph (4), by striking “Thrift” and*
 19 *all that follows through the end of the paragraph and*
 20 *inserting “Thrift Supervision,”;*

21 (2) *in paragraph (5) by striking the period at*
 22 *the end and inserting “, and”;* and

23 (3) *by adding at the end the following:*

24 “(6) *the Chairman of the State Liaison Com-*
 25 *mittee.”.*

1 (b) *CHAIRPERSON OF LIAISON COMMITTEE.*—Section
 2 *1007 of the Federal Financial Institutions Examination*
 3 *Council Act of 1978 (12 U.S.C. 3306) is amended by adding*
 4 *at the end the following: “Members of the Liaison Com-*
 5 *mittee shall elect a chairperson from among the members*
 6 *serving on the committee.”.*

7 **SEC. 715. TECHNICAL AMENDMENTS RELATING TO IN-**
 8 **SURED INSTITUTIONS.**

9 (a) *TECHNICAL AMENDMENT TO THE FEDERAL DE-*
 10 *POSIT INSURANCE ACT.*—Section 8(i)(3) of the *Federal De-*
 11 *posit Insurance Act (12 U.S.C. 1818(i)(3)) is amended by*
 12 *inserting “or order” after “notice” each place that term ap-*
 13 *pears.*

14 (b) *TECHNICAL AMENDMENT TO THE FEDERAL CRED-*
 15 *IT UNION ACT.*—Section 206(k)(3) of the *Federal Credit*
 16 *Union Act (12 U.S.C. 1786(k)(3)) is amended by inserting*
 17 *“or order” after “notice” each place that term appears.*

18 **SEC. 716. CLARIFICATION OF ENFORCEMENT AUTHORITY.**

19 (a) *ACTIONS ON APPLICATIONS, NOTICES, AND OTHER*
 20 *REQUESTS; CLARIFICATION THAT CHANGE IN CONTROL*
 21 *CONDITIONS ARE ENFORCEABLE.*—Section 8 of the *Federal*
 22 *Deposit Insurance Act (12 U.S.C. 1818) is amended—*

23 (1) *in subsection (b)(1), in the first sentence, by*
 24 *striking “the granting of any application or other re-*
 25 *quest by the depository institution” and inserting*

1 *“any action on any application, notice, or other re-*
 2 *quest by the depository institution or institution-af-*
 3 *filiated party,”*;

4 (2) *in subsection (e)(1)(A)(i)(III), by striking*
 5 *“the grant of any application or other request by such*
 6 *depository institution” and inserting “any action on*
 7 *any application, notice, or request by such depository*
 8 *institution or institution-affiliated party”*; and

9 (3) *in subsection (i)(2)(A)(iii), by striking “the*
 10 *grant of any application or other request by such de-*
 11 *pository institution” and inserting “any action on*
 12 *any application, notice, or other request by the depos-*
 13 *itory institution or institution-affiliated party”*.

14 (b) *CLARIFICATION THAT CHANGE IN CONTROL CON-*
 15 *DITIONS ARE ENFORCEABLE.*—Section 206 of the Federal
 16 *Credit Union Act (12 U.S.C. 1786) is amended—*

17 (1) *in subsection (b)(1), in the first sentence, by*
 18 *striking “the granting of any application or other re-*
 19 *quest by the credit union” and inserting “any action*
 20 *on any application, notice, or other request by the*
 21 *credit union or institution-affiliated party,”*;

22 (2) *in subsection (g)(1)(A)(i)(III), by striking*
 23 *“the grant of any application or other request by such*
 24 *credit union” and inserting “any action on any ap-*

1 *plication, notice, or request by such credit union or*
2 *institution-affiliated party”*; and

3 (3) *in subsection (k)(2)(A)(iii), by striking “the*
4 *grant of any application or other request by such*
5 *credit union” and inserting “any action on any ap-*
6 *plication, notice, or other request by the credit union*
7 *or institution-affiliated party”.*

8 **SEC. 717. FEDERAL BANKING AGENCY AUTHORITY TO EN-**
9 **FORCE DEPOSIT INSURANCE CONDITIONS.**

10 *Section 8 of the Federal Deposit Insurance Act (12*
11 *U.S.C. 1818) is amended—*

12 (1) *in subsection (b)(1), in the 1st sentence—*

13 (A) *by striking “in writing by the agency”*
14 *and inserting “in writing by a Federal banking*
15 *agency”*; and

16 (B) *by striking “the agency may issue and*
17 *serve” and inserting “the appropriate Federal*
18 *banking agency for the depository institution*
19 *may issue and serve”*;

20 (2) *in subsection (e)(1)—*

21 (A) *in subparagraph (A)(i)(III), by striking*
22 *“in writing by the appropriate Federal banking*
23 *agency” and inserting “in writing by a Federal*
24 *banking agency”*; and

1 (B) *in the undesignated matter at the end,*
 2 *by striking “the agency may serve upon such*
 3 *party” and inserting “the appropriate Federal*
 4 *banking agency for the depository institution*
 5 *may serve upon such party”;* and

6 (3) *in subsection (i)(2)(A)(iii), by striking “in*
 7 *writing by the appropriate Federal banking agency”*
 8 *and inserting “in writing by a Federal banking agen-*
 9 *cy”.*

10 **SEC. 718. RECEIVER OR CONSERVATOR CONSENT REQUIRE-**
 11 **MENT.**

12 (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section
 13 *11(e)(13) of the Federal Deposit Insurance Act (12 U.S.C.*
 14 *1821(e)(13)) is amended by adding at the end the following:*

15 “(C) *CONSENT REQUIREMENT.*—

16 “(i) *IN GENERAL.*—*Except as otherwise*
 17 *provided by this section or section 15, no*
 18 *person may exercise any right or power to*
 19 *terminate, accelerate, or declare a default*
 20 *under any contract to which the depository*
 21 *institution is a party, or to obtain posses-*
 22 *sion of or exercise control over any property*
 23 *of the institution or affect any contractual*
 24 *rights of the institution, without the consent*
 25 *of the conservator or receiver, as appro-*

1 *priate, during the 45-day period beginning*
2 *on the date of the appointment of the con-*
3 *servator, or during the 90-day period begin-*
4 *ning on the date of the appointment of the*
5 *receiver, as applicable.*

6 “(ii) *CERTAIN EXCEPTIONS.*—*No pro-*
7 *vision of this subparagraph shall apply to*
8 *a director or officer liability insurance con-*
9 *tract or a depository institution bond, to*
10 *the rights of parties to certain qualified fi-*
11 *nancial contracts pursuant to paragraph*
12 *(8), or to the rights of parties to netting*
13 *contracts pursuant to subtitle A of title IV*
14 *of the Federal Deposit Insurance Corpora-*
15 *tion Improvement Act of 1991 (12 U.S.C.*
16 *4401 et seq.), or shall be construed as per-*
17 *mitting the conservator or receiver to fail to*
18 *comply with otherwise enforceable provi-*
19 *sions of such contract.*

20 “(iii) *RULE OF CONSTRUCTION.*—*Noth-*
21 *ing in this subparagraph shall be construed*
22 *to limit or otherwise affect the applicability*
23 *of title 11, United States Code.”*

1 **(b) INSURED CREDIT UNIONS.**—*Section 207(c)(12) of*
2 *the Federal Credit Union Act (12 U.S.C. 1787(c)(12)) is*
3 *amended by adding the following:*

4 **“(C) CONSENT REQUIREMENT.**—

5 **“(i) IN GENERAL.**—*Except as otherwise*
6 *provided by this section, no person may ex-*
7 *ercise any right or power to terminate, ac-*
8 *celerate, or declare a default under any con-*
9 *tract to which the credit union is a party,*
10 *or to obtain possession of or exercise control*
11 *over any property of the credit union or af-*
12 *fect any contractual rights of the credit*
13 *union, without the consent of the conser-*
14 *vator or liquidating agent, as appropriate,*
15 *during the 45-day period beginning on the*
16 *date of the appointment of the conservator,*
17 *or during the 90-day period beginning on*
18 *the date of the appointment of the liqui-*
19 *dating agent, as applicable.*

20 **“(ii) CERTAIN EXCEPTIONS.**—*No pro-*
21 *vision of this subparagraph shall apply to*
22 *a director or officer liability insurance con-*
23 *tract or a credit union bond, or to the*
24 *rights of parties to certain qualified finan-*
25 *cial contracts pursuant to paragraph (8), or*

1 *shall be construed as permitting the conser-*
2 *vator or liquidating agent to fail to comply*
3 *with otherwise enforceable provisions of such*
4 *contract.*

5 “(iii) *RULE OF CONSTRUCTION.—Noth-*
6 *ing in this subparagraph shall be construed*
7 *to limit or otherwise affect the applicability*
8 *of title 11, United States Code.”.*

9 **SEC. 719. ACQUISITION OF FICO SCORES.**

10 *Section 604(a) of the Fair Credit Reporting Act (15*
11 *U.S.C. 1681b(a)) is amended by adding at the end the fol-*
12 *lowing:*

13 “(6) *To the Federal Deposit Insurance Corpora-*
14 *tion or the National Credit Union Administration as*
15 *part of its preparation for its appointment or as part*
16 *of its exercise of powers, as conservator, receiver, or*
17 *liquidating agent for an insured depository institu-*
18 *tion or insured credit union under the Federal De-*
19 *posit Insurance Act or the Federal Credit Union Act,*
20 *or other applicable Federal or State law, or in con-*
21 *nection with the resolution or liquidation of a failed*
22 *or failing insured depository institution or insured*
23 *credit union, as applicable.”.*

1 **SEC. 720. ELIMINATION OF CRIMINAL INDICTMENTS**
2 **AGAINST RECEIVERSHIPS.**

3 (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section
4 15(b) of the Federal Deposit Insurance Act (12 U.S.C.
5 1825(b)) is amended by inserting immediately after para-
6 graph (3) the following:

7 “(4) *EXEMPTION FROM CRIMINAL PROSECU-*
8 *TION.*—The Corporation shall be exempt from all
9 prosecution by the United States or any State, coun-
10 ty, municipality, or local authority for any criminal
11 offense arising under Federal, State, county, munic-
12 ipal, or local law, which was allegedly committed by
13 the institution, or persons acting on behalf of the in-
14 stitution, prior to the appointment of the Corporation
15 as receiver.”.

16 (b) *INSURED CREDIT UNIONS.*—Section 207(b)(2) of
17 the Federal Credit Union Act (12 U.S.C. 1787(b)(2)) is
18 amended by adding at the end the following:

19 “(K) *EXEMPTION FROM CRIMINAL PROSECU-*
20 *TION.*—The Administration shall be exempt from
21 all prosecution by the United States or any
22 State, county, municipality, or local authority
23 for any criminal offense arising under Federal,
24 State, county, municipal, or local law, which
25 was allegedly committed by a credit union, or
26 persons acting on behalf of a credit union, prior

1 to the appointment of the Administration as liq-
2 uidating agent.”.

3 **SEC. 721. RESOLUTION OF DEPOSIT INSURANCE DISPUTES.**

4 (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section
5 11(f) of the Federal Deposit Insurance Act (12 U.S.C.
6 1821(f)) is amended by striking paragraphs (3) through (5)
7 and inserting the following:

8 “(3) *RESOLUTION OF DISPUTES.*—A determina-
9 tion by the Corporation regarding any claim for in-
10 surance coverage shall be treated as a final deter-
11 mination for purposes of this section. In its discre-
12 tion, the Corporation may promulgate regulations
13 prescribing procedures for resolving any disputed
14 claim relating to any insured deposit or any deter-
15 mination of insurance coverage with respect to any
16 deposit.

17 “(4) *REVIEW OF CORPORATION DETERMINA-*
18 *TION.*—A final determination made by the Corpora-
19 tion regarding any claim for insurance coverage shall
20 be a final agency action reviewable in accordance
21 with chapter 7 of title 5, United States Code, by the
22 United States district court for the Federal judicial
23 district where the principal place of business of the
24 depository institution is located.

1 “(5) *STATUTE OF LIMITATIONS.*—Any request for
2 review of a final determination by the Corporation
3 regarding any claim for insurance coverage shall be
4 filed with the appropriate United States district court
5 not later than 60 days after the date on which such
6 determination is issued.”.

7 (b) *INSURED CREDIT UNIONS.*—Section 207(d) of the
8 Federal Credit Union Act (12 U.S.C. 1787(d)) is amended
9 by striking paragraphs (3) through (5) and inserting the
10 following:

11 “(3) *RESOLUTION OF DISPUTES.*—A determina-
12 tion by the Administration regarding any claim for
13 insurance coverage shall be treated as a final deter-
14 mination for purposes of this section. In its discre-
15 tion, the Board may promulgate regulations pre-
16 scribing procedures for resolving any disputed claim
17 relating to any insured deposit or any determination
18 of insurance coverage with respect to any deposit. A
19 final determination made by the Board regarding
20 any claim for insurance coverage shall be a final
21 agency action reviewable in accordance with chapter
22 7 of title 5, United States Code, by the United States
23 district court for the Federal judicial district where
24 the principal place of business of the credit union is
25 located.

1 “(4) *STATUTE OF LIMITATIONS.*—Any request for
 2 review of a final determination by the Board regard-
 3 ing any claim for insurance coverage shall be filed
 4 with the appropriate United States district court not
 5 later than 60 days after the date on which such deter-
 6 mination is issued.”.

7 **SEC. 722. RECORDKEEPING.**

8 (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section
 9 11(d)(15)(D) of the Federal Deposit Insurance Act (12
 10 U.S.C. 1821(d)(15)(D)) is amended—

11 (1) by striking “After the end of the 6-year pe-
 12 riod” and inserting the following:

13 “(i) *IN GENERAL.*—Except as provided
 14 in clause (ii), after the end of the 6-year pe-
 15 riod”; and

16 (2) by adding at the end the following:

17 “(ii) *OLD RECORDS.*—Notwithstanding
 18 clause (i), the Corporation may destroy
 19 records of an insured depository institution
 20 which are at least 10 years old as of the
 21 date on which the Corporation is appointed
 22 as the receiver of such depository institution
 23 in accordance with clause (i) at any time
 24 after such appointment is final, without re-

1 *gard to the 6-year period of limitation con-*
2 *tained in clause (i).”.*

3 **(b) INSURED CREDIT UNIONS.—Section 207(b)(15)(D)**
4 *of the Federal Credit Union Act (12 U.S.C. 1787(b)(15)(D))*
5 *is amended—*

6 (1) *by striking “After the end of the 6-year pe-*
7 *riod” and inserting the following:*

8 *“(i) IN GENERAL.—Except as provided*
9 *in clause (ii), after the end of the 6-year pe-*
10 *riod”; and*

11 (2) *by adding at the end the following:*

12 *“(ii) OLD RECORDS.—Notwithstanding*
13 *clause (i) the Board may destroy records of*
14 *an insured credit union which are at least*
15 *10 years old as of the date on which the*
16 *Board is appointed as liquidating agent of*
17 *such credit union in accordance with clause*
18 *(i) at any time after such appointment is*
19 *final, without regard to the 6-year period of*
20 *limitation contained in clause (i).”.*

21 **SEC. 723. PRESERVATION OF RECORDS.**

22 **(a) INSURED DEPOSITORY INSTITUTIONS.—Section**
23 *10(f) of the Federal Deposit Insurance Act (12 U.S.C.*
24 *1820(f)) is amended to read as follows:*

25 **“(f) PRESERVATION OF AGENCY RECORDS.—**

1 “(1) *IN GENERAL.*—*A Federal banking agency*
2 *may cause any and all records, papers, or documents*
3 *kept by the agency or in the possession or custody of*
4 *the agency to be—*

5 “(A) *photographed or microphotographed or*
6 *otherwise reproduced upon film; or*

7 “(B) *preserved in any electronic medium or*
8 *format which is capable of—*

9 “(i) *being read or scanned by com-*
10 *puter; and*

11 “(ii) *being reproduced from such elec-*
12 *tronic medium or format by printing any*
13 *other form of reproduction of electronically*
14 *stored data.*

15 “(2) *TREATMENT AS ORIGINAL RECORDS.*—*Any*
16 *photographs, microphotographs, or photographic film*
17 *or copies thereof described in paragraph (1)(A) or re-*
18 *production of electronically stored data described in*
19 *paragraph (1)(B) shall be deemed to be an original*
20 *record for all purposes, including introduction in evi-*
21 *dence in all State and Federal courts or administra-*
22 *tive agencies, and shall be admissible to prove any*
23 *act, transaction, occurrence, or event therein recorded.*

24 “(3) *AUTHORITY OF THE FEDERAL BANKING*
25 *AGENCIES.*—*Any photographs, microphotographs, or*

1 *photographic film or copies thereof described in para-*
 2 *graph (1)(A) or reproduction of electronically stored*
 3 *data described in paragraph (1)(B) shall be preserved*
 4 *in such manner as the Federal banking agency shall*
 5 *prescribe, and the original records, papers, or docu-*
 6 *ments may be destroyed or otherwise disposed of as*
 7 *the Federal banking agency may direct.”.*

8 **(b) INSURED CREDIT UNIONS.**—*Section 206(s) of the*
 9 *Federal Credit Union Act (12 U.S.C. 1786(s)) is amended*
 10 *by adding at the end the following:*

11 **“(9) PRESERVATION OF RECORDS.—**

12 **“(A) IN GENERAL.—***The Board may cause*
 13 *any and all records, papers, or documents kept*
 14 *by the Administration or in the possession or*
 15 *custody of the Administration to be—*

16 **“(i) photographed or microphoto-**
 17 *graphed or otherwise reproduced upon film;*

18 *or*

19 **“(ii) preserved in any electronic me-**
 20 *dium or format which is capable of—*

21 **“(I) being read or scanned by**
 22 *computer; and*

23 **“(II) being reproduced from such**
 24 *electronic medium or format by print-*

1 *ing or any other form of reproduction*
2 *of electronically stored data.*

3 “(B) *TREATMENT AS ORIGINAL RECORDS.—*

4 *Any photographs, micrographs, or photographic*
5 *film or copies thereof described in subparagraph*
6 *(A)(i) or reproduction of electronically stored*
7 *data described in subparagraph (A)(ii) shall be*
8 *deemed to be an original record for all purposes,*
9 *including introduction in evidence in all State*
10 *and Federal courts or administrative agencies,*
11 *and shall be admissible to prove any act, trans-*
12 *action, occurrence, or event therein recorded.*

13 “(C) *AUTHORITY OF THE ADMINISTRATION.—*

14 *Any photographs, microphotographs, or*
15 *photographic film or copies thereof described in*
16 *subparagraph (A)(i) or reproduction of electroni-*
17 *cally stored data described in subparagraph*
18 *(A)(ii) shall be preserved in such manner as the*
19 *Administration shall prescribe, and the original*
20 *records, papers, or documents may be destroyed*
21 *or otherwise disposed of as the Administration*
22 *may direct.”.*

1 **SEC. 724. TECHNICAL AMENDMENTS TO INFORMATION**
2 **SHARING PROVISION IN THE FEDERAL DE-**
3 **POSIT INSURANCE ACT.**

4 *Section 11(t) of the Federal Deposit Insurance Act (12*
5 *U.S.C. 1821(t)) is amended—*

6 *(1) in paragraph (1), by inserting “, in any ca-*
7 *capacity,” after “A covered agency”; and*

8 *(2) in paragraph (2)(A)—*

9 *(A) in clause (i), by striking “appropriate”;*

10 *(B) by striking clause (ii); and*

11 *(C) by redesignating clauses (iii) through*
12 *(vi) as clauses (ii) through (v), respectively.*

13 **SEC. 725. TECHNICAL AND CONFORMING AMENDMENTS RE-**
14 **LATING TO BANKS OPERATING UNDER THE**
15 **CODE OF LAW FOR THE DISTRICT OF COLUM-**
16 **BIA.**

17 *(a) FEDERAL RESERVE ACT.—The Federal Reserve*
18 *Act (12 U.S.C. 221 et seq.) is amended—*

19 *(1) in the second undesignated paragraph of the*
20 *first section (12 U.S.C. 221), by adding at the end the*
21 *following: “For purposes of this Act, a State bank in-*
22 *cludes any bank which is operating under the Code*
23 *of Law for the District of Columbia.”; and*

24 *(2) in the first sentence of the first undesignated*
25 *paragraph of section 9 (12 U.S.C. 321), by striking*
26 *“incorporated by special law of any State, or” and*

1 *inserting “incorporated by special law of any State,*
2 *operating under the Code of Law for the District of*
3 *Columbia, or”.*

4 *(b) BANK CONSERVATION ACT.—Section 202 of the*
5 *Bank Conservation Act (12 U.S.C. 202) is amended—*

6 *(1) by striking “means (1) any national” and*
7 *inserting “means any national”; and*

8 *(2) by striking “, and (2) any bank or trust*
9 *company located in the District of Columbia and op-*
10 *erating under the supervision of the Comptroller of*
11 *the Currency”.*

12 *(c) DEPOSITORY INSTITUTION DEREGULATION AND*
13 *MONETARY CONTROL ACT OF 1980.—Part C of title VII*
14 *of the Depository Institution Deregulation and Monetary*
15 *Control Act of 1980 (12 U.S.C. 216 et seq.) is amended—*

16 *(1) in paragraph (1) of section 731 (12 U.S.C.*
17 *216(1)), by striking “and closed banks in the District*
18 *of Columbia”; and*

19 *(2) in paragraph (2) of section 732 (12 U.S.C.*
20 *216a(2)), by striking “or closed banks in the District*
21 *of Columbia”.*

22 *(d) FEDERAL DEPOSIT INSURANCE ACT.—Section*
23 *3(a)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C.*
24 *1813(a)(2)(B)) is amended by striking “(except a national*
25 *bank)”.*

1 (e) *NATIONAL BANK CONSOLIDATION AND MERGER*
 2 *ACT.*—Section 7(1) of the *National Bank Consolidation and*
 3 *Merger Act (12 U.S.C. 215b(1))* is amended by striking
 4 “(except a national banking association located in the Dis-
 5 trict of Columbia)”.

6 (f) *ACT OF AUGUST 17, 1950.*—Section 1(a) of the *Act*
 7 *entitled “An Act to provide for the conversion of national*
 8 *banking associations into and their merger or consolidation*
 9 *with State banks, and for other purposes”* and approved
 10 *August 17, 1950 (12 U.S.C. 214(a))* is amended by striking
 11 “(except a national banking association)”.

12 (g) *FEDERAL TRADE COMMISSION ACT.*—Section
 13 *18(f)(2) of the Federal Trade Commission Act (15 U.S.C.*
 14 *57a(f)(2))* is amended—

15 (1) in subparagraph (A), by striking “, banks
 16 operating under the code of law for the District of Co-
 17 lumbia,”; and

18 (2) in subparagraph (B), by striking “and banks
 19 operating under the code of law for the District of Co-
 20 lumbia”.

21 **SEC. 726. TECHNICAL CORRECTIONS TO THE FEDERAL**
 22 **CREDIT UNION ACT.**

23 *The Federal Credit Union Act (12 U.S.C. 1751 et seq.)*
 24 *is amended as follows:*

1 (1) *In section 101(3), strike “and” after the*
2 *semicolon.*

3 (2) *In section 101(5), strike the terms “account*
4 *account” and “account accounts” each place any such*
5 *term appears and insert “account”.*

6 (3) *In section 107(5)(E), strike the period at the*
7 *end and insert a semicolon.*

8 (4) *In each of paragraphs (6) and (7) of section*
9 *107, strike the period at the end and insert a semi-*
10 *colon.*

11 (5) *In section 107(7)(D), strike “the Federal*
12 *Savings and Loan Insurance Corporation or”.*

13 (6) *In section 107(7)(E), strike “the Federal*
14 *Home Loan Bank Board,” and insert “the Federal*
15 *Housing Finance Board,”.*

16 (7) *In section 107(9), strike “subchapter III”*
17 *and insert “title III”.*

18 (8) *In section 107(13), strike “and” after the*
19 *semicolon at the end.*

20 (9) *In section 109(c)(2)(A)(i), strike “(12 U.S.C.*
21 *4703(16))”.*

22 (10) *In section 120(h), strike “the Act approved*
23 *July 30, 1947 (6 U.S.C., secs. 6–13),” and insert*
24 *“chapter 93 of title 31, United States Code,”.*

25 (11) *In section 201(b)(5), strike “section 116 of”.*

1 (12) *In section 202(h)(3), strike “section*
2 *207(c)(1)” and insert “section 207(k)(1)”.*

3 (13) *In section 204(b), strike “such others pow-*
4 *ers” and insert “such other powers”.*

5 (14) *In section 206(e)(3)(D), strike “and” after*
6 *the semicolon at the end.*

7 (15) *In section 206(f)(1), strike “subsection*
8 *(e)(3)(B)” and insert “subsection (e)(3)”.*

9 (16) *In section 206(g)(7)(D), strike “and sub-*
10 *section (1)”.*

11 (17) *In section 206(t)(2)(B), insert “regulations”*
12 *after “as defined in”.*

13 (18) *In section 206(t)(2)(C), strike “material af-*
14 *fect” and insert “material effect”.*

15 (19) *In section 206(t)(4)(A)(ii)(II), strike “or”*
16 *after the semicolon at the end.*

17 (20) *In section 206A(a)(2)(A), strike “regulator*
18 *agency” and insert “regulatory agency”.*

19 (21) *In section 207(c)(5)(B)(i)(I), insert “and”*
20 *after the semicolon at the end.*

21 (22) *In the heading for subparagraph (A) of sec-*
22 *tion 207(d)(3), strike “TO” and insert “WITH”.*

23 (23) *In section 207(f)(3)(A), strike “category or*
24 *claimants” and insert “category of claimants”.*

1 (24) *In section 209(a)(8), strike the period at the*
 2 *end and insert a semicolon.*

3 (25) *In section 216(n), insert “any action” be-*
 4 *fore “that is required”.*

5 (26) *In section 304(b)(3), strike “the affairs or*
 6 *such credit union” and insert “the affairs of such*
 7 *credit union”.*

8 (27) *In section 310, strike “section 102(e)” and*
 9 *insert “section 102(d)”.*

10 **SEC. 727. REPEAL OF OBSOLETE PROVISIONS OF THE BANK**

11 **HOLDING COMPANY ACT OF 1956.**

12 (a) *IN GENERAL.*—*Section 2 of the Bank Holding*
 13 *Company Act of 1956 (12 U.S.C. 1841) is amended—*

14 (1) *in subsection (c)(2), by striking subpara-*
 15 *graphs (I) and (J); and*

16 (2) *by striking subsection (m) and inserting the*
 17 *following:*

18 “*(m) [Repealed]*”.

19 (b) *TECHNICAL AND CONFORMING AMENDMENTS.*—

20 *Paragraphs (1) and (2) of section 4(h) of the Bank Holding*
 21 *Company Act of 1956 (12 U.S.C. 1843(h)) are each amend-*

22 *ed by striking “(G), (H), (I), or (J) of section 2(c)(2)” and*
 23 *inserting “(G), or (H) of section 2(c)(2)”.*

1 **SEC. 728. DEVELOPMENT OF MODEL PRIVACY FORM.**

2 *Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C.*
3 *6803), as amended by section 609, is amended by adding*
4 *at the end the following:*

5 “(e) *MODEL FORMS.*—

6 “(1) *IN GENERAL.*—*The agencies referred to in*
7 *section 504(a)(1) shall jointly develop a model form*
8 *which may be used, at the option of the financial in-*
9 *stitution, for the provision of disclosures under this*
10 *section.*

11 “(2) *FORMAT.*—*A model form developed under*
12 *paragraph (1) shall—*

13 “(A) *be comprehensible to consumers, with a*
14 *clear format and design;*

15 “(B) *provide for clear and conspicuous dis-*
16 *closures;*

17 “(C) *enable consumers easily to identify the*
18 *sharing practices of a financial institution and*
19 *to compare privacy practices among financial*
20 *institutions; and*

21 “(D) *be succinct, and use an easily readable*
22 *type font.*

23 “(3) *TIMING.*—*A model form required to be de-*
24 *veloped by this subsection shall be issued in proposed*
25 *form for public comment not later than 180 days*
26 *after the date of enactment of this subsection.*

1 “(4) *SAFE HARBOR*.—Any financial institution
 2 that elects to provide the model form developed by the
 3 agencies under this subsection shall be deemed to be
 4 in compliance with the disclosures required under this
 5 section.”.

6 **TITLE VIII—FAIR DEBT COLLEC-**
 7 **TION PRACTICES ACT AMEND-**
 8 **MENTS**

9 **SEC. 801. EXCEPTION FOR CERTAIN BAD CHECK ENFORCE-**
 10 **MENT PROGRAMS.**

11 (a) *IN GENERAL*.—The Fair Debt Collection Practices
 12 Act (15 U.S.C. 1692 et seq.) is amended—

13 (1) by redesignating section 818 as section 819;
 14 and

15 (2) by inserting after section 817 the following:

16 **“§818. Exception for certain bad check enforcement**
 17 **programs operated by private entities**

18 “(a) *IN GENERAL*.—

19 “(1) *TREATMENT OF CERTAIN PRIVATE ENTI-*
 20 *TIES*.—Subject to paragraph (2), a private entity
 21 shall be excluded from the definition of a debt col-
 22 lector, pursuant to the exception provided in section
 23 803(6), with respect to the operation by the entity of
 24 a program described in paragraph (2)(A) under a
 25 contract described in paragraph (2)(B).

1 “(2) *CONDITIONS OF APPLICABILITY.—*Para-
2 *graph (1) shall apply if—*

3 “(A) *a State or district attorney establishes,*
4 *within the jurisdiction of such State or district*
5 *attorney and with respect to alleged bad check*
6 *violations that do not involve a check described*
7 *in subsection (b), a pretrial diversion program*
8 *for alleged bad check offenders who agree to par-*
9 *ticipate voluntarily in such program to avoid*
10 *criminal prosecution;*

11 “(B) *a private entity, that is subject to an*
12 *administrative support services contract with a*
13 *State or district attorney and operates under the*
14 *direction, supervision, and control of such State*
15 *or district attorney, operates the pretrial diver-*
16 *sion program described in subparagraph (A);*
17 *and*

18 “(C) *in the course of performing duties dele-*
19 *gated to it by a State or district attorney under*
20 *the contract, the private entity referred to in sub-*
21 *paragraph (B)—*

22 “(i) *complies with the penal laws of*
23 *the State;*

1 “(ii) conforms with the terms of the
2 contract and directives of the State or dis-
3 trict attorney;

4 “(iii) does not exercise independent
5 prosecutorial discretion;

6 “(iv) contacts any alleged offender re-
7 ferred to in subparagraph (A) for purposes
8 of participating in a program referred to in
9 such paragraph—

10 “(I) only as a result of any deter-
11 mination by the State or district attor-
12 ney that probable cause of a bad check
13 violation under State penal law exists,
14 and that contact with the alleged of-
15 fender for purposes of participation in
16 the program is appropriate; and

17 “(II) the alleged offender has
18 failed to pay the bad check after de-
19 mand for payment, pursuant to State
20 law, is made for payment of the check
21 amount;

22 “(v) includes as part of an initial
23 written communication with an alleged of-
24 fender a clear and conspicuous statement
25 that—

1 “(I) the alleged offender may dis-
2 pute the validity of any alleged bad
3 check violation;

4 “(II) where the alleged offender
5 knows, or has reasonable cause to be-
6 lieve, that the alleged bad check viola-
7 tion is the result of theft or forgery of
8 the check, identity theft, or other fraud
9 that is not the result of the conduct of
10 the alleged offender, the alleged offender
11 may file a crime report with the ap-
12 propriate law enforcement agency; and

13 “(III) if the alleged offender noti-
14 fies the private entity or the district
15 attorney in writing, not later than 30
16 days after being contacted for the first
17 time pursuant to clause (iv), that there
18 is a dispute pursuant to this sub-
19 section, before further restitution efforts
20 are pursued, the district attorney or an
21 employee of the district attorney au-
22 thorized to make such a determination
23 makes a determination that there is
24 probable cause to believe that a crime
25 has been committed; and

1 “(vi) charges only fees in connection
2 with services under the contract that have
3 been authorized by the contract with the
4 State or district attorney.

5 “(b) *CERTAIN CHECKS EXCLUDED.*—A check is de-
6 scribed in this subsection if the check involves, or is subse-
7 quently found to involve—

8 “(1) a postdated check presented in connection
9 with a payday loan, or other similar transaction,
10 where the payee of the check knew that the issuer had
11 insufficient funds at the time the check was made,
12 drawn, or delivered;

13 “(2) a stop payment order where the issuer acted
14 in good faith and with reasonable cause in stopping
15 payment on the check;

16 “(3) a check dishonored because of an adjustment
17 to the issuer’s account by the financial institution
18 holding such account without providing notice to the
19 person at the time the check was made, drawn, or de-
20 livered;

21 “(4) a check for partial payment of a debt where
22 the payee had previously accepted partial payment
23 for such debt;

24 “(5) a check issued by a person who was not
25 competent, or was not of legal age, to enter into a

1 *legal contractual obligation at the time the check was*
2 *made, drawn, or delivered; or*

3 “(6) *a check issued to pay an obligation arising*
4 *from a transaction that was illegal in the jurisdiction*
5 *of the State or district attorney at the time the check*
6 *was made, drawn, or delivered.*

7 “(c) *DEFINITIONS.—For purposes of this section, the*
8 *following definitions shall apply:*

9 “(1) *STATE OR DISTRICT ATTORNEY.—The term*
10 *‘State or district attorney’ means the chief elected or*
11 *appointed prosecuting attorney in a district, county*
12 *(as defined in section 2 of title 1, United States*
13 *Code), municipality, or comparable jurisdiction, in-*
14 *cluding State attorneys general who act as chief elect-*
15 *ed or appointed prosecuting attorneys in a district,*
16 *county (as so defined), municipality or comparable*
17 *jurisdiction, who may be referred to by a variety of*
18 *titles such as district attorneys, prosecuting attorneys,*
19 *commonwealth’s attorneys, solicitors, county attor-*
20 *neys, and state’s attorneys, and who are responsible*
21 *for the prosecution of State crimes and violations of*
22 *jurisdiction-specific local ordinances.*

23 “(2) *CHECK.—The term ‘check’ has the same*
24 *meaning as in section 3(6) of the Check Clearing for*
25 *the 21st Century Act.*

1 “(3) *BAD CHECK VIOLATION.*—*The term ‘bad*
 2 *check violation’ means a violation of the applicable*
 3 *State criminal law relating to the writing of dishon-*
 4 *ored checks.’”.*

5 (b) *CLERICAL AMENDMENT.*—*The table of sections for*
 6 *the Fair Debt Collection Practices Act (15 U.S.C. 1692 et*
 7 *seq.) is amended—*

8 (1) *by redesignating the item relating to section*
 9 818 *as section 819; and*

10 (2) *by inserting after the item relating to section*
 11 817 *the following new item:*

 “818. *Exception for certain bad check enforcement programs operated by private*
 entities.’”.

12 **SEC. 802. OTHER AMENDMENTS.**

13 (a) *LEGAL PLEADINGS.*—*Section 809 of the Fair Debt*
 14 *Collection Practices Act (15 U.S.C. 1692g) is amended by*
 15 *adding at the end the following new subsection:*

16 “(d) *LEGAL PLEADINGS.*—*A communication in the*
 17 *form of a formal pleading in a civil action shall not be*
 18 *treated as an initial communication for purposes of sub-*
 19 *section (a).’”.*

20 (b) *NOTICE PROVISIONS.*—*Section 809 of the Fair*
 21 *Debt Collection Practices Act (15 U.S.C. 1692g) is amended*
 22 *by adding after subsection (d) (as added by subsection (a)*
 23 *of this section) the following new subsection:*

1 “(e) *NOTICE PROVISIONS.*—*The sending or delivery of*
2 *any form or notice which does not relate to the collection*
3 *of a debt and is expressly required by the Internal Revenue*
4 *Code of 1986, title V of Gramm-Leach-Bliley Act, or any*
5 *provision of Federal or State law relating to notice of data*
6 *security breach or privacy, or any regulation prescribed*
7 *under any such provision of law, shall not be treated as*
8 *an initial communication in connection with debt collection*
9 *for purposes of this section.*”.

10 (c) *ESTABLISHMENT OF RIGHT TO COLLECT WITHIN*
11 *THE FIRST 30 DAYS.*—*Section 809(b) of the Fair Debt Col-*
12 *lection Practices Act (15 U.S.C. 1692g(b)) is amended by*
13 *adding at the end the following new sentences: “Collection*
14 *activities and communications that do not otherwise violate*
15 *this title may continue during the 30-day period referred*
16 *to in subsection (a) unless the consumer has notified the*
17 *debt collector in writing that the debt, or any portion of*
18 *the debt, is disputed or that the consumer requests the name*
19 *and address of the original creditor. Any collection activi-*
20 *ties and communication during the 30-day period may not*
21 *overshadow or be inconsistent with the disclosure of the con-*
22 *sumer’s right to dispute the debt or request the name and*
23 *address of the original creditor.*”.

1 **TITLE IX—CASH MANAGEMENT**
 2 **MODERNIZATION**

3 **SEC. 901. COLLATERAL MODERNIZATION.**

4 (a) *IN GENERAL.*—Section 9301(2) of title 31, United
 5 States Code, is amended to read as follows:

6 “(2) ‘eligible obligation’ means any security des-
 7 igned as acceptable in lieu of a surety bond by the
 8 Secretary of the Treasury.”.

9 (b) *USE OF ELIGIBLE OBLIGATIONS INSTEAD OF SUR-*
 10 *ETY BONDS.*—Section 9303(a)(2) of title 31, United States
 11 Code, is amended to read as follows:

12 “(2) as determined by the Secretary of the Treas-
 13 ury, have a market value that is equal to or greater
 14 than the amount of the required surety bond; and”.

15 (c) *TECHNICAL AMENDMENTS.*—Section 9303 of title
 16 31, United States Code, is amended—

17 (1) in the section heading, by striking “**Gov-**
 18 **ernment obligations**” and inserting “**eligible**
 19 **obligations**”;

20 (2) in subsection (f), by striking “Government
 21 obligations” and inserting “eligible obligations”;

22 (3) by striking “a Government obligation” each
 23 place that term appears and inserting “an eligible ob-
 24 ligation”; and

1 (4) by striking “Government obligation” each
 2 place that term appears and inserting “eligible obli-
 3 gation”.

4 **TITLE X—STUDIES AND**
 5 **REPORTS**

6 **SEC. 1001. STUDY AND REPORT BY THE COMPTROLLER**
 7 **GENERAL ON THE CURRENCY TRANSACTION**
 8 **REPORT FILING SYSTEM.**

9 (a) *IN GENERAL.*—The Comptroller General of the
 10 United States shall conduct a study on the volume of cur-
 11 rency transaction reports filed with the Secretary of the
 12 Treasury under section 5313(a) of title 31, United States
 13 Code.

14 (b) *PURPOSE.*—The purpose of the study required
 15 under subsection (a) shall be—

16 (1) to evaluate, on the basis of actual filing data,
 17 patterns of currency transaction reports filed by de-
 18 pository institutions of all sizes and locations; and

19 (2) to identify whether and the extent to which
 20 the filing rules for currency transaction reports de-
 21 scribed in section 5313(a) of title 31, United States
 22 Code—

23 (A) are burdensome; and

24 (B) can or should be modified to reduce
 25 such burdens without harming the usefulness of

1 *such filing rules to Federal, State, and local*
2 *anti-terrorism, law enforcement, and regulatory*
3 *operations.*

4 *(c) PERIOD COVERED.—The study required under sub-*
5 *section (a) shall cover the period beginning at least 3 cal-*
6 *endar years prior to the date of enactment of this section.*

7 *(d) CONTENT.—The study required under subsection*
8 *(a) shall include a detailed evaluation of—*

9 *(1) the extent to which depository institutions*
10 *are availing themselves of the exemption system for*
11 *the filing of currency transaction reports set forth in*
12 *section 103.22(d) of title 31, Code of Federal Regula-*
13 *tions, as in effect during the study period (in this sec-*
14 *tion referred to as the “exemption system”), including*
15 *specifically, for the study period—*

16 *(A) the number of currency transaction re-*
17 *ports filed (out of the total annual numbers) in-*
18 *volving companies that are listed on the New*
19 *York Stock Exchange or the NASDAQ National*
20 *Market;*

21 *(B) the number of currency transaction re-*
22 *ports filed by the 100 largest depository institu-*
23 *tions in the United States by asset size, and*
24 *thereafter in tiers of 100, by asset size;*

1 (C) the number of currency transaction re-
2 ports filed by the 200 smallest depository institu-
3 tions in the United States, including the number
4 of such currency transaction reports involving
5 companies listed on the New York Stock Ex-
6 change or the NASDAQ National Market; and

7 (D) the number of currency transaction re-
8 ports that would have been filed during the filing
9 period if the exemption system had been used by
10 all depository institutions in the United States;

11 (2) what types of depository institutions are
12 using the exemption system, and the extent to which
13 such exemption system is used;

14 (3) difficulties that limit the willingness or abil-
15 ity of depository institutions to reduce their currency
16 transaction reports reporting burden by making use
17 of the exemption system, including considerations of
18 cost, especially in the case of small depository institu-
19 tions;

20 (4) the extent to which bank examination dif-
21 ficulties have limited the use of the exemption system,
22 especially with respect to—

23 (A) the exemption of privately-held compa-
24 nies permitted under such exemption system;
25 and

1 (B) whether, on a sample basis, the reaction
2 of bank examiners to implementation of such ex-
3 emption system is justified or inhibits use of
4 such exemption system without an offsetting
5 compliance benefit;

6 (5) ways to improve the use of the exemption
7 system by depository institutions, including making
8 such exemption system mandatory in order to reduce
9 the volume of currency transaction reports unneces-
10 sarily filed; and

11 (6) the usefulness of currency transaction reports
12 filed to law enforcement agencies, taking into ac-
13 count—

14 (A) advances in information technology;

15 (B) the impact, including possible loss of
16 investigative data, that various changes in the
17 exemption system would have on the usefulness of
18 such currency transaction reports; and

19 (C) changes that could be made to the ex-
20 emption system without affecting the usefulness
21 of currency transaction reports.

22 (e) ASSISTANCE.—The Secretary of the Treasury shall
23 provide such information processing and other assistance,
24 including from the Commissioner of the Internal Revenue
25 Service and the Director of the Financial Crimes Enforce-

1 *ment Network, to the Comptroller General in analyzing cur-*
2 *rency transaction report filings for the study period de-*
3 *scribed in subsection (c), as is necessary to provide the in-*
4 *formation required by subsection (a).*

5 (f) *VIEWS.*—*The study required under subsection (a)*
6 *shall, if appropriate, include a discussion of the views of*
7 *a representative sample of Federal, State, and local law en-*
8 *forcement and regulatory officials and officials of deposi-*
9 *tory institutions of all sizes.*

10 (g) *RECOMMENDATIONS.*—*The study required under*
11 *subsection (a) shall, if appropriate, include recommenda-*
12 *tions for changes to the exemption system that would reflect*
13 *a reduction in unnecessary cost to depository institutions,*
14 *assuming reasonably full implementation of such exemption*
15 *system, without reducing the usefulness of the currency*
16 *transaction report filing system to anti-terrorism, law en-*
17 *forcement, and regulatory operations.*

18 (h) *REPORT.*—*Not later than 15 months after the date*
19 *of enactment of this section, the Comptroller General shall*
20 *submit a report on the study required under subsection (a)*
21 *to the Committee on Banking, Housing, and Urban Affairs*
22 *of the Senate and the Committee on Financial Services of*
23 *the House of Representatives.*

1 **SEC. 1002. STUDY AND REPORT ON INSTITUTION DIVERSITY**
2 **AND CONSOLIDATION.**

3 (a) *STUDY.*—*The Comptroller General of the United*
4 *States shall conduct a study regarding—*

5 (1) *the vast diversity in the size and complexity*
6 *of institutions in the banking and financial services*
7 *sector, including the differences in capital, market*
8 *share, geographical limitations, product offerings, and*
9 *general activities;*

10 (2) *the differences in powers among the depository*
11 *institution charters, including—*

12 (A) *identification of the historical trends in*
13 *the evolution of depository institution charters;*

14 (B) *an analysis of the impact of charter dif-*
15 *ferences to the overall safety and soundness of the*
16 *banking industry, and the effectiveness of the ap-*
17 *licable depository institution regulator; and*

18 (C) *an analysis of the impact that the*
19 *availability of options for depository institution*
20 *charters on the development of the banking in-*
21 *dustry;*

22 (3) *the impact that differences of size and overall*
23 *complexity among financial institutions makes with*
24 *respect to regulatory oversight, efficiency, safety and*
25 *soundness, and charter options for financial institu-*
26 *tions; and*

1 (4) *the aggregate cost and breakdown associated*
2 *with regulatory compliance for banks, savings asso-*
3 *ciations, credit unions, or any other financial institu-*
4 *tion, including potential disproportionate impact that*
5 *the cost of compliance may pose on smaller institu-*
6 *tions, given the percentage of personnel that the insti-*
7 *tution must dedicate solely to compliance.*

8 (b) *CONSIDERATIONS.—In conducting the study under*
9 *subsection (a), the Comptroller General shall consider the*
10 *efficacy and efficiency of the consolidation of financial reg-*
11 *ulators, as well as charter simplification and homogeni-*
12 *zation.*

13 (c) *REPORT.—Not later than 1 year after the date of*
14 *enactment of this Act, the Comptroller General of the United*
15 *States shall submit a report to the Committee on Banking,*
16 *Housing, and Urban Affairs of the Senate and the Com-*
17 *mittee on Financial Services of the House of Representa-*
18 *tives on the results of the study required by this section.*

Attest:

Clerk.

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2^D SESSION

S. 2856

AMENDMENT