

# Union Calendar No. 441

112TH CONGRESS  
2D SESSION

# H. R. 459

**[Report No. 112-607, Part I]**

To require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States before the end of 2012, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2011

Mr. PAUL (for himself, Mr. COFFMAN of Colorado, Mr. THOMPSON of Pennsylvania, Mr. ALEXANDER, Mr. MCCLINTOCK, Mr. BILIRAKIS, Mr. BACHUS, Mr. CHAFFETZ, Mr. FORTENBERRY, Mr. LATOURETTE, Mr. BURTON of Indiana, Mr. POSEY, Mr. JONES, Mr. REED, Mr. BROUN of Georgia, Mr. HELLER, Mr. BARTON of Texas, Mr. WOODALL, Mr. MCCAUL, Mr. ROHRABACHER, Mr. LANCE, Mrs. MCMORRIS RODGERS, Mr. SIMPSON, Mr. SMITH of Nebraska, Mr. LAMBORN, Mr. SMITH of Texas, Mr. REHBERG, Mrs. MYRICK, Mr. MCKEON, Mr. WITTMAN, Mrs. BLACKBURN, Mr. MARCHANT, Mr. GALLEGLY, Ms. KAPTUR, Ms. WOOLSEY, Mr. SCHOCK, Mr. BURGESS, Mr. ROSS of Florida, Mr. CALVERT, Mr. FLORES, Mr. GRAVES of Georgia, Mr. MCKINLEY, Mr. LOBIONDO, Mr. GARY G. MILLER of California, Mr. MILLER of Florida, Mr. YOUNG of Florida, Mr. FORBES, Mr. GARRETT, Mr. GERLACH, Mr. GOHMERT, Mr. HUIZENGA of Michigan, Mr. KUCINICH, Mr. YOUNG of Alaska, Mr. CAMPBELL, Mr. PETRI, and Mr. BARTLETT) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

JULY 17, 2012

Reported with amendments and referred to the Committee on Financial Services for a period ending not later than July 18, 2012, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(h) of rule X

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

JULY 18, 2012

Additional sponsors: Mr. DUNCAN of Tennessee, Mr. CANSECO, Mr. RIGELL,

Mr. NUGENT, Mr. MULVANEY, Mr. CARTER, Mr. DAVIS of Kentucky, Mr. ROSS of Arkansas, Mr. DREIER, Mr. BUCHANAN, Mr. AMASH, Mr. LUETKEMEYER, Mr. WESTMORELAND, Mr. SCHWEIKERT, Mr. LANKFORD, Mr. FINCHER, Mr. WALBERG, Mrs. ADAMS, Mr. SENSENBRENNER, Mr. BARLETTA, Ms. GRANGER, Mr. MACK, Mr. THORNBERRY, Mr. ALTMIRE, Mr. WALSH of Illinois, Mr. MCCOTTER, Mr. WILSON of South Carolina, Ms. BALDWIN, Mr. JOHNSON of Illinois, Mr. GOODLATTE, Mr. GIBSON, Mr. LATHAM, Mr. MARINO, Mr. TERRY, Mr. RIBBLE, Mr. STUTZMAN, Mr. SAM JOHNSON of Texas, Mr. SCHRADER, Mr. HARRIS, Mr. CRENSHAW, Mr. DEFazio, Mr. GRIFFITH of Virginia, Mr. KINGSTON, Mr. MANZULLO, Mr. MICHAUD, Mr. ROGERS of Michigan, Mr. YOUNG of Indiana, Mr. POLIS, Mr. MCINTYRE, Mr. HECK, Ms. HERRERA BEUTLER, Ms. FOXX, Mr. STEARNS, Mr. GOWDY, Mrs. LUMMIS, Mrs. BIGGERT, Ms. JENKINS, Mr. FLAKE, Mr. FARENTHOLD, Mr. CONYERS, Mr. VISCLOSKY, Mr. MURPHY of Pennsylvania, Mr. TIPTON, Mr. SCHILLING, Mr. KLINE, Mr. GRAVES of Missouri, Mr. GRIFFIN of Arkansas, Mrs. BACHMANN, Mr. AUSTRIA, Mr. SHIMKUS, Mr. NEUGEBAUER, Mr. FRELINGHUYSEN, Mr. HERGER, Mr. DUNCAN of South Carolina, Mr. PLATTS, Mr. GUINTA, Mr. CULBERSON, Mr. GARDNER, Mr. TIERNEY, Mr. YARMUTH, Mr. STARK, Mr. RUNYAN, Mr. HUELSKAMP, Mr. LATTA, Mr. WU, Mr. LABRADOR, Mr. ROGERS of Alabama, Mr. COLE, Mr. ROKITA, Mr. BENISHEK, Mr. KELLY, Mr. SHUSTER, Mr. MCCARTHY of California, Mr. BOUSTANY, Mr. HURT, Mr. ROTHMAN of New Jersey, Mr. TURNER of Ohio, Mr. TIBERI, Mr. HULTGREN, Mr. KISSELL, Mr. AKIN, Mr. SULLIVAN, Mr. WELCH, Mr. BONNER, Mr. BILBRAY, Mr. PRICE of Georgia, Mr. MCGOVERN, Mr. HINCHEY, Mr. MEEHAN, Mr. POMPEO, Mr. ROSKAM, Mr. GOSAR, Mr. YODER, Mrs. MILLER of Michigan, Mr. WOLF, Ms. ZOE LOFGREN of California, Mr. ROE of Tennessee, Mr. DUFFY, Mr. GINGREY of Georgia, Mr. AUSTIN SCOTT of Georgia, Mr. WOMACK, Mr. CAMP, Mr. GUTHRIE, Mr. ROONEY, Mr. SCOTT of South Carolina, Mrs. HARTZLER, Mr. FITZPATRICK, Mrs. NOEM, Mr. BARROW, Mr. SCALISE, Mr. LOEBSACK, Mr. WEST, Mr. GRIMM, Mr. LUCAS, Mr. GENE GREEN of Texas, Mr. WALDEN, Mr. CRAVAACK, Mr. LANDRY, Ms. SPEIER, Mr. PAULSEN, Mr. AMODEI, Mrs. BONO MACK, Mr. BERG, Mr. LEWIS of California, Mr. POE of Texas, Mr. QUAYLE, Mrs. SCHMIDT, Mr. BROOKS, Mrs. BLACK, Mr. BISHOP of Utah, Mr. UPTON, Mr. CRAWFORD, Mr. BISHOP of Georgia, Mr. CASSIDY, Mr. PEARCE, Mr. LIPINSKI, Mr. CONAWAY, Mr. HINOJOSA, Mr. NUNNELEE, Mr. MICA, Mr. GIBBS, Mr. STIVERS, Mr. BASS of New Hampshire, Mr. MCDERMOTT, Mr. SMITH of New Jersey, Mr. KINZINGER of Illinois, Mr. COBLE, Mr. HALL, Mr. PETERSON, Mr. DANIEL E. LUNGREN of California, Mr. WEBSTER, Mr. JOHNSON of Ohio, Mr. PENCE, Mr. ROGERS of Kentucky, Mr. TONKO, Mr. FLEISCHMANN, Mrs. EMERSON, Mr. HARPER, Mrs. CAPITO, Mr. KING of Iowa, Mr. BOSWELL, Mr. DENT, Mr. CHANDLER, Mr. DIAZ-BALART, Mr. FLEMING, Mr. JORDAN, Mr. DESJARLAIS, Mr. LONG, Mrs. ELLMERS, Mr. WHITFIELD, Mr. HUNTER, Mr. MCHENRY, Mr. DENHAM, Mr. FRANKS of Arizona, Mr. CHABOT, Mr. HANNA, Ms. ROS-LEHTINEN, Mr. HENSARLING, Mr. SESSIONS, Mr. ADERHOLT, Mr. RENACCI, Mr. REYES, Mr. DOGGETT, Ms. BUERKLE, Mr. BRALEY of Iowa, Mr. PITTS, Mr. OLSON, Mr. SHERMAN, Mr. CLARKE of Michigan, Mr. GRIJALVA, Mr. BUCSHON, Mr. HAS-

TINGS of Washington, Ms. PINGREE of Maine, Ms. BERKLEY, Mr. SCHIFF, Ms. HAYWORTH, Mr. ROYCE, Mr. PALAZZO, and Mr. OWENS

JULY 18, 2012

The Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# **A BILL**

To require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States before the end of 2012, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Reserve  
5 Transparency Act of 2011”.

6 **SEC. 2. AUDIT REFORM AND TRANSPARENCY FOR THE**  
7 **BOARD OF GOVERNORS OF THE FEDERAL RE-**  
8 **SERVE SYSTEM.**

9 (a) IN GENERAL.—Notwithstanding section 714 of  
10 title 31, United States Code, or any other provision of law,  
11 an audit of the Board of Governors of the Federal Reserve  
12 System and the Federal reserve banks under subsection  
13 (b) of such section 714 shall be completed before the end  
14 of 2012.

15 (b) REPORT.—

16 (1) IN GENERAL.—A report on the audit re-  
17 quired under subsection (a) shall be submitted by  
18 the Comptroller General to the Congress before the  
19 end of the 90-day period beginning on the date on  
20 which such audit is completed and made available to  
21 the Speaker of the House, the majority and minority  
22 leaders of the House of Representatives, the major-  
23 ity and minority leaders of the Senate, the Chairman  
24 and Ranking Member of the committee and each  
25 subcommittee of jurisdiction in the House of Rep-

1 representatives and the Senate, and any other Member  
2 of Congress who requests it.

3 (2) **CONTENTS.**—The report under paragraph  
4 (1) shall include a detailed description of the find-  
5 ings and conclusion of the Comptroller General with  
6 respect to the audit that is the subject of the report,  
7 together with such recommendations for legislative  
8 or administrative action as the Comptroller General  
9 may determine to be appropriate.

10 (c) **REPEAL OF CERTAIN LIMITATIONS.**—Subsection  
11 (b) of section 714 of title 31, United States Code, is  
12 amended by striking all after “in writing.”.

13 (d) **TECHNICAL AND CONFORMING AMENDMENT.**—  
14 Section 714 of title 31, United States Code, is amended  
15 by striking subsection (f).

16 **SECTION 1. SHORT TITLE.**

17 *This Act may be cited as the “Federal Reserve Trans-*  
18 *parency Act of 2012”.*

19 **SEC. 2. AUDIT REFORM AND TRANSPARENCY FOR THE**  
20 **BOARD OF GOVERNORS OF THE FEDERAL RE-**  
21 **SERVE SYSTEM.**

22 (a) *IN GENERAL.*—Notwithstanding section 714 of title  
23 31, United States Code, or any other provision of law, an  
24 audit of the Board of Governors of the Federal Reserve Sys-  
25 tem and the Federal reserve banks under subsection (b) of

1 *such section 714 shall be completed within 12 months of*  
2 *the date of enactment of this Act.*

3 *(b) REPORT.—*

4 *(1) IN GENERAL.—A report on the audit re-*  
5 *quired under subsection (a) shall be submitted by the*  
6 *Comptroller General to the Congress before the end of*  
7 *the 90-day period beginning on the date on which*  
8 *such audit is completed and made available to the*  
9 *Speaker of the House, the majority and minority*  
10 *leaders of the House of Representatives, the majority*  
11 *and minority leaders of the Senate, the Chairman*  
12 *and Ranking Member of the committee and each sub-*  
13 *committee of jurisdiction in the House of Representa-*  
14 *tives and the Senate, and any other Member of Con-*  
15 *gress who requests it.*

16 *(2) CONTENTS.—The report under paragraph (1)*  
17 *shall include a detailed description of the findings*  
18 *and conclusion of the Comptroller General with re-*  
19 *spect to the audit that is the subject of the report, to-*  
20 *gether with such recommendations for legislative or*  
21 *administrative action as the Comptroller General*  
22 *may determine to be appropriate.*

23 *(c) REPEAL OF CERTAIN LIMITATIONS.—Subsection*  
24 *(b) of section 714 of title 31, United States Code, is amend-*  
25 *ed by striking all after “in writing.”.*

1           (d) *TECHNICAL AND CONFORMING AMENDMENT.*—Sec-  
2   tion 714 of title 31, United States Code, is amended by  
3   striking subsection (f).

4   **SEC. 3. AUDIT OF LOAN FILE REVIEWS REQUIRED BY EN-**  
5                                   **FORCEMENT ACTIONS.**

6           (a) *IN GENERAL.*—The Comptroller General of the  
7   United States shall conduct an audit of the review of loan  
8   files of homeowners in foreclosure in 2009 or 2010, required  
9   as part of the enforcement actions taken by the Board of  
10  Governors of the Federal Reserve System against supervised  
11  financial institutions.

12          (b) *CONTENT OF AUDIT.*—The audit carried out pur-  
13  suant to subsection (a) shall consider, at a minimum—

14               (1) *the guidance given by the Board of Governors*  
15               *of the Federal Reserve System to independent consult-*  
16               *ants retained by the supervised financial institutions*  
17               *regarding the procedures to be followed in conducting*  
18               *the file reviews;*

19               (2) *the factors considered by independent con-*  
20               *sultants when evaluating loan files;*

21               (3) *the results obtained by the independent con-*  
22               *sultants pursuant to those reviews;*

23               (4) *the determinations made by the independent*  
24               *consultants regarding the nature and extent of finan-*  
25               *cial injury sustained by each homeowner as well as*



1        *the level and type of remediation offered to each*  
2        *homeowner; and*

3                *(5) the specific measures taken by the inde-*  
4        *pendent consultants to verify, confirm, or rebut the*  
5        *assertions and representations made by supervised fi-*  
6        *nancial institutions regarding the contents of loan*  
7        *files and the extent of financial injury to homeowners.*

8        *(c) REPORT.—Not later than the end of the 6-month*  
9        *period beginning on the date of the enactment of this Act,*  
10        *the Comptroller General shall issue a report to the Congress*  
11        *containing all findings and determinations made in car-*  
12        *rying out the audit required under subsection (a).*

Amend the title so as to read: “A bill to require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States, and for other purposes.”.

Union Calendar No. 441

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 459**

[Report No. 112-607, Part I]

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**A BILL**

To require a full audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks by the Comptroller General of the United States before the end of 2012, and for other purposes.

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JULY 18, 2012

The Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed