A BILL

To amend the Federal Reserve Act to reform the Federal Reserve System.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Bailout Prevention Act of 2015”.

SEC. 2. DISCOUNTS FOR INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS.

Section 13(3)(B) of the Federal Reserve Act (12 U.S.C. 343(3)(B)) is amended by striking clauses (ii) and (iii) and inserting the following:
“(ii)(I) The Board shall establish procedures to prohibit borrowing from programs and facilities by borrowers that are insolvent. A borrower shall not be eligible to borrow from any emergency lending program or facility unless the Board and all Federal banking regulators with jurisdiction over the borrower certify that, at the time the borrower initially borrows under the program or facility, the borrower is not insolvent. Solvency shall be assessed by examining the last 4 months of relevant financial data and determining whether the fair value of the borrower’s assets exceeds the fair value of the borrower’s liabilities, with appropriate adjustment for temporary illiquidity in relevant markets.

“(II) A borrower shall be considered insolvent for purposes of this subparagraph if the borrower is—

“(aa) in bankruptcy, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5381 et seq.), or any other Federal or State insolvency proceeding; or

“(bb) a bridge financial company (as defined in section 201(a) of the Dodd-
Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5381(a))) or a bridge depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)).

“(III) If the Board or any other banking regulator makes a certification of solvency, the Board or banking regulator, as applicable, shall issue a contemporaneous public statement providing a detailed explanation of the certification decision.

“(iii) A program or facility shall be considered a program or facility with broad-based eligibility only if not fewer than 5 companies are eligible to participate in the program or facility in a significant manner.”.

SEC. 3. PENALTY RATE REQUIREMENT; CONGRESSIONAL APPROVAL REQUIREMENT.

Section 13(3) of the Federal Reserve Act (12 U.S.C. 343(3)) is amended by adding at the end the following:

“(F) Any emergency lending under this paragraph shall be provided at an annual interest rate not less than 500 basis points greater than the cost of borrowing for the United States Treasury for a commensurate loan term.
“(G)(i) If the Board determines that the Board shall create an emergency lending program or facility that does not comply with the broad-based eligibility requirement described in subparagraph (B)(iii) or the penalty rate requirement described in subparagraph (F), the Board—

“(I) may create such a program or facility; and

“(II) not later than 3 days after the date on which a program or facility is created under clause (i), shall submit to Congress a report that describes the reasons why the Board is unable to comply with any requirement described in the matter preceding subclause (I).

“(ii)(I) A program or facility created under clause (i)(I) shall terminate on the date that is 30 calendar days after the date on which Congress receives a report described in clause (i)(II) unless there is enacted into law a joint resolution approving the program or facility not later than 30 calendar days after the date on which the report is received. Any loan offered through the program or facility that are out-
standing as of the date on which the facility is
terminated shall be repaid in full not later than
30 calendar days after the date on which the
program or facility is terminated.

“(II) For the purpose of this section, the
term ‘joint resolution’ means only a joint reso-

lution—

“(aa) that is introduced not later than
3 calendar days after the date on which
the report referred to in clause (i)(I) is re-
ceived by Congress;

“(bb) that does not have a preamble;

“(cc) the title of which is as follows:
‘Joint resolution relating to the approval of
a program or facility created by the Board
of Governors of the Federal Reserve Sys-
tem’; and

“(dd) the matter after the resolving
clause of which is as follows: ‘That Con-
gress approves the program or facility cre-
ated by the Board of Governors of the
Federal Reserve System on
_____________________.’ (The blank space
being appropriately filled in).
“(III)(aa) Upon receipt of a report under subsection (a)(3), the Speaker, if the House would otherwise be adjourned, shall notify the Members of the House that, pursuant to this section, the House shall convene not later than the second calendar day after receipt of such report.

“(bb) Any committee of the House of Representatives to which a joint resolution is referred shall report it to the House not later than 5 calendar days after the date of receipt of the report described in clause (i)(II). If a committee fails to report the joint resolution within that period, the committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be referred to the appropriate calendar.

“(cc) After each committee authorized to consider a joint resolution reports it to the House or has been discharged from its consideration, it shall be in order, not later than the sixth day after Congress receives the report described in clause (i)(II), to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived.
Such a motion shall not be in order after the House has disposed of a motion to proceed on
the joint resolution. The previous question shall be considered as ordered on the motion to its
adoption without intervening motion. The motion shall not be debatable. A motion to reconsider
the vote by which the motion is disposed of shall not be in order.

“(dd) The joint resolution shall be considered as read. All points of order against the joint
resolution and against its consideration are waived. The previous question shall be con-
sidered as ordered on the joint resolution to its passage without intervening motion except 2
hours of debate equally divided and controlled by the proponent and an opponent. A motion to
reconsider the vote on passage of the joint resolution shall not be in order.

“(IV)(aa) Upon receipt of a report under clause (i)(II), if the Senate has adjourned or recessed for
more than 2 days, the majority leader of the Senate, after consultation with the minority leader of the
Senate, shall notify the Members of the Senate that, pursuant to this subparagraph, the Senate shall con-
vene not later than the second calendar day after receipt of such message.

“(bb) Upon introduction in the Senate, the joint resolution shall be placed immediately on the calendar.

“(cc)(AA) Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time during the period beginning on the fourth day after the date on which Congress receives a report described in clause (i)(II) and ending on the sixth day after the date on which Congress receives the report (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the joint resolution shall remain the unfinished business until disposed of.

“(BB) Debate on the joint resolution, and on all debatable motions and appeals in connection
therewith, shall be limited to not more than 10
hours, which shall be divided equally between the
majority and minority leaders or their designees. A
motion further to limit debate is in order and not
debatable. An amendment to, or a motion to post-
pone, or a motion to proceed to the consideration of
other business, or a motion to recommit the joint
resolution is not in order.

“(CC) The vote on passage shall occur imme-
diately following the conclusion of the debate on a
joint resolution, and a single quorum call at the con-
cclusion of the debate if requested in accordance with
the rules of the Senate.

“(DD) Appeals from the decisions of the Chair
relating to the application of the rules of the Senate,
as the case may be, to the procedure relating to a
joint resolution shall be decided without debate.

“(V)(aa) If, before the passage by one House of a
joint resolution of that House, that House receives from
the other House a joint resolution, then the following pro-
cedures shall apply:

“(AA) The joint resolution of the other House
shall not be referred to a committee.

“(BB) With respect to a joint resolution of the
House receiving the resolution—
“(CC) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

“(DD) the vote on passage shall be on the joint resolution of the other House.

“(bb) If one House fails to introduce or consider a joint resolution under this section, the joint resolution of the other House shall be entitled to expedited floor procedures under this section.

“(ee) If, following passage of the joint resolution in the Senate, the Senate then receives the companion measure from the House of Representatives, the companion measure shall not be debatable.

“(dd) If the President vetoes the joint resolution, the period beginning on the date the President vetoes the joint resolution and ending on the date the Congress receives the veto message with respect to the joint resolution shall be disregarded in computing the 30-calendar day period described in subclause (I) and debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

“(ee) This subclause and subclauses (II), (III), and (IV) are enacted by Congress—
“(AA) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution, and it supersedes other rules only to the extent that it is inconsistent with such rules; and

“(BB) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.”.

SEC. 4. REGULATION OF CERTAIN FINANCIAL HOLDING COMPANIES.

(a) In General.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by striking subsection (o).

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date that is 5 years after the date of enactment of this Act.