

115TH CONGRESS  
1ST SESSION

# H. R. 10

To create hope and opportunity for investors, consumers, and entrepreneurs by ending bailouts and Too Big to Fail, holding Washington and Wall Street accountable, eliminating red tape to increase access to capital and credit, and repealing the provisions of the Dodd-Frank Act that make America less prosperous, less stable, and less free, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2017

Mr. HENSARLING (for himself, Mr. McHENRY, Mr. HUIZENGA, Mr. LUETKEMEYER, Mr. DUFFY, Mr. BARR, Mrs. WAGNER, and Mr. PEARCE) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Agriculture, Ways and Means, the Judiciary, Oversight and Government Reform, Transportation and Infrastructure, Rules, the Budget, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To create hope and opportunity for investors, consumers, and entrepreneurs by ending bailouts and Too Big to Fail, holding Washington and Wall Street accountable, eliminating red tape to increase access to capital and credit, and repealing the provisions of the Dodd-Frank Act that make America less prosperous, less stable, and less free, 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; TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
 5        “Financial CHOICE Act of 2017”.

6        (b) TABLE OF CONTENTS.—The table of contents for  
 7        this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ENDING “TOO BIG TO FAIL” AND BANK BAILOUTS

Subtitle A—Repeal of the Orderly Liquidation Authority

Sec. 111. Repeal of the orderly liquidation authority.

Subtitle B—Financial Institution Bankruptcy

Sec. 121. General provisions relating to covered financial corporations.

Sec. 122. Liquidation, reorganization, or recapitalization of a covered financial corporation.

Sec. 123. Amendments to title 28, United States Code.

Subtitle C—Ending Government Guarantees

Sec. 131. Repeal of obligation guarantee program.

Sec. 132. Repeal of systemic risk determination in resolutions.

Sec. 133. Restrictions on use of the Exchange Stabilization Fund.

Subtitle D—Eliminating Financial Market Utility Designations

Sec. 141. Repeal of title VIII.

Subtitle E—Reform of the Financial Stability Act of 2010

Sec. 151. Repeal and modification of provisions of the Financial Stability Act of 2010.

Sec. 152. Operational risk capital requirements for banking organizations.

TITLE II—DEMANDING ACCOUNTABILITY FROM WALL STREET

Subtitle A—SEC Penalties Modernization

Sec. 211. Enhancement of civil penalties for securities laws violations.

Sec. 212. Updated civil money penalties of Public Company Accounting Oversight Board.

Sec. 213. Updated civil money penalty for controlling persons in connection with insider trading.

Sec. 214. Update of certain other penalties.

Sec. 215. Monetary sanctions to be used for the relief of victims.

Sec. 216. GAO report on use of civil money penalty authority by Commission.

Subtitle B—FIRREA Penalties Modernization

Sec. 221. Increase of civil and criminal penalties originally established in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

TITLE III—DEMANDING ACCOUNTABILITY FROM FINANCIAL REGULATORS AND DEVOLVING POWER AWAY FROM WASHINGTON

Subtitle A—Cost-Benefit Analyses

Sec. 311. Definitions.  
 Sec. 312. Required regulatory analysis.  
 Sec. 313. Rule of construction.  
 Sec. 314. Public availability of data and regulatory analysis.  
 Sec. 315. Five-year regulatory impact analysis.  
 Sec. 316. Retrospective review of existing rules.  
 Sec. 317. Judicial review.  
 Sec. 318. Chief Economists Council.  
 Sec. 319. Conforming amendments.  
 Sec. 320. Other regulatory entities.  
 Sec. 321. Avoidance of duplicative or unnecessary analyses.

Subtitle B—Congressional Review of Federal Financial Agency Rulemaking

Sec. 331. Congressional review.  
 Sec. 332. Congressional approval procedure for major rules.  
 Sec. 333. Congressional disapproval procedure for nonmajor rules.  
 Sec. 334. Definitions.  
 Sec. 335. Judicial review.  
 Sec. 336. Effective date of certain rules.  
 Sec. 337. Budgetary effects of rules subject to section 332 of the Financial CHOICE Act of 2017.

Subtitle C—Judicial Review of Agency Actions

Sec. 341. Scope of judicial review of agency actions.

Subtitle D—Leadership of Financial Regulators

Sec. 351. Federal Deposit Insurance Corporation.  
 Sec. 352. Federal Housing Finance Agency.

Subtitle E—Congressional Oversight of Appropriations

Sec. 361. Bringing the Federal Deposit Insurance Corporation into the regular appropriations process.  
 Sec. 362. Bringing the Federal Housing Finance Agency into the regular appropriations process.  
 Sec. 363. Bringing the National Credit Union Administration into the regular appropriations process.  
 Sec. 364. Bringing the Office of the Comptroller of the Currency into the regular appropriations process.  
 Sec. 365. Bringing the non-monetary policy related functions of the Board of Governors of the Federal Reserve System into the regular appropriations process.

Subtitle F—International Processes

Sec. 371. Requirements for international processes.

Subtitle G—Unfunded Mandates Reform

- Sec. 381. Definitions.
- Sec. 382. Statements to accompany significant regulatory actions.
- Sec. 383. Small government agency plan.
- Sec. 384. State, local, and tribal government and private sector input.
- Sec. 385. Least burdensome option or explanation required.
- Sec. 386. Assistance to the Office of Information and Regulatory Affairs.
- Sec. 387. Office of Information and Regulatory Affairs responsibilities.
- Sec. 388. Judicial review.

Subtitle H—Enforcement Coordination

Sec. 391. Policies to minimize duplication of enforcement efforts.

Subtitle I—Penalties for Unauthorized Disclosures

Sec. 392. Criminal penalty for unauthorized disclosures.

Subtitle J—Stop Settlement Slush Funds

Sec. 393. Limitation on donations made pursuant to settlement agreements to which certain departments or agencies are a party.

TITLE IV—UNLEASHING OPPORTUNITIES FOR SMALL BUSINESSES, INNOVATORS, AND JOB CREATORS BY FACILITATING CAPITAL FORMATION

Subtitle A—Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification

- Sec. 401. Registration exemption for merger and acquisition brokers.
- Sec. 402. Effective date.

Subtitle B—Encouraging Employee Ownership

Sec. 406. Increased threshold for disclosures relating to compensatory benefit plans.

Subtitle C—Small Company Disclosure Simplification

- Sec. 411. Exemption from XBRL requirements for emerging growth companies and other smaller companies.
- Sec. 412. Analysis by the SEC.
- Sec. 413. Report to Congress.
- Sec. 414. Definitions.

Subtitle D—Securities and Exchange Commission Overpayment Credit

Sec. 416. Refunding or crediting overpayment of section 31 fees.

Subtitle E—Fair Access to Investment Research

Sec. 421. Safe harbor for investment fund research.

Subtitle F—Accelerating Access to Capital

Sec. 426. Expanded eligibility for use of Form S-3.

Subtitle G—Enhancing the RAISE Act

Sec. 431. Certain accredited investor transactions.

Subtitle H—Small Business Credit Availability

Sec. 436. Business development company ownership of securities of investment advisers and certain financial companies.

Sec. 437. Expanding access to capital for business development companies.

Sec. 438. Parity for business development companies regarding offering and proxy rules.

Subtitle I—Fostering Innovation

Sec. 441. Temporary exemption for low-revenue issuers.

Subtitle J—Small Business Capital Formation Enhancement

Sec. 446. Annual review of government-business forum on capital formation.

Subtitle K—Helping Angels Lead Our Startups

Sec. 451. Definition of angel investor group.

Sec. 452. Clarification of general solicitation.

Subtitle L—Main Street Growth

Sec. 456. Venture exchanges.

Subtitle M—Micro Offering Safe Harbor

Sec. 461. Exemptions for micro-offerings.

Subtitle N—Private Placement Improvement

Sec. 466. Revisions to SEC Regulation D.

Subtitle O—Supporting America’s Innovators

Sec. 471. Investor limitation for qualifying venture capital funds.

Subtitle P—Fix Crowdfunding

Sec. 476. Crowdfunding exemption.

Sec. 477. Exclusion of crowdfunding investors from shareholder cap.

Sec. 478. Preemption of State law.

Sec. 479. Treatment of funding portals.

Subtitle Q—Corporate Governance Reform and Transparency

Sec. 481. Definitions.

Sec. 482. Registration of proxy advisory firms.

Sec. 483. Commission annual report.

Subtitle R—Senior Safe

Sec. 491. Immunity.

Sec. 492. Training required.

Sec. 493. Relationship to State law.

Subtitle S—National Securities Exchange Regulatory Parity

Sec. 496. Application of exemption.

Subtitle T—Private Company Flexibility and Growth

Sec. 497. Shareholder threshold for registration.

Subtitle U—Small Company Capital Formation Enhancements

Sec. 498. JOBS Act-related exemption.

Subtitle V—Encouraging Public Offerings

Sec. 499. Expanding testing the waters and confidential submissions.

TITLE V—REGULATORY RELIEF FOR MAIN STREET AND  
COMMUNITY FINANCIAL INSTITUTIONS

Subtitle A—Preserving Access to Manufactured Housing

Sec. 501. Mortgage originator definition.

Sec. 502. High-Cost mortgage definition.

Subtitle B—Mortgage Choice

Sec. 506. Definition of points and fees.

Subtitle C—Financial Institution Customer Protection

Sec. 511. Requirements for deposit account termination requests and orders.

Sec. 512. Amendments to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Subtitle D—Portfolio Lending and Mortgage Access

Sec. 516. Safe harbor for certain loans held on portfolio.

Subtitle E—Application of the Expedited Funds Availability Act

Sec. 521. Application of the Expedited Funds Availability Act.

Subtitle F—Small Bank Holding Company Policy Statement

Sec. 526. Changes required to small bank holding company policy statement on assessment of financial and managerial factors.

Subtitle G—Community Institution Mortgage Relief

Sec. 531. Community financial institution mortgage relief.

Subtitle H—Financial Institutions Examination Fairness and Reform

Sec. 536. Timeliness of examination reports.

Subtitle I—National Credit Union Administration Budget Transparency

Sec. 541. Budget transparency for the NCUA.

Subtitle J—Taking Account of Institutions With Low Operation Risk

Sec. 546. Regulations appropriate to business models.

Subtitle K—Federal Savings Association Charter Flexibility

Sec. 551. Option for Federal savings associations to operate as a covered savings association.

Subtitle L—SAFE Transitional Licensing

Sec. 556. Eliminating barriers to jobs for loan originators.

Subtitle M—Right to Lend

Sec. 561. Small business loan data collection requirement.

Subtitle N—Community Bank Reporting Relief

Sec. 566. Short form call report.

Subtitle O—Homeowner Information Privacy Protection

Sec. 571. Study regarding privacy of information collected under the Home Mortgage Disclosure Act of 1975.

Subtitle P—Home Mortgage Disclosure Adjustment

Sec. 576. Depository institutions subject to maintenance of records and disclosure requirements.

Subtitle Q—Protecting Consumers' Access to Credit

Sec. 581. Rate of interest after transfer of loan.

Subtitle R—NCUA Overhead Transparency

Sec. 586. Fund transparency.

TITLE VI—REGULATORY RELIEF FOR STRONGLY CAPITALIZED,  
WELL MANAGED BANKING ORGANIZATIONS

Sec. 601. Capital election.

Sec. 602. Regulatory relief.

Sec. 603. Contingent capital study.

Sec. 604. Study on altering the current prompt corrective action rules.

Sec. 605. Definitions.

TITLE VII—EMPOWERING AMERICANS TO ACHIEVE FINANCIAL  
INDEPENDENCE

Subtitle A—Separation of Powers and Liberty Enhancements

Sec. 711. Consumer Law Enforcement Agency.

Sec. 712. Authority of the Office of Information and Regulatory Affairs.

Sec. 713. Bringing the Agency into the regular appropriations process.

Sec. 714. Consumer Law Enforcement Agency Inspector General Reform.

Sec. 715. Private parties authorized to compel the Agency to seek sanctions by filing civil actions; Adjudications deemed actions.

Sec. 716. Civil investigative demands to be appealed to courts.

Sec. 717. Agency dual mandate and economic analysis.

Sec. 718. No deference to Agency interpretation.

Subtitle B—Administrative Enhancements

Sec. 721. Advisory opinions.

- Sec. 722. Reform of Consumer Financial Civil Penalty Fund.
- Sec. 723. Agency pay fairness.
- Sec. 724. Elimination of market monitoring functions.
- Sec. 725. Reforms to mandatory functional units.
- Sec. 726. Repeal of mandatory advisory board.
- Sec. 727. Elimination of supervision authority.
- Sec. 728. Transfer of old OTS building from OCC to GSA.
- Sec. 729. Limitation on Agency authority.

#### Subtitle C—Policy Enhancements

- Sec. 731. Consumer right to financial privacy.
- Sec. 732. Repeal of Council authority to set aside Agency rules and requirement of safety and soundness considerations when issuing rules.
- Sec. 733. Removal of authority to regulate small-dollar credit.
- Sec. 734. Reforming indirect auto financing guidance.
- Sec. 735. Prohibition of Government price controls for payment card transactions.
- Sec. 736. Removal of Agency UDAAP authority.
- Sec. 737. Preservation of UDAP authority for Federal banking regulators.
- Sec. 738. Repeal of authority to restrict arbitration.

### TITLE VIII—CAPITAL MARKETS IMPROVEMENTS

#### Subtitle A—SEC Reform, Restructuring, and Accountability

- Sec. 801. Authorization of appropriations.
- Sec. 802. Report on unobligated appropriations.
- Sec. 803. SEC Reserve Fund abolished.
- Sec. 804. Fees to offset appropriations.
- Sec. 805. Commission relocation funding prohibition.
- Sec. 806. Implementation of recommendations.
- Sec. 807. Office of Credit Ratings to report to the Division of Trading and Markets.
- Sec. 808. Office of Municipal Securities to report to the Division of Trading and Markets.
- Sec. 809. Independence of Commission Ombudsman.
- Sec. 810. Investor Advisory Committee improvements.
- Sec. 811. Duties of Investor Advocate.
- Sec. 812. Elimination of exemption of Small Business Capital Formation Advisory Committee from Federal Advisory Committee Act.
- Sec. 813. Internal risk controls.
- Sec. 814. Applicability of notice and comment requirements of the Administrative Procedure Act to guidance voted on by the Commission.
- Sec. 815. Limitation on pilot programs.
- Sec. 816. Procedure for obtaining certain intellectual property.
- Sec. 817. Process for closing investigations.
- Sec. 818. Enforcement Ombudsman.
- Sec. 819. Adequate notice.
- Sec. 820. Advisory committee on Commission's enforcement policies and practices.
- Sec. 821. Process to permit recipient of Wells notification to appear before Commission staff in-person.
- Sec. 822. Publication of enforcement manual.

- Sec. 823. Private parties authorized to compel the Securities and Exchange Commission to seek sanctions by filing civil actions.
- Sec. 824. Certain findings required to approve civil money penalties against issuers.
- Sec. 825. Repeal of authority of the Commission to prohibit persons from serving as officers or directors.
- Sec. 826. Subpoena duration and renewal.
- Sec. 827. Elimination of automatic disqualifications.
- Sec. 828. Denial of award to culpable whistleblowers.
- Sec. 829. Confidentiality of records obtained from foreign securities and law enforcement authorities.
- Sec. 830. Clarification of authority to impose sanctions on persons associated with a broker or dealer.
- Sec. 831. Complaint and burden of proof requirements for certain actions for breach of fiduciary duty.
- Sec. 832. Congressional access to information held by the Public Company Accounting Oversight Board.
- Sec. 833. Abolishing Investor Advisory Group.
- Sec. 834. Repeal of requirement for Public Company Accounting Oversight Board to use certain funds for merit scholarship program.
- Sec. 835. Reallocation of fines for violations of rules of municipal securities rulemaking board.

Subtitle B—Eliminating Excessive Government Intrusion in the Capital Markets

- Sec. 841. Repeal of Department of Labor fiduciary rule and requirements prior to rulemaking relating to standards of conduct for brokers and dealers.
- Sec. 842. Exemption from risk retention requirements for nonresidential mortgage.
- Sec. 843. Frequency of shareholder approval of executive compensation.
- Sec. 844. Shareholder Proposals.
- Sec. 845. Prohibition on requiring a single ballot.
- Sec. 846. Requirement for municipal advisor for issuers of municipal securities.
- Sec. 847. Small issuer exemption from internal control evaluation.
- Sec. 848. Streamlining of applications for an exemption from the Investment Company Act of 1940.
- Sec. 849. Restriction on recovery of erroneously awarded compensation.
- Sec. 850. Exemptive authority for certain provisions relating to registration of nationally recognized statistical rating organizations.
- Sec. 851. Risk-based examinations of Nationally Recognized Statistical Rating Organizations.
- Sec. 852. Transparency of credit rating methodologies.
- Sec. 853. Repeal of certain attestation requirements relating to credit ratings.
- Sec. 854. Look-back review by NRSRO.
- Sec. 855. Approval of credit rating procedures and methodologies.
- Sec. 856. Exception for providing certain material information relating to a credit rating.
- Sec. 857. Repeals.
- Sec. 858. Exemption of and reporting by private equity fund advisers.
- Sec. 859. Records and reports of private funds.
- Sec. 860. Definition of accredited investor.
- Sec. 861. Repeal of certain provisions requiring a study and report to Congress.
- Sec. 862. Repeal.

Subtitle C—Harmonization of Derivatives Rules

- Sec. 871. Commissions review and harmonization of rules relating to the regulation of over-the-counter swaps markets.
- Sec. 872. Treatment of transactions between affiliates.

TITLE IX—REPEAL OF THE VOLCKER RULE AND OTHER PROVISIONS

- Sec. 901. Repeals.

TITLE X—FED OVERSIGHT REFORM AND MODERNIZATION

- Sec. 1001. Requirements for policy rules of the Federal Open Market Committee.
- Sec. 1002. Federal Open Market Committee blackout period.
- Sec. 1003. Public transcripts of FOMC meetings.
- Sec. 1004. Membership of Federal Open Market Committee.
- Sec. 1005. Frequency of testimony of the Chairman of the Board of Governors of the Federal Reserve System to Congress.
- Sec. 1006. Vice Chairman for Supervision report requirement.
- Sec. 1007. Salaries, financial disclosures, and office staff of the Board of Governors of the Federal Reserve System.
- Sec. 1008. Amendments to powers of the Board of Governors of the Federal Reserve System.
- Sec. 1009. Interest rates on balances maintained at a Federal Reserve bank by depository institutions established by Federal Open Market Committee.
- Sec. 1010. Audit reform and transparency for the Board of Governors of the Federal Reserve System.
- Sec. 1011. Establishment of a Centennial Monetary Commission.

TITLE XI—IMPROVING INSURANCE COORDINATION THROUGH AN INDEPENDENT ADVOCATE

- Sec. 1101. Repeal of the Federal Insurance Office; Creation of the Office of the Independent Insurance Advocate.
- Sec. 1102. Treatment of covered agreements.

TITLE XII—TECHNICAL CORRECTIONS

- Sec. 1201. Table of contents; Definitional corrections.
- Sec. 1202. Antitrust savings clause corrections.
- Sec. 1203. Title I corrections.
- Sec. 1204. Title III corrections.
- Sec. 1205. Title IV correction.
- Sec. 1206. Title VI corrections.
- Sec. 1207. Title VII corrections.
- Sec. 1208. Title IX corrections.
- Sec. 1209. Title X corrections.
- Sec. 1210. Title XII correction.
- Sec. 1211. Title XIV correction.
- Sec. 1212. Technical corrections to other statutes.

1     **TITLE I—ENDING “TOO BIG TO**  
 2         **FAIL” AND BANK BAILOUTS**  
 3     **Subtitle A—Repeal of the Orderly**  
 4         **Liquidation Authority**

5     **SEC. 111. REPEAL OF THE ORDERLY LIQUIDATION AU-**  
 6         **THORITY.**

7         (a) IN GENERAL.—Title II of the Dodd-Frank Wall  
 8     Street Reform and Consumer Protection Act is hereby re-  
 9     pealed and any Federal law amended by such title shall,  
 10    on and after the effective date of this Act, be effective  
 11    as if title II of the Dodd-Frank Wall Street Reform and  
 12    Consumer Protection Act had not been enacted.

13       (b) CONFORMING AMENDMENTS.—

14             (1) DODD-FRANK WALL STREET REFORM AND  
 15     CONSUMER PROTECTION ACT.—The Dodd-Frank  
 16     Wall Street Reform and Consumer Protection Act is  
 17     amended—

18                 (A) in the table of contents for such Act,  
 19     by striking all items relating to title II;

20                 (B) in section 165(d)—

21                     (i) in paragraph (1), by striking “, the  
 22     Council, and the Corporation” and insert-  
 23     ing “and the Council”;

1 (ii) in paragraph (2), by striking “,  
2 the Council, and the Corporation” and in-  
3 serting “and the Council”;

4 (iii) in paragraph (3), by striking  
5 “and the Corporation”;

6 (iv) in paragraph (4)—

7 (I) by striking “and the Corpora-  
8 tion jointly determine” and inserting  
9 “determines”;

10 (II) by striking “their” and in-  
11 serting “its”;

12 (III) in subparagraph (A), by  
13 striking “and the Corporation”; and

14 (IV) in subparagraph (B), by  
15 striking “and the Corporation”;

16 (v) in paragraph (5)—

17 (I) in subparagraph (A), by strik-  
18 ing “and the Corporation may jointly”  
19 and inserting “may”; and

20 (II) in subparagraph (B)—

21 (aa) by striking “and the  
22 Corporation” each place such  
23 term appears;

24 (bb) by striking “may joint-  
25 ly” and inserting “may”;

1 (cc) by striking “have jointly-  
2 ly” and inserting “has”;

3 (vi) in paragraph (6), by striking “, a  
4 receiver appointed under title II,”; and

5 (vii) by amending paragraph (8) to  
6 read as follows:

7 “(8) RULES.—Not later than 12 months after  
8 enactment of this paragraph, the Board of Gov-  
9 ernors shall issue final rules implementing this sec-  
10 tion.”; and

11 (C) in section 716(g), by striking “or a  
12 covered financial company under title II”.

13 (2) FEDERAL DEPOSIT INSURANCE ACT.—Sec-  
14 tion 10(b)(3) of the Federal Deposit Insurance Act  
15 (12 U.S.C. 1820(b)(3)) is amended by striking “, or  
16 of such nonbank financial company supervised by  
17 the Board of Governors or bank holding company  
18 described in section 165(a) of the Financial Stability  
19 Act of 2010, for the purpose of implementing its au-  
20 thority to provide for orderly liquidation of any such  
21 company under title II of that Act”.

22 (3) FEDERAL RESERVE ACT.—Section 13(3) of  
23 the Federal Reserve Act is amended—

24 (A) in subparagraph (B)—

(i) in clause (ii), by striking “, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or” and inserting “or is subject to resolution under”; and

(ii) in clause (iii), by striking “, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or” and inserting “or resolution under”; and

(B) by striking subparagraph (E).

## **Subtitle B—Financial Institution Bankruptcy**

### **SEC. 121. GENERAL PROVISIONS RELATING TO COVERED FINANCIAL CORPORATIONS.**

(a) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting the following after paragraph (9):

“(9A) The term ‘covered financial corporation’ means any corporation incorporated or organized under any Federal or State law, other than a stockbroker, a commodity broker, or an entity of the kind specified in paragraph (2) or (3) of section 109(b), that is—

1           “(A) a bank holding company, as defined  
2           in section 2(a) of the Bank Holding Company  
3           Act of 1956; or

4           “(B) a corporation that exists for the pri-  
5           mary purpose of owning, controlling and financ-  
6           ing its subsidiaries, that has total consolidated  
7           assets of \$50,000,000,000 or greater, and for  
8           which, in its most recently completed fiscal  
9           year—

10           “(i) annual gross revenues derived by  
11           the corporation and all of its subsidiaries  
12           from activities that are financial in nature  
13           (as defined in section 4(k) of the Bank  
14           Holding Company Act of 1956) and, if ap-  
15           plicable, from the ownership or control of  
16           one or more insured depository institu-  
17           tions, represents 85 percent or more of the  
18           consolidated annual gross revenues of the  
19           corporation; or

20           “(ii) the consolidated assets of the  
21           corporation and all of its subsidiaries re-  
22           lated to activities that are financial in na-  
23           ture (as defined in section 4(k) of the  
24           Bank Holding Company Act of 1956) and,  
25           if applicable, related to the ownership or

1 control of one or more insured depository  
 2 institutions, represents 85 percent or more  
 3 of the consolidated assets of the corpora-  
 4 tion.”.

5 (b) APPLICABILITY OF CHAPTERS.—Section 103 of  
 6 title 11, United States Code, is amended by adding at the  
 7 end the following:

8 “(l) Subchapter V of chapter 11 of this title applies  
 9 only in a case under chapter 11 concerning a covered fi-  
 10 nancial corporation.”.

11 (c) WHO MAY BE A DEBTOR.—Section 109 of title  
 12 11, United States Code, is amended—

13 (1) in subsection (b)—

14 (A) in paragraph (2), by striking “or” at  
 15 the end;

16 (B) in paragraph (3)(B), by striking the  
 17 period at the end and inserting “; or”; and

18 (C) by adding at the end the following:

19 “(4) a covered financial corporation.”; and

20 (2) in subsection (d)—

21 (A) by striking “and” before “an unin-  
 22 sured State member bank”;

23 (B) by striking “or” before “a corpora-  
 24 tion”; and

1 (C) by inserting “, or a covered financial  
2 corporation” after “Federal Deposit Insurance  
3 Corporation Improvement Act of 1991”.

4 (d) CONVERSION TO CHAPTER 7.—Section 1112 of  
5 title 11, United States Code, is amended by adding at the  
6 end the following:

7 “(g) Notwithstanding section 109(b), the court may  
8 convert a case under subchapter V to a case under chapter  
9 7 if—

10 “(1) a transfer approved under section 1185  
11 has been consummated;

12 “(2) the court has ordered the appointment of  
13 a special trustee under section 1186; and

14 “(3) the court finds, after notice and a hearing,  
15 that conversion is in the best interest of the credi-  
16 tors and the estate.”.

17 (e)(1) Section 726(a)(1) of title 11, United States  
18 Code, is amended by inserting after “first,” the following:  
19 “in payment of any unpaid fees, costs, and expenses of  
20 a special trustee appointed under section 1186, and then”.

21 (2) Section 1129(a) of title 11, United States Code,  
22 is amended by inserting after paragraph (16) the fol-  
23 lowing:

24 “(17) In a case under subchapter V, all payable  
25 fees, costs, and expenses of the special trustee have

1       been paid or the plan provides for the payment of  
 2       all such fees, costs, and expenses on the effective  
 3       date of the plan.

4               “(18) In a case under subchapter V, confirma-  
 5       tion of the plan is not likely to cause serious adverse  
 6       effects on financial stability in the United States.”.

7       (f) Section 322(b)(2) of title 11, United States Code,  
 8       is amended by striking “The” and inserting “In cases  
 9       under subchapter V, the United States trustee shall rec-  
 10      ommend to the court, and in all other cases, the”.

11   **SEC. 122. LIQUIDATION, REORGANIZATION, OR RECAPITAL-**  
 12                   **IZATION OF A COVERED FINANCIAL COR-**  
 13                   **PORATION.**

14       Chapter 11 of title 11, United States Code, is amend-  
 15      ed by adding at the end the following (and conforming  
 16      the table of contents for such chapter accordingly):

17   “SUBCHAPTER V—LIQUIDATION, REORGANIZA-  
 18       TION, OR RECAPITALIZATION OF A COV-  
 19       ERED FINANCIAL CORPORATION

20   **“§ 1181. Inapplicability of other sections**

21       “Sections 303 and 321(c) do not apply in a case  
 22      under this subchapter concerning a covered financial cor-  
 23      poration. Section 365 does not apply to a transfer under  
 24      section 1185, 1187, or 1188.

1 **“§ 1182. Definitions for this subchapter**

2 “In this subchapter, the following definitions shall  
3 apply:

4 “(1) The term ‘Board’ means the Board of  
5 Governors of the Federal Reserve System.

6 “(2) The term ‘bridge company’ means a newly  
7 formed corporation to which property of the estate  
8 may be transferred under section 1185(a) and the  
9 equity securities of which may be transferred to a  
10 special trustee under section 1186(a).

11 “(3) The term ‘capital structure debt’ means all  
12 unsecured debt of the debtor for borrowed money for  
13 which the debtor is the primary obligor, other than  
14 a qualified financial contract and other than debt se-  
15 cured by a lien on property of the estate that is to  
16 be transferred to a bridge company pursuant to an  
17 order of the court under section 1185(a).

18 “(4) The term ‘contractual right’ means a con-  
19 tractual right of a kind defined in section 555, 556,  
20 559, 560, or 561.

21 “(5) The term ‘qualified financial contract’  
22 means any contract of a kind defined in paragraph  
23 (25), (38A), (47), or (53B) of section 101, section  
24 741(7), or paragraph (4), (5), (11), or (13) of sec-  
25 tion 761.

1           “(6) The term ‘special trustee’ means the trust-  
2           ee of a trust formed under section 1186(a)(1).

3   **“§ 1183. Commencement of a case concerning a cov-**  
4           **ered financial corporation**

5           “(a) A case under this subchapter concerning a cov-  
6   ered financial corporation may be commenced by the filing  
7   of a petition with the court by the debtor under section  
8   301 only if the debtor states to the best of its knowledge  
9   under penalty of perjury in the petition that it is a covered  
10   financial corporation.

11          “(b) The commencement of a case under subsection  
12   (a) constitutes an order for relief under this subchapter.

13          “(c) The members of the board of directors (or body  
14   performing similar functions) of a covered financial com-  
15   pany shall have no liability to shareholders, creditors, or  
16   other parties in interest for a good faith filing of a petition  
17   to commence a case under this subchapter, or for any rea-  
18   sonable action taken in good faith in contemplation of  
19   such a petition or a transfer under section 1185 or section  
20   1186, whether prior to or after commencement of the case.

21          “(d) Counsel to the debtor shall provide, to the great-  
22   est extent practicable without disclosing the identity of the  
23   potential debtor, sufficient confidential notice to the chief  
24   judge of the court of appeals for the circuit embracing the  
25   district in which such counsel intends to file a petition to

1 commence a case under this subchapter regarding the po-  
2 tential commencement of such case. The chief judge of  
3 such court shall randomly assign to preside over such case  
4 a bankruptcy judge selected from among the bankruptcy  
5 judges designated by the Chief Justice of the United  
6 States under section 298 of title 28.

7 **“§ 1184. Regulators**

8 “The Board, the Securities Exchange Commission,  
9 the Office of the Comptroller of the Currency of the De-  
10 partment of the Treasury, the Commodity Futures Trad-  
11 ing Commission, and the Federal Deposit Insurance Cor-  
12 poration may raise and may appear and be heard on any  
13 issue in any case or proceeding under this subchapter.

14 **“§ 1185. Special transfer of property of the estate**

15 “(a) On request of the trustee, and after notice and  
16 a hearing that shall occur not less than 24 hours after  
17 the order for relief, the court may order a transfer under  
18 this section of property of the estate, and the assignment  
19 of executory contracts, unexpired leases, and qualified fi-  
20 nancial contracts of the debtor, to a bridge company.  
21 Upon the entry of an order approving such transfer, any  
22 property transferred, and any executory contracts, unex-  
23 pired leases, and qualified financial contracts assigned  
24 under such order shall no longer be property of the estate.  
25 Except as provided under this section, the provisions of

1 section 363 shall apply to a transfer and assignment under  
2 this section.

3 “(b) Unless the court orders otherwise, notice of a  
4 request for an order under subsection (a) shall consist of  
5 electronic or telephonic notice of not less than 24 hours  
6 to—

7 “(1) the debtor;

8 “(2) the holders of the 20 largest secured  
9 claims against the debtor;

10 “(3) the holders of the 20 largest unsecured  
11 claims against the debtor;

12 “(4) counterparties to any debt, executory con-  
13 tract, unexpired lease, and qualified financial con-  
14 tract requested to be transferred under this section;

15 “(5) the Board;

16 “(6) the Federal Deposit Insurance Corpora-  
17 tion;

18 “(7) the Secretary of the Treasury and the Of-  
19 fice of the Comptroller of the Currency of the Treas-  
20 ury;

21 “(8) the Commodity Futures Trading Commis-  
22 sion;

23 “(9) the Securities and Exchange Commission;

24 “(10) the United States trustee or bankruptcy  
25 administrator; and

1           “(11) each primary financial regulatory agency,  
2           as defined in section 2(12) of the Dodd-Frank Wall  
3           Street Reform and Consumer Protection Act, with  
4           respect to any affiliate the equity securities of which  
5           are proposed to be transferred under this section.

6           “(c) The court may not order a transfer under this  
7           section unless the court determines, based upon a prepon-  
8           derance of the evidence, that—

9           “(1) the transfer under this section is necessary  
10          to prevent serious adverse effects on financial sta-  
11          bility in the United States;

12          “(2) the transfer does not provide for the as-  
13          sumption of any capital structure debt by the bridge  
14          company;

15          “(3) the transfer does not provide for the trans-  
16          fer to the bridge company of any property of the es-  
17          tate that is subject to a lien securing a debt, execu-  
18          tory contract, unexpired lease or agreement (includ-  
19          ing a qualified financial contract) of the debtor un-  
20          less—

21                 “(A)(i) the bridge company assumes such  
22                 debt, executory contract, unexpired lease or  
23                 agreement (including a qualified financial con-  
24                 tract), including any claims arising in respect  
25                 thereof that would not be allowed secured

1           claims under section 506(a)(1) and after giving  
2           effect to such transfer, such property remains  
3           subject to the lien securing such debt, executory  
4           contract, unexpired lease or agreement (includ-  
5           ing a qualified financial contract); and

6           “(ii) the court has determined that as-  
7           sumption of such debt, executory contract, un-  
8           expired lease or agreement (including a quali-  
9           fied financial contract) by the bridge company  
10          is in the best interests of the estate; or

11          “(B) such property is being transferred to  
12          the bridge company in accordance with the pro-  
13          visions of section 363;

14          “(4) the transfer does not provide for the as-  
15          sumption by the bridge company of any debt, execu-  
16          tory contract, unexpired lease or agreement (includ-  
17          ing a qualified financial contract) of the debtor se-  
18          cured by a lien on property of the estate unless the  
19          transfer provides for such property to be transferred  
20          to the bridge company in accordance with paragraph  
21          (3)(A) of this subsection;

22          “(5) the transfer does not provide for the trans-  
23          fer of the equity of the debtor;

24          “(6) the trustee has demonstrated that the  
25          bridge company is not likely to fail to meet the obli-

1       gations of any debt, executory contract, qualified fi-  
2       nancial contract, or unexpired lease assumed and as-  
3       signed to the bridge company;

4             “(7) the transfer provides for the transfer to a  
5       special trustee all of the equity securities in the  
6       bridge company and appointment of a special trustee  
7       in accordance with section 1186;

8             “(8) after giving effect to the transfer, ade-  
9       quate provision has been made for the fees, costs,  
10      and expenses of the estate and special trustee; and

11            “(9) the bridge company will have governing  
12      documents, and initial directors and senior officers,  
13      that are in the best interest of creditors and the es-  
14      tate.

15            “(d) Immediately before a transfer under this section,  
16      the bridge company that is the recipient of the transfer  
17      shall—

18            “(1) not have any property, executory con-  
19      tracts, unexpired leases, qualified financial contracts,  
20      or debts, other than any property acquired or execu-  
21      tory contracts, unexpired leases, or debts assumed  
22      when acting as a transferee of a transfer under this  
23      section; and

1           “(2) have equity securities that are property of  
2           the estate, which may be sold or distributed in ac-  
3           cordance with this title.

4   **“§ 1186. Special trustee**

5           “(a)(1) An order approving a transfer under section  
6   1185 shall require the trustee to transfer to a qualified  
7   and independent special trustee, who is appointed by the  
8   court, all of the equity securities in the bridge company  
9   that is the recipient of a transfer under section 1185 to  
10   hold in trust for the sole benefit of the estate, subject to  
11   satisfaction of the special trustee’s fees, costs, and ex-  
12   penses. The trust of which the special trustee is the trust-  
13   ee shall be a newly formed trust governed by a trust agree-  
14   ment approved by the court as in the best interests of the  
15   estate, and shall exist for the sole purpose of holding and  
16   administering, and shall be permitted to dispose of, the  
17   equity securities of the bridge company in accordance with  
18   the trust agreement.

19          “(2) In connection with the hearing to approve a  
20   transfer under section 1185, the trustee shall confirm to  
21   the court that the Board has been consulted regarding the  
22   identity of the proposed special trustee and advise the  
23   court of the results of such consultation.

24          “(b) The trust agreement governing the trust shall  
25   provide—

1           “(1) for the payment of the fees, costs, ex-  
2           penses, and indemnities of the special trustee from  
3           the assets of the debtor’s estate;

4           “(2) that the special trustee provide—

5                   “(A) quarterly reporting to the estate,  
6                   which shall be filed with the court; and

7                   “(B) information about the bridge com-  
8                   pany reasonably requested by a party in inter-  
9                   est to prepare a disclosure statement for a plan  
10                  providing for distribution of any securities of  
11                  the bridge company if such information is nec-  
12                  essary to prepare such disclosure statement;

13           “(3) that for as long as the equity securities of  
14           the bridge company are held by the trust, the special  
15           trustee shall file a notice with the court in connec-  
16           tion with—

17                   “(A) any change in a director or senior of-  
18                   ficer of the bridge company;

19                   “(B) any modification to the governing  
20                   documents of the bridge company; and

21                   “(C) any material corporate action of the  
22                   bridge company, including—

23                           “(i) recapitalization;

24                           “(ii) a material borrowing;

1 “(iii) termination of an intercompany  
2 debt or guarantee;

3 “(iv) a transfer of a substantial por-  
4 tion of the assets of the bridge company;  
5 or

6 “(v) the issuance or sale of any secu-  
7 rities of the bridge company;

8 “(4) that any sale of any equity securities of  
9 the bridge company shall not be consummated until  
10 the special trustee consults with the Federal Deposit  
11 Insurance Corporation and the Board regarding  
12 such sale and discloses the results of such consulta-  
13 tion with the court;

14 “(5) that, subject to reserves for payments per-  
15 mitted under paragraph (1) provided for in the trust  
16 agreement, the proceeds of the sale of any equity se-  
17 curities of the bridge company by the special trustee  
18 be held in trust for the benefit of or transferred to  
19 the estate;

20 “(6) the process and guidelines for the replace-  
21 ment of the special trustee; and

22 “(7) that the property held in trust by the spe-  
23 cial trustee is subject to distribution in accordance  
24 with subsection (c).

1       “(c)(1) The special trustee shall distribute the assets  
2 held in trust—

3               “(A) if the court confirms a plan in the case,  
4 in accordance with the plan on the effective date of  
5 the plan; or

6               “(B) if the case is converted to a case under  
7 chapter 7, as ordered by the court.

8       “(2) As soon as practicable after a final distribution  
9 under paragraph (1), the office of the special trustee shall  
10 terminate, except as may be necessary to wind up and con-  
11 clude the business and financial affairs of the trust.

12       “(d) After a transfer to the special trustee under this  
13 section, the special trustee shall be subject only to applica-  
14 ble nonbankruptcy law, and the actions and conduct of  
15 the special trustee shall no longer be subject to approval  
16 by the court in the case under this subchapter.

17       **“§ 1187. Temporary and supplemental automatic stay;  
18                       assumed debt**

19       “(a)(1) A petition filed under section 1183 operates  
20 as a stay, applicable to all entities, of the termination, ac-  
21 celeration, or modification of any debt, contract, lease, or  
22 agreement of the kind described in paragraph (2), or of  
23 any right or obligation under any such debt, contract,  
24 lease, or agreement, solely because of—

1           “(A) a default by the debtor under any such  
2           debt, contract, lease, or agreement; or

3           “(B) a provision in such debt, contract, lease,  
4           or agreement, or in applicable nonbankruptcy law,  
5           that is conditioned on—

6                   “(i) the insolvency or financial condition of  
7                   the debtor at any time before the closing of the  
8                   case;

9                   “(ii) the commencement of a case under  
10                  this title concerning the debtor;

11                  “(iii) the appointment of or taking posses-  
12                  sion by a trustee in a case under this title con-  
13                  cerning the debtor or by a custodian before the  
14                  commencement of the case; or

15                  “(iv) a credit rating agency rating, or ab-  
16                  sence or withdrawal of a credit rating agency  
17                  rating—

18                   “(I) of the debtor at any time after  
19                   the commencement of the case;

20                   “(II) of an affiliate during the period  
21                   from the commencement of the case until  
22                   48 hours after such order is entered;

23                   “(III) of the bridge company while the  
24                   trustee or the special trustee is a direct or

1 indirect beneficial holder of more than 50  
2 percent of the equity securities of—

3 “(aa) the bridge company; or

4 “(bb) the affiliate, if all of the di-  
5 rect or indirect interests in the affil-  
6 iate that are property of the estate  
7 are transferred under section 1185; or

8 “(IV) of an affiliate while the trustee  
9 or the special trustee is a direct or indirect  
10 beneficial holder of more than 50 percent  
11 of the equity securities of—

12 “(aa) the bridge company; or

13 “(bb) the affiliate, if all of the di-  
14 rect or indirect interests in the affil-  
15 iate that are property of the estate  
16 are transferred under section 1185.

17 “(2) A debt, contract, lease, or agreement described  
18 in this paragraph is—

19 “(A) any debt (other than capital structure  
20 debt), executory contract, or unexpired lease of the  
21 debtor (other than a qualified financial contract);

22 “(B) any agreement under which the debtor  
23 issued or is obligated for debt (other than capital  
24 structure debt);

1           “(C) any debt, executory contract, or unexpired  
2           lease of an affiliate (other than a qualified financial  
3           contract); or

4           “(D) any agreement under which an affiliate  
5           issued or is obligated for debt.

6           “(3) The stay under this subsection terminates—

7           “(A) for the benefit of the debtor, upon the ear-  
8           liest of—

9                   “(i) 48 hours after the commencement of  
10                  the case;

11                  “(ii) assumption of the debt, contract,  
12                  lease, or agreement by the bridge company  
13                  under an order authorizing a transfer under  
14                  section 1185;

15                  “(iii) a final order of the court denying the  
16                  request for a transfer under section 1185; or

17                  “(iv) the time the case is dismissed; and

18           “(B) for the benefit of an affiliate, upon the  
19           earliest of—

20                   “(i) the entry of an order authorizing a  
21                  transfer under section 1185 in which the direct  
22                  or indirect interests in the affiliate that are  
23                  property of the estate are not transferred under  
24                  section 1185;

1                   “(ii) a final order by the court denying the  
2                   request for a transfer under section 1185;

3                   “(iii) 48 hours after the commencement of  
4                   the case if the court has not ordered a transfer  
5                   under section 1185; or

6                   “(iv) the time the case is dismissed.

7           “(4) Subsections (d), (e), (f), and (g) of section 362  
8           apply to a stay under this subsection.

9           “(b) A debt, executory contract (other than a quali-  
10           fied financial contract), or unexpired lease of the debtor,  
11           or an agreement under which the debtor has issued or is  
12           obligated for any debt, may be assumed by a bridge com-  
13           pany in a transfer under section 1185 notwithstanding  
14           any provision in an agreement or in applicable nonbank-  
15           ruptcy law that—

16                   “(1) prohibits, restricts, or conditions the as-  
17                   signment of the debt, contract, lease, or agreement;  
18                   or

19                   “(2) accelerates, terminates, or modifies, or  
20                   permits a party other than the debtor to terminate  
21                   or modify, the debt, contract, lease, or agreement on  
22                   account of—

23                   “(A) the assignment of the debt, contract,  
24                   lease, or agreement; or

1                   “(B) a change in control of any party to  
2                   the debt, contract, lease, or agreement.

3           “(c)(1) A debt, contract, lease, or agreement of the  
4 kind described in subparagraph (A) or (B) of subsection  
5 (a)(2) may not be accelerated, terminated, or modified,  
6 and any right or obligation under such debt, contract,  
7 lease, or agreement may not be accelerated, terminated,  
8 or modified, as to the bridge company solely because of  
9 a provision in the debt, contract, lease, or agreement or  
10 in applicable nonbankruptcy law—

11                   “(A) of the kind described in subsection  
12           (a)(1)(B) as applied to the debtor;

13                   “(B) that prohibits, restricts, or conditions the  
14 assignment of the debt, contract, lease, or agree-  
15 ment; or

16                   “(C) that accelerates, terminates, or modifies,  
17 or permits a party other than the debtor to termi-  
18 nate or modify, the debt, contract, lease or agree-  
19 ment on account of—

20                   “(i) the assignment of the debt, contract,  
21 lease, or agreement; or

22                   “(ii) a change in control of any party to  
23 the debt, contract, lease, or agreement.

24           “(2) If there is a default by the debtor under a provi-  
25 sion other than the kind described in paragraph (1) in

1 a debt, contract, lease or agreement of the kind described  
2 in subparagraph (A) or (B) of subsection (a)(2), the  
3 bridge company may assume such debt, contract, lease,  
4 or agreement only if the bridge company—

5 “(A) shall cure the default;

6 “(B) compensates, or provides adequate assur-  
7 ance in connection with a transfer under section  
8 1185 that the bridge company will promptly com-  
9 pensate, a party other than the debtor to the debt,  
10 contract, lease, or agreement, for any actual pecu-  
11 niary loss to the party resulting from the default;  
12 and

13 “(C) provides adequate assurance in connection  
14 with a transfer under section 1185 of future per-  
15 formance under the debt, contract, lease, or agree-  
16 ment, as determined by the court under section  
17 1185(c)(4).

18 **“§ 1188. Treatment of qualified financial contracts**  
19 **and affiliate contracts**

20 “(a) Notwithstanding sections 362(b)(6), 362(b)(7),  
21 362(b)(17), 362(b)(27), 362(o), 555, 556, 559, 560, and  
22 561, a petition filed under section 1183 operates as a stay,  
23 during the period specified in section 1187(a)(3)(A), ap-  
24 plicable to all entities, of the exercise of a contractual  
25 right—

1           “(1) to cause the modification, liquidation, ter-  
2           mination, or acceleration of a qualified financial con-  
3           tract of the debtor or an affiliate;

4           “(2) to offset or net out any termination value,  
5           payment amount, or other transfer obligation arising  
6           under or in connection with a qualified financial con-  
7           tract of the debtor or an affiliate; or

8           “(3) under any security agreement or arrange-  
9           ment or other credit enhancement forming a part of  
10          or related to a qualified financial contract of the  
11          debtor or an affiliate.

12          “(b)(1) During the period specified in section  
13          1187(a)(3)(A), the trustee or the affiliate shall perform  
14          all payment and delivery obligations under such qualified  
15          financial contract of the debtor or the affiliate, as the case  
16          may be, that become due after the commencement of the  
17          case. The stay provided under subsection (a) terminates  
18          as to a qualified financial contract of the debtor or an  
19          affiliate immediately upon the failure of the trustee or the  
20          affiliate, as the case may be, to perform any such obliga-  
21          tion during such period.

22          “(2) Any failure by a counterparty to any qualified  
23          financial contract of the debtor or any affiliate to perform  
24          any payment or delivery obligation under such qualified  
25          financial contract, including during the pendency of the

1 stay provided under subsection (a), shall constitute a  
2 breach of such qualified financial contract by the  
3 counterparty.

4 “(c) Subject to the court’s approval, a qualified finan-  
5 cial contract between an entity and the debtor may be as-  
6 signed to or assumed by the bridge company in a transfer  
7 under, and in accordance with, section 1185 if and only  
8 if—

9 “(1) all qualified financial contracts between  
10 the entity and the debtor are assigned to and as-  
11 sumed by the bridge company in the transfer under  
12 section 1185;

13 “(2) all claims of the entity against the debtor  
14 in respect of any qualified financial contract between  
15 the entity and the debtor (other than any claim that,  
16 under the terms of the qualified financial contract,  
17 is subordinated to the claims of general unsecured  
18 creditors) are assigned to and assumed by the bridge  
19 company;

20 “(3) all claims of the debtor against the entity  
21 under any qualified financial contract between the  
22 entity and the debtor are assigned to and assumed  
23 by the bridge company; and

24 “(4) all property securing or any other credit  
25 enhancement furnished by the debtor for any quali-

1       fied financial contract described in paragraph (1) or  
2       any claim described in paragraph (2) or (3) under  
3       any qualified financial contract between the entity  
4       and the debtor is assigned to and assumed by the  
5       bridge company.

6       “(d) Notwithstanding any provision of a qualified fi-  
7       nancial contract or of applicable nonbankruptcy law, a  
8       qualified financial contract of the debtor that is assumed  
9       or assigned in a transfer under section 1185 may not be  
10      accelerated, terminated, or modified, after the entry of the  
11      order approving a transfer under section 1185, and any  
12      right or obligation under the qualified financial contract  
13      may not be accelerated, terminated, or modified, after the  
14      entry of the order approving a transfer under section 1185  
15      solely because of a condition described in section  
16      1187(c)(1), other than a condition of the kind specified  
17      in section 1187(b) that occurs after property of the estate  
18      no longer includes a direct beneficial interest or an indi-  
19      rect beneficial interest through the special trustee, in more  
20      than 50 percent of the equity securities of the bridge com-  
21      pany.

22      “(e) Notwithstanding any provision of any agreement  
23      or in applicable nonbankruptcy law, an agreement of an  
24      affiliate (including an executory contract, an unexpired  
25      lease, qualified financial contract, or an agreement under

1 which the affiliate issued or is obligated for debt) and any  
2 right or obligation under such agreement may not be ac-  
3 celerated, terminated, or modified, solely because of a con-  
4 dition described in section 1187(c)(1), other than a condi-  
5 tion of the kind specified in section 1187(b) that occurs  
6 after the bridge company is no longer a direct or indirect  
7 beneficial holder of more than 50 percent of the equity  
8 securities of the affiliate, at any time after the commence-  
9 ment of the case if—

10           “(1) all direct or indirect interests in the affil-  
11       iate that are property of the estate are transferred  
12       under section 1185 to the bridge company within the  
13       period specified in subsection (a);

14           “(2) the bridge company assumes—

15               “(A) any guarantee or other credit en-  
16       hancement issued by the debtor relating to the  
17       agreement of the affiliate; and

18               “(B) any obligations in respect of rights of  
19       setoff, netting arrangement, or debt of the debt-  
20       or that directly arises out of or directly relates  
21       to the guarantee or credit enhancement; and

22           “(3) any property of the estate that directly  
23       serves as collateral for the guarantee or credit en-  
24       hancement is transferred to the bridge company.

1   **“§ 1189. Licenses, permits, and registrations**

2           “(a) Notwithstanding any otherwise applicable non-  
3 bankruptcy law, if a request is made under section 1185  
4 for a transfer of property of the estate, any Federal, State,  
5 or local license, permit, or registration that the debtor or  
6 an affiliate had immediately before the commencement of  
7 the case and that is proposed to be transferred under sec-  
8 tion 1185 may not be accelerated, terminated, or modified  
9 at any time after the request solely on account of—

10           “(1) the insolvency or financial condition of the  
11 debtor at any time before the closing of the case;

12           “(2) the commencement of a case under this  
13 title concerning the debtor;

14           “(3) the appointment of or taking possession by  
15 a trustee in a case under this title concerning the  
16 debtor or by a custodian before the commencement  
17 of the case; or

18           “(4) a transfer under section 1185.

19           “(b) Notwithstanding any otherwise applicable non-  
20 bankruptcy law, any Federal, State, or local license, per-  
21 mit, or registration that the debtor had immediately before  
22 the commencement of the case that is included in a trans-  
23 fer under section 1185 shall be valid and all rights and  
24 obligations thereunder shall vest in the bridge company.

1 **“§ 1190. Exemption from securities laws**

2 “For purposes of section 1145, a security of the  
3 bridge company shall be deemed to be a security of a suc-  
4 cessor to the debtor under a plan if the court approves  
5 the disclosure statement for the plan as providing ade-  
6 quate information (as defined in section 1125(a)) about  
7 the bridge company and the security.

8 **“§ 1191. Inapplicability of certain avoiding powers**

9 “A transfer made or an obligation incurred by the  
10 debtor to an affiliate prior to or after the commencement  
11 of the case, including any obligation released by the debtor  
12 or the estate to or for the benefit of an affiliate, in con-  
13 templation of or in connection with a transfer under sec-  
14 tion 1185 is not avoidable under section 544, 547,  
15 548(a)(1)(B), or 549, or under any similar nonbankruptcy  
16 law.

17 **“§ 1192. Consideration of financial stability**

18 “The court may consider the effect that any decision  
19 in connection with this subchapter may have on financial  
20 stability in the United States.”.

21 **SEC. 123. AMENDMENTS TO TITLE 28, UNITED STATES**  
22 **CODE.**

23 (a) AMENDMENT TO CHAPTER 13.—Chapter 13 of  
24 title 28, United States Code, is amended by adding at the  
25 end the following:

1   **“§ 298. Judge for a case under subchapter V of chap-**  
2                   **ter 11 of title 11**

3           “(a)(1) Notwithstanding section 295, the Chief Jus-  
4 tice of the United States shall designate not fewer than  
5 10 bankruptcy judges to be available to hear a case under  
6 subchapter V of chapter 11 of title 11. Bankruptcy judges  
7 may request to be considered by the Chief Justice of the  
8 United States for such designation.

9           “(2) Notwithstanding section 155, a case under sub-  
10 chapter V of chapter 11 of title 11 shall be heard under  
11 section 157 by a bankruptcy judge designated under para-  
12 graph (1), who shall be randomly assigned to hear such  
13 case by the chief judge of the court of appeals for the cir-  
14 cuit embracing the district in which the case is pending.  
15 To the greatest extent practicable, the approvals required  
16 under section 155 should be obtained.

17           “(3) If the bankruptcy judge assigned to hear a case  
18 under paragraph (2) is not assigned to the district in  
19 which the case is pending, the bankruptcy judge shall be  
20 temporarily assigned to the district.

21           “(b) A case under subchapter V of chapter 11 of title  
22 11, and all proceedings in the case, shall take place in  
23 the district in which the case is pending.

24           “(c) In this section, the term ‘covered financial cor-  
25 poration’ has the meaning given that term in section  
26 101(9A) of title 11.”.

1 (b) AMENDMENT TO SECTION 1334 OF TITLE 28.—

2 Section 1334 of title 28, United States Code, is amended  
3 by adding at the end the following:

4 “(f) This section does not grant jurisdiction to the  
5 district court after a transfer pursuant to an order under  
6 section 1185 of title 11 of any proceeding related to a spe-  
7 cial trustee appointed, or to a bridge company formed, in  
8 connection with a case under subchapter V of chapter 11  
9 of title 11.”.

10 (c) TECHNICAL AND CONFORMING AMENDMENT.—

11 The table of sections for chapter 13 of title 28, United  
12 States Code, is amended by adding at the end the fol-  
13 lowing:

“298. Judge for a case under subchapter V of chapter 11 of title 11.”.

## 14 **Subtitle C—Ending Government** 15 **Guarantees**

### 16 **SEC. 131. REPEAL OF OBLIGATION GUARANTEE PROGRAM.**

17 (a) IN GENERAL.—The following sections of the  
18 Dodd-Frank Wall Street Reform and Consumer Protec-  
19 tion Act (12 U.S.C. 5301 et seq.) are repealed:

20 (1) Section 1104.

21 (2) Section 1105.

22 (3) Section 1106.

23 (b) CLERICAL AMENDMENT.—The table of contents  
24 under section 1(b) of the Dodd-Frank Wall Street Reform

1 and Consumer Protection Act is amended by striking the  
2 items relating to sections 1104, 1105, and 1106.

3 **SEC. 132. REPEAL OF SYSTEMIC RISK DETERMINATION IN**  
4 **RESOLUTIONS.**

5 Section 13(c)(4)(G) of the Federal Deposit Insurance  
6 Act (12 U.S.C. 1823(c)(4)(G)) is hereby repealed.

7 **SEC. 133. RESTRICTIONS ON USE OF THE EXCHANGE STA-**  
8 **BILIZATION FUND.**

9 (a) IN GENERAL.—Section 5302 of title 31, United  
10 States Code, is amended by adding at the end the fol-  
11 lowing:

12 “(e) Amounts in the fund may not be used for the  
13 establishment of a guaranty program for any nongovern-  
14 mental entity.”.

15 (b) CONFORMING AMENDMENT.—Section 131(b) of  
16 the Emergency Economic Stabilization Act of 2008 (12  
17 U.S.C. 5236(b)) is amended by inserting “, or for the pur-  
18 poses of preventing the liquidation or insolvency of any  
19 entity” before the period.

20 **Subtitle D—Eliminating Financial**  
21 **Market Utility Designations**

22 **SEC. 141. REPEAL OF TITLE VIII.**

23 (a) REPEAL.—Title VIII of the Dodd-Frank Wall  
24 Street Reform and Consumer Protection Act (12 U.S.C.  
25 5461 et seq.) is repealed, and provisions of law amended

1 by such title are restored and revived as if such title had  
 2 never been enacted.

3 (b) CLERICAL AMENDMENT.—The table of contents  
 4 in section 1(b) of the Dodd-Frank Wall Street Reform and  
 5 Consumer Protection Act is amended by striking the items  
 6 relating to title VIII.

7 **Subtitle E—Reform of the**  
 8 **Financial Stability Act of 2010**

9 **SEC. 151. REPEAL AND MODIFICATION OF PROVISIONS OF**  
 10 **THE FINANCIAL STABILITY ACT OF 2010.**

11 (a) REPEALS.—The following provisions of the Fi-  
 12 nancial Stability Act of 2010 are repealed, and the provi-  
 13 sions of law amended or repealed by such provisions are  
 14 restored or revived as if such provisions had not been en-  
 15 acted:

- 16 (1) Subtitle B.
- 17 (2) Section 113.
- 18 (3) Section 114.
- 19 (4) Section 115.
- 20 (5) Section 116.
- 21 (6) Section 117.
- 22 (7) Section 119.
- 23 (8) Section 120.
- 24 (9) Section 121.
- 25 (10) Section 161.

1 (11) Section 162.

2 (12) Section 164.

3 (13) Section 166.

4 (14) Section 167.

5 (15) Section 168.

6 (16) Section 170.

7 (17) Section 172.

8 (18) Section 174.

9 (19) Section 175.

10 (b) ADDITIONAL MODIFICATIONS.—The Financial  
11 Stability Act of 2010 (12 U.S.C. 5311 et seq.) is amend-  
12 ed—

13 (1) in section 102(a), by striking paragraph  
14 (5);

15 (2) in section 111—

16 (A) in subsection (b)—

17 (i) in paragraph (1)—

18 (I) by striking “who shall each”  
19 and inserting “who shall, except as  
20 provided below, each”; and

21 (II) by striking subparagraphs  
22 (B) through (J) and inserting the fol-  
23 lowing:

1 “(B) each member of the Board of Gov-  
 2 ernors, who shall collectively have 1 vote on the  
 3 Council;

4 “(C) the Comptroller of the Currency;

5 “(D) the Director of the Consumer Law  
 6 Enforcement Agency;

7 “(E) each member of the Commission, who  
 8 shall collectively have 1 vote on the Council;

9 “(F) each member of the Corporation, who  
 10 shall collectively have 1 vote on the Council;

11 “(G) each member of the Commodity Fu-  
 12 tures Trading Commission, who shall collec-  
 13 tively have 1 vote on the Council;

14 “(H) the Director of the Federal Housing  
 15 Finance Agency;

16 “(I) each member of the National Credit  
 17 Union Administration Board, who shall collec-  
 18 tively have 1 vote on the Council; and

19 “(J) the Independent Insurance Advo-  
 20 cate.”;

21 (ii) in paragraph (2)—

22 (I) by striking subparagraphs (A)  
 23 and (B); and

24 (II) by redesignating subpara-  
 25 graphs (C), (D), and (E) as subpara-

1 graphs (A), (B), and (C), respectively;

2 and

3 (iii) by adding at the end the fol-

4 lowing:

5 “(4) VOTING BY MULTI-PERSON ENTITY.—

6 “(A) VOTING WITHIN THE ENTITY.—An  
7 entity described under subparagraph (B), (E),  
8 (F), (G), or (I) of paragraph (1) shall deter-  
9 mine the entity’s Council vote by using the vot-  
10 ing process normally applicable to votes by the  
11 entity’s members.

12 “(B) CASTING OF ENTITY VOTE.—The 1  
13 collective Council vote of an entity described  
14 under subparagraph (A) shall be cast by the  
15 head of such agency or, in the event such head  
16 is unable to cast such vote, the next most senior  
17 member of the entity available.”;

18 (B) in subsection (c), by striking “sub-  
19 paragraphs (C), (D), and (E)” and inserting  
20 “subparagraphs (B), (C), and (D)”;

21 (C) in subsection (e), by adding at the end  
22 the following:

23 “(3) STAFF ACCESS.—Any member of the  
24 Council may select to have one or more individuals  
25 on the member’s staff attend a meeting of the Coun-

1 cil, including any meeting of representatives of the  
 2 member agencies other than the members them-  
 3 selves.

4 “(4) CONGRESSIONAL OVERSIGHT.—All meet-  
 5 ings of the Council, whether or not open to the pub-  
 6 lic, shall be open to the attendance by members of  
 7 the Committee on Financial Services of the House of  
 8 Representatives and the Committee on Banking,  
 9 Housing, and Urban Affairs of the Senate.

10 “(5) MEMBER AGENCY MEETINGS.—Any meet-  
 11 ing of representatives of the member agencies other  
 12 than the members themselves shall be open to at-  
 13 tendance by staff of the Committee on Financial  
 14 Services of the House of Representatives and the  
 15 Committee on Banking, Housing, and Urban Affairs  
 16 of the Senate.”;

17 (D) by striking subsection (g) (relating to  
 18 the nonapplicability of FACA);

19 (E) by inserting after subsection (f) the  
 20 following:

21 “(g) OPEN MEETING REQUIREMENT.—The Council  
 22 shall be an agency for purposes of section 552b of title  
 23 5, United States Code (commonly referred to as the ‘Gov-  
 24 ernment in the Sunshine Act’).

1 “(h) CONFIDENTIAL CONGRESSIONAL BRIEFINGS.—  
 2 At the request of the Chairman of the Committee on Fi-  
 3 nancial Services of the House of Representatives or the  
 4 Chairman of the Committee on Banking, Housing, and  
 5 Urban Affairs of the Senate, the Chairperson shall appear  
 6 before Congress to provide a confidential briefing.”; and

7 (F) by redesignating subsections (h)  
 8 through (j) as subsections (i) through (k), re-  
 9 spectively;

10 (3) in section 112—

11 (A) in subsection (a)(2)—

12 (i) in subparagraph (A), by striking  
 13 “the Federal Insurance Office and, if nec-  
 14 essary to assess risks to the United States  
 15 financial system, direct the Office of Fi-  
 16 nancial Research to” and inserting “and, if  
 17 necessary to assess risks to the United  
 18 States financial system,”;

19 (ii) by striking subparagraphs (B),  
 20 (H), (I), and (J);

21 (iii) by redesignating subparagraphs  
 22 (C), (D), (E), (F), (G), (K), (L), (M), and  
 23 (N) as subparagraphs (B), (C), (D), (E),  
 24 (F), (G), (H), (I), and (J), respectively;

1 (iv) in subparagraph (J), as so rededesignated—

3 (I) in clause (iii), by adding  
4 “and” at the end;

5 (II) by striking clauses (iv) and  
6 (v); and

7 (III) by redesignating clause (vi)  
8 as clause (iv); and  
9 (B) in subsection (d)—

10 (i) in paragraph (1), by striking “the  
11 Office of Financial Research, member  
12 agencies, and the Federal Insurance Of-  
13 fice” and inserting “member agencies”;

14 (ii) in paragraph (2), by striking “the  
15 Office of Financial Research, any member  
16 agency, and the Federal Insurance Office,”  
17 and inserting “member agencies”;

18 (iii) in paragraph (3)—

19 (I) by striking “, acting through  
20 the Office of Financial Research,”  
21 each place it appears; and

22 (II) in subparagraph (B), by  
23 striking “the Office of Financial Re-  
24 search or”; and

1 (iv) in paragraph (5)(A), by striking  
2 “, the Office of Financial Research,”;

3 (4) by amending section 118 to read as follows:

4 **“SEC. 118. COUNCIL FUNDING.**

5 “There is authorized to be appropriated to the Coun-  
6 cil \$4,000,000 for fiscal year 2017 and each fiscal year  
7 thereafter to carry out the duties of the Council.”;

8 (5) in section 163—

9 (A) by striking subsection (a);

10 (B) by redesignating subsection (b) as sub-  
11 section (a); and

12 (C) in subsection (a), as so redesignated—

13 (i) by striking “or a nonbank financial  
14 company supervised by the Board of Gov-  
15 ernors” each place such term appears;

16 (ii) in paragraph (4), by striking “In  
17 addition” and inserting the following:

18 “(A) IN GENERAL.—In addition”; and

19 (iii) by adding at the end the fol-  
20 lowing:

21 “(B) EXCEPTION FOR QUALIFYING BANK-  
22 ING ORGANIZATION.—Subparagraph (A) shall  
23 not apply to a proposed acquisition by a quali-  
24 fying banking organization, as defined under

1 section 605 of the Financial CHOICE Act of  
2 2017.”; and

3 (6) in section 165—

4 (A) by striking “nonbank financial compa-  
5 nies supervised by the Board of Governors and”  
6 each place such term appears;

7 (B) by striking “nonbank financial com-  
8 pany supervised by the Board of Governors  
9 and” each place such term appears;

10 (C) in subsection (a), by amending para-  
11 graph (2) to read as follows:

12 “(2) TAILORED APPLICATION.—In prescribing  
13 more stringent prudential standards under this sec-  
14 tion, the Board of Governors may differentiate  
15 among companies on an individual basis or by cat-  
16 egory, taking into consideration their capital struc-  
17 ture, riskiness, complexity, financial activities (in-  
18 cluding the financial activities of their subsidiaries),  
19 size, and any other risk-related factors that the  
20 Board of Governors deems appropriate.”;

21 (D) in subsection (b)—

22 (i) in paragraph (1)(B)(iv), by strik-  
23 ing “, on its own or pursuant to a rec-  
24 ommendation made by the Council in ac-  
25 cordance with section 115,”;

1 (ii) in paragraph (2)—

2 (I) by striking “foreign nonbank  
3 financial company supervised by the  
4 Board of Governors or”;

5 (II) by striking “shall—” and all  
6 that follows through “give due” and  
7 inserting “shall give due”;

8 (III) in subparagraph (A), by  
9 striking “; and” and inserting a pe-  
10 riod; and

11 (IV) by striking subparagraph  
12 (B);

13 (iii) in paragraph (3)—

14 (I) in subparagraph (A)—

15 (aa) by striking clause (i);

16 (bb) by redesignating  
17 clauses (ii), (iii), and (iv) as  
18 clauses (i), (ii), and (iii), respec-  
19 tively; and

20 (cc) in clause (iii), as so re-  
21 designated, by adding “and” at  
22 the end;

23 (II) by striking subparagraphs  
24 (B) and (C); and

- 1 (III) by redesignating subpara-  
2 graph (D) as subparagraph (B); and  
3 (iv) in paragraph (4), by striking “a  
4 nonbank financial company supervised by  
5 the Board of Governors or”;  
6 (E) in subsection (c)—  
7 (i) in paragraph (1), by striking  
8 “under section 115(c)”; and  
9 (ii) in paragraph (2)—  
10 (I) by amending subparagraph  
11 (A) to read as follows:  
12 “(A) any recommendations of the Coun-  
13 cil;”; and  
14 (II) in subparagraph (D), by  
15 striking “nonbank financial company  
16 supervised by the Board of Governors  
17 or”;  
18 (F) in subsection (d)—  
19 (i) by striking “a nonbank financial  
20 company supervised by the Board of Gov-  
21 ernors or” each place such term appears;  
22 (ii) in paragraph (1), by striking “pe-  
23 riodically” and inserting “not more often  
24 than every 2 years”;  
25 (iii) in paragraph (3)—

1 (I) by striking “The Board” and  
2 inserting the following:

3 “(A) IN GENERAL.—The Board”;

4 (II) by striking “shall review”  
5 and inserting the following: “shall—  
6 “(i) review”;

7 (III) by striking the period and  
8 inserting “; and”; and

9 (IV) by adding at the end the fol-  
10 lowing:

11 “(ii) not later than the end of the 6-  
12 month period beginning on the date the  
13 bank holding company submits the resolu-  
14 tion plan, provide feedback to the bank  
15 holding company on such plan.

16 “(B) DISCLOSURE OF ASSESSMENT  
17 FRAMEWORK.—The Board of Governors shall  
18 publicly disclose the assessment framework that  
19 is used to review information under this para-  
20 graph and shall provide the public with a notice  
21 and comment period before finalizing such as-  
22 sessment framework.”.

23 (iv) in paragraph (6), by striking  
24 “nonbank financial company supervised by

1 the Board, any bank holding company,”  
2 and inserting “bank holding company”;

3 (G) in subsection (e)—

4 (i) in paragraph (1), by striking “a  
5 nonbank financial company supervised by  
6 the Board of Governors or”;

7 (ii) in paragraph (3), by striking “the  
8 nonbank financial company supervised by  
9 the Board of Governors or” each place  
10 such term appears; and

11 (iii) in paragraph (4), by striking “a  
12 nonbank financial company supervised by  
13 the Board of Governors or”;

14 (H) in subsection (g)(1), by striking “and  
15 any nonbank financial company supervised by  
16 the Board of Governors”;

17 (I) in subsection (h)—

18 (i) by striking paragraph (1);

19 (ii) by redesignating paragraphs (2),  
20 (3), and (4) as paragraphs (1), (2), and  
21 (3), respectively;

22 (iii) in paragraph (1), as so redesign-  
23 nated, by striking “paragraph (3)” each  
24 place such term appears and inserting  
25 “paragraph (2)”; and

(iv) in paragraph (2), as so redesignated—

(I) in subparagraph (A), by striking “the nonbank financial company supervised by the Board of Governors or bank holding company described in subsection (a), as applicable” and inserting “a bank holding company described in subsection (a)”; and

(II) in subparagraph (B), by striking “the nonbank financial company supervised by the Board of Governors or a bank holding company described in subsection (a), as applicable” and inserting “a bank holding company described in subsection (a)”;  
(J) in subsection (i)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking “, in coordination with the appropriate primary financial regulatory agencies and the Federal Insurance Office,”;

(II) in subparagraph (B)—

1 (aa) by amending clause (i)  
2 to read as follows:

3 “(i) shall—

4 “(I) issue regulations, after pro-  
5 viding for public notice and comment,  
6 that provide for at least 3 different  
7 sets of conditions under which the  
8 evaluation required by this subsection  
9 shall be conducted, including baseline,  
10 adverse, and severely adverse, and  
11 methodologies, including models used  
12 to estimate losses on certain assets,  
13 and the Board of Governors shall not  
14 carry out any such evaluation until 60  
15 days after such regulations are issued;  
16 and

17 “(II) provide copies of such regu-  
18 lations to the Comptroller General of  
19 the United States and the Panel of  
20 Economic Advisors of the Congres-  
21 sional Budget Office before publishing  
22 such regulations;”;

23 (bb) in clause (ii), by strik-  
24 ing “and nonbank financial com-  
25 panies”;

1 (cc) in clause (iv), by strik-  
2 ing “and” at the end;

3 (dd) in clause (v), by strik-  
4 ing the period and inserting the  
5 following: “, including any results  
6 of a resubmitted test;”; and

7 (ee) by adding at the end  
8 the following:

9 “(vi) shall, in establishing the severely  
10 adverse condition under clause (i), provide  
11 detailed consideration of the model’s ef-  
12 fects on financial stability and the cost and  
13 availability of credit;

14 “(vii) shall, in developing the models  
15 and methodologies and providing them for  
16 notice and comment under this subpara-  
17 graph, publish a process to test the models  
18 and methodologies for their potential to  
19 magnify systemic and institutional risks in-  
20 stead of facilitating increased resiliency;

21 “(viii) shall design and publish a proc-  
22 ess to test and document the sensitivity  
23 and uncertainty associated with the model  
24 system’s data quality, specifications, and  
25 assumptions; and

1 “(ix) shall communicate the range and  
2 sources of uncertainty surrounding the  
3 models and methodologies.”; and

4 (III) by adding at the end the  
5 following:

6 “(C) CCAR REQUIREMENTS.—

7 “(i) PARAMETERS AND CON-  
8 SEQUENCES APPLICABLE TO CCAR.—The  
9 requirements of subparagraph (B) shall  
10 apply to CCAR.

11 “(ii) TWO-YEAR LIMITATION.—The  
12 Board of Governors may not subject a  
13 company to CCAR more than once every  
14 two years.

15 “(iii) LIMITATION ON QUALITATIVE  
16 CAPITAL PLANNING OBJECTIONS.—In car-  
17 rying out CCAR, the Board of Governors  
18 may not object to a company’s capital plan  
19 on the basis of qualitative deficiencies in  
20 the company’s capital planning process.

21 “(iv) COMPANY INQUIRIES.—The  
22 Board of Governors shall establish and  
23 publish procedures for responding to in-  
24 quiries from companies subject to CCAR,  
25 including establishing the time frame in

1 which such responses will be made, and  
2 make such procedures publicly available.

3 “(v) CCAR DEFINED.—For purposes  
4 of this subparagraph and subparagraph  
5 (E), the term ‘CCAR’ means the Com-  
6 prehensive Capital Analysis and Review es-  
7 tablished by the Board of Governors.”; and

8 (ii) in paragraph (2)—

9 (I) in subparagraph (A)—

10 (aa) by striking “a bank  
11 holding company” and inserting  
12 “bank holding company”;

13 (bb) by striking “semi-  
14 annual” and inserting “annual”;

15 (cc) by striking “All other  
16 financial companies” and insert-  
17 ing “All other bank holding com-  
18 panies”; and

19 (dd) by striking “and are  
20 regulated by a primary Federal  
21 financial regulatory agency”;

22 (II) in subparagraph (B)—

23 (aa) by striking “and to its  
24 primary financial regulatory  
25 agency”; and

1 (bb) by striking “primary fi-  
2 nancial regulatory agency” the  
3 second time it appears and in-  
4 serting “Board of Governors”;  
5 and

6 (III) in subparagraph (C)—

7 (aa) by striking “Each Fed-  
8 eral primary financial regulatory  
9 agency, in coordination with the  
10 Board of Governors and the Fed-  
11 eral Insurance Office,” and in-  
12 serting “The Board of Gov-  
13 ernors”; and

14 (bb) by striking “consistent  
15 and comparable”.

16 (K) in subsection (j)—

17 (i) in paragraph (1), by striking “or a  
18 nonbank financial company supervised by  
19 the Board of Governors”; and

20 (ii) in paragraph (2), by striking “the  
21 factors described in subsections (a) and (b)  
22 of section 113 and any other” and insert-  
23 ing “any”;

1 (L) in subsection (k)(1), by striking “or  
2 nonbank financial company supervised by the  
3 Board of Governors”; and

4 (M) by adding at the end the following:

5 “(I) EXEMPTION FOR QUALIFYING BANKING ORGA-  
6 NIZATIONS.—This section shall not apply to a proposed  
7 acquisition by a qualifying banking organization, as de-  
8 fined under section 605 of the Financial CHOICE Act of  
9 2017.”.

10 (c) TREATMENT OF OTHER RESOLUTION PLAN RE-  
11 QUIREMENTS.—

12 (1) IN GENERAL.—With respect to an appro-  
13 priate Federal banking agency that requires a bank-  
14 ing organization to submit to the agency a resolution  
15 plan not described under section 165(d) of the  
16 Dodd-Frank Wall Street Reform and Consumer Pro-  
17 tection Act—

18 (A) the agency shall comply with the re-  
19 quirements of paragraphs (3) and (4) of such  
20 section 165(d);

21 (B) the agency may not require the sub-  
22 mission of such a resolution plan more often  
23 than every 2 years; and

24 (C) paragraphs (6) and (7) of such section  
25 165(d) shall apply to such a resolution plan.

1           (2) DEFINITIONS.—For purposes of this sub-  
2       section, the terms “appropriate Federal banking  
3       agency” and “banking organization” have the mean-  
4       ing given those terms, respectively, under section  
5       105.

6       (d) ACTIONS TO CREATE A BANK HOLDING COM-  
7       PANY.—Section 3(b)(1) of the Bank Holding Company  
8       Act of 1956 (12 U.S.C. 1842(b)(1)) is amended—

9           (1) by striking “Upon receiving” and inserting  
10      the following:

11                   “(A) IN GENERAL.—Upon receiving”;

12           (2) by striking “Notwithstanding any other pro-  
13      vision” and inserting the following:

14                   “(B) IMMEDIATE ACTION.—

15                           “(i) IN GENERAL.—Notwithstanding  
16                   any other provision”; and

17           (3) by adding at the end the following:

18                           “(ii) EXCEPTION.—The Board may  
19                   not take any action pursuant to clause (i)  
20                   on an application that would cause any  
21                   company to become a bank holding com-  
22                   pany unless such application involves the  
23                   company acquiring a bank that is critically  
24                   undercapitalized (as such term is defined

1 under section 38(b) of the Federal Deposit  
 2 Insurance Act).”.

3 (e) CONCENTRATION LIMITS APPLIED ONLY TO  
 4 BANKING ORGANIZATIONS.—Section 14 of the Bank  
 5 Holding Company Act of 1956 (12 U.S.C. 1852) is  
 6 amended—

7 (1) by striking “financial company” each place  
 8 such term appears and inserting “banking organiza-  
 9 tion”;

10 (2) in subsection (a)—

11 (A) by amending paragraph (2) to read as  
 12 follows:

13 “(2) the term ‘banking organization’ means—

14 “(A) an insured depository institution;

15 “(B) a bank holding company;

16 “(C) a savings and loan holding company;

17 “(D) a company that controls an insured  
 18 depository institution; and

19 “(E) a foreign bank or company that is  
 20 treated as a bank holding company for purposes  
 21 of this Act; and”;

22 (B) in paragraph (3)—

23 (i) in subparagraph (A)(ii), by adding  
 24 “and” at the end;

1 (ii) in subparagraph (B)(ii), by strik-  
 2 ing “; and” and inserting a period; and

3 (iii) by striking subparagraph (C);  
 4 and

5 (3) in subsection (b), by striking “financial  
 6 companies” and inserting “banking organizations”.

7 (f) CONFORMING AMENDMENT.—Section 3502(5) of  
 8 title 44, United States Code, is amended by striking “the  
 9 Office of Financial Research,”.

10 (g) CLERICAL AMENDMENT.—The table of contents  
 11 under section 1(b) of the Dodd-Frank Wall Street Reform  
 12 and Consumer Protection Act is amended by striking the  
 13 items relating to subtitle B of title I and 113, 114, 115,  
 14 116, 117, 119, 120, 121, 161, 162, 164, 166, 167, 168,  
 15 170, 172, 174, and 175.

16 **SEC. 152. OPERATIONAL RISK CAPITAL REQUIREMENTS**  
 17 **FOR BANKING ORGANIZATIONS.**

18 (a) IN GENERAL.—An appropriate Federal banking  
 19 agency may not establish an operational risk capital re-  
 20 quirement for banking organizations, unless such require-  
 21 ment—

22 (1) is based on the risks posed by a banking or-  
 23 ganization’s current activities and businesses;

24 (2) is appropriately sensitive to the risks posed  
 25 by such current activities and businesses;

1           (3) is determined under a forward-looking as-  
 2           sessment of potential losses that may arise out of a  
 3           banking organization’s current activities and busi-  
 4           nesses, which is not solely based on a banking orga-  
 5           nization’s historical losses; and

6           (4) permits adjustments based on qualifying  
 7           operational risk mitigants.

8           (b) DEFINITIONS.—For purposes of this section, the  
 9           terms “appropriate Federal banking agency” and “bank-  
 10          ing organization” have the meaning given those terms, re-  
 11          spectively, under section 605.

## 12       **TITLE       II—DEMANDING       AC-** 13       **COUNTABILITY FROM WALL** 14       **STREET**

### 15       **Subtitle A—SEC Penalties** 16       **Modernization**

#### 17       **SEC. 211. ENHANCEMENT OF CIVIL PENALTIES FOR SECU-** 18       **RITIES LAWS VIOLATIONS.**

19       (a) UPDATED CIVIL MONEY PENALTIES.—

20           (1) SECURITIES ACT OF 1933.—

21           (A) MONEY PENALTIES IN ADMINISTRA-  
 22           TIVE ACTIONS.—Section 8A(g)(2) of the Securi-  
 23           ties Act of 1933 (15 U.S.C. 77h–1(g)(2)) is  
 24           amended—

25           (i) in subparagraph (A)—

1 (I) by striking “\$7,500” and in-  
2 serting “\$10,000”; and

3 (II) by striking “\$75,000” and  
4 inserting “\$100,000”;

5 (ii) in subparagraph (B)—

6 (I) by striking “\$75,000” and in-  
7 serting “\$100,000”; and

8 (II) by striking “\$375,000” and  
9 inserting “\$500,000”; and

10 (iii) by striking subparagraph (C) and  
11 inserting the following:

12 “(C) THIRD TIER.—

13 “(i) IN GENERAL.—Notwithstanding  
14 subparagraphs (A) and (B), the amount of  
15 penalty for each such act or omission shall  
16 not exceed the amount specified in clause  
17 (ii) if—

18 “(I) the act or omission described  
19 in paragraph (1) involved fraud, de-  
20 ceit, manipulation, or deliberate or  
21 reckless disregard of a regulatory re-  
22 quirement; and

23 “(II) such act or omission di-  
24 rectly or indirectly resulted in—

1                   “(aa) substantial losses or  
 2                   created a significant risk of sub-  
 3                   stantial losses to other persons;  
 4                   or

5                   “(bb) substantial pecuniary  
 6                   gain to the person who com-  
 7                   mitted the act or omission.

8                   “(ii) MAXIMUM AMOUNT OF PEN-  
 9                   ALTY.—The amount referred to in clause  
 10                  (i) is the greatest of—

11                  “(I) \$300,000 for a natural per-  
 12                  son or \$1,450,000 for any other per-  
 13                  son;

14                  “(II) 3 times the gross amount of  
 15                  pecuniary gain to the person who  
 16                  committed the act or omission; or

17                  “(III) the amount of losses in-  
 18                  curred by victims as a result of the  
 19                  act or omission.”.

20                  (B) MONEY PENALTIES IN CIVIL AC-  
 21                  TIONS.—Section 20(d)(2) of the Securities Act  
 22                  of 1933 (15 U.S.C. 77t(d)(2)) is amended—

23                  (i) in subparagraph (A)—

24                         (I) by striking “\$5,000” and in-  
 25                         serting “\$10,000”; and

1 (II) by striking “\$50,000” and  
2 inserting “\$100,000”;

3 (ii) in subparagraph (B)—

4 (I) by striking “\$50,000” and in-  
5 serting “\$100,000”; and

6 (II) by striking “\$250,000” and  
7 inserting “\$500,000”; and

8 (iii) by striking subparagraph (C) and  
9 inserting the following:

10 “(C) THIRD TIER.—

11 “(i) IN GENERAL.—Notwithstanding  
12 subparagraphs (A) and (B), the amount of  
13 penalty for each such violation shall not  
14 exceed the amount specified in clause (ii)  
15 if—

16 “(I) the violation described in  
17 paragraph (1) involved fraud, deceit,  
18 manipulation, or deliberate or reckless  
19 disregard of a regulatory requirement;  
20 and

21 “(II) such violation directly or in-  
22 directly resulted in substantial losses  
23 or created a significant risk of sub-  
24 stantial losses to other persons.

“(ii) MAXIMUM AMOUNT OF PEN-  
ALTY.—The amount referred to in clause  
(i) is the greatest of—

“(I) \$300,000 for a natural per-  
son or \$1,450,000 for any other per-  
son;

“(II) 3 times the gross amount of  
pecuniary gain to such defendant as a  
result of the violation; or

“(III) the amount of losses in-  
curred by victims as a result of the  
violation.”.

(2) SECURITIES EXCHANGE ACT OF 1934.—

(A) MONEY PENALTIES IN CIVIL AC-  
TIONS.—Section 21(d)(3)(B) of the Securities  
Exchange Act of 1934 (15 U.S.C.  
78u(d)(3)(B)) is amended—

(i) in clause (i)—

(I) by striking “\$5,000” and in-  
serting “\$10,000”; and

(II) by striking “\$50,000” and  
inserting “\$100,000”;

(ii) in clause (ii)—

(I) by striking “\$50,000” and in-  
serting “\$100,000”; and

1 (II) by striking “\$250,000” and  
2 inserting “\$500,000”; and

3 (iii) by striking clause (iii) and insert-  
4 ing the following:

5 “(iii) THIRD TIER.—

6 “(I) IN GENERAL.—Notwithstanding  
7 clauses (i) and (ii), the amount of penalty  
8 for each such violation shall not exceed the  
9 amount specified in subclause (II) if—

10 “(aa) the violation described in  
11 subparagraph (A) involved fraud, de-  
12 ceit, manipulation, or deliberate or  
13 reckless disregard of a regulatory re-  
14 quirement; and

15 “(bb) such violation directly or  
16 indirectly resulted in substantial  
17 losses or created a significant risk of  
18 substantial losses to other persons.

19 “(II) MAXIMUM AMOUNT OF PEN-  
20 ALTY.—The amount referred to in sub-  
21 clause (I) is the greatest of—

22 “(aa) \$300,000 for a natural  
23 person or \$1,450,000 for any other  
24 person;

1 “(bb) 3 times the gross amount  
 2 of pecuniary gain to such defendant  
 3 as a result of the violation; or

4 “(cc) the amount of losses in-  
 5 curred by victims as a result of the  
 6 violation.”.

7 (B) MONEY PENALTIES IN ADMINISTRA-  
 8 TIVE ACTIONS.—Section 21B(b) of the Securi-  
 9 ties Exchange Act of 1934 (15 U.S.C. 78u-  
 10 2(b)) is amended—

11 (i) in paragraph (1)—

12 (I) by striking “\$5,000” and in-  
 13 serting “\$10,000”; and

14 (II) by striking “\$50,000” and  
 15 inserting “\$100,000”;

16 (ii) in paragraph (2)—

17 (I) by striking “\$50,000” and in-  
 18 serting “\$100,000”; and

19 (II) by striking “\$250,000” and  
 20 inserting “\$500,000”; and

21 (iii) by striking paragraph (3) and in-  
 22 serting the following:

23 “(3) THIRD TIER.—

24 “(A) IN GENERAL.—Notwithstanding  
 25 paragraphs (1) and (2), the amount of penalty

1 for each such act or omission shall not exceed  
 2 the amount specified in subparagraph (B) if—

3 “(i) the act or omission described in  
 4 subsection (a) involved fraud, deceit, ma-  
 5 nipulation, or deliberate or reckless dis-  
 6 regard of a regulatory requirement; and

7 “(ii) such act or omission directly or  
 8 indirectly resulted in substantial losses or  
 9 created a significant risk of substantial  
 10 losses to other persons or resulted in sub-  
 11 stantial pecuniary gain to the person who  
 12 committed the act or omission.

13 “(B) MAXIMUM AMOUNT OF PENALTY.—  
 14 The amount referred to in subparagraph (A) is  
 15 the greatest of—

16 “(i) \$300,000 for a natural person or  
 17 \$1,450,000 for any other person;

18 “(ii) 3 times the gross amount of pe-  
 19 cuniary gain to the person who committed  
 20 the act or omission; or

21 “(iii) the amount of losses incurred by  
 22 victims as a result of the act or omission.”.

23 (3) INVESTMENT COMPANY ACT OF 1940.—

24 (A) MONEY PENALTIES IN ADMINISTRA-  
 25 TIVE ACTIONS.—Section 9(d)(2) of the Invest-

ment Company Act of 1940 (15 U.S.C. 80a–  
9(d)(2)) is amended—

(i) in subparagraph (A)—

(I) by striking “\$5,000” and inserting “\$10,000”; and

(II) by striking “\$50,000” and inserting “\$100,000”;

(ii) in subparagraph (B)—

(I) by striking “\$50,000” and inserting “\$100,000”; and

(II) by striking “\$250,000” and inserting “\$500,000”; and

(iii) by striking subparagraph (C) and inserting the following:

“(C) THIRD TIER.—

“(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the amount specified in clause (ii) if—

“(I) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

1 “(II) such act or omission di-  
 2 rectly or indirectly resulted in sub-  
 3 stantial losses or created a significant  
 4 risk of substantial losses to other per-  
 5 sons or resulted in substantial pecu-  
 6 niary gain to the person who com-  
 7 mitted the act or omission.

8 “(ii) MAXIMUM AMOUNT OF PEN-  
 9 ALTY.—The amount referred to in clause  
 10 (i) is the greatest of—

11 “(I) \$300,000 for a natural per-  
 12 son or \$1,450,000 for any other per-  
 13 son;

14 “(II) 3 times the gross amount of  
 15 pecuniary gain to the person who  
 16 committed the act or omission; or

17 “(III) the amount of losses in-  
 18 curred by victims as a result of the  
 19 act or omission.”.

20 (B) MONEY PENALTIES IN CIVIL AC-  
 21 TIONS.—Section 42(e)(2) of the Investment  
 22 Company Act of 1940 (15 U.S.C. 80a–  
 23 41(e)(2)) is amended—

24 (i) in subparagraph (A)—

1 (I) by striking “\$5,000” and in-  
2 serting “\$10,000”; and

3 (II) by striking “\$50,000” and  
4 inserting “\$100,000”;

5 (ii) in subparagraph (B)—

6 (I) by striking “\$50,000” and in-  
7 serting “\$100,000”; and

8 (II) by striking “\$250,000” and  
9 inserting “\$500,000”; and

10 (iii) by striking subparagraph (C) and  
11 inserting the following:

12 “(C) THIRD TIER.—

13 “(i) IN GENERAL.—Notwithstanding  
14 subparagraphs (A) and (B), the amount of  
15 penalty for each such violation shall not  
16 exceed the amount specified in clause (ii)  
17 if—

18 “(I) the violation described in  
19 paragraph (1) involved fraud, deceit,  
20 manipulation, or deliberate or reckless  
21 disregard of a regulatory requirement;  
22 and

23 “(II) such violation directly or in-  
24 directly resulted in substantial losses

1 or created a significant risk of sub-  
 2 stantial losses to other persons.

3 “(ii) MAXIMUM AMOUNT OF PEN-  
 4 ALTY.—The amount referred to in clause  
 5 (i) is the greatest of—

6 “(I) \$300,000 for a natural per-  
 7 son or \$1,450,000 for any other per-  
 8 son;

9 “(II) 3 times the gross amount of  
 10 pecuniary gain to such defendant as a  
 11 result of the violation; or

12 “(III) the amount of losses in-  
 13 curred by victims as a result of the  
 14 violation.”.

15 (4) INVESTMENT ADVISERS ACT OF 1940.—

16 (A) MONEY PENALTIES IN ADMINISTRA-  
 17 TIVE ACTIONS.—Section 203(i)(2) of the Invest-  
 18 ment Advisers Act of 1940 (15 U.S.C. 80b-  
 19 3(i)(2)) is amended—

20 (i) in subparagraph (A)—

21 (I) by striking “\$5,000” and in-  
 22 serting “\$10,000”; and

23 (II) by striking “\$50,000” and  
 24 inserting “\$100,000”;

25 (ii) in subparagraph (B)—

1 (I) by striking “\$50,000” and in-  
2 serting “\$100,000”; and

3 (II) by striking “\$250,000” and  
4 inserting “\$500,000”; and

5 (iii) by striking subparagraph (C) and  
6 inserting the following:

7 “(C) THIRD TIER.—

8 “(i) IN GENERAL.—Notwithstanding  
9 subparagraphs (A) and (B), the amount of  
10 penalty for each such act or omission shall  
11 not exceed the amount specified in clause  
12 (ii) if—

13 “(I) the act or omission described  
14 in paragraph (1) involved fraud, de-  
15 ceit, manipulation, or deliberate or  
16 reckless disregard of a regulatory re-  
17 quirement; and

18 “(II) such act or omission di-  
19 rectly or indirectly resulted in sub-  
20 stantial losses or created a significant  
21 risk of substantial losses to other per-  
22 sons or resulted in substantial pecu-  
23 niary gain to the person who com-  
24 mitted the act or omission.

1 “(ii) MAXIMUM AMOUNT OF PEN-  
2 ALTY.—The amount referred to in clause  
3 (i) is the greatest of—

4 “(I) \$300,000 for a natural per-  
5 son or \$1,450,000 for any other per-  
6 son;

7 “(II) 3 times the gross amount of  
8 pecuniary gain to the person who  
9 committed the act or omission; or

10 “(III) the amount of losses in-  
11 curred by victims as a result of the  
12 act or omission.”.

13 (B) MONEY PENALTIES IN CIVIL AC-  
14 TIONS.—Section 209(e)(2) of the Investment  
15 Advisers Act of 1940 (15 U.S.C. 80b–9(e)(2))  
16 is amended—

17 (i) in subparagraph (A)—

18 (I) by striking “\$5,000” and in-  
19 serting “\$10,000”; and

20 (II) by striking “\$50,000” and  
21 inserting “\$100,000”;

22 (ii) in subparagraph (B)—

23 (I) by striking “\$50,000” and in-  
24 serting “\$100,000”; and

1 (II) by striking “\$250,000” and  
2 inserting “\$500,000”; and

3 (iii) by striking subparagraph (C) and  
4 inserting the following:

5 “(C) THIRD TIER.—

6 “(i) IN GENERAL.—Notwithstanding  
7 subparagraphs (A) and (B), the amount of  
8 penalty for each such violation shall not  
9 exceed the amount specified in clause (ii)  
10 if—

11 “(I) the violation described in  
12 paragraph (1) involved fraud, deceit,  
13 manipulation, or deliberate or reckless  
14 disregard of a regulatory requirement;  
15 and

16 “(II) such violation directly or in-  
17 directly resulted in substantial losses  
18 or created a significant risk of sub-  
19 stantial losses to other persons.

20 “(ii) MAXIMUM AMOUNT OF PEN-  
21 ALTY.—The amount referred to in clause  
22 (i) is the greatest of—

23 “(I) \$300,000 for a natural per-  
24 son or \$1,450,000 for any other per-  
25 son;

1                   “(II) 3 times the gross amount of  
2                   pecuniary gain to such defendant as a  
3                   result of the violation; or

4                   “(III) the amount of losses in-  
5                   curred by victims as a result of the  
6                   violation.”.

7           (b) PENALTIES FOR RECIDIVISTS.—

8               (1) SECURITIES ACT OF 1933.—

9                   (A) MONEY PENALTIES IN ADMINISTRA-  
10                  TIVE ACTIONS.—Section 8A(g)(2) of the Securi-  
11                  ties Act of 1933 (15 U.S.C. 77h–1(g)(2)) is  
12                  amended by adding at the end the following:

13                       “(D)   FOURTH    TIER.—Notwithstanding  
14                       subparagraphs (A), (B), and (C), the maximum  
15                       amount of penalty for each such act or omission  
16                       shall be 3 times the otherwise applicable  
17                       amount in such subparagraphs if, within the 5-  
18                       year period preceding such act or omission, the  
19                       person who committed the act or omission was  
20                       criminally convicted for securities fraud or be-  
21                       came subject to a judgment or order imposing  
22                       monetary, equitable, or administrative relief in  
23                       any Commission action alleging fraud by that  
24                       person.”.

(B) MONEY PENALTIES IN CIVIL ACTIONS.—Section 20(d)(2) of the Securities Act of 1933 (15 U.S.C. 77t(d)(2)) is amended by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.”.

(2) SECURITIES EXCHANGE ACT OF 1934.—

(A) MONEY PENALTIES IN CIVIL ACTIONS.—Section 21(d)(3)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended by adding at the end the following:

“(iv) FOURTH TIER.—Notwithstanding clauses (i), (ii), and (iii), the maximum amount of penalty for each such violation shall be 3 times the otherwise ap-

1           plicable amount in such clauses if, within  
 2           the 5-year period preceding such violation,  
 3           the defendant was criminally convicted for  
 4           securities fraud or became subject to a  
 5           judgment or order imposing monetary, eq-  
 6           uitable, or administrative relief in any  
 7           Commission action alleging fraud by that  
 8           defendant.”.

9           (B) MONEY PENALTIES IN ADMINISTRA-  
 10          TIVE ACTIONS.—Section 21B(b) of the Securi-  
 11          ties Exchange Act of 1934 (15 U.S.C. 78u-  
 12          2(b)) is amended by adding at the end the fol-  
 13          lowing:

14          “(4) FOURTH TIER.—Notwithstanding para-  
 15          graphs (1), (2), and (3), the maximum amount of  
 16          penalty for each such act or omission shall be 3  
 17          times the otherwise applicable amount in such para-  
 18          graphs if, within the 5-year period preceding such  
 19          act or omission, the person who committed the act  
 20          or omission was criminally convicted for securities  
 21          fraud or became subject to a judgment or order im-  
 22          posing monetary, equitable, or administrative relief  
 23          in any Commission action alleging fraud by that per-  
 24          son.”.

25          (3) INVESTMENT COMPANY ACT OF 1940.—

1 (A) MONEY PENALTIES IN ADMINISTRA-  
2 TIVE ACTIONS.—Section 9(d)(2) of the Invest-  
3 ment Company Act of 1940 (15 U.S.C. 80a–  
4 9(d)(2)) is amended by adding at the end the  
5 following:

6 “(D) FOURTH TIER.—Notwithstanding  
7 subparagraphs (A), (B), and (C), the maximum  
8 amount of penalty for each such act or omission  
9 shall be 3 times the otherwise applicable  
10 amount in such subparagraphs if, within the 5-  
11 year period preceding such act or omission, the  
12 person who committed the act or omission was  
13 criminally convicted for securities fraud or be-  
14 came subject to a judgment or order imposing  
15 monetary, equitable, or administrative relief in  
16 any Commission action alleging fraud by that  
17 person.”.

18 (B) MONEY PENALTIES IN CIVIL AC-  
19 TIONS.—Section 42(e)(2) of the Investment  
20 Company Act of 1940 (15 U.S.C. 80a–  
21 41(e)(2)) is amended by adding at the end the  
22 following:

23 “(D) FOURTH TIER.—Notwithstanding  
24 subparagraphs (A), (B), and (C), the maximum  
25 amount of penalty for each such violation shall

1 be 3 times the otherwise applicable amount in  
2 such subparagraphs if, within the 5-year period  
3 preceding such violation, the defendant was  
4 criminally convicted for securities fraud or be-  
5 came subject to a judgment or order imposing  
6 monetary, equitable, or administrative relief in  
7 any Commission action alleging fraud by that  
8 defendant.”.

9 (4) INVESTMENT ADVISERS ACT OF 1940.—

10 (A) MONEY PENALTIES IN ADMINISTRA-  
11 TIVE ACTIONS.—Section 203(i)(2) of the Invest-  
12 ment Advisers Act of 1940 (15 U.S.C. 80b-  
13 3(i)(2)) is amended by adding at the end the  
14 following:

15 “(D) FOURTH TIER.—Notwithstanding  
16 subparagraphs (A), (B), and (C), the maximum  
17 amount of penalty for each such act or omission  
18 shall be 3 times the otherwise applicable  
19 amount in such subparagraphs if, within the 5-  
20 year period preceding such act or omission, the  
21 person who committed the act or omission was  
22 criminally convicted for securities fraud or be-  
23 came subject to a judgment or order imposing  
24 monetary, equitable, or administrative relief in

any Commission action alleging fraud by that person.”.

(B) MONEY PENALTIES IN CIVIL ACTIONS.—Section 209(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–9(e)(2)) is amended by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.”.

(c) VIOLATIONS OF INJUNCTIONS AND BARS.—

(1) SECURITIES ACT OF 1933.—Section 20(d) of the Securities Act of 1933 (15 U.S.C. 77t(d)) is amended—

(A) in paragraph (1), by inserting after “the rules or regulations thereunder,” the following: “a Federal court injunction or a bar ob-

1           tained or entered by the Commission under this  
2           title,”; and

3                   (B) by striking paragraph (4) and insert-  
4           ing the following:

5           “(4) SPECIAL PROVISIONS RELATING TO A VIO-  
6           LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

7                   “(A) IN GENERAL.—Each separate viola-  
8           tion of an injunction or order described in sub-  
9           paragraph (B) shall be a separate offense, ex-  
10          cept that in the case of a violation through a  
11          continuing failure to comply with such injunc-  
12          tion or order, each day of the failure to comply  
13          with the injunction or order shall be deemed a  
14          separate offense.

15                  “(B) INJUNCTIONS AND ORDERS.—Sub-  
16          paragraph (A) shall apply with respect to any  
17          action to enforce—

18                          “(i) a Federal court injunction ob-  
19                          tained pursuant to this title;

20                          “(ii) an order entered or obtained by  
21                          the Commission pursuant to this title that  
22                          bars, suspends, places limitations on the  
23                          activities or functions of, or prohibits the  
24                          activities of, a person; or

1 “(iii) a cease-and-desist order entered  
 2 by the Commission pursuant to section  
 3 8A.”.

4 (2) SECURITIES EXCHANGE ACT OF 1934.—Sec-  
 5 tion 21(d)(3) of the Securities Exchange Act of  
 6 1934 (15 U.S.C. 78u(d)(3)) is amended—

7 (A) in subparagraph (A), by inserting after  
 8 “the rules or regulations thereunder,” the fol-  
 9 lowing: “a Federal court injunction or a bar ob-  
 10 tained or entered by the Commission under this  
 11 title,”; and

12 (B) by striking subparagraph (D) and in-  
 13 serting the following:

14 “(D) SPECIAL PROVISIONS RELATING TO A VIO-  
 15 LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

16 “(i) IN GENERAL.—Each separate violation  
 17 of an injunction or order described in clause (ii)  
 18 shall be a separate offense, except that in the  
 19 case of a violation through a continuing failure  
 20 to comply with such injunction or order, each  
 21 day of the failure to comply with the injunction  
 22 or order shall be deemed a separate offense.

23 “(ii) INJUNCTIONS AND ORDERS.—Clause  
 24 (i) shall apply with respect to an action to en-  
 25 force—

1                   “(I) a Federal court injunction ob-  
2                   tained pursuant to this title;

3                   “(II) an order entered or obtained by  
4                   the Commission pursuant to this title that  
5                   bars, suspends, places limitations on the  
6                   activities or functions of, or prohibits the  
7                   activities of, a person; or

8                   “(III) a cease-and-desist order entered  
9                   by the Commission pursuant to section  
10                  21C.”.

11                  (3) INVESTMENT COMPANY ACT OF 1940.—Sec-  
12                  tion 42(e) of the Investment Company Act of 1940  
13                  (15 U.S.C. 80a–41(e)) is amended—

14                  (A) in paragraph (1), by inserting after  
15                  “the rules or regulations thereunder,” the fol-  
16                  lowing: “a Federal court injunction or a bar ob-  
17                  tained or entered by the Commission under this  
18                  title,”; and

19                  (B) by striking paragraph (4) and insert-  
20                  ing the following:

21                  “(4) SPECIAL PROVISIONS RELATING TO A VIO-  
22                  LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

23                  “(A) IN GENERAL.—Each separate viola-  
24                  tion of an injunction or order described in sub-  
25                  paragraph (B) shall be a separate offense, ex-

cept that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

“(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

“(i) a Federal court injunction obtained pursuant to this title;

“(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

“(iii) a cease-and-desist order entered by the Commission pursuant to section 9(f).”.

(4) INVESTMENT ADVISERS ACT OF 1940.—Section 209(e) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–9(e)) is amended—

(A) in paragraph (1), by inserting after “the rules or regulations thereunder,” the following: “a Federal court injunction or a bar ob-

1           tained or entered by the Commission under this  
2           title,”; and

3                   (B) by striking paragraph (4) and insert-  
4           ing the following:

5           “(4) SPECIAL PROVISIONS RELATING TO A VIO-  
6           LATION OF AN INJUNCTION OR CERTAIN ORDERS.—

7                   “(A) IN GENERAL.—Each separate viola-  
8           tion of an injunction or order described in sub-  
9           paragraph (B) shall be a separate offense, ex-  
10          cept that in the case of a violation through a  
11          continuing failure to comply with such injunc-  
12          tion or order, each day of the failure to comply  
13          with the injunction or order shall be deemed a  
14          separate offense.

15                  “(B) INJUNCTIONS AND ORDERS.—Sub-  
16          paragraph (A) shall apply with respect to any  
17          action to enforce—

18                          “(i) a Federal court injunction ob-  
19                          tained pursuant to this title;

20                          “(ii) an order entered or obtained by  
21                          the Commission pursuant to this title that  
22                          bars, suspends, places limitations on the  
23                          activities or functions of, or prohibits the  
24                          activities of, a person; or

1 “(iii) a cease-and-desist order entered  
 2 by the Commission pursuant to section  
 3 203(k).”.

4 (d) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply with respect to conduct that occurs  
 6 after the date of the enactment of this Act.

7 **SEC. 212. UPDATED CIVIL MONEY PENALTIES OF PUBLIC**  
 8 **COMPANY ACCOUNTING OVERSIGHT BOARD.**

9 (a) IN GENERAL.—Section 105(c)(4)(D) of the Sar-  
 10 banes-Oxley Act of 2002 (15 U.S.C. 7215(c)(4)(D)) is  
 11 amended—

12 (1) in clause (i)—

13 (A) by striking “\$100,000” and inserting  
 14 “\$200,000”; and

15 (B) by striking “\$2,000,000” and insert-  
 16 ing “\$4,000,000”; and

17 (2) in clause (ii)—

18 (A) by striking “\$750,000” and inserting  
 19 “\$1,500,000”; and

20 (B) by striking “\$15,000,000” and insert-  
 21 ing “\$22,000,000”.

22 (b) EFFECTIVE DATE.—The amendments made by  
 23 this section shall apply with respect to conduct that occurs  
 24 after the date of the enactment of this Act.

1 **SEC. 213. UPDATED CIVIL MONEY PENALTY FOR CONTROL-**  
 2 **LING PERSONS IN CONNECTION WITH IN-**  
 3 **SIDER TRADING.**

4 (a) IN GENERAL.—Section 21A(a)(3) of the Securi-  
 5 ties Exchange Act of 1934 (15 U.S.C. 78u–1(a)(3)) is  
 6 amended by striking “\$1,000,000” and inserting  
 7 “\$2,500,000”.

8 (b) EFFECTIVE DATE.—The amendment made by  
 9 this section shall apply with respect to conduct that occurs  
 10 after the date of the enactment of this Act.

11 **SEC. 214. UPDATE OF CERTAIN OTHER PENALTIES.**

12 (a) IN GENERAL.—Section 32 of the Securities Ex-  
 13 change Act of 1934 (15 U.S.C. 78ff) is amended—

14 (1) in subsection (a), by striking “\$5,000,000”  
 15 and inserting “\$7,000,000”; and

16 (2) in subsection (c)—

17 (A) in paragraph (1)—

18 (i) in subparagraph (A), by striking  
 19 “\$2,000,000” and inserting “\$4,000,000”;  
 20 and

21 (ii) in subparagraph (B), by striking  
 22 “\$10,000” and inserting “\$50,000”; and  
 23 (B) in paragraph (2)—

24 (i) in subparagraph (A), by striking  
 25 “\$100,000” and inserting “\$250,000”;  
 26 and

1 (ii) in subparagraph (B), by striking  
2 “\$10,000” and inserting “\$50,000”.

3 (b) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply with respect to conduct that occurs  
5 after the date of the enactment of this Act.

6 **SEC. 215. MONETARY SANCTIONS TO BE USED FOR THE RE-**  
7 **LIEF OF VICTIMS.**

8 (a) IN GENERAL.—Section 308(a) of the Sarbanes-  
9 Oxley Act of 2002 (15 U.S.C. 7246(a)) is amended to read  
10 as follows:

11 “(a) MONETARY SANCTIONS TO BE USED FOR THE  
12 RELIEF OF VICTIMS.—

13 “(1) IN GENERAL.—If, in any judicial or ad-  
14 ministrative action brought by the Commission  
15 under the securities laws, the Commission obtains a  
16 monetary sanction (as defined in section 21F(a) of  
17 the Securities Exchange Act of 1934) against any  
18 person for a violation of such laws, or such person  
19 agrees, in settlement of any such action, to such  
20 monetary sanction, the amount of such monetary  
21 sanction shall, on the motion or at the direction of  
22 the Commission, be added to and become part of a  
23 disgorgement fund or other fund established for the  
24 benefit of the victims of such violation.

1           “(2) DEFINITION OF VICTIM.—In this sub-  
 2           section, the term ‘victim’ has the meaning given the  
 3           term ‘crime victim’ in section 3771(e) of title 18,  
 4           United States Code.”.

5           (b) MONETARY SANCTION DEFINED.—Section  
 6           21F(a)(4)(A) of the Securities Exchange Act of 1934 (15  
 7           U.S.C. 78u–6(a)(4)(A)) is amended by striking “ordered”  
 8           and inserting “required”.

9           (c) EFFECTIVE DATE.—The amendments made by  
 10          this section apply with respect to any monetary sanction  
 11          ordered or required to be paid before or after the date  
 12          of enactment of this Act.

13       **SEC. 216. GAO REPORT ON USE OF CIVIL MONEY PENALTY**  
 14               **AUTHORITY BY COMMISSION.**

15          (a) IN GENERAL.—Not later than 2 years after the  
 16          date of the enactment of this Act, the Comptroller General  
 17          of the United States shall submit to the Committee on  
 18          Financial Services of the House of Representatives and  
 19          the Committee on Banking, Housing, and Urban Affairs  
 20          of the Senate a report on the use by the Commission of  
 21          the authority to impose or obtain civil money penalties for  
 22          violations of the securities laws during the period begin-  
 23          ning on June 1, 2010, and ending on the date of the en-  
 24          actment of this Act.

1 (b) MATTERS REQUIRED TO BE INCLUDED.—The  
2 matters covered by the report required by subsection (a)  
3 shall include the following:

4 (1) The types of violations for which civil  
5 money penalties were imposed or obtained.

6 (2) The types of persons on whom civil money  
7 penalties were imposed or from whom such penalties  
8 were obtained.

9 (3) The number and dollar amount of civil  
10 money penalties imposed or obtained, disaggregated  
11 as follows:

12 (A) Penalties imposed in administrative ac-  
13 tions and penalties obtained in judicial actions.

14 (B) Penalties imposed on or obtained from  
15 issuers (individual and aggregate filers) and  
16 penalties imposed on or obtained from other  
17 persons.

18 (C) Penalties permitted to be retained for  
19 use by the Commission and penalties deposited  
20 in the general fund of the Treasury of the  
21 United States.

22 (4) For penalties imposed on or obtained from  
23 issuers:

24 (A) Whether the violations involved re-  
25 sulted in direct economic benefit to the issuers.

1 (B) The impact of the penalties on the  
2 shareholders of the issuers.

3 (c) DEFINITIONS.—In this section, the terms “Com-  
4 mission”, “issuer”, and “securities laws” have the mean-  
5 ings given such terms in section 3(a) of the Securities Ex-  
6 change Act of 1934 (15 U.S.C. 78c(a)).

## 7 **Subtitle B—FIRREA Penalties** 8 **Modernization**

### 9 **SEC. 221. INCREASE OF CIVIL AND CRIMINAL PENALTIES** 10 **ORIGINALLY ESTABLISHED IN THE FINAN-** 11 **CIAL INSTITUTIONS REFORM, RECOVERY,** 12 **AND ENFORCEMENT ACT OF 1989.**

13 (a) AMENDMENTS TO FIRREA.—Section 951(b) of  
14 the Financial Institutions Reform, Recovery, and Enforce-  
15 ment Act of 1989 (12 U.S.C. 1833a(b)) is amended—

16 (1) in paragraph (1), by striking “\$1,000,000”  
17 and inserting “\$1,500,000”; and

18 (2) in paragraph (2), by striking “\$1,000,000  
19 per day or \$5,000,000” and inserting “\$1,500,000  
20 per day or \$7,500,000”.

21 (b) AMENDMENTS TO THE HOME OWNERS’ LOAN  
22 ACT.—The Home Owners’ Loan Act (12 U.S.C. 1461 et  
23 seq.) is amended—

24 (1) in section 5(v)(6), by striking “\$1,000,000”  
25 and inserting “\$1,500,000”; and

1 (2) in section 10—

2 (A) in subsection (r)(3), by striking

3 “\$1,000,000” and inserting “\$1,500,000”; and

4 (B) in subsection (i)(1)(B), by striking

5 “\$1,000,000” and inserting “\$1,500,000”.

6 (c) AMENDMENTS TO THE FEDERAL DEPOSIT IN-

7 SURANCE ACT.—The Federal Deposit Insurance Act (12

8 U.S.C. 1811 et seq.) is amended—

9 (1) in section 7—

10 (A) in subsection (a)(1), by striking

11 “\$1,000,000” and inserting “\$1,500,000”; and

12 (B) in subsection (j)(16)(D), by striking

13 “\$1,000,000” each place such term appears

14 and inserting “\$1,500,000”;

15 (2) in section 8—

16 (A) in subsection (i)(2)(D), by striking

17 “\$1,000,000” each place such term appears

18 and inserting “\$1,500,000”; and

19 (B) in subsection (j), by striking

20 “\$1,000,000” and inserting “\$1,500,000”; and

21 (3) in section 19(b), by striking “\$1,000,000”

22 and inserting “\$1,500,000”.

23 (d) AMENDMENTS TO THE FEDERAL CREDIT UNION

24 ACT.—The Federal Credit Union Act (12 U.S.C. 1751 et

25 seq.) is amended—

1           (1) in section 202(a)(3), by striking  
2       “\$1,000,000” and inserting “\$1,500,000”;

3           (2) in section 205(d)(3), by striking  
4       “\$1,000,000” and inserting “\$1,500,000”; and

5           (3) in section 206—

6               (A) in subsection (k)(2)(D), by striking  
7       “\$1,000,000” each place such term appears  
8       and inserting “\$1,500,000”; and

9               (B) in subsection (l), by striking  
10      “\$1,000,000” and inserting “\$1,500,000”.

11       (e) AMENDMENTS TO THE REVISED STATUTES OF  
12 THE UNITED STATES.—Title LXII of the Revised Stat-  
13 utes of the United States is amended—

14           (1) in section 5213(c), by striking  
15      “\$1,000,000” and inserting “\$1,500,000”; and

16           (2) in section 5239(b)(4), by striking  
17      “\$1,000,000” each place such term appears and in-  
18      serting “\$1,500,000”.

19       (f) AMENDMENTS TO THE FEDERAL RESERVE  
20 ACT.—The Federal Reserve Act (12 U.S.C. 221 et seq.)  
21 is amended—

22           (1) in the 6th undesignated paragraph of sec-  
23      tion 9, by striking “\$1,000,000” and inserting  
24      “\$1,500,000”;

1           (2) in section 19(l)(4), by striking  
2       “\$1,000,000” each place such term appears and in-  
3       serting “\$1,500,000”; and

4           (3) in section 29(d), by striking “\$1,000,000”  
5       each place such term appears and inserting  
6       “\$1,500,000”.

7       (g) AMENDMENTS TO THE BANK HOLDING COMPANY  
8       ACT AMENDMENTS OF 1970.—Section 106(b)(2)(F)(iv) of  
9       the Bank Holding Company Act Amendments of 1970 (12  
10      U.S.C. 1978(b)(2)(F)(iv)) is amended by striking  
11      “\$1,000,000” each place such term appears and inserting  
12      “\$1,500,000”.

13      (h) AMENDMENTS TO THE BANK HOLDING COMPANY  
14      ACT OF 1956.—Section 8 of the Bank Holding Company  
15      Act of 1956 (12 U.S.C. 1847) is amended—

16           (1) in subsection (a)(2), by striking  
17      “\$1,000,000” and inserting “\$1,500,000”; and

18           (2) in subsection (d)(3), by striking  
19      “\$1,000,000” and inserting “\$1,500,000”.

20      (i) AMENDMENTS TO TITLE 18, UNITED STATES  
21      CODE.—Title 18, United States Code, is amended—

22           (1) in section 215(a) of chapter 11, by striking  
23      “\$1,000,000” and inserting “\$1,500,000”;

24           (2) in chapter 31—

1 (A) in section 656, by striking  
2 “\$1,000,000” and inserting “\$1,500,000”; and

3 (B) in section 657, by striking  
4 “\$1,000,000” and inserting “\$1,500,000”;

5 (3) in chapter 47—

6 (A) in section 1005, by striking  
7 “\$1,000,000” and inserting “\$1,500,000”;

8 (B) in section 1006, by striking  
9 “\$1,000,000” and inserting “\$1,500,000”;

10 (C) in section 1007, by striking  
11 “\$1,000,000” and inserting “\$1,500,000”; and

12 (D) in section 1014, by striking  
13 “\$1,000,000” and inserting “\$1,500,000”; and

14 (4) in chapter 63—

15 (A) in section 1341, by striking  
16 “\$1,000,000” and inserting “\$1,500,000”;

17 (B) in section 1343, by striking  
18 “\$1,000,000” and inserting “\$1,500,000”; and

19 (C) in section 1344, by striking  
20 “\$1,000,000” and inserting “\$1,500,000”.

1 **TITLE III—DEMANDING AC-**  
2 **COUNTABILITY FROM FINAN-**  
3 **CIAL REGULATORS AND DE-**  
4 **VOLVING POWER AWAY FROM**  
5 **WASHINGTON**

6 **Subtitle A—Cost-Benefit Analyses**

7 **SEC. 311. DEFINITIONS.**

8 As used in this subtitle—

9 (1) the term “agency” means the Board of Gov-  
10 ernors of the Federal Reserve System, the Consumer  
11 Law Enforcement Agency, the Commodity Futures  
12 Trading Commission, the Federal Deposit Insurance  
13 Corporation, the Federal Housing Finance Agency,  
14 the Office of the Comptroller of the Currency, the  
15 National Credit Union Administration, and the Se-  
16 curities and Exchange Commission;

17 (2) the term “chief economist” means—

18 (A) with respect to the Board of Governors  
19 of the Federal Reserve System, the Director of  
20 the Division of Research and Statistics, or an  
21 employee of the agency with comparable author-  
22 ity;

23 (B) with respect to the Consumer Law En-  
24 forcement Agency, the Head of the Office of

1 Economic Analysis, or an employee of the agen-  
2 cy with comparable authority;

3 (C) with respect to the Commodity Fu-  
4 tures Trading Commission, the Chief Econo-  
5 mist, or an employee of the agency with com-  
6 parable authority;

7 (D) with respect to the Federal Deposit  
8 Insurance Corporation, the Director of the Divi-  
9 sion of Insurance and Research, or an employee  
10 of the agency with comparable authority;

11 (E) with respect to the Federal Housing  
12 Finance Agency, the Chief Economist, or an  
13 employee of the agency with comparable author-  
14 ity;

15 (F) with respect to the Office of the Comp-  
16 troller of the Currency, the Director for Policy  
17 Analysis, or an employee of the agency with  
18 comparable authority;

19 (G) with respect to the National Credit  
20 Union Administration, the Chief Economist, or  
21 an employee of the agency with comparable au-  
22 thority; and

23 (H) with respect to the Securities and Ex-  
24 change Commission, the Director of the Divi-

1           sion of Economic and Risk Analysis, or an em-  
2           ployee of the agency with comparable authority;

3           (3) the term “Council” means the Chief Econo-  
4           mists Council established under section 318; and

5           (4) the term “regulation”—

6                   (A) means an agency statement of general  
7                   applicability and future effect that is designed  
8                   to implement, interpret, or prescribe law or pol-  
9                   icy or to describe the procedure or practice re-  
10                  quirements of an agency, including rules, orders  
11                  of general applicability, interpretive releases,  
12                  and other statements of general applicability  
13                  that the agency intends to have the force and  
14                  effect of law; and

15                  (B) does not include—

16                   (i) a regulation issued in accordance  
17                   with the formal rulemaking provisions of  
18                   section 556 or 557 of title 5, United States  
19                   Code;

20                   (ii) a regulation that is limited to  
21                   agency organization, management, or per-  
22                   sonnel matters;

23                   (iii) a regulation promulgated pursu-  
24                   ant to statutory authority that expressly  
25                   prohibits compliance with this provision;

1 (iv) a regulation that is certified by  
2 the agency to be an emergency action, if  
3 such certification is published in the Fed-  
4 eral Register;

5 (v) a regulation that is promulgated  
6 by the Board of Governors of the Federal  
7 Reserve System or the Federal Open Mar-  
8 ket Committee under section 10A, 10B,  
9 13, 13A, or 19 of the Federal Reserve Act,  
10 or any of subsections (a) through (f) of  
11 section 14 of that Act; or

12 (vi) a regulation filed with the Com-  
13 mission by the Public Company Accounting  
14 Oversight Board, the Municipal Securities  
15 Rulemaking Board, or any national securi-  
16 ties association registered under section  
17 15A of the Securities Exchange Act of  
18 1934 (15 U.S.C. 78o-4(a)) for which the  
19 board or association has itself conducted  
20 the cost-benefit analysis and otherwise  
21 complied with the requirements of section  
22 312.

23 **SEC. 312. REQUIRED REGULATORY ANALYSIS.**

24 (a) REQUIREMENTS FOR NOTICES OF PROPOSED  
25 RULEMAKING.—An agency may not issue a notice of pro-

1 posed rulemaking unless the agency includes in the notice  
2 of proposed rulemaking an analysis that contains, at a  
3 minimum, with respect to each regulation that is being  
4 proposed—

5 (1) an identification of the need for the regula-  
6 tion and the regulatory objective, including identi-  
7 fication of the nature and significance of the market  
8 failure, regulatory failure, or other problem that ne-  
9 cessitates the regulation;

10 (2) an explanation of why the private market or  
11 State, local, or tribal authorities cannot adequately  
12 address the identified market failure or other prob-  
13 lem;

14 (3) an analysis of the adverse impacts to regu-  
15 lated entities, other market participants, economic  
16 activity, or agency effectiveness that are engendered  
17 by the regulation and the magnitude of such adverse  
18 impacts;

19 (4) a quantitative and qualitative assessment of  
20 all anticipated direct and indirect costs and benefits  
21 of the regulation (as compared to a benchmark that  
22 assumes the absence of the regulation), including—

23 (A) compliance costs;

24 (B) effects on economic activity, net job  
25 creation (excluding jobs related to ensuring

1 compliance with the regulation), efficiency, com-  
2 petition, and capital formation;

3 (C) regulatory administrative costs; and

4 (D) costs imposed by the regulation on  
5 State, local, or tribal governments or other reg-  
6 ulatory authorities;

7 (5) if quantified benefits do not outweigh quan-  
8 titative costs, a justification for the regulation;

9 (6) an identification and assessment of all avail-  
10 able alternatives to the regulation, including modi-  
11 fication of an existing regulation or statute, together  
12 with—

13 (A) an explanation of why the regulation  
14 meets the objectives of the regulation more ef-  
15 fectively than the alternatives, and if the agency  
16 is proposing multiple alternatives, an expla-  
17 nation of why a notice of proposed rulemaking,  
18 rather than an advanced notice of proposed  
19 rulemaking, is appropriate; and

20 (B) if the regulation is not a pilot pro-  
21 gram, an explanation of why a pilot program is  
22 not appropriate;

23 (7) if the regulation specifies the behavior or  
24 manner of compliance, an explanation of why the

1 agency did not instead specify performance objec-  
2 tives;

3 (8) an assessment of how the burden imposed  
4 by the regulation will be distributed among market  
5 participants, including whether consumers, investors,  
6 small businesses, or independent financial firms and  
7 advisors will be disproportionately burdened;

8 (9) an assessment of the extent to which the  
9 regulation is inconsistent, incompatible, or duplica-  
10 tive with the existing regulations of the agency or  
11 those of other domestic and international regulatory  
12 authorities with overlapping jurisdiction;

13 (10) a description of any studies, surveys, or  
14 other data relied upon in preparing the analysis;

15 (11) an assessment of the degree to which the  
16 key assumptions underlying the analysis are subject  
17 to uncertainty; and

18 (12) an explanation of predicted changes in  
19 market structure and infrastructure and in behavior  
20 by market participants, including consumers and in-  
21 vestors, assuming that they will pursue their eco-  
22 nomic interests.

23 (b) REQUIREMENTS FOR NOTICES OF FINAL RULE-  
24 MAKING.—

1           (1) IN GENERAL.—Notwithstanding any other  
2           provision of law, an agency may not issue a notice  
3           of final rulemaking with respect to a regulation un-  
4           less the agency—

5                   (A) has issued a notice of proposed rule-  
6           making for the relevant regulation;

7                   (B) has conducted and includes in the no-  
8           tice of final rulemaking an analysis that con-  
9           tains, at a minimum, the elements required  
10          under subsection (a); and

11                  (C) includes in the notice of final rule-  
12          making regulatory impact metrics selected by  
13          the chief economist to be used in preparing the  
14          report required pursuant to section 315.

15          (2) CONSIDERATION OF COMMENTS.—The  
16          agency shall incorporate in the elements described in  
17          paragraph (1)(B) the data and analyses provided to  
18          the agency by commenters during the comment pe-  
19          riod, or explain why the data or analyses are not  
20          being incorporated.

21          (3) COMMENT PERIOD.—An agency shall not  
22          publish a notice of final rulemaking with respect to  
23          a regulation, unless the agency—

24                   (A) has allowed at least 90 days from the  
25          date of publication in the Federal Register of

1 the notice of proposed rulemaking for the sub-  
2 mission of public comments; or

3 (B) includes in the notice of final rule-  
4 making an explanation of why the agency was  
5 not able to provide a 90-day comment period.

6 (4) PROHIBITED RULES.—

7 (A) IN GENERAL.—An agency may not  
8 publish a notice of final rulemaking if the agen-  
9 cy, in its analysis under paragraph (1)(B), de-  
10 termines that the quantified costs are greater  
11 than the quantified benefits under subsection  
12 (a)(5).

13 (B) PUBLICATION OF ANALYSIS.—If the  
14 agency is precluded by subparagraph (A) from  
15 publishing a notice of final rulemaking, the  
16 agency shall publish in the Federal Register  
17 and on the public website of the agency its  
18 analysis under paragraph (1)(B), and provide  
19 the analysis to each House of Congress.

20 (C) CONGRESSIONAL WAIVER.—If the  
21 agency is precluded by subparagraph (A) from  
22 publishing a notice of final rulemaking, Con-  
23 gress, by joint resolution pursuant to the proce-  
24 dures set forth for joint resolutions in section  
25 802 of title 5, United States Code, may direct

1 the agency to publish a notice of final rule-  
2 making notwithstanding the prohibition con-  
3 tained in subparagraph (A). In applying section  
4 802 of title 5, United States Code, for purposes  
5 of this paragraph, section 802(e)(2) shall not  
6 apply and the terms—

7 (i) “joint resolution” or “joint resolu-  
8 tion described in subsection (a)” means  
9 only a joint resolution introduced during  
10 the period beginning on the submission or  
11 publication date and ending 60 days there-  
12 after (excluding days either House of Con-  
13 gress is adjourned for more than 3 days  
14 during a session of Congress), the matter  
15 after the resolving clause of which is as fol-  
16 lows: “That Congress directs, notwith-  
17 standing the prohibition contained in sec-  
18 tion 312(b)(4)(A) of the Financial  
19 CHOICE Act of 2017, the \_\_\_\_ to publish  
20 the notice of final rulemaking for the regu-  
21 lation or regulations that were the subject  
22 of the analysis submitted by the \_\_\_\_ to  
23 Congress on \_\_\_\_.” (The blank spaces  
24 being appropriately filled in.); and

1 (ii) “submission or publication date”

2 means—

3 (I) the date on which the analysis  
4 under paragraph (1)(B) is submitted  
5 to Congress under paragraph (4)(B);  
6 or

7 (II) if the analysis is submitted  
8 to Congress less than 60 session days  
9 or 60 legislative days before the date  
10 on which the Congress adjourns a ses-  
11 sion of Congress, the date on which  
12 the same or succeeding Congress first  
13 convenes its next session.

14 **SEC. 313. RULE OF CONSTRUCTION.**

15 For purposes of the Paperwork Reduction Act (44  
16 U.S.C. 3501 et seq.), obtaining, causing to be obtained,  
17 or soliciting information for purposes of complying with  
18 section 312 with respect to a proposed rulemaking shall  
19 not be construed to be a collection of information, provided  
20 that the agency has first issued an advanced notice of pro-  
21 posed rulemaking in connection with the regulation, iden-  
22 tifies that advanced notice of proposed rulemaking in its  
23 solicitation of information, and informs the person from  
24 whom the information is obtained or solicited that the pro-  
25 vision of information is voluntary.

1 **SEC. 314. PUBLIC AVAILABILITY OF DATA AND REGU-**  
2 **LATORY ANALYSIS.**

3 (a) IN GENERAL.—At or before the commencement  
4 of the public comment period with respect to a regulation,  
5 the agency shall make available on its public website suffi-  
6 cient information about the data, methodologies, and as-  
7 sumptions underlying the analyses performed pursuant to  
8 section 312 so that the analytical results of the agency  
9 are capable of being substantially reproduced, subject to  
10 an acceptable degree of imprecision or error.

11 (b) CONFIDENTIALITY.—The agency shall comply  
12 with subsection (a) in a manner that preserves the con-  
13 fidentiality of nonpublic information, including confiden-  
14 tial trade secrets, confidential commercial or financial in-  
15 formation, and confidential information about positions,  
16 transactions, or business practices.

17 **SEC. 315. FIVE-YEAR REGULATORY IMPACT ANALYSIS.**

18 (a) IN GENERAL.—Not later than 5 years after the  
19 date of publication in the Federal Register of a notice of  
20 final rulemaking, the chief economist of the agency shall  
21 issue a report that examines the economic impact of the  
22 subject regulation, including the direct and indirect costs  
23 and benefits of the regulation.

24 (b) REGULATORY IMPACT METRICS.—In preparing  
25 the report required by subsection (a), the chief economist  
26 shall employ the regulatory impact metrics included in the

1 notice of final rulemaking pursuant to section  
2 312(b)(1)(C).

3 (c) REPRODUCIBILITY.—The report shall include the  
4 data, methodologies, and assumptions underlying the eval-  
5 uation so that the agency’s analytical results are capable  
6 of being substantially reproduced, subject to an acceptable  
7 degree of imprecision or error.

8 (d) CONFIDENTIALITY.—The agency shall comply  
9 with subsection (c) in a manner that preserves the con-  
10 fidentiality of nonpublic information, including confiden-  
11 tial trade secrets, confidential commercial or financial in-  
12 formation, and confidential information about positions,  
13 transactions, or business practices.

14 (e) REPORT.—The agency shall submit the report re-  
15 quired by subsection (a) 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 and post it on the public website of the agency. The  
19 Commodity Futures Trading Commission shall also sub-  
20 mit its report to the Committee on Agriculture, Nutrition,  
21 and Forestry of the Senate and the Committee on Agri-  
22 culture of the House of Representatives.

23 **SEC. 316. RETROSPECTIVE REVIEW OF EXISTING RULES.**

24 (a) REGULATORY IMPROVEMENT PLAN.—Not later  
25 than 1 year after the date of enactment of this Act and

1 every 5 years thereafter, each agency shall develop, submit  
2 to the Committee on Banking, Housing, and Urban Af-  
3 fairs of the Senate and the Committee on Financial Serv-  
4 ices of the House of Representatives, and post on the pub-  
5 lic website of the agency a plan, consistent with law and  
6 its resources and regulatory priorities, under which the  
7 agency will modify, streamline, expand, or repeal existing  
8 regulations so as to make the regulatory program of the  
9 agency more effective or less burdensome in achieving the  
10 regulatory objectives. The Commodity Futures Trading  
11 Commission shall also submit its plan to the Committee  
12 on Agriculture, Nutrition, and Forestry of the Senate and  
13 the Committee on Agriculture of the House of Representa-  
14 tives.

15 (b) IMPLEMENTATION PROGRESS REPORT.—Two  
16 years after the date of submission of each plan required  
17 under subsection (a), each agency shall develop, submit  
18 to the Committee on Banking, Housing, and Urban Af-  
19 fairs of the Senate and the Committee on Financial Serv-  
20 ices of the House of Representatives, and post on the pub-  
21 lic website of the agency a report of the steps that it has  
22 taken to implement the plan, steps that remain to be taken  
23 to implement the plan, and, if any parts of the plan will  
24 not be implemented, reasons for not implementing those  
25 parts of the plan. The Commodity Futures Trading Com-

1 mission shall also submit its plan to the Committee on  
2 Agriculture, Nutrition, and Forestry of the Senate and the  
3 Committee on Agriculture of the House of Representa-  
4 tives.

5 **SEC. 317. JUDICIAL REVIEW.**

6 (a) IN GENERAL.—Notwithstanding any other provi-  
7 sion of law, during the period beginning on the date on  
8 which a notice of final rulemaking for a regulation is pub-  
9 lished in the Federal Register and ending 1 year later,  
10 a person that is adversely affected or aggrieved by the reg-  
11 ulation is entitled to bring an action in the United States  
12 Court of Appeals for the District of Columbia Circuit for  
13 judicial review of agency compliance with the requirements  
14 of section 312.

15 (b) STAY.—The court may stay the effective date of  
16 the regulation or any provision thereof.

17 (c) RELIEF.—If the court finds that an agency has  
18 not complied with the requirements of section 312, the  
19 court shall vacate the subject regulation, unless the agency  
20 shows by clear and convincing evidence that vacating the  
21 regulation would result in irreparable harm. Nothing in  
22 this section affects other limitations on judicial review or  
23 the power or duty of the court to dismiss any action or  
24 deny relief on any other appropriate legal or equitable  
25 ground.

1 **SEC. 318. CHIEF ECONOMISTS COUNCIL.**

2 (a) ESTABLISHMENT.—There is established the Chief  
3 Economists Council.

4 (b) MEMBERSHIP.—The Council shall consist of the  
5 chief economist of each agency. The members of the Coun-  
6 cil shall select the first chairperson of the Council. There-  
7 after the position of Chairperson shall rotate annually  
8 among the members of the Council.

9 (c) MEETINGS.—The Council shall meet at the call  
10 of the Chairperson, but not less frequently than quarterly.

11 (d) REPORT.—One year after the effective date of  
12 this Act and annually thereafter, the Council shall prepare  
13 and submit to the Committee on Banking, Housing, and  
14 Urban Affairs and the Committee on Agriculture, Nutri-  
15 tion, and Forestry of the Senate and the Committee on  
16 Financial Services and the Committee on Agriculture of  
17 the House of Representatives a report on—

18 (1) the benefits and costs of regulations adopt-  
19 ed by the agencies during the past 12 months;

20 (2) the regulatory actions planned by the agen-  
21 cies for the upcoming 12 months;

22 (3) the cumulative effect of the existing regula-  
23 tions of the agencies on economic activity, innova-  
24 tion, international competitiveness of entities regu-  
25 lated by the agencies, and net job creation (exclud-

1 ing jobs related to ensuring compliance with the reg-  
 2 ulation);

3 (4) the training and qualifications of the per-  
 4 sons who prepared the cost-benefit analyses of each  
 5 agency during the past 12 months;

6 (5) the sufficiency of the resources available to  
 7 the chief economists during the past 12 months for  
 8 the conduct of the activities required by this subtitle;  
 9 and

10 (6) recommendations for legislative or regu-  
 11 latory action to enhance the efficiency and effective-  
 12 ness of financial regulation in the United States.

13 **SEC. 319. CONFORMING AMENDMENTS.**

14 Section 15(a) of the Commodity Exchange Act (7  
 15 U.S.C. 19(a)) is amended—

16 (1) by striking paragraph (1);

17 (2) in paragraph (2), by striking “(2)” and all  
 18 that follows through “light of—” and inserting the  
 19 following:

20 “(1) CONSIDERATIONS.—Before promulgating a  
 21 regulation under this chapter or issuing an order  
 22 (except as provided in paragraph (2)), the Commis-  
 23 sion shall take into consideration—”;

24 (3) in paragraph (1), as so redesignated—

1 (A) in subparagraph (B), by striking “fu-  
 2 tures” and inserting “the relevant”;

3 (B) in subparagraph (C), by adding “and”  
 4 at the end;

5 (C) in subparagraph (D), by striking “;  
 6 and” and inserting a period; and

7 (D) by striking subparagraph (E); and

8 (4) by redesignating paragraph (3) as para-  
 9 graph (2).

10 **SEC. 320. OTHER REGULATORY ENTITIES.**

11 Not later than 1 year after the date of enactment  
 12 of this Act, the Securities and Exchange Commission shall  
 13 provide to the Committee on Banking, Housing, and  
 14 Urban Affairs of the Senate and the Committee on Finan-  
 15 cial Services of the House of Representatives a report set-  
 16 ting forth a plan for subjecting the Public Company Ac-  
 17 counting Oversight Board, the Municipal Securities Rule-  
 18 making Board, and any national securities association reg-  
 19 istered under section 15A of the Securities Exchange Act  
 20 of 1934 (15 U.S.C. 78o–4(a)) to the requirements of this  
 21 subtitle, other than direct representation on the Council.

22 **SEC. 321. AVOIDANCE OF DUPLICATIVE OR UNNECESSARY**  
 23 **ANALYSES.**

24 An agency may perform the analyses required by this  
 25 subtitle in conjunction with, or as a part of, any other

1 agenda or analysis required by any other provision of law,  
2 if such other analysis satisfies the provisions of this sub-  
3 title.

4 **Subtitle B—Congressional Review**  
5 **of Federal Financial Agency**  
6 **Rulemaking**

7 **SEC. 331. CONGRESSIONAL REVIEW.**

8 (a)(1)(A) Before a rule may take effect, a Federal  
9 financial agency shall publish in the Federal Register a  
10 list of information on which the rule is based, including  
11 data, scientific and economic studies, and cost-benefit  
12 analyses, and identify how the public can access such in-  
13 formation online, and shall submit to each House of the  
14 Congress and to the Comptroller General a report con-  
15 taining—

16 (i) a copy of the rule;

17 (ii) a concise general statement relating to the  
18 rule;

19 (iii) a classification of the rule as a major or  
20 nonmajor rule, including an explanation of the clas-  
21 sification specifically addressing each criteria for a  
22 major rule contained within subparagraphs (A)  
23 through (C) of section 334(2);

24 (iv) a list of any other related regulatory ac-  
25 tions intended to implement the same statutory pro-

1 vision or regulatory objective as well as the indi-  
2 vidual and aggregate economic effects of those ac-  
3 tions; and

4 (v) the proposed effective date of the rule.

5 (B) On the date of the submission of the report under  
6 subparagraph (A), the Federal financial agency shall sub-  
7 mit to the Comptroller General and make available to each  
8 House of Congress—

9 (i) a complete copy of the cost-benefit analysis  
10 of the rule, if any, including an analysis of any jobs  
11 added or lost, differentiating between public and pri-  
12 vate sector jobs;

13 (ii) the Federal financial agency's actions pur-  
14 suant to sections 603, 604, 605, 607, and 609 of  
15 title 5, United States Code;

16 (iii) the Federal financial agency's actions pur-  
17 suant to sections 202, 203, 204, and 205 of the Un-  
18 funded Mandates Reform Act of 1995; and

19 (iv) any other relevant information or require-  
20 ments under any other Act and any relevant Execu-  
21 tive orders.

22 (C) Upon receipt of a report submitted under sub-  
23 paragraph (A), each House shall provide copies of the re-  
24 port to the chairman and ranking member of each stand-  
25 ing committee with jurisdiction under the rules of the

1 House of Representatives or the Senate to report a bill  
2 to amend the provision of law under which the rule is  
3 issued.

4 (2)(A) The Comptroller General shall provide a re-  
5 port on each major rule to the committees of jurisdiction  
6 by the end of 15 calendar days after the submission or  
7 publication date. The report of the Comptroller General  
8 shall include an assessment of the Federal financial agen-  
9 cy's compliance with procedural steps required by para-  
10 graph (1)(B) and an assessment of whether the major rule  
11 imposes any new limits or mandates on private-sector ac-  
12 tivity.

13 (B) Federal financial agencies shall cooperate with  
14 the Comptroller General by providing information relevant  
15 to the Comptroller General's report under subparagraph  
16 (A).

17 (3) A major rule relating to a report submitted under  
18 paragraph (1) shall take effect upon enactment of a joint  
19 resolution of approval described in section 332 or as pro-  
20 vided for in the rule following enactment of a joint resolu-  
21 tion of approval described in section 332, whichever is  
22 later.

23 (4) A nonmajor rule shall take effect as provided by  
24 section 333 after submission to Congress under paragraph  
25 (1).

1       (5) If a joint resolution of approval relating to a  
2 major rule is not enacted within the period provided in  
3 subsection (b)(2), then a joint resolution of approval relat-  
4 ing to the same rule may not be considered under this  
5 subtitle in the same Congress by either the House of Rep-  
6 resentatives or the Senate.

7       (b)(1) A major rule shall not take effect unless the  
8 Congress enacts a joint resolution of approval described  
9 under section 332.

10       (2) If a joint resolution described in subsection (a)  
11 is not enacted into law by the end of 70 session days or  
12 legislative days, as applicable, beginning on the date on  
13 which the report referred to in subsection (a)(1)(A) is re-  
14 ceived by Congress (excluding days either House of Con-  
15 gress is adjourned for more than 3 days during a session  
16 of Congress), then the rule described in that resolution  
17 shall be deemed not to be approved and such rule shall  
18 not take effect.

19       (c)(1) Notwithstanding any other provision of this  
20 section (except subject to paragraph (3)), a major rule  
21 may take effect for one 90-calendar-day period if the  
22 President makes a determination under paragraph (2) and  
23 submits written notice of such determination to the Con-  
24 gress.

1       (2) Paragraph (1) applies to a determination made  
2 by the President by Executive order that the major rule  
3 should take effect because such rule is—

4           (A) necessary because of an imminent threat to  
5 health or safety or other emergency;

6           (B) necessary for the enforcement of criminal  
7 laws;

8           (C) necessary for national security; or

9           (D) issued pursuant to any statute imple-  
10 menting an international trade agreement.

11       (3) An exercise by the President of the authority  
12 under this subsection shall have no effect on the proce-  
13 dures under section 332.

14       (d)(1) In addition to the opportunity for review other-  
15 wise provided under this subtitle, in the case of any rule  
16 for which a report was submitted in accordance with sub-  
17 section (a)(1)(A) during the period beginning on the date  
18 occurring—

19           (A) in the case of the Senate, 60 session days;  
20 or

21           (B) in the case of the House of Representatives,  
22 60 legislative days,  
23 before the date the Congress is scheduled to adjourn a  
24 session of Congress through the date on which the same  
25 or succeeding Congress first convenes its next session, sec-

1 tions 332 and 333 shall apply to such rule in the suc-  
2 ceeding session of Congress.

3 (2)(A) In applying sections 332 and 333 for purposes  
4 of such additional review, a rule described under para-  
5 graph (1) shall be treated as though—

6 (i) such rule were published in the Federal Reg-  
7 ister on—

8 (I) in the case of the Senate, the 15th ses-  
9 sion day; or

10 (II) in the case of the House of Represent-  
11 atives, the 15th legislative day,  
12 after the succeeding session of Congress first con-  
13 venes; and

14 (ii) a report on such rule were submitted to  
15 Congress under subsection (a)(1) on such date.

16 (B) Nothing in this paragraph shall be construed to  
17 affect the requirement under subsection (a)(1) that a re-  
18 port shall be submitted to Congress before a rule can take  
19 effect.

20 (3) A rule described under paragraph (1) shall take  
21 effect as otherwise provided by law (including other sub-  
22 sections of this section).

1 **SEC. 332. CONGRESSIONAL APPROVAL PROCEDURE FOR**  
2 **MAJOR RULES.**

3 (a)(1) For purposes of this section, the term “joint  
4 resolution” means only a joint resolution addressing a re-  
5 port classifying a rule as major pursuant to section  
6 331(a)(1)(A)(iii) that—

7 (A) bears no preamble;

8 (B) bears the following title (with blanks filled  
9 as appropriate): “Approving the rule submitted by  
10 \_\_\_\_\_ relating to \_\_\_\_\_.”;

11 (C) includes after its resolving clause only the  
12 following (with blanks filled as appropriate): “That  
13 Congress approves the rule submitted by \_\_\_\_\_ re-  
14 lating to \_\_\_\_\_.”; and

15 (D) is introduced pursuant to paragraph (2).

16 (2) After a House of Congress receives a report  
17 classifying a rule as major pursuant to section  
18 331(a)(1)(A)(iii), the majority leader of that House (or  
19 his or her respective designee) shall introduce (by request,  
20 if appropriate) a joint resolution described in paragraph  
21 (1)—

22 (A) in the case of the House of Representatives,  
23 within 3 legislative days; and

24 (B) in the case of the Senate, within 3 session  
25 days.

1       (3) A joint resolution described in paragraph (1) shall  
2 not be subject to amendment at any stage of proceeding.

3       (b) A joint resolution described in subsection (a) shall  
4 be referred in each House of Congress to the committees  
5 having jurisdiction over the provision of law under which  
6 the rule is issued.

7       (c) In the Senate, if the committee or committees to  
8 which a joint resolution described in subsection (a) has  
9 been referred have not reported it at the end of 15 session  
10 days after its introduction, such committee or committees  
11 shall be automatically discharged from further consider-  
12 ation of the resolution and it shall be placed on the cal-  
13 endar. A vote on final passage of the resolution shall be  
14 taken on or before the close of the 15th session day after  
15 the resolution is reported by the committee or committees  
16 to which it was referred, or after such committee or com-  
17 mittees have been discharged from further consideration  
18 of the resolution.

19       (d)(1) In the Senate, when the committee or commit-  
20 tees to which a joint resolution is referred have reported,  
21 or when a committee or committees are discharged (under  
22 subsection (c)) from further consideration of a joint reso-  
23 lution described in subsection (a), it is at any time there-  
24 after in order (even though a previous motion to the same  
25 effect has been disagreed to) for a motion to proceed to

1 the consideration of the joint resolution, and all points of  
2 order against the joint resolution (and against consider-  
3 ation of the joint resolution) are waived. The motion is  
4 not subject to amendment, or to a motion to postpone,  
5 or to a motion to proceed to the consideration of other  
6 business. A motion to reconsider the vote by which the  
7 motion is agreed to or disagreed to shall not be in order.  
8 If a motion to proceed to the consideration of the joint  
9 resolution is agreed to, the joint resolution shall remain  
10 the unfinished business of the Senate until disposed of.

11 (2) In the Senate, debate on the joint resolution, and  
12 on all debatable motions and appeals in connection there-  
13 with, shall be limited to not more than 2 hours, which  
14 shall be divided equally between those favoring and those  
15 opposing the joint resolution. A motion to further limit  
16 debate is in order and not debatable. An amendment to,  
17 or a motion to postpone, or a motion to proceed to the  
18 consideration of other business, or a motion to recommit  
19 the joint resolution is not in order.

20 (3) In the Senate, immediately following the conclu-  
21 sion of the debate on a joint resolution described in sub-  
22 section (a), and a single quorum call at the conclusion of  
23 the debate if requested in accordance with the rules of the  
24 Senate, the vote on final passage of the joint resolution  
25 shall occur.

1       (4) Appeals from the decisions of the Chair relating  
2 to the application of the rules of the Senate to the proce-  
3 dure relating to a joint resolution described in subsection  
4 (a) shall be decided without debate.

5       (e) In the House of Representatives, if any committee  
6 to which a joint resolution described in subsection (a) has  
7 been referred has not reported it to the House at the end  
8 of 15 legislative days after its introduction, such com-  
9 mittee shall be discharged from further consideration of  
10 the joint resolution, and it shall be placed on the appro-  
11 priate calendar. On the second and fourth Thursdays of  
12 each month it shall be in order at any time for the Speaker  
13 to recognize a Member who favors passage of a joint reso-  
14 lution that has appeared on the calendar for at least 5  
15 legislative days to call up that joint resolution for imme-  
16 diate consideration in the House without intervention of  
17 any point of order. When so called up a joint resolution  
18 shall be considered as read and shall be debatable for 1  
19 hour equally divided and controlled by the proponent and  
20 an opponent, and the previous question shall be considered  
21 as ordered to its passage without intervening motion. It  
22 shall not be in order to reconsider the vote on passage.  
23 If a vote on final passage of the joint resolution has not  
24 been taken by the third Thursday on which the Speaker

1 may recognize a Member under this subsection, such vote  
2 shall be taken on that day.

3 (f)(1) If, before passing a joint resolution described  
4 in subsection (a), one House receives from the other a  
5 joint resolution having the same text, then—

6 (A) the joint resolution of the other House shall  
7 not be referred to a committee; and

8 (B) the procedure in the receiving House shall  
9 be the same as if no joint resolution had been re-  
10 ceived from the other House until the vote on pas-  
11 sage, when the joint resolution received from the  
12 other House shall supplant the joint resolution of  
13 the receiving House.

14 (2) This subsection shall not apply to the House of  
15 Representatives if the joint resolution received from the  
16 Senate is a revenue measure.

17 (g) If either House has not taken a vote on final pas-  
18 sage of the joint resolution by the last day of the period  
19 described in section 331(b)(2), then such vote shall be  
20 taken on that day.

21 (h) This section and section 333 are enacted by Con-  
22 gress—

23 (1) as an exercise of the rulemaking power of  
24 the Senate and House of Representatives, respec-  
25 tively, and as such is deemed to be part of the rules

1 of each House, respectively, but applicable only with  
 2 respect to the procedure to be followed in that  
 3 House in the case of a joint resolution described in  
 4 subsection (a) and superseding other rules only  
 5 where explicitly so; and

6 (2) with full recognition of the Constitutional  
 7 right of either House to change the rules (so far as  
 8 they relate to the procedure of that House) at any  
 9 time, in the same manner and to the same extent as  
 10 in the case of any other rule of that House.

11 **SEC. 333. CONGRESSIONAL DISAPPROVAL PROCEDURE FOR**  
 12 **NONMAJOR RULES.**

13 (a) For purposes of this section, the term “joint reso-  
 14 lution” means only a joint resolution introduced in the pe-  
 15 riod beginning on the date on which the report referred  
 16 to in section 331(a)(1)(A) is received by Congress and  
 17 ending 60 days thereafter (excluding days either House  
 18 of Congress is adjourned for more than 3 days during a  
 19 session of Congress), the matter after the resolving clause  
 20 of which is as follows: “That Congress disapproves the  
 21 nonmajor rule submitted by the \_\_\_\_\_ relating to  
 22 \_\_\_\_\_, and such rule shall have no force or effect.” (The  
 23 blank spaces being appropriately filled in).

1 (b) A joint resolution described in subsection (a) shall  
2 be referred to the committees in each House of Congress  
3 with jurisdiction.

4 (c) In the Senate, if the committee to which is re-  
5 ferred a joint resolution described in subsection (a) has  
6 not reported such joint resolution (or an identical joint  
7 resolution) at the end of 15 session days after the date  
8 of introduction of the joint resolution, such committee may  
9 be discharged from further consideration of such joint res-  
10 olution upon a petition supported in writing by 30 Mem-  
11 bers of the Senate, and such joint resolution shall be  
12 placed on the calendar.

13 (d)(1) In the Senate, when the committee to which  
14 a joint resolution is referred has reported, or when a com-  
15 mittee is discharged (under subsection (c)) from further  
16 consideration of a joint resolution described in subsection  
17 (a), it is at any time thereafter in order (even though a  
18 previous motion to the same effect has been disagreed to)  
19 for a motion to proceed to the consideration of the joint  
20 resolution, and all points of order against the joint resolu-  
21 tion (and against consideration of the joint resolution) are  
22 waived. The motion is not subject to amendment, or to  
23 a motion to postpone, or to a motion to proceed to the  
24 consideration of other business. A motion to reconsider the  
25 vote by which the motion is agreed to or disagreed to shall

1 not be in order. If a motion to proceed to the consideration  
2 of the joint resolution is agreed to, the joint resolution  
3 shall remain the unfinished business of the Senate until  
4 disposed of.

5 (2) In the Senate, debate on the joint resolution, and  
6 on all debatable motions and appeals in connection there-  
7 with, shall be limited to not more than 10 hours, which  
8 shall be divided equally between those favoring and those  
9 opposing the joint resolution. A motion to further limit  
10 debate is in order and not debatable. An amendment to,  
11 or a motion to postpone, or a motion to proceed to the  
12 consideration of other business, or a motion to recommit  
13 the joint resolution is not in order.

14 (3) In the Senate, immediately following the conclu-  
15 sion of the debate on a joint resolution described in sub-  
16 section (a), and a single quorum call at the conclusion of  
17 the debate if requested in accordance with the rules of the  
18 Senate, the vote on final passage of the joint resolution  
19 shall occur.

20 (4) Appeals from the decisions of the Chair relating  
21 to the application of the rules of the Senate to the proce-  
22 dure relating to a joint resolution described in subsection  
23 (a) shall be decided without debate.

1 (e) In the Senate, the procedure specified in sub-  
2 section (c) or (d) shall not apply to the consideration of  
3 a joint resolution respecting a nonmajor rule—

4 (1) after the expiration of the 60 session days  
5 beginning with the applicable submission or publica-  
6 tion date; or

7 (2) if the report under section 331(a)(1)(A) was  
8 submitted during the period referred to in section  
9 331(d)(1), after the expiration of the 60 session  
10 days beginning on the 15th session day after the  
11 succeeding session of Congress first convenes.

12 (f) If, before the passage by one House of a joint res-  
13 olution of that House described in subsection (a), that  
14 House receives from the other House a joint resolution  
15 described in subsection (a), then the following procedures  
16 shall apply:

17 (1) The joint resolution of the other House  
18 shall not be referred to a committee.

19 (2) With respect to a joint resolution described  
20 in subsection (a) of the House receiving the joint  
21 resolution—

22 (A) the procedure in that House shall be  
23 the same as if no joint resolution had been re-  
24 ceived from the other House; but

1 (B) the vote on final passage shall be on  
2 the joint resolution of the other House.

3 **SEC. 334. DEFINITIONS.**

4 For purposes of this subtitle:

5 (1) The term “Federal financial agency” means  
6 the Consumer Law Enforcement Agency, Board of  
7 Governors of the Federal Reserve System, the Com-  
8 modity Futures Trading Commission, the Federal  
9 Deposit Insurance Corporation, the Federal Housing  
10 Finance Agency, the Office of the Comptroller of the  
11 Currency, the National Credit Union Administra-  
12 tion, and the Securities and Exchange Commission.

13 (2) The term “major rule” means any rule, in-  
14 cluding an interim final rule, that the Administrator  
15 of the Office of Information and Regulatory Affairs  
16 of the Office of Management and Budget finds has  
17 resulted in or is likely to result in—

18 (A) an annual effect on the economy of  
19 \$100 million or more;

20 (B) a major increase in costs or prices for  
21 consumers, individual industries, Federal,  
22 State, or local government agencies, or geo-  
23 graphic regions; or

24 (C) significant adverse effects on competi-  
25 tion, employment, investment, productivity, in-

1           novation, or on the ability of United States-  
2           based enterprises to compete with foreign-based  
3           enterprises in domestic and export markets.

4           (3) The term “nonmajor rule” means any rule  
5           that is not a major rule.

6           (4) The term “rule” has the meaning given  
7           such term in section 551 of title 5, United States  
8           Code, except that such term does not include—

9                   (A) any rule of particular applicability, in-  
10           cluding a rule that approves or prescribes for  
11           the future rates, wages, prices, services, or al-  
12           lowances therefore, corporate or financial struc-  
13           tures, reorganizations, mergers, or acquisitions  
14           thereof, or accounting practices or disclosures  
15           bearing on any of the foregoing;

16                   (B) any rule relating to agency manage-  
17           ment or personnel; or

18                   (C) any rule of agency organization, proce-  
19           dure, or practice that does not substantially af-  
20           fect the rights or obligations of non-agency par-  
21           ties.

22           (5) The term “submission date or publication  
23           date”, except as otherwise provided in this subtitle,  
24           means—

1 (A) in the case of a major rule, the date  
2 on which the Congress receives the report sub-  
3 mitted under section 331(a)(1)(A); and

4 (B) in the case of a nonmajor rule, the  
5 later of—

6 (i) the date on which the Congress re-  
7 ceives the report submitted under section  
8 331(a)(1)(A); and

9 (ii) the date on which the nonmajor  
10 rule is published in the Federal Register, if  
11 so published.

12 **SEC. 335. JUDICIAL REVIEW.**

13 (a) No determination, finding, action, or omission  
14 under this subtitle shall be subject to judicial review.

15 (b) Notwithstanding subsection (a), a court may de-  
16 termine whether a Federal financial agency has completed  
17 the necessary requirements under this subtitle for a rule  
18 to take effect.

19 (c) The enactment of a joint resolution of approval  
20 under section 332 shall not be interpreted to serve as a  
21 grant or modification of statutory authority by Congress  
22 for the promulgation of a rule, shall not extinguish or af-  
23 fect any claim, whether substantive or procedural, against  
24 any alleged defect in a rule, and shall not form part of  
25 the record before the court in any judicial proceeding con-

cerning a rule except for purposes of determining whether  
or not the rule is in effect.

**SEC. 336. EFFECTIVE DATE OF CERTAIN RULES.**

Notwithstanding section 331—

(1) any rule that establishes, modifies, opens,  
closes, or conducts a regulatory program for a commercial, recreational, or subsistence activity related  
to hunting, fishing, or camping, or

(2) any rule other than a major rule which the  
Federal financial agency for good cause finds (and  
incorporates the finding and a brief statement of  
reasons therefore in the rule issued) that notice and  
public procedure thereon are impracticable, unnecessary, or contrary to the public interest,  
shall take effect at such time as the Federal financial  
agency promulgating the rule determines.

**SEC. 337. BUDGETARY EFFECTS OF RULES SUBJECT TO  
SECTION 332 OF THE FINANCIAL CHOICE ACT  
OF 2017.**

Section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding  
at the end the following new subparagraph:

“(E) BUDGETARY EFFECTS OF RULES SUBJECT  
TO SECTION 332 OF THE FINANCIAL CHOICE ACT OF  
2017.—Any rules subject to the congressional ap-

1       proval procedure set forth in section 332 of the Fi-  
2       nancial CHOICE Act of 2017 affecting budget au-  
3       thority, outlays, or receipts shall be assumed to be  
4       effective unless it is not approved in accordance with  
5       such section.”.

## 6       **Subtitle C—Judicial Review of** 7       **Agency Actions**

### 8       **SEC. 341. SCOPE OF JUDICIAL REVIEW OF AGENCY AC-** 9       **TIONS.**

10       (a) IN GENERAL.—Notwithstanding any other provi-  
11      sion of law, in any judicial review of an agency action pur-  
12      suant to chapter 7 of title 5, United States Code, to the  
13      extent necessary to decision and when presented, the re-  
14      viewing court shall determine the meaning or applicability  
15      of the terms of an agency action and decide de novo all  
16      relevant questions of law, including the interpretation of  
17      constitutional and statutory provisions, and rules made by  
18      an agency. Notwithstanding any other provision of law,  
19      this section shall apply in any action for judicial review  
20      of agency action authorized under any provision of law.  
21      No law may exempt any such civil action from the applica-  
22      tion of this section except by specific reference to this sec-  
23      tion.

24       (b) AGENCY DEFINED.—For purposes of this section,  
25      the term “agency” means the Consumer Law Enforce-

1 ment Agency, the Board of Governors of the Federal Re-  
 2 serve System, the Commodity Futures Trading Commis-  
 3 sion, the Federal Deposit Insurance Corporation, the Fed-  
 4 eral Housing Finance Agency, the Office of the Comp-  
 5 troller of the Currency, the National Credit Union Admin-  
 6 istration, and the Securities and Exchange Commission.

7 (c) EFFECTIVE DATE.—Subsection (a) shall take ef-  
 8 fect after the end of the 2-year period beginning on the  
 9 date of the enactment of this Act.

## 10 **Subtitle D—Leadership of** 11 **Financial Regulators**

### 12 **SEC. 351. FEDERAL DEPOSIT INSURANCE CORPORATION.**

13 Section 2 of the Federal Deposit Insurance Act (12  
 14 U.S.C. 1812) is amended—

15 (1) in subsection (a)(1), by striking “5 mem-  
 16 bers” and all that follows through “3 of whom” and  
 17 inserting the following: “5 members, who”;

18 (2) by amending subsection (d) to read as fol-  
 19 lows:

20 “(d) VACANCY.—Any vacancy on the Board of Direc-  
 21 tors shall be filled in the manner in which the original  
 22 appointment was made.”; and

23 (3) in subsection (f)—

24 (A) by striking paragraph (2); and

1 (B) by redesignating paragraph (3) as  
2 paragraph (2).

3 **SEC. 352. FEDERAL HOUSING FINANCE AGENCY.**

4 Section 1312(b)(2) of the Federal Housing Enter-  
5 prises Financial Safety and Soundness Act of 1992 (12  
6 U.S.C. 4512) is amended by striking “for cause”.

7 **Subtitle E—Congressional**  
8 **Oversight of Appropriations**

9 **SEC. 361. BRINGING THE FEDERAL DEPOSIT INSURANCE**  
10 **CORPORATION INTO THE REGULAR APPRO-**  
11 **PRIATIONS PROCESS.**

12 (a) IN GENERAL.—Section 10(a) of the Federal De-  
13 posit Insurance Act (12 U.S.C. 1820(a)) is amended—

14 (1) by striking “(a) The” and inserting the fol-  
15 lowing:

16 “(a) POWERS.—

17 “(1) IN GENERAL.—The”;

18 (2) by inserting “, subject to paragraph (2) and  
19 subsection (1),” after “The Board of Directors of the  
20 Corporation”; and

21 (3) by adding at the end the following new  
22 paragraph:

23 “(2) APPROPRIATIONS REQUIREMENT.—

24 “(A) RECOVERY OF COSTS OF ANNUAL AP-  
25 PROPRIATION.—The Corporation shall collect

1 assessments and other fees, as provided under  
2 this Act, that are designed to recover the costs  
3 to the Government of the annual appropriation  
4 to the Corporation by Congress.

5 “(B) OFFSETTING COLLECTIONS.—Assess-  
6 ments and other fees described under subpara-  
7 graph (A) for any fiscal year—

8 “(i) shall be deposited and credited as  
9 offsetting collections to the account pro-  
10 viding appropriations to the Corporation;  
11 and

12 “(ii) except as provided in subpara-  
13 graph (C), shall not be collected for any  
14 fiscal year except to the extent provided in  
15 advance in appropriation Acts.

16 “(C) LAPSE OF APPROPRIATION.—If on  
17 the first day of a fiscal year a regular appro-  
18 priation to the Corporation has not been en-  
19 acted, the Corporation shall continue to collect  
20 (as offsetting collections) the assessments and  
21 other fees described under subparagraph (A) at  
22 the rate in effect during the preceding fiscal  
23 year, until 60 days after the date such a reg-  
24 ular appropriation is enacted.

1                   “(D) EXCEPTION FOR INSURANCE FUNC-  
2                   TIONS.—This paragraph shall not apply to the  
3                   Deposit Insurance Fund, including assessments  
4                   and other fees that are deposited into, and  
5                   amounts paid from, the Deposit Insurance  
6                   Fund.”.

7           (b) CONFORMING AMENDMENT.—Subsection (d) of  
8   section 7 of the Federal Deposit Insurance Act (12 U.S.C.  
9   1817) is amended to read as follows:

10          “(d) DEPOSIT INSURANCE FUND EXEMPT FROM AP-  
11   PORTIONMENT.—Notwithstanding any other provision of  
12   law, amounts received pursuant to any assessments or  
13   other fees that are deposited into the Deposit Insurance  
14   Fund shall not be subject to apportionment for the pur-  
15   poses of chapter 15 of title 31, United States Code, or  
16   under any other authority.”.

17          (c) EFFECTIVE DATE.—The amendments made by  
18   this section shall apply with respect to expenses paid and  
19   fees collected on or after the date that is 90 days after  
20   the date of the enactment of the first appropriation Act  
21   that provides for appropriations to the Federal Deposit  
22   Insurance Corporation and that is enacted after the date  
23   of the enactment of this Act.

1 **SEC. 362. BRINGING THE FEDERAL HOUSING FINANCE**  
2 **AGENCY INTO THE REGULAR APPROPRIA-**  
3 **TIONS PROCESS.**

4 (a) IN GENERAL.—Section 1316 of the Housing and  
5 Community Development Act of 1992 (12 U.S.C. 4516)  
6 is amended—

7 (1) by amending subsection (a) to read as fol-  
8 lows:

9 “(a) APPROPRIATIONS REQUIREMENT.—

10 “(1) RECOVERY OF COSTS OF ANNUAL APPRO-  
11 PRIATION.—The Agency shall collect assessments  
12 and other fees that are designed to recover the costs  
13 to the Government of the annual appropriation to  
14 the Agency by Congress.

15 “(2) OFFSETTING COLLECTIONS.—Assessments  
16 and other fees described under paragraph (1) for  
17 any fiscal year—

18 “(A) shall be deposited and credited as off-  
19 setting collections to the account providing ap-  
20 propriations to the Agency; and

21 “(B) except as provided in paragraph (3),  
22 shall not be collected for any fiscal year except  
23 to the extent provided in advance in appropria-  
24 tion Acts.

25 “(3) LAPSE OF APPROPRIATION.—If on the  
26 first day of a fiscal year a regular appropriation to

1 the Agency has not been enacted, the Agency shall  
 2 continue to collect (as offsetting collections) the as-  
 3 sessments and other fees described under paragraph  
 4 (1) at the rate in effect during the preceding fiscal  
 5 year, until 60 days after the date such a regular ap-  
 6 propriation is enacted.”; and

7 (2) by striking subsection (f).

8 (b) EFFECTIVE DATE.—The amendments made by  
 9 this section shall apply with respect to expenses paid and  
 10 assessments and other fees collected on or after the date  
 11 that is 90 days after the date of the enactment of the  
 12 first appropriation Act that provides for appropriations to  
 13 the Federal Housing Finance Agency and that is enacted  
 14 after the date of the enactment of this Act.

15 **SEC. 363. BRINGING THE NATIONAL CREDIT UNION ADMIN-**  
 16 **ISTRATION INTO THE REGULAR APPROPRIA-**  
 17 **TIONS PROCESS.**

18 (a) IN GENERAL.—Section 105 of the Federal Credit  
 19 Union Act (12 U.S.C. 1755) is amended by striking sub-  
 20 sections (d) and (e) and inserting the following:

21 “(d) APPROPRIATIONS REQUIREMENT.—

22 “(1) RECOVERY OF COSTS OF ANNUAL APPRO-  
 23 PRIATION.—The Administration shall collect assess-  
 24 ments and other fees, as provided under this Act,  
 25 that are designed to recover the costs to the Govern-

1       ment of the annual appropriation to the Administra-  
2       tion by Congress.

3           “(2) OFFSETTING COLLECTIONS.—Assessments  
4       and other fees described under paragraph (1) for  
5       any fiscal year—

6           “(A) shall be deposited and credited as off-  
7       setting collections to the account providing ap-  
8       propriations to the Administration; and

9           “(B) except as provided in paragraph (3),  
10       shall not be collected for any fiscal year except  
11       to the extent provided in advance in appropria-  
12       tion Acts.

13          “(3) LAPSE OF APPROPRIATION.—If on the  
14       first day of a fiscal year a regular appropriation to  
15       the Administration has not been enacted, the Ad-  
16       ministration shall continue to collect (as offsetting  
17       collections) the assessments and other fees described  
18       under paragraph (1) at the rate in effect during the  
19       preceding fiscal year, until 60 days after the date  
20       such a regular appropriation is enacted.

21          “(4) EXCEPTION FOR INSURANCE FUNC-  
22       TIONS.—This subsection shall not apply to the Na-  
23       tional Credit Union Share Insurance Fund, includ-  
24       ing assessments and other fees that are deposited

1       into, and amounts paid from, the National Credit  
2       Union Share Insurance Fund.”.

3       (b) CONFORMING AMENDMENTS.—The Federal  
4 Credit Union Act (12 U.S.C. 1751 et seq.) is amended—

5               (1) in section 120(j), by striking paragraph (3);

6       and

7               (2) by amending section 128 to read as follows:

8       **“SEC. 128. NATIONAL CREDIT UNION SHARE INSURANCE**  
9               **FUND EXEMPT FROM APPORTIONMENT.**

10       “Notwithstanding any other provision of law,  
11 amounts received pursuant to any assessments or other  
12 fees that are deposited into the National Credit Union  
13 Share Insurance Fund shall not be subject to apportion-  
14 ment for the purposes of chapter 15 of title 31, United  
15 States Code, or under any other authority.”.

16       (c) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply with respect to expenses paid and  
18 fees collected on or after the date that is 90 days after  
19 the date of the enactment of the first appropriation Act  
20 that provides for appropriations to the National Credit  
21 Union Administration and that is enacted after the date  
22 of the enactment of this Act.

1 **SEC. 364. BRINGING THE OFFICE OF THE COMPTROLLER**  
2 **OF THE CURRENCY INTO THE REGULAR AP-**  
3 **PROPRIATIONS PROCESS.**

4 (a) IN GENERAL.—Section 5240A of the Revised  
5 Statutes of the United States (12 U.S.C. 16) is amend-  
6 ed—

7 (1) by striking “Sec. 5240A. The Comptroller  
8 of the Currency may collect an assessment, fee, or  
9 other charge from any entity described in section  
10 3(q)(1) of the Federal Deposit Insurance Act (12  
11 U.S.C. 1813(q)(1)), as the Comptroller determines  
12 is necessary or appropriate to carry out the respon-  
13 sibilities of the Office of the Comptroller of the Cur-  
14 rency. In establishing the amount of an assessment,  
15 fee, or charge collected from an entity under this  
16 section,” and inserting the following:

17 **“SEC. 5240A. COLLECTION OF FEES; APPROPRIATIONS RE-**  
18 **QUIREMENT.**

19 “(a) IN GENERAL.—In establishing the amount of an  
20 assessment, fee, or charge collected from an entity under  
21 subsection (b),”;

22 (2) by striking “Funds derived” and all that  
23 follows through the end of the section; and

24 (3) by adding at the end the following:

25 “(b) APPROPRIATIONS REQUIREMENT.—

1           “(1) RECOVERY OF COSTS OF ANNUAL APPRO-  
2           PRIATION.—The Comptroller of the Currency shall  
3           impose and collect assessments, fees, or other  
4           charges that are designed to recover the costs to the  
5           Government of the annual appropriation to the Of-  
6           fice of the Comptroller of the Currency by Congress.

7           “(2) OFFSETTING COLLECTIONS.—Assessments  
8           and other fees described under paragraph (1) for  
9           any fiscal year—

10                 “(A) shall be deposited and credited as off-  
11                 setting collections to the account providing ap-  
12                 propriations to the Office of the Comptroller of  
13                 the Currency; and

14                 “(B) except as provided in paragraph (3),  
15                 shall not be collected for any fiscal year except  
16                 to the extent provided in advance in appropria-  
17                 tion Acts.

18           “(3) LAPSE OF APPROPRIATION.—If on the  
19           first day of a fiscal year a regular appropriation to  
20           the Office of the Comptroller of the Currency has  
21           not been enacted, the Comptroller of the Currency  
22           shall continue to collect (as offsetting collections) the  
23           assessments and other fees described under para-  
24           graph (1) at the rate in effect during the preceding

1       fiscal year, until 60 days after the date such a reg-  
2       ular appropriation is enacted.”.

3       (b) CONFORMING AMENDMENT.—Section 5240 (12  
4 U.S.C. 481 et seq.) of the Revised Statutes of the United  
5 States is amended by striking the fourth undesignated  
6 paragraph.

7       (c) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply with respect to expenses paid and  
9 fees collected on or after the date that is 90 days after  
10 the date of the enactment of the first appropriation Act  
11 that provides for appropriations to the Comptroller of the  
12 Currency and that is enacted after the date of the enact-  
13 ment of this Act.

14 **SEC. 365. BRINGING THE NON-MONETARY POLICY RELATED**  
15 **FUNCTIONS OF THE BOARD OF GOVERNORS**  
16 **OF THE FEDERAL RESERVE SYSTEM INTO**  
17 **THE REGULAR APPROPRIATIONS PROCESS.**

18       The Federal Reserve Act is amended by inserting  
19 after section 11B the following:

20 **“SEC. 11C. APPROPRIATIONS REQUIREMENT FOR NON-**  
21 **MONETARY POLICY RELATED ADMINISTRA-**  
22 **TIVE COSTS.**

23       “(a) APPROPRIATIONS REQUIREMENT.—

24       “(1) RECOVERY OF COSTS OF ANNUAL APPRO-  
25       PRIATION.—The Board of Governors of the Federal

1 Reserve System shall collect assessments and other  
2 fees, as provided under this Act, that are designed  
3 to recover the costs to the Government of the annual  
4 appropriation to the Board of Governors of the Fed-  
5 eral Reserve System by Congress.

6 “(2) OFFSETTING COLLECTIONS.—Assessments  
7 and other fees described under paragraph (1) for  
8 any fiscal year—

9 “(A) shall be deposited and credited as off-  
10 setting collections to the account providing ap-  
11 propriations to the Board of Governors of the  
12 Federal Reserve System; and

13 “(B) except as provided in paragraph (3),  
14 shall not be collected for any fiscal year except  
15 to the extent provided in advance in appropria-  
16 tion Acts.

17 “(3) LAPSE OF APPROPRIATION.—If on the  
18 first day of a fiscal year a regular appropriation to  
19 the Board of Governors of the Federal Reserve Sys-  
20 tem has not been enacted, the Board of Governors  
21 of the Federal Reserve System shall continue to col-  
22 lect (as offsetting collections) the assessments and  
23 other fees described under paragraph (1) at the rate  
24 in effect during the preceding fiscal year, until 60

1 days after the date such a regular appropriation is  
2 enacted.

3 “(4) LIMITATION.—This subsection shall only  
4 apply to the non-monetary policy related administra-  
5 tive costs of the Board of Governors of the Federal  
6 Reserve System.

7 “(b) DEFINITIONS.—For purposes of this section:

8 “(1) MONETARY POLICY.—The term ‘monetary  
9 policy’ means a strategy for producing a generally  
10 acceptable exchange medium that supports the pro-  
11 ductive employment of economic resources by reli-  
12 ably serving as both a unit of account and store of  
13 value.

14 “(2) NON-MONETARY POLICY RELATED ADMIN-  
15 ISTRACTIVE COSTS.—The term ‘non-monetary policy  
16 related administrative costs’ means administrative  
17 costs not related to the conduct of monetary policy,  
18 and include—

19 “(A) direct operating expenses for super-  
20 vising and regulating entities supervised and  
21 regulated by the Board of Governors of the  
22 Federal Reserve System, including conducting  
23 examinations, conducting stress tests, commu-  
24 nicating with the entities regarding supervisory  
25 matters and laws, and regulations;

“(B) operating expenses for activities integral to carrying out supervisory and regulatory responsibilities, such as training staff in the supervisory function, research and analysis functions including library subscription services, and collecting and processing regulatory reports filed by supervised institutions; and

“(C) support, overhead, and pension expenses related to the items described under subparagraphs (A) and (B).”.

## **Subtitle F—International Processes**

### **SEC. 371. REQUIREMENTS FOR INTERNATIONAL PROCESSES.**

(a) BOARD OF GOVERNORS REQUIREMENTS.—Section 11 of the Federal Reserve Act (12 U.S.C. 248), as amended by section 1007(a), is further amended by adding at the end the following new subsection:

“(w) INTERNATIONAL PROCESSES.—

“(1) NOTICE OF PROCESS; CONSULTATION.—At least 30 calendar days before any member or employee of the Board of Governors of the Federal Reserve System participates in a process of setting financial standards as a part of any foreign or multinational entity, the Board of Governors shall—

1           “(A) issue a notice of the process, includ-  
2           ing the subject matter, scope, and goals of the  
3           process, to the Committee on Financial Services  
4           of the House of Representatives and the Com-  
5           mittee on Banking, Housing, and Urban Affairs  
6           of the Senate;

7           “(B) make such notice available to the  
8           public, including on the website of the Board of  
9           Governors; and

10          “(C) solicit public comment, and consult  
11          with the committees described under subpara-  
12          graph (A), with respect to the subject matter,  
13          scope, and goals of the process.

14          “(2) PUBLIC REPORTS ON PROCESS.—After the  
15          end of any process described under paragraph (1),  
16          the Board of Governors shall issue a public report  
17          on the topics that were discussed during the process  
18          and any new or revised rulemakings or policy  
19          changes that the Board of Governors believes should  
20          be implemented as a result of the process.

21          “(3) NOTICE OF AGREEMENTS; CONSULTA-  
22          TION.—At least 90 calendar days before any mem-  
23          ber or employee of the Board of Governors of the  
24          Federal Reserve System participates in a process of  
25          setting financial standards as a part of any foreign

1 or multinational entity, the Board of Governors  
2 shall—

3 “(A) issue a notice of agreement to the  
4 Committee on Financial Services of the House  
5 of Representatives and the Committee on Bank-  
6 ing, Housing, and Urban Affairs of the Senate;

7 “(B) make such notice available to the  
8 public, including on the website of the Board of  
9 Governors; and

10 “(C) consult with the committees described  
11 under subparagraph (A) with respect to the na-  
12 ture of the agreement and any anticipated ef-  
13 fects such agreement will have on the economy.

14 “(4) DEFINITION.—For purposes of this sub-  
15 section, the term ‘process’ shall include any official  
16 proceeding or meeting on financial regulation of a  
17 recognized international organization with authority  
18 to set financial standards on a global or regional  
19 level, including the Financial Stability Board, the  
20 Basel Committee on Banking Supervision (or a simi-  
21 lar organization), and the International Association  
22 of Insurance Supervisors (or a similar organiza-  
23 tion).”.

1 (b) FDIC REQUIREMENTS.—The Federal Deposit  
2 Insurance Act (12 U.S.C. 1811 et seq.) is amended by  
3 adding at the end the following new section:

4 **“SEC. 51. INTERNATIONAL PROCESSES.**

5 “(a) NOTICE OF PROCESS; CONSULTATION.—At least  
6 30 calendar days before the Board of Directors partici-  
7 pates in a process of setting financial standards as a part  
8 of any foreign or multinational entity, the Board of Direc-  
9 tors shall—

10 “(1) issue a notice of the process, including the  
11 subject matter, scope, and goals of the process, to  
12 the Committee on Financial Services of the House of  
13 Representatives and the Committee on Banking,  
14 Housing, and Urban Affairs of the Senate;

15 “(2) make such notice available to the public,  
16 including on the website of the Corporation; and

17 “(3) solicit public comment, and consult with  
18 the committees described under paragraph (1), with  
19 respect to the subject matter, scope, and goals of the  
20 process.

21 “(b) PUBLIC REPORTS ON PROCESS.—After the end  
22 of any process described under subsection (a), the Board  
23 of Directors shall issue a public report on the topics that  
24 were discussed at the process and any new or revised

1 rulemakings or policy changes that the Board of Directors  
2 believes should be implemented as a result of the process.

3 “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At  
4 least 90 calendar days before the Board of Directors par-  
5 ticipates in a process of setting financial standards as a  
6 part of any foreign or multinational entity, the Board of  
7 Directors shall—

8 “(1) issue a notice of agreement to the Com-  
9 mittee on Financial Services of the House of Rep-  
10 resentatives and the Committee on Banking, Hous-  
11 ing, and Urban Affairs of the Senate;

12 “(2) make such notice available to the public,  
13 including on the website of the Corporation; and

14 “(3) consult with the committees described  
15 under paragraph (1) with respect to the nature of  
16 the agreement and any anticipated effects such  
17 agreement will have on the economy.

18 “(d) DEFINITION.—For purposes of this section, the  
19 term ‘process’ shall include any official proceeding or  
20 meeting on financial regulation of a recognized inter-  
21 national organization with authority to set financial stand-  
22 ards on a global or regional level, including the Financial  
23 Stability Board, the Basel Committee on Banking Super-  
24 vision (or a similar organization), and the International

1 Association of Insurance Supervisors (or a similar organi-  
2 zation).”.

3 (c) TREASURY REQUIREMENTS.—Section 325 of title  
4 31, United States Code, is amended by adding at the end  
5 the following new subsection:

6 “(d) INTERNATIONAL PROCESSES.—

7 “(1) NOTICE OF PROCESS; CONSULTATION.—At  
8 least 30 calendar days before the Secretary partici-  
9 pates in a process of setting financial standards as  
10 a part of any foreign or multinational entity, the  
11 Secretary shall—

12 “(A) issue a notice of the process, includ-  
13 ing the subject matter, scope, and goals of the  
14 process, to the Committee on Financial Services  
15 of the House of Representatives and the Com-  
16 mittee on Banking, Housing, and Urban Affairs  
17 of the Senate;

18 “(B) make such notice available to the  
19 public, including on the website of the Depart-  
20 ment of the Treasury; and

21 “(C) solicit public comment, and consult  
22 with the committees described under subpara-  
23 graph (A), with respect to the subject matter,  
24 scope, and goals of the process.

1           “(2) PUBLIC REPORTS ON PROCESS.—After the  
2           end of any process described under paragraph (1),  
3           the Secretary shall issue a public report on the top-  
4           ics that were discussed at the process and any new  
5           or revised rulemakings or policy changes that the  
6           Secretary believes should be implemented as a result  
7           of the process.

8           “(3) NOTICE OF AGREEMENTS; CONSULTA-  
9           TION.—At least 90 calendar days before the Sec-  
10          retary participates in a process of setting financial  
11          standards as a part of any foreign or multinational  
12          entity, the Secretary shall—

13                 “(A) issue a notice of agreement to the  
14                 Committee on Financial Services of the House  
15                 of Representatives and the Committee on Bank-  
16                 ing, Housing, and Urban Affairs of the Senate;

17                 “(B) make such notice available to the  
18                 public, including on the website of the Depart-  
19                 ment of the Treasury; and

20                 “(C) consult with the committees described  
21                 under subparagraph (A) with respect to the na-  
22                 ture of the agreement and any anticipated ef-  
23                 fects such agreement will have on the economy.

24           “(4) DEFINITION.—For purposes of this sub-  
25          section, the term ‘process’ shall include any official

1 proceeding or meeting on financial regulation of a  
 2 recognized international organization with authority  
 3 to set financial standards on a global or regional  
 4 level, including the Financial Stability Board, the  
 5 Basel Committee on Banking Supervision (or a simi-  
 6 lar organization), and the International Association  
 7 of Insurance Supervisors (or a similar organiza-  
 8 tion).”.

9 (d) OCC REQUIREMENTS.—Chapter one of title LXII  
 10 of the Revised Statutes of the United States (12 U.S.C.  
 11 21 et seq.) is amended—

12 (1) by adding at the end the following new sec-  
 13 tion:

14 **“SEC. 5156B. INTERNATIONAL PROCESSES.**

15 “(a) NOTICE OF PROCESS; CONSULTATION.—At least  
 16 30 calendar days before the Comptroller of the Currency  
 17 participates in a process of setting financial standards as  
 18 a part of any foreign or multinational entity, the Board  
 19 of Directors shall—

20 “(1) issue a notice of the process, including the  
 21 subject matter, scope, and goals of the process, to  
 22 the Committee on Financial Services of the House of  
 23 Representatives and the Committee on Banking,  
 24 Housing, and Urban Affairs of the Senate;

1           “(2) make such notice available to the public,  
2           including on the website of the Office of the Comp-  
3           troller of the Currency; and

4           “(3) solicit public comment, and consult with  
5           the committees described under paragraph (1), with  
6           respect to the subject matter, scope, and goals of the  
7           process.

8           “(b) PUBLIC REPORTS ON PROCESS.—After the end  
9           of any process described under subsection (a), the Board  
10          of Directors shall issue a public report on the topics that  
11          were discussed at the process and any new or revised  
12          rulemakings or policy changes that the Board of Directors  
13          believes should be implemented as a result of the process.

14          “(c) NOTICE OF AGREEMENTS; CONSULTATION.—At  
15          least 90 calendar days before the Board of Directors par-  
16          ticipates in a process of setting financial standards as a  
17          part of any foreign or multinational entity, the Board of  
18          Directors shall—

19                 “(1) issue a notice of agreement to the Com-  
20                 mittee on Financial Services of the House of Rep-  
21                 resentatives and the Committee on Banking, Hous-  
22                 ing, and Urban Affairs of the Senate;

23                 “(2) make such notice available to the public,  
24                 including on the website of the Office of the Comp-  
25                 troller of the Currency; and

1           “(3) consult with the committees described  
2           under paragraph (1) with respect to the nature of  
3           the agreement and any anticipated effects such  
4           agreement will have on the economy.

5           “(d) DEFINITION.—For purposes of this section, the  
6           term ‘process’ shall include any official proceeding or  
7           meeting on financial regulation of a recognized inter-  
8           national organization with authority to set financial stand-  
9           ards on a global or regional level, including the Financial  
10          Stability Board, the Basel Committee on Banking Super-  
11          vision (or a similar organization), and the International  
12          Association of Insurance Supervisors (or a similar organi-  
13          zation).”; and

14                 (2) in the table of contents for such chapter, by  
15          adding at the end the following new item:

“5156B. International processes.”.

16          (e) SECURITIES AND EXCHANGE COMMISSION RE-  
17          QUIREMENTS.—Section 4 of the Securities Exchange Act  
18          of 1934 (15 U.S.C. 78d), as amended by section 818(a),  
19          is further amended by adding at the end the following new  
20          subsection:

21          “(j) INTERNATIONAL PROCESSES.—

22                 “(1) NOTICE OF PROCESS; CONSULTATION.—At  
23          least 30 calendar days before the Commission par-  
24          ticipates in a process of setting financial standards

1 as a part of any foreign or multinational entity, the  
2 Commission shall—

3 “(A) issue a notice of the process, includ-  
4 ing the subject matter, scope, and goals of the  
5 process, to the Committee on Financial Services  
6 of the House of Representatives and the Com-  
7 mittee on Banking, Housing, and Urban Affairs  
8 of the Senate;

9 “(B) make such notice available to the  
10 public, including on the website of the Commis-  
11 sion; and

12 “(C) solicit public comment, and consult  
13 with the committees described under subpara-  
14 graph (A), with respect to the subject matter,  
15 scope, and goals of the process.

16 “(2) PUBLIC REPORTS ON PROCESS.—After the  
17 end of any process described under paragraph (1),  
18 the Commission shall issue a public report on the  
19 topics that were discussed at the process and any  
20 new or revised rulemakings or policy changes that  
21 the Commission believes should be implemented as a  
22 result of the process.

23 “(3) NOTICE OF AGREEMENTS; CONSULTA-  
24 TION.—At least 90 calendar days before the Com-  
25 mission participates in a process of setting financial

1 standards as a part of any foreign or multinational  
2 entity, the Commission shall—

3 “(A) issue a notice of agreement to the  
4 Committee on Financial Services of the House  
5 of Representatives and the Committee on Bank-  
6 ing, Housing, and Urban Affairs of the Senate;

7 “(B) make such notice available to the  
8 public, including on the website of the Commis-  
9 sion; and

10 “(C) consult with the committees described  
11 under subparagraph (A) with respect to the na-  
12 ture of the agreement and any anticipated ef-  
13 fects such agreement will have on the economy.

14 “(4) DEFINITION.—For purposes of this sub-  
15 section, the term ‘process’ shall include any official  
16 proceeding or meeting on financial regulation of a  
17 recognized international organization with authority  
18 to set financial standards on a global or regional  
19 level, including the Financial Stability Board, the  
20 Basel Committee on Banking Supervision (or a simi-  
21 lar organization), and the International Association  
22 of Insurance Supervisors (or a similar organiza-  
23 tion).”.

24 (f) COMMODITY FUTURES TRADING COMMISSION RE-  
25 QUIREMENTS.—Section 2 of the Commodity Exchange Act

1 (7 U.S.C. 2) is amended by adding at the end the fol-  
2 lowing:

3 “(k) INTERNATIONAL PROCESSES.—

4 “(1) NOTICE OF PROCESS; CONSULTATION.—At  
5 least 30 calendar days before the Commission par-  
6 ticipates in a process of setting financial standards  
7 as a part of any foreign or multinational entity, the  
8 Commission shall—

9 “(A) issue a notice of the process, includ-  
10 ing the subject matter, scope, and goals of the  
11 process, to—

12 “(i) the Committees on Financial  
13 Services and Agriculture of the House of  
14 Representatives; and

15 “(ii) the Committees on Banking,  
16 Housing, and Urban Affairs and Agri-  
17 culture, Nutrition, and Forestry of the  
18 Senate;

19 “(B) make such notice available to the  
20 public, including on the website of the Commis-  
21 sion; and

22 “(C) solicit public comment, and consult  
23 with the committees described under subpara-  
24 graph (A), with respect to the subject matter,  
25 scope, and goals of the process.

1           “(2) PUBLIC REPORTS ON PROCESS.—After the  
2           end of any process described under paragraph (1),  
3           the Commission shall issue a public report on the  
4           topics that were discussed during the process and  
5           any new or revised rulemakings or policy changes  
6           that the Commission believes should be implemented  
7           as a result of the process.

8           “(3) NOTICE OF AGREEMENTS; CONSULTA-  
9           TION.—At least 90 calendar days before the Com-  
10          mission participates in a process of setting financial  
11          standards as a part of any foreign or multinational  
12          entity, the Commission shall—

13               “(A) issue a notice of agreement to—

14                       “(i) the Committees on Financial  
15                       Services and Agriculture of the House of  
16                       Representatives; and

17                       “(ii) the Committees on Banking,  
18                       Housing, and Urban Affairs and Agri-  
19                       culture, Nutrition, and Forestry of the  
20                       Senate;

21               “(B) make such notice available to the  
22               public, including on the website of the Commis-  
23               sion; and

24               “(C) consult with the committees described  
25               under subparagraph (A) with respect to the na-

1           ture of the agreement and any anticipated ef-  
2           fects such agreement will have on the economy.

3           “(4) DEFINITION.—For purposes of this sub-  
4           section, the term ‘process’ shall include any official  
5           proceeding or meeting on financial regulation of a  
6           recognized international organization with authority  
7           to set financial standards on a global or regional  
8           level, including the Financial Stability Board, the  
9           Basel Committee on Banking Supervision (or a simi-  
10          lar organization), and the International Association  
11          of Insurance Supervisors (or a similar organiza-  
12          tion).”.

## 13       **Subtitle G—Unfunded Mandates** 14                               **Reform**

### 15   **SEC. 381. DEFINITIONS.**

16       For purposes of this title:

17           (1) AGENCY.—The term “agency” has the  
18       meaning given such term under section 311.

19           (2) OTHER DEFINITIONS.—Except as provided  
20       under paragraph (1), the definitions under section  
21       421 of the Congressional Budget and Impoundment  
22       Control Act of 1974 shall apply to this title.

1 **SEC. 382. STATEMENTS TO ACCOMPANY SIGNIFICANT REG-**  
2 **ULATORY ACTIONS.**

3 (a) IN GENERAL.—Unless otherwise expressly pro-  
4 hibited by law, before promulgating any general notice of  
5 proposed rulemaking or any final rule, or within six  
6 months after promulgating any final rule that was not pre-  
7 ceded by a general notice of proposed rulemaking, if the  
8 proposed rulemaking or final rule includes a Federal man-  
9 date that may result in an annual effect on State, local,  
10 or tribal governments, or to the private sector, in the ag-  
11 gregate of \$100,000,000 or more in any 1 year, the agency  
12 shall prepare a written statement containing the following:

13 (1) The text of the draft proposed rulemaking  
14 or final rule, together with the information required  
15 under subsections (a) and (b)(1) of section 312, as  
16 applicable, including an explanation of the manner  
17 in which the proposed rulemaking or final rule is  
18 consistent with the statutory requirement and avoids  
19 undue interference with State, local, and tribal gov-  
20 ernments in the exercise of their governmental func-  
21 tions.

22 (2) Estimates by the agency, if and to the ex-  
23 tent that the agency determines that accurate esti-  
24 mates are reasonably feasible, of—

25 (A) the future compliance costs of the Fed-  
26 eral mandate; and

1 (B) any disproportionate budgetary effects  
2 of the Federal mandate upon any particular re-  
3 gions of the nation or particular State, local, or  
4 tribal governments, urban or rural or other  
5 types of communities, or particular segments of  
6 the private sector.

7 (3)(A) A detailed description of the extent of  
8 the agency's prior consultation with the private sec-  
9 tor and elected representatives (under section 384)  
10 of the affected State, local, and tribal governments.

11 (B) A detailed summary of the comments and  
12 concerns that were presented by the private sector  
13 and State, local, or tribal governments either orally  
14 or in writing to the agency.

15 (C) A detailed summary of the agency's evalua-  
16 tion of those comments and concerns.

17 (4) A detailed summary of how the agency com-  
18 plied with each of the regulatory principles described  
19 under section 312, as applicable.

20 (b) PROMULGATION.—In promulgating a general no-  
21 tice of proposed rulemaking or a final rule for which a  
22 statement under subsection (a) is required, the agency  
23 shall include in the promulgation a summary of the infor-  
24 mation contained in the statement.

1       (c) PREPARATION IN CONJUNCTION WITH OTHER  
 2 STATEMENT.—Any agency may prepare any statement re-  
 3 quired under subsection (a) in conjunction with or as a  
 4 part of any other statement or analysis, provided that the  
 5 statement or analysis satisfies the provisions of subsection  
 6 (a).

7 **SEC. 383. SMALL GOVERNMENT AGENCY PLAN.**

8       Before establishing any regulatory requirements that  
 9 might significantly or uniquely affect small governments,  
 10 agencies shall have developed a plan under which the agen-  
 11 cy shall—

12           (1) provide notice of the requirements to poten-  
 13 tially affected small governments, if any;

14           (2) enable officials of affected small govern-  
 15 ments to provide meaningful and timely input in the  
 16 development of regulatory proposals containing sig-  
 17 nificant Federal intergovernmental mandates; and

18           (3) inform, educate, and advise small govern-  
 19 ments on compliance with the requirements.

20 **SEC. 384. STATE, LOCAL, AND TRIBAL GOVERNMENT AND**  
 21 **PRIVATE SECTOR INPUT.**

22       (a) IN GENERAL.—Each agency shall, to the extent  
 23 permitted in law, develop an effective process to permit  
 24 elected officers of State, local, and tribal governments (or  
 25 their designated employees with authority to act on their

1 behalf), and impacted parties within the private sector (in-  
2 cluding small business), to provide meaningful and timely  
3 input in the development of regulatory proposals con-  
4 taining significant Federal mandates.

5 (b) MEETINGS BETWEEN STATE, LOCAL, TRIBAL  
6 AND FEDERAL OFFICERS.—The Federal Advisory Com-  
7 mittee Act (5 U.S.C. App.) shall not apply to actions in  
8 support of intergovernmental communications where—

9 (1) meetings are held exclusively between Fed-  
10 eral officials and elected officers of State, local, and  
11 tribal governments (or their designated employees  
12 with authority to act on their behalf) acting in their  
13 official capacities; and

14 (2) such meetings are solely for the purposes of  
15 exchanging views, information, or advice relating to  
16 the management or implementation of Federal pro-  
17 grams established pursuant to public law that explic-  
18 itly or inherently share intergovernmental respon-  
19 sibilities or administration.

20 (c) GUIDELINES.—For appropriate implementation  
21 of subsections (a) and (b) consistent with applicable laws  
22 and regulations, the following guidelines shall be followed:

23 (1) Consultations shall take place as early as  
24 possible, before issuance of a notice of proposed rule-

1 making, continue through the final rule stage, and  
2 be integrated explicitly into the rulemaking process.

3 (2) Agencies shall consult with a wide variety of  
4 State, local, and tribal officials and impacted parties  
5 within the private sector (including small busi-  
6 nesses). Geographic, political, and other factors that  
7 may differentiate varying points of view should be  
8 considered.

9 (3) Agencies should estimate benefits and costs  
10 to assist with these consultations. The scope of the  
11 consultation should reflect the cost and significance  
12 of the Federal mandate being considered.

13 (4) Agencies shall, to the extent practicable—

14 (A) seek out the views of State, local, and  
15 tribal governments, and impacted parties within  
16 the private sector (including small business), on  
17 costs, benefits, and risks; and

18 (B) solicit ideas about alternative methods  
19 of compliance and potential flexibilities, and  
20 input on whether the Federal regulation will  
21 harmonize with and not duplicate similar laws  
22 in other levels of government.

23 (5) Consultations shall address the cumulative  
24 impact of regulations on the affected entities.

1           (6) Agencies may accept electronic submissions  
2       of comments by relevant parties but may not use  
3       those comments as the sole method of satisfying the  
4       guidelines in this subsection.

5 **SEC. 385. LEAST BURDENSOME OPTION OR EXPLANATION**  
6 **REQUIRED.**

7       (a) IN GENERAL.—Except as provided in subsection  
8 (b), before promulgating any rule for which a written  
9 statement is required under section 382, the agency shall  
10 identify and consider a reasonable number of regulatory  
11 alternatives and from those alternatives select the least  
12 costly, most cost-effective or least burdensome alternative  
13 that achieves the objectives of the rule, for—

14           (1) State, local, and tribal governments, in the  
15       case of a rule containing a Federal intergovern-  
16       mental mandate; and

17           (2) the private sector, in the case of a rule con-  
18       taining a Federal private sector mandate.

19       (b) EXCEPTION.—The provisions of subsection (a)  
20 shall apply unless—

21           (1) the head of the affected agency publishes  
22       with the final rule an explanation of why the least  
23       costly, most cost-effective or least burdensome meth-  
24       od of achieving the objectives of the rule was not  
25       adopted; or

1 (2) the provisions are inconsistent with law.

2 (c) CERTIFICATION.—No later than 1 year after the  
3 date of the enactment of this Act, the Administrator of  
4 the Office of Information and Regulatory Affairs shall cer-  
5 tify to Congress, with a written explanation, agency com-  
6 pliance with this section and include in that certification  
7 agencies and rulemakings that fail to adequately comply  
8 with this section.

9 **SEC. 386. ASSISTANCE TO THE OFFICE OF INFORMATION**  
10 **AND REGULATORY AFFAIRS.**

11 The Administrator of the Office of Information and  
12 Regulatory Affairs shall—

13 (1) collect from agencies the statements pre-  
14 pared under section 382; and

15 (2) periodically forward copies of such state-  
16 ments to the Director of the Congressional Budget  
17 Office on a reasonably timely basis after promulga-  
18 tion of the general notice of proposed rulemaking or  
19 of the final rule for which the statement was pre-  
20 pared.

21 **SEC. 387. OFFICE OF INFORMATION AND REGULATORY AF-**  
22 **FAIRS RESPONSIBILITIES.**

23 (a) IN GENERAL.—The Administrator of the Office  
24 of Information and Regulatory Affairs shall provide mean-  
25 ingful guidance and oversight so that each agency's regu-

1 lations for which a written statement is required under  
2 section 382 are consistent with the principles and require-  
3 ments of this title, as well as other applicable laws, and  
4 do not conflict with the policies or actions of another agen-  
5 cy. If the Administrator determines that an agency's regu-  
6 lations for which a written statement is required under  
7 section 382 do not comply with such principles and re-  
8 quirements, are not consistent with other applicable laws,  
9 or conflict with the policies or actions of another agency,  
10 the Administrator shall identify areas of non-compliance,  
11 notify the agency, and request that the agency comply be-  
12 fore the agency finalizes the regulation concerned.

13 (b) ANNUAL STATEMENTS TO CONGRESS ON AGENCY  
14 COMPLIANCE.—The Administrator of the Office of Infor-  
15 mation and Regulatory Affairs annually shall submit to  
16 Congress a written report detailing compliance by each  
17 agency with the requirements of this title that relate to  
18 regulations for which a written statement is required by  
19 section 382, including activities undertaken at the request  
20 of the Administrator to improve compliance, during the  
21 preceding reporting period. The report shall also contain  
22 an appendix detailing compliance by each agency with sec-  
23 tion 384.

1 **SEC. 388. JUDICIAL REVIEW.**

2 (a) AGENCY STATEMENTS ON SIGNIFICANT REGU-  
3 LATORY ACTIONS.—

4 (1) IN GENERAL.—Compliance or noncompli-  
5 ance by any agency with the provisions of section  
6 382, paragraphs (1) and (2) of section 383(a), and  
7 subsections (a) and (b) of section 385 shall be sub-  
8 ject to judicial review in accordance with this sec-  
9 tion.

10 (2) LIMITED REVIEW OF AGENCY COMPLIANCE  
11 OR NONCOMPLIANCE.—

12 (A) Agency compliance or noncompliance  
13 with the provisions of section 382, paragraphs  
14 (1) and (2) of section 383(a), and subsections  
15 (a) and (b) of section 385 shall be subject to ju-  
16 dicial review under section 706(1) of title 5,  
17 United States Code, and as provided under sub-  
18 paragraph (B).

19 (B) If an agency fails to prepare the writ-  
20 ten statement (including the preparation of the  
21 estimates, analyses, statements, or descriptions)  
22 under section 382, prepare the written plan  
23 under paragraphs (1) and (2) of section 383(a),  
24 or comply with subsections (a) and (b) of sec-  
25 tion 385, a court may compel the agency to pre-

1           pare such written statement, prepare such writ-  
2           ten plan, or comply with such section;

3           (3) REVIEW OF AGENCY RULES.—In any judi-  
4           cial review under any other Federal law of an agency  
5           rule for which a written statement under section  
6           382, a written plan under paragraphs (1) and (2) of  
7           section 383(a), or compliance with subsections (a)  
8           and (b) of section 385 is required, the inadequacy or  
9           failure to prepare such statement (including the in-  
10          adequacy or failure to prepare any estimate, anal-  
11          ysis, statement, or description), to prepare such  
12          written plan, or to comply with such section may be  
13          used as a basis for staying, enjoining, invalidating or  
14          otherwise affecting such agency rule.

15          (4) CERTAIN INFORMATION AS PART OF  
16          RECORD.—Any information generated under section  
17          382, paragraphs (1) and (2) of section 383(a), and  
18          subsections (a) and (b) of section 385 that is part  
19          of the rulemaking record for judicial review under  
20          the provisions of any other Federal law may be con-  
21          sidered as part of the record for judicial review con-  
22          ducted under such other provisions of Federal law.

23          (5) APPLICATION OF OTHER FEDERAL LAW.—  
24          For any petition under paragraph (2) the provisions  
25          of such other Federal law shall control all other mat-

1       ters, such as exhaustion of administrative remedies,  
2       the time for and manner of seeking review and  
3       venue, except that if such other Federal law does not  
4       provide a limitation on the time for filing a petition  
5       for judicial review that is less than 180 days, such  
6       limitation shall be 180 days after a final rule is pro-  
7       mulgated by the appropriate agency.

8           (6) EFFECTIVE DATE.—This subsection shall  
9       apply to any agency rule for which a general notice  
10      of proposed rulemaking is promulgated on or after  
11      the date of the enactment of this Act.

12      (b) JUDICIAL REVIEW AND RULE OF CONSTRUC-  
13      TION.—Except as provided in subsection (a)—

14           (1) any estimate, analysis, statement, descrip-  
15      tion or report prepared under this title, and any  
16      compliance or noncompliance with the provisions of  
17      this title, and any determination concerning the ap-  
18      plicability of the provisions of this title shall not be  
19      subject to judicial review; and

20           (2) no provision of this title shall be construed  
21      to create any right or benefit, substantive or proce-  
22      dural, enforceable by any person in any administra-  
23      tive or judicial action.

## **Subtitle H—Enforcement Coordination**

### **SEC. 391. POLICIES TO MINIMIZE DUPLICATION OF EN- FORCEMENT EFFORTS.**

Each agency (as defined under section 311) shall, not later than the end of the 90-day period beginning on the date of the enactment of this Act, implement policies and procedures—

(1) to minimize duplication of efforts with other Federal or State authorities when bringing an administrative or judicial action against an individual or entity;

(2) to establish when joint investigations, administrative actions, or judicial actions or the coordination of law enforcement activities are necessary and appropriate and in the public interest; and

(3) to, in the course of a joint investigation, administrative action, or judicial action, establish a lead agency to avoid duplication of efforts and unnecessary burdens and to ensure consistent enforcement, as necessary and appropriate and in the public interest.

**Subtitle I—Penalties for  
Unauthorized Disclosures**

**SEC. 392. CRIMINAL PENALTY FOR UNAUTHORIZED DIS-  
CLOSURES.**

Section 165 of the Financial Stability Act of 2010 (12 U.S.C. 5365), as amended by section 151(b)(6)(M), is further amended by adding at the end the following:

“(m) CRIMINAL PENALTY FOR UNAUTHORIZED DIS-  
CLOSURES.—

“(1) IN GENERAL.—Any officer or employee of a Federal department or agency, who by virtue of such officer or employee’s employment or official position, has possession of, or access to, agency records which contain individually identifiable information submitted pursuant to the requirements of this section, the disclosure of which is prohibited by Federal statute, rule, or regulation, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

“(2) OBTAINING RECORDS UNDER FALSE PRE-  
TENSES.—Any person who knowingly and willfully requests or obtains information described under

1 paragraph (1) from a Federal department or agency  
 2 under false pretenses shall be guilty of a mis-  
 3 demeanor and fined not more than \$5,000.

4 “(3) TREATMENT OF DETERMINATIONS.—For  
 5 purposes of this subsection, a determination made  
 6 under subsection (d) or (i) based on individually  
 7 identifiable information submitted pursuant to the  
 8 requirements of this section shall be deemed individ-  
 9 ually identifiable information, the disclosure of which  
 10 is prohibited by Federal statute.”.

## 11 **Subtitle J—Stop Settlement Slush** 12 **Funds**

13 **SEC. 393. LIMITATION ON DONATIONS MADE PURSUANT TO**  
 14 **SETTLEMENT AGREEMENTS TO WHICH CER-**  
 15 **TAIN DEPARTMENTS OR AGENCIES ARE A**  
 16 **PARTY.**

17 (a) LIMITATION ON REQUIRED DONATIONS.—No set-  
 18 tlement to which a department or agency is a party may  
 19 direct or provide for a payment to any person who is not  
 20 a victim of the alleged wrongdoing.

21 (b) PENALTY.—Any Executive branch official or  
 22 agent thereof who enters into or enforces a settlement in  
 23 violation of subsection (a), shall be subject to the same  
 24 penalties that would apply in the case of a violation of  
 25 section 3302 of title 31, United States Code.

1       (c) EFFECTIVE DATE.—Subsections (a) and (b)  
2 apply only in the case of a settlement agreement concluded  
3 on or after the date of enactment of this Act.

4       (d) DEFINITIONS.—

5           (1) The term “department or agency”—

6               (A) has the meaning given the term “agen-  
7 cy” under section 311; and

8               (B) means the Department of Housing and  
9 Urban Development, the Department of Jus-  
10 tice, and the Rural Housing Service of the De-  
11 partment of Agriculture.

12          (2) The term “settlement agreement” means a  
13 settlement agreement resolving a civil action or po-  
14 tential civil action, a plea agreement, a deferred  
15 prosecution agreement, or a non-prosecution agree-  
16 ment.

17          (3) The term “payment” means a payment or  
18 loan.

19          (4) The term “payment to any person who is  
20 not a victim” means any payment other than a pay-  
21 ment—

22               (A) to a person who is party to the lawsuit  
23 or settlement;

24               (B) that provides restitution for or other-  
25 wise directly remedies actual harm (including to

the environment) directly and proximately caused by the party making the payment as a result of that party's alleged wrongdoing;

(C) that constitutes payment for services rendered in connection with the case; or

(D) made pursuant to section 3663 of title 18, United States Code.

**TITLE IV—UNLEASHING OPPORTUNITIES FOR SMALL BUSINESSES, INNOVATORS, AND JOB CREATORS BY FACILITATING CAPITAL FORMATION**  
**Subtitle A—Small Business Mergers, Acquisitions, Sales, and Brokerage Simplification**

**SEC. 401. REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.**

Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended by adding at the end the following:

“(13) REGISTRATION EXEMPTION FOR MERGER AND ACQUISITION BROKERS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), an M&A broker shall be exempt from registration under this section.

1           “(B) EXCLUDED ACTIVITIES.—An M&A  
2 broker is not exempt from registration under  
3 this paragraph if such broker does any of the  
4 following:

5           “(i) Directly or indirectly, in connec-  
6 tion with the transfer of ownership of an  
7 eligible privately held company, receives,  
8 holds, transmits, or has custody of the  
9 funds or securities to be exchanged by the  
10 parties to the transaction.

11           “(ii) Engages on behalf of an issuer in  
12 a public offering of any class of securities  
13 that is registered, or is required to be reg-  
14 istered, with the Commission under section  
15 12 or with respect to which the issuer files,  
16 or is required to file, periodic information,  
17 documents, and reports under subsection  
18 (d).

19           “(iii) Engages on behalf of any party  
20 in a transaction involving a public shell  
21 company.

22           “(C) DISQUALIFICATIONS.—An M&A  
23 broker is not exempt from registration under  
24 this paragraph if such broker is subject to—

1 “(i) suspension or revocation of reg-  
2 istration under paragraph (4);

3 “(ii) a statutory disqualification de-  
4 scribed in section 3(a)(39);

5 “(iii) a disqualification under the  
6 rules adopted by the Commission under  
7 section 926 of the Investor Protection and  
8 Securities Reform Act of 2010 (15 U.S.C.  
9 77d note); or

10 “(iv) a final order described in para-  
11 graph (4)(H).

12 “(D) RULE OF CONSTRUCTION.—Nothing  
13 in this paragraph shall be construed to limit  
14 any other authority of the Commission to ex-  
15 empt any person, or any class of persons, from  
16 any provision of this title, or from any provision  
17 of any rule or regulation thereunder.

18 “(E) DEFINITIONS.—In this paragraph:

19 “(i) CONTROL.—The term ‘control’  
20 means the power, directly or indirectly, to  
21 direct the management or policies of a  
22 company, whether through ownership of  
23 securities, by contract, or otherwise. There  
24 is a presumption of control for any person  
25 who—

1           “(I) is a director, general part-  
2           ner, member or manager of a limited  
3           liability company, or officer exercising  
4           executive responsibility (or has similar  
5           status or functions);

6           “(II) has the right to vote 20  
7           percent or more of a class of voting  
8           securities or the power to sell or direct  
9           the sale of 20 percent or more of a  
10          class of voting securities; or

11          “(III) in the case of a partner-  
12          ship or limited liability company, has  
13          the right to receive upon dissolution,  
14          or has contributed, 20 percent or  
15          more of the capital.

16          “(ii) ELIGIBLE PRIVATELY HELD  
17          COMPANY.—The term ‘eligible privately  
18          held company’ means a privately held com-  
19          pany that meets both of the following con-  
20          ditions:

21               “(I) The company does not have  
22               any class of securities registered, or  
23               required to be registered, with the  
24               Commission under section 12 or with  
25               respect to which the company files, or

1 is required to file, periodic informa-  
2 tion, documents, and reports under  
3 subsection (d).

4 “(II) In the fiscal year ending  
5 immediately before the fiscal year in  
6 which the services of the M&A broker  
7 are initially engaged with respect to  
8 the securities transaction, the com-  
9 pany meets either or both of the fol-  
10 lowing conditions (determined in ac-  
11 cordance with the historical financial  
12 accounting records of the company):

13 “(aa) The earnings of the  
14 company before interest, taxes,  
15 depreciation, and amortization  
16 are less than \$25,000,000.

17 “(bb) The gross revenues of  
18 the company are less than  
19 \$250,000,000.

20 “(iii) M&A BROKER.—The term ‘M&A  
21 broker’ means a broker, and any person  
22 associated with a broker, engaged in the  
23 business of effecting securities transactions  
24 solely in connection with the transfer of  
25 ownership of an eligible privately held com-

1           pany, regardless of whether the broker acts  
2           on behalf of a seller or buyer, through the  
3           purchase, sale, exchange, issuance, repur-  
4           chase, or redemption of, or a business com-  
5           bination involving, securities or assets of  
6           the eligible privately held company, if the  
7           broker reasonably believes that—

8                       “(I) upon consummation of the  
9                       transaction, any person acquiring se-  
10                      curities or assets of the eligible pri-  
11                      vately held company, acting alone or  
12                      in concert, will control and, directly or  
13                      indirectly, will be active in the man-  
14                      agement of the eligible privately held  
15                      company or the business conducted  
16                      with the assets of the eligible privately  
17                      held company; and

18                     “(II) if any person is offered se-  
19                     curities in exchange for securities or  
20                     assets of the eligible privately held  
21                     company, such person will, prior to  
22                     becoming legally bound to consum-  
23                     mate the transaction, receive or have  
24                     reasonable access to the most recent  
25                     fiscal year-end financial statements of

1 the issuer of the securities as custom-  
2 arily prepared by the management of  
3 the issuer in the normal course of op-  
4 erations and, if the financial state-  
5 ments of the issuer are audited, re-  
6 viewed, or compiled, any related state-  
7 ment by the independent accountant,  
8 a balance sheet dated not more than  
9 120 days before the date of the offer,  
10 and information pertaining to the  
11 management, business, results of op-  
12 erations for the period covered by the  
13 foregoing financial statements, and  
14 material loss contingencies of the  
15 issuer.

16 “(iv) PUBLIC SHELL COMPANY.—The  
17 term ‘public shell company’ is a company  
18 that at the time of a transaction with an  
19 eligible privately held company—

20 “(I) has any class of securities  
21 registered, or required to be reg-  
22 istered, with the Commission under  
23 section 12 or that is required to file  
24 reports pursuant to subsection (d);

1 “(II) has no or nominal oper-  
2 ations; and

3 “(III) has—

4 “(aa) no or nominal assets;

5 “(bb) assets consisting solely  
6 of cash and cash equivalents; or

7 “(cc) assets consisting of  
8 any amount of cash and cash  
9 equivalents and nominal other as-  
10 sets.

11 “(F) INFLATION ADJUSTMENT.—

12 “(i) IN GENERAL.—On the date that  
13 is 5 years after the date of the enactment  
14 of this paragraph, and every 5 years there-  
15 after, each dollar amount in subparagraph  
16 (E)(ii)(II) shall be adjusted by—

17 “(I) dividing the annual value of  
18 the Employment Cost Index For  
19 Wages and Salaries, Private Industry  
20 Workers (or any successor index), as  
21 published by the Bureau of Labor  
22 Statistics, for the calendar year pre-  
23 ceding the calendar year in which the  
24 adjustment is being made by the an-  
25 nual value of such index (or suc-

1                   cessor) for the calendar year ending  
2                   December 31, 2012; and

3                   “(II) multiplying such dollar  
4                   amount by the quotient obtained  
5                   under subclause (I).

6                   “(ii) ROUNDING.—Each dollar  
7                   amount determined under clause (i) shall  
8                   be rounded to the nearest multiple of  
9                   \$100,000.”.

10 **SEC. 402. EFFECTIVE DATE.**

11           This subtitle and any amendment made by this sub-  
12 title shall take effect on the date that is 90 days after  
13 the date of the enactment of this Act.

14 **Subtitle B—Encouraging Employee**  
15 **Ownership**

16 **SEC. 406. INCREASED THRESHOLD FOR DISCLOSURES RE-**  
17 **LATING TO COMPENSATORY BENEFIT PLANS.**

18           Not later than 60 days after the date of the enact-  
19 ment of this Act, the Securities and Exchange Commission  
20 shall revise section 230.701(e) of title 17, Code of Federal  
21 Regulations, so as to increase from \$5,000,000 to  
22 \$20,000,000 the aggregate sales price or amount of secu-  
23 rities sold during any consecutive 12-month period in ex-  
24 cess of which the issuer is required under such section to  
25 deliver an additional disclosure to investors. The Commis-

1 sion shall index for inflation such aggregate sales price  
2 or amount every 5 years to reflect the change in the Con-  
3 sumer Price Index for All Urban Consumers published by  
4 the Bureau of Labor Statistics, rounding to the nearest  
5 \$1,000,000.

## 6           **Subtitle C—Small Company** 7           **Disclosure Simplification**

### 8   **SEC. 411. EXEMPTION FROM XBRL REQUIREMENTS FOR** 9                   **EMERGING GROWTH COMPANIES AND OTHER** 10                  **SMALLER COMPANIES.**

11           (a) EXEMPTION FOR EMERGING GROWTH COMPA-  
12 NIES.—Emerging growth companies are exempted from  
13 the requirements to use Extensible Business Reporting  
14 Language (XBRL) for financial statements and other  
15 periodic reporting required to be filed with the Commis-  
16 sion under the securities laws. Such companies may elect  
17 to use XBRL for such reporting.

18           (b) EXEMPTION FOR OTHER SMALLER COMPA-  
19 NIES.—Issuers with total annual gross revenues of less  
20 than \$250,000,000 are exempt from the requirements to  
21 use XBRL for financial statements and other periodic re-  
22 porting required to be filed with the Commission under  
23 the securities laws. Such issuers may elect to use XBRL  
24 for such reporting. An exemption under this subsection  
25 shall continue in effect until—

1           (1) the date that is five years after the date of  
2       enactment of this Act; or

3           (2) the date that is two years after a deter-  
4       mination by the Commission, by order after con-  
5       ducting the analysis required by section 3, that the  
6       benefits of such requirements to such issuers out-  
7       weigh the costs, but no earlier than three years after  
8       enactment of this Act.

9       (c) MODIFICATIONS TO REGULATIONS.—Not later  
10   than 60 days after the date of enactment of this Act, the  
11   Commission shall revise its regulations under parts 229,  
12   230, 232, 239, 240, and 249 of title 17, Code of Federal  
13   Regulations, to reflect the exemptions set forth in sub-  
14   sections (a) and (b).

15   **SEC. 412. ANALYSIS BY THE SEC.**

16       The Commission shall conduct an analysis of the  
17   costs and benefits to issuers described in section 411(b)  
18   of the requirements to use XBRL for financial statements  
19   and other periodic reporting required to be filed with the  
20   Commission under the securities laws. Such analysis shall  
21   include an assessment of—

22           (1) how such costs and benefits may differ from  
23       the costs and benefits identified by the Commission  
24       in the order relating to interactive data to improve

1 financial reporting (dated January 30, 2009; 74  
2 Fed. Reg. 6776) because of the size of such issuers;

3 (2) the effects on efficiency, competition, capital  
4 formation, and financing and on analyst coverage of  
5 such issuers (including any such effects resulting  
6 from use of XBRL by investors);

7 (3) the costs to such issuers of—

8 (A) submitting data to the Commission in  
9 XBRL;

10 (B) posting data on the website of the  
11 issuer in XBRL;

12 (C) software necessary to prepare, submit,  
13 or post data in XBRL; and

14 (D) any additional consulting services or  
15 filing agent services;

16 (4) the benefits to the Commission in terms of  
17 improved ability to monitor securities markets, as-  
18 sess the potential outcomes of regulatory alter-  
19 natives, and enhance investor participation in cor-  
20 porate governance and promote capital formation;  
21 and

22 (5) the effectiveness of standards in the United  
23 States for interactive filing data relative to the  
24 standards of international counterparts.

1 **SEC. 413. REPORT TO CONGRESS.**

2 Not later than one year after the date of enactment  
3 of this Act, the Commission shall provide the Committee  
4 on Financial Services of the House of Representatives and  
5 the Committee on Banking, Housing, and Urban Affairs  
6 of the Senate a report regarding—

7 (1) the progress in implementing XBRL report-  
8 ing within the Commission;

9 (2) the use of XBRL data by Commission offi-  
10 cials;

11 (3) the use of XBRL data by investors;

12 (4) the results of the analysis required by sec-  
13 tion 412; and

14 (5) any additional information the Commission  
15 considers relevant for increasing transparency, de-  
16 creasing costs, and increasing efficiency of regu-  
17 latory filings with the Commission.

18 **SEC. 414. DEFINITIONS.**

19 As used in this subtitle, the terms “Commission”,  
20 “emerging growth company”, “issuer”, and “securities  
21 laws” have the meanings given such terms in section 3  
22 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

1 **Subtitle D—Securities and Ex-**  
 2 **change Commission Overpay-**  
 3 **ment Credit**

4 **SEC. 416. REFUNDING OR CREDITING OVERPAYMENT OF**  
 5 **SECTION 31 FEES.**

6 (a) IN GENERAL.—Section 31 of the Securities Ex-  
 7 change Act of 1934 (15 U.S.C. 78ee) is amended by add-  
 8 ing at the end the following:

9 “(n) OVERPAYMENT.—If a national securities ex-  
 10 change or national securities association pays to the Com-  
 11 mission an amount in excess of fees and assessments due  
 12 under this section and informs the Commission of such  
 13 amount paid in excess within 10 years of the date of the  
 14 payment, the Commission shall offset future fees and as-  
 15 sessments due by such exchange or association in an  
 16 amount equal to such excess amount.”.

17 (b) APPLICABILITY.—The amendment made by this  
 18 section shall apply to any fees and assessments paid be-  
 19 fore, on, or after the date of enactment of this section.

20 **Subtitle E—Fair Access to**  
 21 **Investment Research**

22 **SEC. 421. SAFE HARBOR FOR INVESTMENT FUND RE-**  
 23 **SEARCH.**

24 (a) EXPANSION OF THE SAFE HARBOR.—Not later  
 25 than the end of the 45-day period beginning on the date

1 of enactment of this Act, the Securities and Exchange  
2 Commission shall propose, and not later than the end of  
3 the 120-day period beginning on such date, the Commis-  
4 sion shall adopt, upon such terms, conditions, or require-  
5 ments as the Commission may determine necessary or ap-  
6 propriate in the public interest, for the protection of inves-  
7 tors, and for the promotion of capital formation, revisions  
8 to section 230.139 of title 17, Code of Federal Regula-  
9 tions, to provide that a covered investment fund research  
10 report that is published or distributed by a broker or deal-  
11 er—

12           (1) shall be deemed, for purposes of sections  
13       2(a)(10) and 5(c) of the Securities Act of 1933 (15  
14       U.S.C. 77b(a)(10), 77e(c)), not to constitute an  
15       offer for sale or an offer to sell a security that is the  
16       subject of an offering pursuant to a registration  
17       statement that is effective, even if the broker or  
18       dealer is participating or will participate in the reg-  
19       istered offering of the covered investment fund’s se-  
20       curities; and

21           (2) shall be deemed to satisfy the conditions of  
22       subsection (a)(1) or (a)(2) of section 230.139 of title  
23       17, Code of Federal Regulations, or any successor  
24       provisions, for purposes of the Commission’s rules

1       and regulations under the Federal securities laws  
2       and the rules of any self-regulatory organization.

3       (b) IMPLEMENTATION OF SAFE HARBOR.—In imple-  
4       menting the safe harbor pursuant to subsection (a), the  
5       Commission shall—

6               (1) not, in the case of a covered investment  
7       fund with a class of securities in substantially con-  
8       tinuous distribution, condition the safe harbor on  
9       whether the broker’s or dealer’s publication or dis-  
10      tribution of a covered investment fund research re-  
11      port constitutes such broker’s or dealer’s initiation  
12      or reinitiation of research coverage on such covered  
13      investment fund or its securities;

14             (2) not—

15               (A) require the covered investment fund to  
16      have been registered as an investment company  
17      under the Investment Company Act of 1940  
18      (15 U.S.C. 80a–1 et seq.) or subject to the re-  
19      porting requirements of section 13 or 15(d) of  
20      the Securities Exchange Act of 1934 (15  
21      U.S.C. 78m, 78o(d)) for any period exceeding  
22      the period of time referenced under paragraph  
23      (a)(1)(i)(A)(1) of section 230.139 of title 17,  
24      Code of Federal Regulations; or

1 (B) impose a minimum float provision ex-  
2 ceeding that referenced in paragraph  
3 (a)(1)(i)(A)(1)(i) of section 230.139 of title 17,  
4 Code of Federal Regulations;

5 (3) provide that a self-regulatory organization  
6 may not maintain or enforce any rule that would—

7 (A) prohibit the ability of a member to  
8 publish or distribute a covered investment fund  
9 research report solely because the member is  
10 also participating in a registered offering or  
11 other distribution of any securities of such cov-  
12 ered investment fund; or

13 (B) prohibit the ability of a member to  
14 participate in a registered offering or other dis-  
15 tribution of securities of a covered investment  
16 fund solely because the member has published  
17 or distributed a covered investment fund re-  
18 search report about such covered investment  
19 fund or its securities; and

20 (4) provide that a covered investment fund re-  
21 search report shall not be subject to section 24(b) of  
22 the Investment Company Act of 1940 (15 U.S.C.  
23 80a–24(b)) or the rules and regulations thereunder,  
24 except that such report may still be subject to such  
25 section and the rules and regulations thereunder to

1 the extent that it is otherwise not subject to the con-  
2 tent standards in the rules of any self-regulatory or-  
3 ganization related to research reports, including  
4 those contained in the rules governing communica-  
5 tions with the public regarding investment compa-  
6 nies or substantially similar standards.

7 (c) RULES OF CONSTRUCTION.—Nothing in this Act  
8 shall be construed as in any way limiting—

9 (1) the applicability of the antifraud or  
10 antimanipulation provisions of the Federal securities  
11 laws and rules adopted thereunder to a covered in-  
12 vestment fund research report, including section 17  
13 of the Securities Act of 1933 (15 U.S.C. 77q), sec-  
14 tion 34(b) of the Investment Company Act of 1940  
15 (15 U.S.C. 80a–33), and sections 9 and 10 of the  
16 Securities Exchange Act of 1934 (15 U.S.C. 78i,  
17 78j); or

18 (2) the authority of any self-regulatory organi-  
19 zation to examine or supervise a member’s practices  
20 in connection with such member’s publication or dis-  
21 tribution of a covered investment fund research re-  
22 port for compliance with applicable provisions of the  
23 Federal securities laws or self-regulatory organiza-  
24 tion rules related to research reports, including those

1 contained in rules governing communications with  
2 the public.

3 (d) INTERIM EFFECTIVENESS OF SAFE HARBOR.—

4 (1) IN GENERAL.—From and after the 120-day  
5 period beginning on the date of enactment of this  
6 Act, if the Commission has not adopted revisions to  
7 section 230.139 of title 17, Code of Federal Regula-  
8 tions, as required by subsection (a), and until such  
9 time as the Commission has done so, a broker or  
10 dealer distributing or publishing a covered invest-  
11 ment fund research report after such date shall be  
12 able to rely on the provisions of section 230.139 of  
13 title 17, Code of Federal Regulations, and the  
14 broker or dealer's publication of such report shall be  
15 deemed to satisfy the conditions of subsection (a)(1)  
16 or (a)(2) of section 230.139 of title 17, Code of Fed-  
17 eral Regulations, if the covered investment fund that  
18 is the subject of such report satisfies the reporting  
19 history requirements (without regard to Form S-3  
20 or Form F-3 eligibility) and minimum float provi-  
21 sions of such subsections for purposes of the Com-  
22 mission's rules and regulations under the Federal  
23 securities laws and the rules of any self-regulatory  
24 organization, as if revised and implemented in ac-  
25 cordance with subsections (a) and (b).

1           (2) STATUS OF COVERED INVESTMENT FUND.—

2       After such period and until the Commission has  
3       adopted revisions to section 230.139 and FINRA  
4       has revised rule 2210, for purposes of subsection  
5       (c)(7)(O) of such rule, a covered investment fund  
6       shall be deemed to be a security that is listed on a  
7       national securities exchange and that is not subject  
8       to section 24(b) of the Investment Company Act of  
9       1940 (15 U.S.C. 80a–24(b)). Communications con-  
10      cerning only covered investment funds that fall with-  
11      in the scope of such section shall not be required to  
12      be filed with FINRA.

13      (e) DEFINITIONS.—For purposes of this section:

14           (1) The term “covered investment fund re-  
15      search report” means a research report published or  
16      distributed by a broker or dealer about a covered in-  
17      vestment fund or any securities issued by the cov-  
18      ered investment fund, but not including a research  
19      report to the extent that it is published or distrib-  
20      uted by the covered investment fund or any affiliate  
21      of the covered investment fund.

22           (2) The term “covered investment fund”  
23      means—

24           (A) an investment company registered  
25      under, or that has filed an election to be treated

1 as a business development company under, the  
2 Investment Company Act of 1940 and that has  
3 filed a registration statement under the Securi-  
4 ties Act of 1933 for the public offering of a  
5 class of its securities, which registration state-  
6 ment has been declared effective by the Com-  
7 mission; and

8 (B) a trust or other person—

9 (i) issuing securities in an offering  
10 registered under the Securities Act of 1933  
11 and which class of securities is listed for  
12 trading on a national securities exchange;

13 (ii) the assets of which consist pri-  
14 marily of commodities, currencies, or deriv-  
15 ative instruments that reference commod-  
16 ities or currencies, or interests in the fore-  
17 going; and

18 (iii) that provides in its registration  
19 statement under the Securities Act of 1933  
20 that a class of its securities are purchased  
21 or redeemed, subject to conditions or limi-  
22 tations, for a ratable share of its assets.

23 (3) The term “FINRA” means the Financial  
24 Industry Regulatory Authority.

1           (4) The term “research report” has the mean-  
 2           ing given that term under section 2(a)(3) of the Se-  
 3           curities Act of 1933 (15 U.S.C. 77b(a)(3)), except  
 4           that such term shall not include an oral communica-  
 5           tion.

6           (5) The term “self-regulatory organization” has  
 7           the meaning given to that term under section  
 8           3(a)(26) of the Securities Exchange Act of 1934 (15  
 9           U.S.C. 78c(a)(26)).

## 10   **Subtitle F—Accelerating Access to** 11                                   **Capital**

### 12   **SEC. 426. EXPANDED ELIGIBILITY FOR USE OF FORM S-3.**

13           Not later than 45 days after the date of the enact-  
 14           ment of this Act, the Securities and Exchange Commission  
 15           shall revise Form S-3—

16                   (1) so as to permit securities to be registered  
 17                   pursuant to General Instruction I.B.1. of such form  
 18                   provided that either—

19                           (A) the aggregate market value of the vot-  
 20                   ing and non-voting common equity held by non-  
 21                   affiliates of the registrant is \$75,000,000 or  
 22                   more; or

23                           (B) the registrant has at least one class of  
 24                   common equity securities listed and registered  
 25                   on a national securities exchange; and

1           (2) so as to remove the requirement of para-  
 2       graph (c) from General Instruction I.B.6. of such  
 3       form.

## 4       **Subtitle G—Enhancing the RAISE** 5                               **Act**

### 6       **SEC. 431. CERTAIN ACCREDITED INVESTOR TRANS-** 7                               **ACTIONS.**

8       Section 4 of the Securities Act of 1933 (15 U.S.C.  
 9       77d) is amended—

10           (1) by amending subsection (d) to read as fol-  
 11       lows:

12       “(d)(1) The transactions referred to in subsection  
 13       (a)(7) are transactions where—

14           “(A) each purchaser is an accredited inves-  
 15       tor, as that term is defined in section  
 16       230.501(a) of title 17, Code of Federal Regula-  
 17       tions (or any successor thereto); and

18           “(B) if any securities sold in reliance on  
 19       subsection (a)(7) are offered by means of any  
 20       general solicitation or general advertising, all  
 21       such sales are made through a platform avail-  
 22       able only to accredited investors.

23       “(2) Securities sold in reliance on subsection (a)(7)  
 24       shall be deemed to have been acquired in a transaction  
 25       not involving any public offering.

1 “(3) The exemption provided by this subsection shall  
2 not be available for a transaction where the seller is—

3 “(A) an issuer, its subsidiaries or parent;

4 “(B) an underwriter acting on behalf of the  
5 issuer, its subsidiaries or parent, which receives com-  
6 pensation from the issuer with respect to such sale;  
7 or

8 “(C) a dealer.

9 “(4) A transaction meeting the requirements of this  
10 subsection shall be deemed not to be a distribution for  
11 purposes of section 2(a)(11).”; and

12 (2) by striking subsection (e).

## 13 **Subtitle H—Small Business Credit** 14 **Availability**

### 15 **SEC. 436. BUSINESS DEVELOPMENT COMPANY OWNERSHIP** 16 **OF SECURITIES OF INVESTMENT ADVISERS** 17 **AND CERTAIN FINANCIAL COMPANIES.**

18 (a) IN GENERAL.—Section 60 of the Investment  
19 Company Act of 1940 (15 U.S.C. 80a–59) is amended—

20 (1) by striking “Notwithstanding” and insert-  
21 ing “(a) Notwithstanding”;

22 (2) by striking “except that the Commission  
23 shall not” and inserting the following: “except  
24 that—

1           “(1) section 12 shall not apply to the pur-  
2           chasing, otherwise acquiring, or holding by a busi-  
3           ness development company of any security issued by,  
4           or any other interest in the business of, any person  
5           who is an investment adviser registered under title  
6           II of this Act, who is an investment adviser to an  
7           investment company, or who is an eligible portfolio  
8           company; and

9           “(2) the Commission shall not”;

10          (3) by adding at the end the following:

11          “(b) Nothing in this section shall prevent the Com-  
12          mission from issuing rules to address potential conflicts  
13          of interest between business development companies and  
14          investment advisers.”.

15          (b) DEFINITION OF ELIGIBLE PORTFOLIO COM-  
16          PANY.—Section 2(a)(46)(B) of the Investment Company  
17          Act of 1940 (15 U.S.C. 80a–2(a)(46)(B)) is amended by  
18          inserting before the semicolon the following: “(unless it  
19          is described in paragraph (2), (3), (4), (5), (6), or (9) of  
20          such section)”.

21          (c) INVESTMENT THRESHOLD.—Section 55(a) of the  
22          Investment Company Act of 1940 is amended by inserting  
23          before the colon the following: “, provided that no more  
24          than 50 percent of its total assets are assets described  
25          in section 3(c)”.

1 **SEC. 437. EXPANDING ACCESS TO CAPITAL FOR BUSINESS**  
2 **DEVELOPMENT COMPANIES.**

3 (a) IN GENERAL.—Section 61(a) of the Investment  
4 Company Act of 1940 (15 U.S.C. 80a–60(a)) is amend-  
5 ed—

6 (1) by redesignating paragraphs (2) through  
7 (4) as paragraphs (3) through (5), respectively;

8 (2) by striking paragraph (1) and inserting the  
9 following:

10 “(1) Except as provided in paragraph (2), the  
11 asset coverage requirements of subparagraphs (A)  
12 and (B) of section 18(a)(1) (and any related rule  
13 promulgated under this Act) applicable to business  
14 development companies shall be 200 percent.

15 “(2) The asset coverage requirements of sub-  
16 paragraphs (A) and (B) of section 18(a)(1) and of  
17 subparagraphs (A) and (B) of section 18(a)(2) (and  
18 any related rule promulgated under this Act) appli-  
19 cable to a business development company shall be  
20 150 percent if—

21 “(A) within five business days of the ap-  
22 proval of the adoption of the asset coverage re-  
23 quirements described in clause (ii), the business  
24 development company discloses such approval  
25 and the date of its effectiveness in a Form 8-  
26 K filed with the Commission and in a notice on

1 its website and discloses in its periodic filings  
2 made under section 13 of the Securities and  
3 Exchange Act of 1934 (15 U.S.C. 78m)—

4 “(i) the aggregate value of the senior  
5 securities issued by such company and the  
6 asset coverage percentage as of the date of  
7 such company’s most recent financial  
8 statements; and

9 “(ii) that such company has adopted  
10 the asset coverage requirements of this  
11 subparagraph and the effective date of  
12 such requirements;

13 “(B) with respect to a business develop-  
14 ment company that issues equity securities that  
15 are registered on a national securities exchange,  
16 the periodic filings of the company under sec-  
17 tion 13(a) of the Securities Exchange Act of  
18 1934 (15 U.S.C. 78m) include disclosures rea-  
19 sonably designed to ensure that shareholders  
20 are informed of—

21 “(i) the amount of indebtedness and  
22 asset coverage ratio of the company, deter-  
23 mined as of the date of the financial state-  
24 ments of the company dated on or most re-  
25 cently before the date of such filing; and

1                   “(ii) the principal risk factors associ-  
2                   ated with such indebtedness, to the extent  
3                   such risk is incurred by the company; and

4                   “(C)(i) the application of this paragraph to  
5                   the company is approved by the required major-  
6                   ity (as defined in section 57(o)) of the directors  
7                   of or general partners of such company who are  
8                   not interested persons of the business develop-  
9                   ment company, which application shall become  
10                  effective on the date that is 1 year after the  
11                  date of the approval, and, with respect to a  
12                  business development company that issues eq-  
13                  uity securities that are not registered on a na-  
14                  tional securities exchange, the company extends,  
15                  to each person who is a shareholder as of the  
16                  date of the approval, an offer to repurchase the  
17                  equity securities held by such person as of such  
18                  approval date, with 25 percent of such securi-  
19                  ties to be repurchased in each of the four quar-  
20                  ters following such approval date; or

21                  “(ii) the company obtains, at a special or  
22                  annual meeting of shareholders or partners at  
23                  which a quorum is present, the approval of  
24                  more than 50 percent of the votes cast of the  
25                  application of this paragraph to the company,

1           which application shall become effective on the  
2           date immediately after the date of the ap-  
3           proval.”;

4           (3) in paragraph (3) (as redesignated), by in-  
5           serting “or which is a stock” after “indebtedness”;

6           (4) in subparagraph (A) of paragraph (4) (as  
7           redesignated)—

8                 (A) in the matter preceding clause (i), by  
9                 striking “voting”; and

10                (B) by amending clause (iii) to read as fol-  
11                lows:

12                         “(iii) the exercise or conversion price  
13                         at the date of issuance of such warrants,  
14                         options, or rights is not less than—

15                                 “(I) the market value of the se-  
16                                 curities issuable upon the exercise of  
17                                 such warrants, options, or rights at  
18                                 the date of issuance of such warrants,  
19                                 options, or rights; or

20                                 “(II) if no such market value ex-  
21                                 ists, the net asset value of the securi-  
22                                 ties issuable upon the exercise of such  
23                                 warrants, options, or rights at the  
24                                 date of issuance of such warrants, op-  
25                                 tions, or rights; and”;

1 (5) by adding at the end the following:

2 “(6)(A) Except as provided in subparagraph  
3 (B), the following shall not apply to a business de-  
4 velopment company:

5 “(i) Subparagraphs (C) and (D) of section  
6 18(a)(2).

7 “(ii) Subparagraph (E) of section 18(a)(2),  
8 to the extent such subparagraph requires any  
9 priority over any other class of stock as to dis-  
10 tribution of assets upon liquidation.

11 “(iii) With respect to a senior security  
12 which is a stock, subsections (c) and (i) of sec-  
13 tion 18.

14 “(B) Subparagraph (A) shall not apply with re-  
15 spect to preferred stock issued to a person who is  
16 not known by the company to be a qualified institu-  
17 tional buyer (as defined in section 3(a) of the Secu-  
18 rities Exchange Act of 1934).”.

19 (b) CONFORMING AMENDMENTS.—The Investment  
20 Company Act of 1940 (15 U.S.C. 80a–1 et seq.) is amend-  
21 ed—

22 (1) in section 57—

23 (A) in subsection (j)(1), by striking “sec-  
24 tion 61(a)(3)(B)” and inserting “section  
25 61(a)(4)(B)”; and

1 (B) in subsection (n)(2), by striking “sec-  
 2 tion 61(a)(3)(B)” and inserting “section  
 3 61(a)(4)(B)”; and  
 4 (2) in section 63(3), by striking “section  
 5 61(a)(3)” and inserting “section 61(a)(4)”.

6 **SEC. 438. PARITY FOR BUSINESS DEVELOPMENT COMPA-**  
 7 **NIES REGARDING OFFERING AND PROXY**  
 8 **RULES.**

9 (a) REVISION TO RULES.—Not later than 1 year  
 10 after the date of enactment of this Act, the Securities and  
 11 Exchange Commission shall revise any rules to the extent  
 12 necessary to allow a business development company that  
 13 has filed an election pursuant to section 54 of the Invest-  
 14 ment Company Act of 1940 (15 U.S.C. 80a–53) to use  
 15 the securities offering and proxy rules that are available  
 16 to other issuers that are required to file reports under sec-  
 17 tion 13 or section 15(d) of the Securities Exchange Act  
 18 of 1934 (15 U.S.C. 78m; 78o(d)). Any action that the  
 19 Commission takes pursuant to this subsection shall in-  
 20 clude the following:

21 (1) The Commission shall revise rule 405 under  
 22 the Securities Act of 1933 (17 C.F.R. 230.405)—  
 23 (A) to remove the exclusion of a business  
 24 development company from the definition of a

1 well-known seasoned issuer provided by that  
2 rule; and

3 (B) to add registration statements filed on  
4 Form N-2 to the definition of automatic shelf  
5 registration statement provided by that rule.

6 (2) The Commission shall revise rules 168 and  
7 169 under the Securities Act of 1933 (17 C.F.R.  
8 230.168 and 230.169) to remove the exclusion of a  
9 business development company from an issuer that  
10 can use the exemptions provided by those rules.

11 (3) The Commission shall revise rules 163 and  
12 163A under the Securities Act of 1933 (17 C.F.R.  
13 230.163 and 230.163A) to remove a business devel-  
14 opment company from the list of issuers that are in-  
15 eligible to use the exemptions provided by those  
16 rules.

17 (4) The Commission shall revise rule 134 under  
18 the Securities Act of 1933 (17 C.F.R. 230.134) to  
19 remove the exclusion of a business development com-  
20 pany from that rule.

21 (5) The Commission shall revise rules 138 and  
22 139 under the Securities Act of 1933 (17 C.F.R.  
23 230.138 and 230.139) to specifically include a busi-  
24 ness development company as an issuer to which  
25 those rules apply.

1           (6) The Commission shall revise rule 164 under  
2           the Securities Act of 1933 (17 C.F.R. 230.164) to  
3           remove a business development company from the  
4           list of issuers that are excluded from that rule.

5           (7) The Commission shall revise rule 433 under  
6           the Securities Act of 1933 (17 C.F.R. 230.433) to  
7           specifically include a business development company  
8           that is a well-known seasoned issuer as an issuer to  
9           which that rule applies.

10          (8) The Commission shall revise rule 415 under  
11          the Securities Act of 1933 (17 C.F.R. 230.415)—

12                 (A) to state that the registration for secu-  
13                 rities provided by that rule includes securities  
14                 registered by a business development company  
15                 on Form N-2; and

16                 (B) to provide an exception for a business  
17                 development company from the requirement  
18                 that a Form N-2 registrant must furnish the  
19                 undertakings required by item 34.4 of Form N-  
20                 2.

21          (9) The Commission shall revise rule 497 under  
22          the Securities Act of 1933 (17 C.F.R. 230.497) to  
23          include a process for a business development com-  
24          pany to file a form of prospectus that is parallel to

1 the process for filing a form of prospectus under  
2 rule 424(b).

3 (10) The Commission shall revise rules 172 and  
4 173 under the Securities Act of 1933 (17 C.F.R.  
5 230.172 and 230.173) to remove the exclusion of an  
6 offering of a business development company from  
7 those rules.

8 (11) The Commission shall revise rule 418  
9 under the Securities Act of 1933 (17 C.F.R.  
10 230.418) to provide that a business development  
11 company that would otherwise meet the eligibility re-  
12 quirements of General Instruction I.A of Form S-3  
13 shall be exempt from paragraph (a)(3) of that rule.

14 (12) The Commission shall revise rule 14a-101  
15 under the Securities Exchange Act of 1934 (17  
16 C.F.R. 240.14a-101) to provide that a business de-  
17 velopment company that would otherwise meet the  
18 requirements of General Instruction I.A of Form S-  
19 3 shall be deemed to meet the requirements of Form  
20 S-3 for purposes of Schedule 14A.

21 (13) The Commission shall revise rule 103  
22 under Regulation FD (17 C.F.R. 243.103) to pro-  
23 vide that paragraph (a) of that rule applies for pur-  
24 poses of Form N-2.

1 (b) REVISION TO FORM N-2.—Not later than 1 year  
2 after the date of enactment of this Act, the Commission  
3 shall revise Form N-2—

4 (1) to include an item or instruction that is  
5 similar to item 12 on Form S-3 to provide that a  
6 business development company that would otherwise  
7 meet the requirements of Form S-3 shall incor-  
8 porate by reference its reports and documents filed  
9 under the Securities Exchange Act of 1934 into its  
10 registration statement filed on Form N-2; and

11 (2) to include an item or instruction that is  
12 similar to the instruction regarding automatic shelf  
13 offerings by well-known seasoned issuers on Form  
14 S-3 to provide that a business development company  
15 that is a well-known seasoned issuer may file auto-  
16 matic shelf offerings on Form N-2.

17 (c) TREATMENT IF REVISIONS NOT COMPLETED IN  
18 TIMELY MANNER.—If the Commission fails to complete  
19 the revisions required by subsections (a) and (b) by the  
20 time required by such subsections, a business development  
21 company shall be entitled to treat such revisions as having  
22 been completed in accordance with the actions required to  
23 be taken by the Commission by such subsections until such  
24 time as such revisions are completed by the Commission.

1 (d) RULE OF CONSTRUCTION.—Any reference in this  
 2 section to a rule or form means such rule or form or any  
 3 successor rule or form.

## 4 **Subtitle I—Fostering Innovation**

### 5 **SEC. 441. TEMPORARY EXEMPTION FOR LOW-REVENUE** 6 **ISSUERS.**

7 Section 404 of the Sarbanes-Oxley Act of 2002 (15  
 8 U.S.C. 7262) is amended by adding at the end the fol-  
 9 lowing:

10 “(d) TEMPORARY EXEMPTION FOR LOW-REVENUE  
 11 ISSUERS.—

12 “(1) LOW-REVENUE EXEMPTION.—Subsection  
 13 (b) shall not apply with respect to an audit report  
 14 prepared for an issuer that—

15 “(A) ceased to be an emerging growth  
 16 company on the last day of the fiscal year of  
 17 the issuer following the fifth anniversary of the  
 18 date of the first sale of common equity securi-  
 19 ties of the issuer pursuant to an effective reg-  
 20 istration statement under the Securities Act of  
 21 1933;

22 “(B) had average annual gross revenues of  
 23 less than \$50,000,000 as of its most recently  
 24 completed fiscal year; and

25 “(C) is not a large accelerated filer.

1           “(2) EXPIRATION OF TEMPORARY EXEMP-  
2           TION.—An issuer ceases to be eligible for the exemp-  
3           tion described under paragraph (1) at the earliest  
4           of—

5                   “(A) the last day of the fiscal year of the  
6           issuer following the tenth anniversary of the  
7           date of the first sale of common equity securi-  
8           ties of the issuer pursuant to an effective reg-  
9           istration statement under the Securities Act of  
10          1933;

11                   “(B) the last day of the fiscal year of the  
12          issuer during which the average annual gross  
13          revenues of the issuer exceed \$50,000,000; or

14                   “(C) the date on which the issuer becomes  
15          a large accelerated filer.

16          “(3) DEFINITIONS.—For purposes of this sub-  
17          section:

18                   “(A) AVERAGE ANNUAL GROSS REVE-  
19          NUES.—The term ‘average annual gross reve-  
20          nues’ means the total gross revenues of an  
21          issuer over its most recently completed three  
22          fiscal years divided by three.

23                   “(B) EMERGING GROWTH COMPANY.—The  
24          term ‘emerging growth company’ has the mean-

ing given such term under section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c).

“(C) LARGE ACCELERATED FILER.—The term ‘large accelerated filer’ has the meaning given that term under section 240.12b–2 of title 17, Code of Federal Regulations, or any successor thereto.”.

## **Subtitle J—Small Business Capital Formation Enhancement**

### **SEC. 446. ANNUAL REVIEW OF GOVERNMENT-BUSINESS FORUM ON CAPITAL FORMATION.**

Section 503 of the Small Business Investment Incentive Act of 1980 (15 U.S.C. 80c–1) is amended by adding at the end the following:

“(e) The Commission shall—

“(1) review the findings and recommendations of the forum; and

“(2) each time the forum submits a finding or recommendation to the Commission, promptly issue a public statement—

“(A) assessing the finding or recommendation of the forum; and

“(B) disclosing the action, if any, the Commission intends to take with respect to the finding or recommendation.”.

1     **Subtitle K—Helping Angels Lead**  
2                     **Our Startups**

3     **SEC. 451. DEFINITION OF ANGEL INVESTOR GROUP.**

4         As used in this subtitle, the term “angel investor  
5 group” means any group that—

6             (1) is composed of accredited investors inter-  
7         ested in investing personal capital in early-stage  
8         companies;

9             (2) holds regular meetings and has defined  
10        processes and procedures for making investment de-  
11        cisions, either individually or among the membership  
12        of the group as a whole; and

13            (3) is neither associated nor affiliated with bro-  
14        kers, dealers, or investment advisers.

15     **SEC. 452. CLARIFICATION OF GENERAL SOLICITATION.**

16        (a) IN GENERAL.—Not later than 6 months after the  
17        date of enactment of this Act, the Securities and Ex-  
18        change Commission shall revise Regulation D of its rules  
19        (17 C.F.R. 230.500 et seq.) to require that in carrying  
20        out the prohibition against general solicitation or general  
21        advertising contained in section 230.502(c) of title 17,  
22        Code of Federal Regulations, the prohibition shall not  
23        apply to a presentation or other communication made by  
24        or on behalf of an issuer which is made at an event—

25            (1) sponsored by—

1           (A) the United States or any territory  
2           thereof, by the District of Columbia, by any  
3           State, by a political subdivision of any State or  
4           territory, or by any agency or public instrumen-  
5           tality of any of the foregoing;

6           (B) a college, university, or other institu-  
7           tion of higher education;

8           (C) a nonprofit organization;

9           (D) an angel investor group;

10          (E) a venture forum, venture capital asso-  
11          ciation, or trade association; or

12          (F) any other group, person or entity as  
13          the Securities and Exchange Commission may  
14          determine by rule;

15          (2) where any advertising for the event does not  
16          reference any specific offering of securities by the  
17          issuer;

18          (3) the sponsor of which—

19               (A) does not make investment rec-  
20               ommendations or provide investment advice to  
21               event attendees;

22               (B) does not engage in an active role in  
23               any investment negotiations between the issuer  
24               and investors attending the event;

1 (C) does not charge event attendees any  
2 fees other than administrative fees; and

3 (D) does not receive any compensation  
4 with respect to such event that would require  
5 registration of the sponsor as a broker or a  
6 dealer under the Securities Exchange Act of  
7 1934, or as an investment advisor under the In-  
8 vestment Advisers Act of 1940; and

9 (4) where no specific information regarding an  
10 offering of securities by the issuer is communicated  
11 or distributed by or on behalf of the issuer, other  
12 than—

13 (A) that the issuer is in the process of of-  
14 fering securities or planning to offer securities;

15 (B) the type and amount of securities  
16 being offered;

17 (C) the amount of securities being offered  
18 that have already been subscribed for; and

19 (D) the intended use of proceeds of the of-  
20 fering.

21 (b) RULE OF CONSTRUCTION.—Subsection (a) may  
22 only be construed as requiring the Securities and Ex-  
23 change Commission to amend the requirements of Regula-  
24 tion D with respect to presentations and communications,  
25 and not with respect to purchases or sales.

## 1     **Subtitle L—Main Street Growth**

### 2     **SEC. 456. VENTURE EXCHANGES.**

3           (a) SECURITIES EXCHANGE ACT OF 1934.—Section  
4     6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f)  
5     is amended by adding at the end the following:

6           “(m) VENTURE EXCHANGE.—

7                 “(1) REGISTRATION.—

8                     “(A) IN GENERAL.—A national securities  
9                     exchange may elect to be treated (or for a list-  
10                    ing tier of such exchange to be treated) as a  
11                    venture exchange by notifying the Commission  
12                    of such election, either at the time the exchange  
13                    applies to be registered as a national securities  
14                    exchange or after registering as a national secu-  
15                    rities exchange.

16                    “(B) DETERMINATION TIME PERIOD.—

17                    With respect to a securities exchange electing to  
18                    be treated (or for a listing tier of such exchange  
19                    to be treated) as a venture exchange—

20                         “(i) at the time the exchange applies  
21                         to be registered as a national securities ex-  
22                         change, such application and election shall  
23                         be deemed to have been approved by the  
24                         Commission unless the Commission denies  
25                         such application before the end of the 6-

1 month period beginning on the date the  
2 Commission received such application; and

3 “(ii) after registering as a national se-  
4 curities exchange, such election shall be  
5 deemed to have been approved by the Com-  
6 mission unless the Commission denies such  
7 approval before the end of the 6-month pe-  
8 riod beginning on the date the Commission  
9 received notification of such election.

10 “(2) POWERS AND RESTRICTIONS.—A venture  
11 exchange—

12 “(A) may only constitute, maintain, or pro-  
13 vide a market place or facilities for bringing to-  
14 gether purchasers and sellers of venture securi-  
15 ties;

16 “(B) may determine the increment to be  
17 used for quoting and trading venture securities  
18 on the exchange;

19 “(C) shall disseminate last sale and  
20 quotation information on terms that are fair  
21 and reasonable and not unreasonably discrimi-  
22 natory;

23 “(D) may choose to carry out periodic auc-  
24 tions for the sale of a venture security instead

1 of providing continuous trading of the venture  
2 security; and

3 “(E) may not extend unlisted trading  
4 privileges to any venture security.

5 “(3) EXEMPTIONS FROM CERTAIN NATIONAL  
6 SECURITY EXCHANGE REGULATIONS.—A venture ex-  
7 change shall not be required to—

8 “(A) comply with any of sections 242.600  
9 through 242.612 of title 17, Code of Federal  
10 Regulations;

11 “(B) comply with any of sections 242.300  
12 through 242.303 of title 17, Code of Federal  
13 Regulations;

14 “(C) submit any data to a securities infor-  
15 mation processor; or

16 “(D) use decimal pricing.

17 “(4) TREATMENT OF CERTAIN EXEMPTED SE-  
18 CURITIES.—A security that is exempt from registra-  
19 tion pursuant to section 3(b) of the Securities Act  
20 of 1933 shall be exempt from section 12(a) of this  
21 title with respect to the trading of such security on  
22 a venture exchange, if the issuer of such security is  
23 in compliance with all disclosure obligations of such  
24 section 3(b) and the regulations issued under such  
25 section.

1           “(5) DEFINITIONS.—For purposes of this sub-  
2       section:

3           “(A) EARLY-STAGE, GROWTH COMPANY.—

4               “(i) IN GENERAL.—The term ‘early-  
5       stage, growth company’ means an issuer—

6               “(I) that has not made an initial  
7               public offering of any securities of the  
8               issuer; and

9               “(II) with a market capitalization  
10              of \$1,000,000,000 (as such amount is  
11              indexed for inflation every 5 years by  
12              the Commission to reflect the change  
13              in the Consumer Price Index for All  
14              Urban Consumers published by the  
15              Bureau of Labor Statistics, setting  
16              the threshold to the nearest  
17              \$1,000,000) or less.

18              “(ii) TREATMENT WHEN MARKET  
19              CAPITALIZATION EXCEEDS THRESHOLD.—

20              “(I) IN GENERAL.—In the case  
21              of an issuer that is an early-stage,  
22              growth company the securities of  
23              which are traded on a venture ex-  
24              change, such issuer shall not cease to  
25              be an early-stage, growth company by

1 reason of the market capitalization of  
2 such issuer exceeding the threshold  
3 specified in clause (i)(II) until the end  
4 of the period of 24 consecutive  
5 months during which the market cap-  
6 italization of such issuer exceeds  
7 \$2,000,000,000 (as such amount is  
8 indexed for inflation every 5 years by  
9 the Commission to reflect the change  
10 in the Consumer Price Index for All  
11 Urban Consumers published by the  
12 Bureau of Labor Statistics, setting  
13 the threshold to the nearest  
14 \$1,000,000).

15 “(II) EXEMPTIONS.—If an issuer  
16 would cease to be an early-stage,  
17 growth company under subclause (I),  
18 the venture exchange may, at the re-  
19 quest of the issuer, exempt the issuer  
20 from the market capitalization re-  
21 quirements of this subparagraph for  
22 the 1-year period that begins on the  
23 day after the end of the 24-month pe-  
24 riod described in such subclause. The  
25 venture exchange may, at the request

1 of the issuer, extend the exemption for  
2 1 additional year.

3 “(B) VENTURE SECURITY.—The term  
4 ‘venture security’ means—

5 “(i) securities of an early-stage,  
6 growth company that are exempt from reg-  
7 istration pursuant to section 3(b) of the  
8 Securities Act of 1933; and

9 “(ii) securities of an emerging growth  
10 company.”.

11 (b) SECURITIES ACT OF 1933.—Section 18(b)(1) of  
12 the Securities Act of 1933 (15 U.S.C. 77r(b)(1)) is  
13 amended—

14 (1) in subparagraph (B), by striking “or” at  
15 the end;

16 (2) in subparagraph (C), by striking the period  
17 and inserting “; or”; and

18 (3) by adding at the end the following:

19 “(D) a venture security, as defined under  
20 section 6(m)(5) of the Securities Exchange Act  
21 of 1934.”.

22 (c) SENSE OF CONGRESS.—It is the sense of the Con-  
23 gress that the Securities and Exchange Commission  
24 should—

1           (1) when necessary or appropriate in the public  
2           interest and consistent with the protection of inves-  
3           tors, make use of the Commission's general exemp-  
4           tive authority under section 36 of the Securities Ex-  
5           change Act of 1934 (15 U.S.C. 78mm) with respect  
6           to the provisions added by this section; and

7           (2) if the Commission determines appropriate,  
8           create an Office of Venture Exchanges within the  
9           Commission's Division of Trading and Markets.

10          (d) RULE OF CONSTRUCTION.—Nothing in this sec-  
11          tion or the amendments made by this section shall be con-  
12          strued to impair or limit the construction of the antifraud  
13          provisions of the securities laws (as defined in section 3(a)  
14          of the Securities Exchange Act of 1934 (15 U.S.C.  
15          78c(a))) or the authority of the Securities and Exchange  
16          Commission under those provisions.

17          (e) EFFECTIVE DATE FOR TIERS OF EXISTING NA-  
18          TIONAL SECURITIES EXCHANGES.—In the case of a secu-  
19          rities exchange that is registered as a national securities  
20          exchange under section 6 of the Securities Exchange Act  
21          of 1934 (15 U.S.C. 78f) on the date of the enactment of  
22          this Act, any election for a listing tier of such exchange  
23          to be treated as a venture exchange under subsection (m)  
24          of such section shall not take effect before the date that  
25          is 180 days after such date of enactment.

## **Subtitle M—Micro Offering Safe Harbor**

### **SEC. 461. EXEMPTIONS FOR MICRO-OFFERINGS.**

(a) IN GENERAL.—Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended—

(1) in subsection (a), by adding at the end the following:

“(8) transactions meeting the requirements of subsection (e).”; and

(2) as amended by section 434(2), by adding at the end the following:

“(e) CERTAIN MICRO-OFFERINGS.—The transactions referred to in subsection (a)(8) are transactions involving the sale of securities by an issuer (including all entities controlled by or under common control with the issuer) that meet all of the following requirements:

“(1) PRE-EXISTING RELATIONSHIP.—Each purchaser has a substantive pre-existing relationship with an officer of the issuer, a director of the issuer, or a shareholder holding 10 percent or more of the shares of the issuer.

“(2) 35 OR FEWER PURCHASERS.—There are no more than, or the issuer reasonably believes that there are no more than, 35 purchasers of securities from the issuer that are sold in reliance on the ex-

1        exemption provided under subsection (a)(8) during the  
2        12-month period preceding such transaction.

3            “(3) SMALL OFFERING AMOUNT.—The aggre-  
4        gate amount of all securities sold by the issuer, in-  
5        cluding any amount sold in reliance on the exemp-  
6        tion provided under subsection (a)(8), during the 12-  
7        month period preceding such transaction, does not  
8        exceed \$500,000.”.

9        (b) EXEMPTION UNDER STATE REGULATIONS.—Sec-  
10      tion 18(b)(4) of the Securities Act of 1933 (15 U.S.C.  
11      77r(b)(4)) is amended—

12            (1) in subparagraph (F), by striking “or” at  
13      the end;

14            (2) in subparagraph (G), by striking the period  
15      and inserting “; or”; and

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

17            “(H) section 4(a)(8).”.

## 18        **Subtitle N—Private Placement** 19        **Improvement**

### 20      **SEC. 466. REVISIONS TO SEC REGULATION D.**

21        Not later than 45 days following the date of the en-  
22      actment of this Act, the Securities and Exchange Commis-  
23      sion shall revise Regulation D (17 C.F.R. 501 et seq.) in  
24      accordance with the following:

1           (1) The Commission shall revise Form D filing  
2           requirements to require an issuer offering or selling  
3           securities in reliance on an exemption provided  
4           under Rule 506 of Regulation D to file with the  
5           Commission a single notice of sales containing the  
6           information required by Form D for each new offer-  
7           ing of securities no earlier than 15 days after the  
8           date of the first sale of securities in the offering.  
9           The Commission shall not require such an issuer to  
10          file any notice of sales containing the information re-  
11          quired by Form D except for the single notice de-  
12          scribed in the previous sentence.

13          (2) The Commission shall make the information  
14          contained in each Form D filing available to the se-  
15          curities commission (or any agency or office per-  
16          forming like functions) of each State and territory of  
17          the United States and the District of Columbia.

18          (3) The Commission shall not condition the  
19          availability of any exemption for an issuer under  
20          Rule 506 of Regulation D (17 C.F.R. 230.506) on  
21          the issuer's or any other person's filing with the  
22          Commission of a Form D or any similar report.

23          (4) The Commission shall not require issuers to  
24          submit written general solicitation materials to the  
25          Commission in connection with a Rule 506(c) offer-

ing, except when the Commission requests such materials pursuant to the Commission’s authority under section 8A or section 20 of the Securities Act of 1933 (15 U.S.C. 77h–1 or 77t) or section 9, 10(b), 21A, 21B, or 21C of the Securities Exchange Act of 1934 (15 U.S.C. 78i, 78j(b), 78u–1, 78u–2, or 78u–3).

(5) The Commission shall not extend the requirements contained in Rule 156 to private funds.

(6) The Commission shall revise Rule 501(a) of Regulation D to provide that a person who is a “knowledgeable employee” of a private fund or the fund’s investment adviser, as defined in Rule 3c–5(a)(4) (17 C.F.R. 270.3c–5(a)(4)), shall be an accredited investor for purposes of a Rule 506 offering of a private fund with respect to which the person is a knowledgeable employee.

## **Subtitle O—Supporting America’s Innovators**

### **SEC. 471. INVESTOR LIMITATION FOR QUALIFYING VENTURE CAPITAL FUNDS.**

Section 3(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(1)) is amended—

1           (1) by inserting after “one hundred persons”  
 2           the following: “(or, with respect to a qualifying ven-  
 3           ture capital fund, 500 persons)”; and

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

5                   “(C) The term ‘qualifying venture capital  
 6           fund’ means any venture capital fund (as de-  
 7           fined pursuant to section 203(l)(1) of the In-  
 8           vestment Advisers Act of 1940 (15 U.S.C. 80b-  
 9           3(l)(1)) with no more than \$50,000,000 in ag-  
 10          gregate capital contributions and uncalled com-  
 11          mitted capital, as such dollar amount is annu-  
 12          ally adjusted by the Commission to reflect the  
 13          change in the Consumer Price Index for All  
 14          Urban Consumers published by the Bureau of  
 15          Labor Statistics of the Department of Labor.”.

## 16           **Subtitle P—Fix Crowdfunding**

### 17   **SEC. 476. CROWDFUNDING EXEMPTION.**

18           (a) SECURITIES ACT OF 1933.—Section 4(a) of the  
 19   Securities Act of 1933 (15 U.S.C. 77d) is amended by  
 20   striking paragraph (6) and inserting the following:

21                   “(6) transactions involving the offer or sale of  
 22   securities by an issuer, provided that—

23                           “(A) in the case of a transaction involving  
 24   an intermediary between the issuer and the in-

1 investor, such intermediary complies with the re-  
 2 quirements under section 4A(a); and

3 “(B) in the case of a transaction not in-  
 4 volving an intermediary between the issuer and  
 5 the investor, the issuer complies with the re-  
 6 quirements under section 4A(b).”.

7 (b) REQUIREMENTS TO QUALIFY FOR  
 8 CROWDFUNDING EXEMPTION.—Section 4A of the Securi-  
 9 ties Act of 1933 (15 U.S.C. 77d–1) is amended to read  
 10 as follows:

11 **“SEC. 4A. REQUIREMENTS WITH RESPECT TO CERTAIN**  
 12 **SMALL TRANSACTIONS.**

13 “(a) REQUIREMENTS ON INTERMEDIARIES.—For  
 14 purposes of section 4(a)(6), a person acting as an inter-  
 15 mediary in a transaction involving the offer or sale of secu-  
 16 rities shall comply with the requirements of this subsection  
 17 if the intermediary—

18 “(1) warns investors, including on the  
 19 intermediary’s website used for the offer and sale of  
 20 such securities, of the speculative nature generally  
 21 applicable to investments in startups, emerging busi-  
 22 nesses, and small issuers, including risks in the sec-  
 23 ondary market related to illiquidity;

1           “(2) warns investors that they are subject to  
2           the restriction on sales requirement described under  
3           subsection (e);

4           “(3) takes reasonable measures to reduce the  
5           risk of fraud with respect to such transaction;

6           “(4) registers with the Commission and the Fi-  
7           nancial Industry Regulatory Authority, including by  
8           providing the Commission with the intermediary’s  
9           physical address, website address, and the names of  
10          the intermediary and employees of the intermediary,  
11          and keep such information up-to-date;

12          “(5) provides the Commission with continuous  
13          investor-level access to the intermediary’s website;

14          “(6) requires each potential investor to answer  
15          questions demonstrating—

16                 “(A) an understanding of the level of risk  
17                 generally applicable to investments in startups,  
18                 emerging businesses, and small issuers;

19                 “(B) an understanding of the risk of  
20                 illiquidity; and

21                 “(C) such other areas as the Commission  
22                 may determine appropriate by rule or regula-  
23                 tion, including information relating to the own-  
24                 ers’ and management’s experience, and any re-

1           lated party transactions and conflicts of inter-  
2           est;

3           “(7) carries out a background check on the  
4           issuer’s principals;

5           “(8) provides the Commission and potential in-  
6           vestors with notice of the offering not less than 10  
7           days prior to such offering, not later than the first  
8           day securities are offered to potential investors, in-  
9           cluding—

10                   “(A) the issuer’s name, legal status, phys-  
11                   ical address, and website address;

12                   “(B) the names of the issuer’s principals;

13                   “(C) the stated purpose and intended use  
14                   of the proceeds of the offering sought by the  
15                   issuer; and

16                   “(D) the target offering amount and the  
17                   deadline to reach the target offering amount;

18           “(9) outsources cash-management functions to  
19           a qualified third party custodian, such as a broker  
20           or dealer registered under section 15(b)(1) of the  
21           Securities Exchange Act of 1934, a trust company,  
22           or an insured depository institution;

23           “(10) makes available on the intermediary’s  
24           website a method of communication that permits the

1 issuer and investors to communicate with one an-  
2 other;

3 “(11) provides the Commission with a notice  
4 upon completion of the offering, which shall include  
5 the aggregate offering amount and the number of  
6 purchasers; and

7 “(b) REQUIREMENTS ON ISSUERS IF NO INTER-  
8 MEDIARY.—For purposes of section 4(a)(6), an issuer who  
9 offers or sells securities without an intermediary shall  
10 comply with the requirements of this subsection if the  
11 issuer—

12 “(1) warns investors, including on the issuer’s  
13 website, of the speculative nature generally applica-  
14 ble to investments in startups, emerging businesses,  
15 and small issuers, including risks in the secondary  
16 market related to illiquidity;

17 “(2) warns investors that they are subject to  
18 the restriction on sales requirement described under  
19 subsection (e);

20 “(3) takes reasonable measures to reduce the  
21 risk of fraud with respect to such transaction;

22 “(4) provides the Commission with the issuer’s  
23 physical address, website address, and the names of  
24 the principals and employees of the issuers, and  
25 keeps such information up-to-date;

1           “(5) provides the Commission with continuous  
2 investor-level access to the issuer’s website;

3           “(6) requires each potential investor to answer  
4 questions demonstrating—

5               “(A) an understanding of the level of risk  
6 generally applicable to investments in startups,  
7 emerging businesses, and small issuers;

8               “(B) an understanding of the risk of  
9 illiquidity; and

10              “(C) such other areas as the Commission  
11 may determine appropriate by rule or regula-  
12 tion;

13           “(7) provides the Commission with notice of the  
14 offering not less than 10 days prior to such offering,  
15 not later than the first day securities are offered to  
16 potential investors, including—

17               “(A) the stated purpose and intended use  
18 of the proceeds of the offering sought by the  
19 issuer; and

20               “(B) the target offering amount and the  
21 deadline to reach the target offering amount;

22           “(8) outsources cash-management functions to  
23 a qualified third party custodian, such as a broker  
24 or dealer registered under section 15(b)(1) of the

1 Securities Exchange Act of 1934, a trust company,  
2 or an insured depository institution;

3 “(9) makes available on the issuer’s website a  
4 method of communication that permits the issuer  
5 and investors to communicate with one another;

6 “(10) does not offer personalized investment  
7 advice;

8 “(11) provides the Commission with a notice  
9 upon completion of the offering, which shall include  
10 the aggregate offering amount and the number of  
11 purchasers; and

12 “(c) VERIFICATION OF INCOME.—For purposes of  
13 section 4(a)(6), an issuer or intermediary may rely on cer-  
14 tifications as to annual income provided by the person to  
15 whom the securities are sold to verify the investor’s in-  
16 come.

17 “(d) INFORMATION AVAILABLE TO STATES.—The  
18 Commission shall make the notices described under sub-  
19 sections (a)(9), (a)(13), (b)(8), and (b)(13) and the infor-  
20 mation described under subsections (a)(4) and (b)(4)  
21 available to the States.

22 “(e) RESTRICTION ON SALES.—With respect to a  
23 transaction involving the issuance of securities described  
24 under section 4(a)(6), a purchaser may not transfer such

1 securities during the 1-year period beginning on the date  
2 of purchase, unless such securities are sold to—

3 “(1) the issuer of such securities; or

4 “(2) an accredited investor.

5 “(f) CONSTRUCTION.—

6 “(1) NO REGISTRATION AS BROKER.—With re-  
7 spect to a transaction described under section  
8 4(a)(6) involving an intermediary, such intermediary  
9 shall not be required to register as a broker under  
10 section 15(a)(1) of the Securities Exchange Act of  
11 1934 solely by reason of participation in such trans-  
12 action.

13 “(2) NO PRECLUSION OF OTHER CAPITAL RAIS-  
14 ING.—Nothing in this section or section 4(a)(6)  
15 shall be construed as preventing an issuer from rais-  
16 ing capital through methods not described under  
17 section 4(a)(6).”.

18 (c) RULEMAKING.—Not later than 180 days after the  
19 date of enactment of this Act, the Securities and Ex-  
20 change Commission shall issue or revise such rules as may  
21 be necessary to carry out section 4A of the Securities Act  
22 of 1933, as amended by this Act. In issuing or revising  
23 such rules, the Commission shall consider the costs and  
24 benefits of the action.

1 (d) DISQUALIFICATION.—Not later than 180 days  
2 after the date of enactment of this Act, the Securities and  
3 Exchange Commission shall by rule or regulation establish  
4 disqualification provisions under which an issuer shall not  
5 be eligible to utilize the exemption under section 4(a)(6)  
6 of the Securities Act of 1933 (as amended by this Act)  
7 based on the disciplinary history of the issuer or its prede-  
8 cessors, affiliates, officers, directors, or persons fulfilling  
9 similar roles. The Commission shall also establish disquali-  
10 fication provisions under which an intermediary shall not  
11 be eligible to act as an intermediary in connection with  
12 an offering utilizing the exemption under section 4(a)(6)  
13 of the Securities Act of 1933 based on the disciplinary  
14 history of the intermediary or its predecessors, affiliates,  
15 officers, directors, or persons fulfilling similar roles. Such  
16 provisions shall be substantially similar to the disqualifica-  
17 tion provisions contained in the regulations adopted in ac-  
18 cordance with section 926 of the Dodd-Frank Wall Street  
19 Reform and Consumer Protection Act (15 U.S.C. 77d  
20 note).

21 **SEC. 477. EXCLUSION OF CROWDFUNDING INVESTORS**  
22 **FROM SHAREHOLDER CAP.**

23 Section 12(g)(5) of the Securities Exchange Act of  
24 1934 (15 U.S.C. 78l(g)(5)) is amended—

1           (1) by striking “(5) For the purposes” and in-  
2       serting:

3           “(5) DEFINITIONS.—

4                 “(A) IN GENERAL.—For the purposes”;  
5       and

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

7                 “(B) EXCLUSION FOR PERSONS HOLDING  
8       CERTAIN SECURITIES.—For purposes of this  
9       subsection, securities held by persons who pur-  
10      chase such securities in transactions described  
11      under section 4(a)(6) of the Securities Act of  
12      1933 shall not be deemed to be ‘held of  
13      record’.”.

14   **SEC. 478. PREEMPTION OF STATE LAW.**

15         (a) IN GENERAL.—Section 18(b)(4)(C) of the Securi-  
16      ties Act of 1933 (15 U.S.C. 77r(b)(4)(C)) is amended by  
17      striking “section 4(6)” and inserting “section 4(a)(6)”.

18         (b) CLARIFICATION OF THE PRESERVATION OF  
19      STATE ENFORCEMENT AUTHORITY.—

20                 (1) IN GENERAL.—The amendments made by  
21      subsection (a) relate solely to State registration, doc-  
22      umentation, and offering requirements, as described  
23      under section 18(a) of Securities Act of 1933 (15  
24      U.S.C. 77r(a)), and shall have no impact or limita-  
25      tion on other State authority to take enforcement

1       action with regard to an issuer, intermediary, or any  
 2       other person or entity using the exemption from reg-  
 3       istration provided by section 4(a)(6) of such Act, ex-  
 4       cept that a State may not impose any fees under  
 5       such authority.

6               (2) CLARIFICATION OF STATE JURISDICTION  
 7       OVER UNLAWFUL CONDUCT OF INTERMEDIARIES,  
 8       ISSUERS, AND CUSTODIANS.—Section 18(c)(1) of the  
 9       Securities Act of 1933 is amended by striking “in  
 10      connection with securities or securities transactions”  
 11      and all that follows and inserting the following: “,  
 12      in connection with securities or securities trans-  
 13      actions, with respect to—

14                       “(A) fraud or deceit;

15                       “(B) unlawful conduct by a broker or deal-  
 16      er; and

17                       “(C) with respect to a transaction de-  
 18      scribed under section 4(a)(6), unlawful conduct  
 19      by an intermediary, issuer, or custodian.”.

20   **SEC. 479. TREATMENT OF FUNDING PORTALS.**

21       Section 5312(c) of title 31, United States Code, is  
 22   amended by adding at the end the following:

23               “(2) FUNDING PORTALS NOT INCLUDED IN  
 24      DEFINITION.—The term ‘financial institution’ (as  
 25      defined in subsection (a)) does not include a funding

1 portal (as defined under section 3(a) of the Securi-  
2 ties Exchange Act of 1934 (15 U.S.C. 78c(a))).”.

3 **Subtitle Q—Corporate Governance**  
4 **Reform and Transparency**

5 **SEC. 481. DEFINITIONS.**

6 (a) SECURITIES EXCHANGE ACT OF 1934.—Section  
7 3(a) of the Securities Exchange Act of 1934 (15 U.S.C.  
8 78c(a)) is amended by adding at the end the following new  
9 paragraphs:

10 “(83) PROXY ADVISORY FIRM.—The term  
11 ‘proxy advisory firm’ means any person who is pri-  
12 marily engaged in the business of providing proxy  
13 voting research, analysis, or recommendations to cli-  
14 ents, which conduct constitutes a solicitation within  
15 the meaning of section 14 and the Commission’s  
16 rules and regulations thereunder, except to the ex-  
17 tent that the person is exempted by such rules and  
18 regulations from requirements otherwise applicable  
19 to persons engaged in a solicitation.

20 “(84) PERSON ASSOCIATED WITH A PROXY AD-  
21 VISORY FIRM.—The term ‘person associated with’ a  
22 proxy advisory firm means any partner, officer, or  
23 director of a proxy advisory firm (or any person oc-  
24 cupying a similar status or performing similar func-  
25 tions), any person directly or indirectly controlling,

1 controlled by, or under common control with a proxy  
 2 advisory firm, or any employee of a proxy advisory  
 3 firm, except that persons associated with a proxy ad-  
 4 visory firm whose functions are clerical or ministe-  
 5 rial shall not be included in the meaning of such  
 6 term. The Commission may by rules and regulations  
 7 classify, for purposes or any portion or portions of  
 8 this Act, persons, including employees controlled by  
 9 a proxy advisory firm.”.

10 (b) APPLICABLE DEFINITIONS.—As used in this sub-  
 11 title—

12 (1) the term “Commission” means the Securi-  
 13 ties and Exchange Commission; and

14 (2) the term “proxy advisory firm” has the  
 15 same meaning as in section 3(a)(83) of the Securi-  
 16 ties Exchange Act of 1934, as added by this subtitle.

17 **SEC. 482. REGISTRATION OF PROXY ADVISORY FIRMS.**

18 (a) AMENDMENT.—The Securities Exchange Act of  
 19 1934 is amended by inserting after section 15G the fol-  
 20 lowing new section:

21 **“SEC. 15H. REGISTRATION OF PROXY ADVISORY FIRMS.**

22 “(a) CONDUCT PROHIBITED.—It shall be unlawful  
 23 for a proxy advisory firm to make use of the mails or any  
 24 means or instrumentality of interstate commerce to pro-  
 25 vide proxy voting research, analysis, or recommendations

1 to any client, unless such proxy advisory firm is registered  
2 under this section.

3 “(b) REGISTRATION PROCEDURES.—

4 “(1) APPLICATION FOR REGISTRATION.—

5 “(A) IN GENERAL.—A proxy advisory firm  
6 must file with the Commission an application  
7 for registration, in such form as the Commis-  
8 sion shall require, by rule or regulation, and  
9 containing the information described in sub-  
10 paragraph (B).

11 “(B) REQUIRED INFORMATION.—An appli-  
12 cation for registration under this section shall  
13 contain information regarding—

14 “(i) a certification that the applicant  
15 has adequate financial and managerial re-  
16 sources to consistently provide proxy advice  
17 based on accurate information;

18 “(ii) the procedures and methodolo-  
19 gies that the applicant uses in developing  
20 proxy voting recommendations, including  
21 whether and how the applicant considers  
22 the size of a company when making proxy  
23 voting recommendations;

24 “(iii) the organizational structure of  
25 the applicant;

1           “(iv) whether or not the applicant has  
2           in effect a code of ethics, and if not, the  
3           reasons therefor;

4           “(v) any potential or actual conflict of  
5           interest relating to the ownership structure  
6           of the applicant or the provision of proxy  
7           advisory services by the applicant, includ-  
8           ing whether the proxy advisory firm en-  
9           gages in services ancillary to the provision  
10          of proxy advisory services such as con-  
11          sulting services for corporate issuers, and  
12          if so the revenues derived therefrom;

13          “(vi) the policies and procedures in  
14          place to manage conflicts of interest under  
15          subsection (f); and

16          “(vii) any other information and docu-  
17          ments concerning the applicant and any  
18          person associated with such applicant as  
19          the Commission, by rule, may prescribe as  
20          necessary or appropriate in the public in-  
21          terest or for the protection of investors.

22          “(2) REVIEW OF APPLICATION.—

23                 “(A) INITIAL DETERMINATION.—Not later  
24                 than 90 days after the date on which the appli-  
25                 cation for registration is filed with the Commis-

1 sion under paragraph (1) (or within such longer  
2 period as to which the applicant consents) the  
3 Commission shall—

4 “(i) by order, grant registration; or

5 “(ii) institute proceedings to deter-  
6 mine whether registration should be de-  
7 nied.

8 “(B) CONDUCT OF PROCEEDINGS.—

9 “(i) CONTENT.—Proceedings referred  
10 to in subparagraph (A)(ii) shall—

11 “(I) include notice of the grounds  
12 for denial under consideration and an  
13 opportunity for hearing; and

14 “(II) be concluded not later than  
15 120 days after the date on which the  
16 application for registration is filed  
17 with the Commission under paragraph  
18 (1).

19 “(ii) DETERMINATION.—At the con-  
20 clusion of such proceedings, the Commis-  
21 sion, by order, shall grant or deny such ap-  
22 plication for registration.

23 “(iii) EXTENSION AUTHORIZED.—The  
24 Commission may extend the time for con-  
25 clusion of such proceedings for not longer

1           than 90 days, if it finds good cause for  
2           such extension and publishes its reasons  
3           for so finding, or for such longer period as  
4           to which the applicant consents.

5           “(C) GROUNDS FOR DECISION.—The Com-  
6           mission shall grant registration under this sub-  
7           section—

8                   “(i) if the Commission finds that the  
9                   requirements of this section are satisfied;  
10                  and

11                  “(ii) unless the Commission finds (in  
12                  which case the Commission shall deny such  
13                  registration) that—

14                   “(I) the applicant has failed to  
15                   certify to the Commission’s satisfac-  
16                   tion that it has adequate financial and  
17                   managerial resources to consistently  
18                   provide proxy advice based on accu-  
19                   rate information and to materially  
20                   comply with the procedures and meth-  
21                   odologies disclosed under paragraph  
22                   (1)(B) and with subsections (f) and  
23                   (g); or

24                   “(II) if the applicant were so reg-  
25                   istered, its registration would be sub-

1                   ject to suspension or revocation under  
2                   subsection (e).

3                   “(3) PUBLIC AVAILABILITY OF INFORMATION.—

4           Subject to section 24, the Commission shall make  
5           the information and documents submitted to the  
6           Commission by a proxy advisory firm in its com-  
7           pleted application for registration, or in any amend-  
8           ment submitted under paragraph (1) or (2) of sub-  
9           section (c), publicly available on the Commission’s  
10          website, or through another comparable, readily ac-  
11          cessible means.

12                  “(c) UPDATE OF REGISTRATION.—

13                  “(1) UPDATE.—Each registered proxy advisory  
14          firm shall promptly amend and update its applica-  
15          tion for registration under this section if any infor-  
16          mation or document provided therein becomes mate-  
17          rially inaccurate, except that a registered proxy advi-  
18          sory firm is not required to amend the information  
19          required to be filed under subsection (b)(1)(B)(i) by  
20          filing information under this paragraph, but shall  
21          amend such information in the annual submission of  
22          the organization under paragraph (2) of this sub-  
23          section.

24                  “(2) CERTIFICATION.—Not later than 90 cal-  
25          endar days after the end of each calendar year, each

1 registered proxy advisory firm shall file with the  
2 Commission an amendment to its registration, in  
3 such form as the Commission, by rule, may prescribe  
4 as necessary or appropriate in the public interest or  
5 for the protection of investors—

6 “(A) certifying that the information and  
7 documents in the application for registration of  
8 such registered proxy advisory firm continue to  
9 be accurate in all material respects; and

10 “(B) listing any material change that oc-  
11 curred to such information or documents during  
12 the previous calendar year.

13 “(d) CENSURE, DENIAL, OR SUSPENSION OF REG-  
14 ISTRATION; NOTICE AND HEARING.—The Commission, by  
15 order, shall censure, place limitations on the activities,  
16 functions, or operations of, suspend for a period not ex-  
17 ceeding 12 months, or revoke the registration of any reg-  
18 istered proxy advisory firm if the Commission finds, on  
19 the record after notice and opportunity for hearing, that  
20 such censure, placing of limitations, suspension, or revoca-  
21 tion is necessary for the protection of investors and in the  
22 public interest and that such registered proxy advisory  
23 firm, or any person associated with such an organization,  
24 whether prior to or subsequent to becoming so associ-  
25 ated—

1           “(1) has committed or omitted any act, or is  
2           subject to an order or finding, enumerated in sub-  
3           paragraph (A), (D), (E), (H), or (G) of section  
4           15(b)(4), has been convicted of any offense specified  
5           in section 15(b)(4)(B), or is enjoined from any ac-  
6           tion, conduct, or practice specified in subparagraph  
7           (C) of section 15(b)(4), during the 10-year period  
8           preceding the date of commencement of the pro-  
9           ceedings under this subsection, or at any time there-  
10          after;

11          “(2) has been convicted during the 10-year pe-  
12          riod preceding the date on which an application for  
13          registration is filed with the Commission under this  
14          section, or at any time thereafter, of—

15               “(A) any crime that is punishable by im-  
16               prisonment for one or more years, and that is  
17               not described in section 15(b)(4)(B); or

18               “(B) a substantially equivalent crime by a  
19               foreign court of competent jurisdiction;

20          “(3) is subject to any order of the Commission  
21          barring or suspending the right of the person to be  
22          associated with a registered proxy advisory firm;

23          “(4) fails to furnish the certifications required  
24          under subsections (b)(2)(C)(ii)(I) and (c)(2);

1           “(5) has engaged in one or more prohibited acts  
2       enumerated in paragraph (1); or

3           “(6) fails to maintain adequate financial and  
4       managerial resources to consistently offer advisory  
5       services with integrity, including by failing to comply  
6       with subsections (f) or (g).

7       “(e) TERMINATION OF REGISTRATION.—

8           “(1) VOLUNTARY WITHDRAWAL.—A registered  
9       proxy advisory firm may, upon such terms and con-  
10      ditions as the Commission may establish as nec-  
11      essary in the public interest or for the protection of  
12      investors, which terms and conditions shall include  
13      at a minimum that the registered proxy advisory  
14      firm will no longer conduct such activities as to  
15      bring it within the definition of proxy advisory firm  
16      in section 3(a)(83) of the Securities Exchange Act  
17      of 1934, withdraw from registration by filing a writ-  
18      ten notice of withdrawal to the Commission.

19          “(2) COMMISSION AUTHORITY.—In addition to  
20      any other authority of the Commission under this  
21      title, if the Commission finds that a registered proxy  
22      advisory firm is no longer in existence or has ceased  
23      to do business as a proxy advisory firm, the Com-  
24      mission, by order, shall cancel the registration under  
25      this section of such registered proxy advisory firm.

1 “(f) MANAGEMENT OF CONFLICTS OF INTEREST.—

2 “(1) ORGANIZATION POLICIES AND PROCE-  
3 DURES.—Each registered proxy advisory firm shall  
4 establish, maintain, and enforce written policies and  
5 procedures reasonably designed, taking into consid-  
6 eration the nature of the business of such registered  
7 proxy advisory firm and associated persons, to ad-  
8 dress and manage any conflicts of interest that can  
9 arise from such business.

10 “(2) COMMISSION AUTHORITY.—The Commis-  
11 sion shall issue final rules to prohibit, or require the  
12 management and disclosure of, any conflicts of inter-  
13 est relating to the offering of proxy advisory services  
14 by a registered proxy advisory firm, including, with-  
15 out limitation, conflicts of interest relating to—

16 “(A) the manner in which a registered  
17 proxy advisory firm is compensated by the cli-  
18 ent, or any affiliate of the client, for providing  
19 proxy advisory services;

20 “(B) the provision of consulting, advisory,  
21 or other services by a registered proxy advisory  
22 firm, or any person associated with such reg-  
23 istered proxy advisory firm, to the client;

24 “(C) business relationships, ownership in-  
25 terests, or any other financial or personal inter-

1           ests between a registered proxy advisory firm,  
2           or any person associated with such registered  
3           proxy advisory firm, and any client, or any af-  
4           filiate of such client;

5           “(D) transparency around the formulation  
6           of proxy voting policies;

7           “(E) the execution of proxy votes if such  
8           votes are based upon recommendations made by  
9           the proxy advisory firm in which someone other  
10          than the issuer is a proponent;

11          “(F) issuing recommendations where proxy  
12          advisory firms provide advisory services to a  
13          company; and

14          “(G) any other potential conflict of inter-  
15          est, as the Commission deems necessary or ap-  
16          propriate in the public interest or for the pro-  
17          tection of investors.

18          “(g) RELIABILITY OF PROXY ADVISORY FIRM SERV-  
19          ICES.—

20                 “(1) IN GENERAL.—Each registered proxy advi-  
21          sory firm shall have staff sufficient to produce proxy  
22          voting recommendations that are based on accurate  
23          and current information. Each registered proxy advi-  
24          sory firm shall detail procedures sufficient to permit  
25          companies receiving proxy advisory firm rec-

1       ommendations access in a reasonable time to the  
2       draft recommendations, with an opportunity to pro-  
3       vide meaningful comment thereon, including the op-  
4       portunity to present details to the person responsible  
5       for developing the recommendation in person or tele-  
6       phonically. Each registered proxy advisory firm shall  
7       employ an ombudsman to receive complaints about  
8       the accuracy of voting information used in making  
9       recommendations from the subjects of the proxy ad-  
10      visory firm’s voting recommendations, and shall re-  
11      solve those complaints in a timely fashion and in any  
12      event prior to voting on the matter to which the rec-  
13      ommendation relates.

14               “(2) DRAFT RECOMMENDATIONS DEFINED.—  
15      For purposes of this subsection, the term ‘draft rec-  
16      ommendations’—

17               “(A) means the overall conclusions of  
18              proxy voting recommendations prepared for the  
19              clients of a proxy advisory firm, including any  
20              public data cited therein, any company informa-  
21              tion or substantive analysis impacting the rec-  
22              ommendation, and the specific voting rec-  
23              ommendations on individual proxy ballot issues;  
24              and

1                   “(B) does not include the entirety of the  
2                   proxy advisory firm’s final report to its clients.

3           “(h) DESIGNATION OF COMPLIANCE OFFICER.—  
4 Each registered proxy advisory firm shall designate an in-  
5 dividual responsible for administering the policies and pro-  
6 cedures that are required to be established pursuant to  
7 subsections (f) and (g), and for ensuring compliance with  
8 the securities laws and the rules and regulations there-  
9 under, including those promulgated by the Commission  
10 pursuant to this section.

11           “(i) PROHIBITED CONDUCT.—

12                   “(1) PROHIBITED ACTS AND PRACTICES.—The  
13 Commission shall issue final rules to prohibit any  
14 act or practice relating to the offering of proxy advi-  
15 sory services by a registered proxy advisory firm  
16 that the Commission determines to be unfair or co-  
17 ercive, including any act or practice relating to—

18                   “(A) conditioning a voting recommendation  
19 or other proxy advisory firm recommendation  
20 on the purchase by an issuer or an affiliate  
21 thereof of other services or products, of the reg-  
22 istered proxy advisory firm or any person asso-  
23 ciated with such registered proxy advisory firm;  
24 and

1           “(B) modifying a voting recommendation  
2           or otherwise departing from its adopted system-  
3           atic procedures and methodologies in the provi-  
4           sion of proxy advisory services, based on wheth-  
5           er an issuer, or affiliate thereof, subscribes or  
6           will subscribe to other services or product of the  
7           registered proxy advisory firm or any person as-  
8           sociated with such organization.

9           “(2) RULE OF CONSTRUCTION.—Nothing in  
10          paragraph (1), or in any rules or regulations adopt-  
11          ed thereunder, may be construed to modify, impair,  
12          or supersede the operation of any of the antitrust  
13          laws (as defined in the first section of the Clayton  
14          Act, except that such term includes section 5 of the  
15          Federal Trade Commission Act, to the extent that  
16          such section 5 applies to unfair methods of competi-  
17          tion).

18          “(j) STATEMENTS OF FINANCIAL CONDITION.—Each  
19          registered proxy advisory firm shall, on a confidential  
20          basis, file with the Commission, at intervals determined  
21          by the Commission, such financial statements, certified (if  
22          required by the rules or regulations of the Commission)  
23          by an independent public auditor, and information con-  
24          cerning its financial condition, as the Commission, by rule,

1 may prescribe as necessary or appropriate in the public  
2 interest or for the protection of investors.

3 “(k) ANNUAL REPORT.—Each registered proxy advi-  
4 sory firm shall, at the beginning of each fiscal year of such  
5 firm, report to the Commission on the number of share-  
6 holder proposals its staff reviewed in the prior fiscal year,  
7 the number of recommendations made in the prior fiscal  
8 year, the number of staff who reviewed and made rec-  
9 ommendations on such proposals in the prior fiscal year,  
10 and the number of recommendations made in the prior  
11 fiscal year where the proponent of such recommendation  
12 was a client of or received services from the proxy advisory  
13 firm.

14 “(l) TRANSPARENT POLICIES.—Each registered  
15 proxy advisory firm shall file with the Commission and  
16 make publicly available its methodology for the formula-  
17 tion of proxy voting policies and voting recommendations.

18 “(m) RULES OF CONSTRUCTION.—

19 “(1) NO WAIVER OF RIGHTS, PRIVILEGES, OR  
20 DEFENSES.—Registration under and compliance  
21 with this section does not constitute a waiver of, or  
22 otherwise diminish, any right, privilege, or defense  
23 that a registered proxy advisory firm may otherwise  
24 have under any provision of State or Federal law,  
25 including any rule, regulation, or order thereunder.

1           “(2) NO PRIVATE RIGHT OF ACTION.—Nothing  
2           in this section may be construed as creating any pri-  
3           vate right of action, and no report filed by a reg-  
4           istered proxy advisory firm in accordance with this  
5           section or section 17 shall create a private right of  
6           action under section 18 or any other provision of  
7           law.

8           “(n) REGULATIONS.—

9           “(1) NEW PROVISIONS.—Such rules and regula-  
10          tions as are required by this section or are otherwise  
11          necessary to carry out this section, including the ap-  
12          plication form required under subsection (a)—

13                 “(A) shall be issued by the Commission,  
14                 not later than 180 days after the date of enact-  
15                 ment of this section; and

16                 “(B) shall become effective not later than  
17                 1 year after the date of enactment of this sec-  
18                 tion.

19           “(2) REVIEW OF EXISTING REGULATIONS.—Not  
20          later than 270 days after the date of enactment of  
21          this section, the Commission shall—

22                 “(A) review its existing rules and regula-  
23                 tions which affect the operations of proxy advi-  
24                 sory firms;

1           “(B) amend or revise such rules and regu-  
2           lations in accordance with the purposes of this  
3           section, and issue such guidance, as the Com-  
4           mission may prescribe as necessary or appro-  
5           priate in the public interest or for the protec-  
6           tion of investors; and

7           “(C) direct Commission staff to withdraw  
8           the Egan Jones Proxy Services (May 27, 2004)  
9           and Institutional Shareholder Services, Inc.  
10          (September 15, 2004) no-action letters.

11          “(o) APPLICABILITY.—This section, other than sub-  
12       section (n), which shall apply on the date of enactment  
13       of this section, shall apply on the earlier of—

14               “(1) the date on which regulations are issued in  
15       final form under subsection (n)(1); or

16               “(2) 270 days after the date of enactment of  
17       this section.”.

18          (b) CONFORMING AMENDMENT.—Section 17(a)(1) of  
19       the Securities Exchange Act of 1934 (15 U.S.C.  
20       78q(a)(1)) is amended by inserting “proxy advisory firm,”  
21       after “nationally recognized statistical rating organiza-  
22       tion,”.

23       **SEC. 483. COMMISSION ANNUAL REPORT.**

24               The Commission shall make an annual report publicly  
25       available on the Commission’s Internet website. Such re-

1 port shall, with respect to the year to which the report  
2 relates—

3 (1) identify applicants for registration under  
4 section 15H of the Securities Exchange Act of 1934,  
5 as added by this subtitle;

6 (2) specify the number of and actions taken on  
7 such applications;

8 (3) specify the views of the Commission on the  
9 state of competition, transparency, policies and  
10 methodologies, and conflicts of interest among proxy  
11 advisory firms;

12 (4) include the determination of the Commis-  
13 sion with regard to—

14 (A) the quality of proxy advisory services  
15 issued by proxy advisory firms;

16 (B) the financial markets;

17 (C) competition among proxy advisory  
18 firms;

19 (D) the incidence of undisclosed conflicts  
20 of interest by proxy advisory firms;

21 (E) the process for registering as a proxy  
22 advisory firm; and

23 (F) such other matters relevant to the im-  
24 plementation of this subtitle and the amend-  
25 ments made by this subtitle, as the Commission

1 determines necessary to bring to the attention  
2 of the Congress;

3 (5) identify problems, if any, that have resulted  
4 from the implementation of this subtitle and the  
5 amendments made by this subtitle; and

6 (6) recommend solutions, including any legisla-  
7 tive or regulatory solutions, to any problems identi-  
8 fied under paragraphs (4) and (5).

9 **Subtitle R—Senior Safe**

10 **SEC. 491. IMMUNITY.**

11 (a) DEFINITIONS.—In this subtitle—

12 (1) the term “Bank Secrecy Act Officer” means  
13 an individual responsible for ensuring compliance  
14 with the requirements mandated by subchapter II of  
15 chapter 53 of title 31, United States Code;

16 (2) the term “broker-dealer” means a broker or  
17 dealer, as those terms are defined, respectively, in  
18 section 3(a) of the Securities Exchange Act of 1934  
19 (15 U.S.C. 78c(a));

20 (3) the term “covered agency” means—

21 (A) a State financial regulatory agency, in-  
22 cluding a State securities or law enforcement  
23 authority and a State insurance regulator;

24 (B) each of the Federal financial institu-  
25 tions regulatory agencies;

1 (C) the Securities and Exchange Commis-  
2 sion;

3 (D) a law enforcement agency;

4 (E) and State or local agency responsible  
5 for administering adult protective service laws;  
6 and

7 (F) a State attorney general.

8 (4) the term “covered financial institution”  
9 means—

10 (A) a credit union;

11 (B) a depository institution;

12 (C) an investment advisor;

13 (D) a broker-dealer;

14 (E) an insurance company;

15 (F) a State attorney general; and

16 (G) a transfer agent.

17 (5) the term “credit union” means a Federal  
18 credit union, State credit union, or State-chartered  
19 credit union, as those terms are defined in section  
20 101 of the Federal Credit Union Act (12 U.S.C.  
21 1752);

22 (6) the term “depository institution” has the  
23 meaning given the term in section 3(c) of the Fed-  
24 eral Deposit Insurance Act (12 U.S.C. 1813(c));

1           (7) the term “exploitation” means the fraudu-  
2           lent or otherwise illegal, unauthorized, or improper  
3           act or process of an individual, including a caregiver  
4           or fiduciary, that—

5                   (A) uses the resources of a senior citizen  
6                   for monetary personal benefit, profit, or gain;  
7                   or

8                   (B) results in depriving a senior citizen of  
9                   rightful access to or use of benefits, resources,  
10                  belongings or assets;

11           (8) the term “Federal financial institutions reg-  
12           ulatory agencies” has the meaning given the term in  
13           section 1003 of the Federal Financial Institutions  
14           Examination Council Act of 1978 (12 U.S.C. 3302);

15           (9) the term “investment adviser” has the  
16           meaning given the term in section 202 of the Invest-  
17           ment Advisers Act of 1940 (15 U.S.C. 80b–2);

18           (10) the term “insurance company” has the  
19           meaning given the term in section 2(a) of the Invest-  
20           ment Company Act of 1940 (15 U.S.C. 80a–2(a));

21           (11) the term “registered representative”  
22           means an individual who represents a broker-dealer  
23           in effecting or attempting to affect a purchase or  
24           sale of securities;

1           (12) the term “senior citizen” means an indi-  
2       vidual who is not less than 65 years of age;

3           (13) the term “State insurance regulator” has  
4       the meaning given such term in section 315 of the  
5       Gramm-Leach-Bliley Act (15 U.S.C. 6735);

6           (14) the term “State securities or law enforce-  
7       ment authority” has the meaning given the term in  
8       section 24(f)(4) of the Securities Exchange Act of  
9       1934 (15 U.S.C. 78x(f)(4)); and

10          (15) the term “transfer agent” has the meaning  
11       given the term in section 3(a) of the Securities Ex-  
12       change Act of 1934 (15 U.S.C. 78c(a)).

13       (b) IMMUNITY FROM SUIT.—

14           (1) IMMUNITY FOR INDIVIDUALS.—An indi-  
15       vidual who has received the training described in  
16       section 1092 shall not be liable, including in any  
17       civil or administrative proceeding, for disclosing the  
18       possible exploitation of a senior citizen to a covered  
19       agency if the individual, at the time of the disclo-  
20       sure—

21           (A) served as a supervisor, compliance offi-  
22       cer (including a Bank Secrecy Act Officer), or  
23       registered representative for a covered financial  
24       institution; and

1 (B) made the disclosure with reasonable  
2 care including reasonable efforts to avoid disclo-  
3 sure other than to a covered agency.

4 (2) IMMUNITY FOR COVERED FINANCIAL INSTI-  
5 TUTIONS.—A covered financial institution shall not  
6 be liable, including in any civil or administrative pro-  
7 ceeding, for a disclosure made by an individual de-  
8 scribed in paragraph (1) if—

9 (A) the individual was employed by, or, in  
10 the case of a registered representative, affiliated  
11 or associated with, the covered financial institu-  
12 tion at the time of the disclosure; and

13 (B) before the time of the disclosure, the  
14 covered financial institution provided the train-  
15 ing described in section 492 to each individual  
16 described in section 492(a).

17 **SEC. 492. TRAINING REQUIRED.**

18 (a) IN GENERAL.—A covered financial institution  
19 may provide training described in subsection (b)(1) to  
20 each officer or employee of, or registered representative  
21 affiliated or associated with, the covered financial institu-  
22 tion who—

23 (1) is described in section 491(b)(1)(A);

1           (2) may come into contact with a senior citizen  
2           as a regular part of the duties of the officer, em-  
3           ployee, or registered representative; or

4           (3) may review or approve the financial docu-  
5           ments, records, or transactions of a senior citizen in  
6           connection with providing financial services to a sen-  
7           ior citizen.

8           (b) TRAINING.—

9           (1) IN GENERAL.—The training described in  
10          this paragraph shall—

11           (A) instruct any individual attending the  
12           training on how to identify and report the sus-  
13           pected exploitation of a senior citizen;

14           (B) discuss the need to protect the privacy  
15           and respect the integrity of each individual cus-  
16           tomer of a covered financial institution; and

17           (C) be appropriate to the job responsibil-  
18           ities of the individual attending the training.

19           (2) TIMING.—The training required under sub-  
20          section (a) shall be provided as soon as reasonably  
21          practicable but not later than 1 year after the date  
22          on which an officer, employee, or registered rep-  
23          resentative begins employment with or becomes af-  
24          filiated or associated with the covered financial insti-  
25          tution.

1           (3) BANK SECRECY ACT OFFICER.—An indi-  
 2       vidual who is designated as a compliance officer  
 3       under an anti-money laundering program established  
 4       pursuant to section 5318(h) of title 31, United  
 5       States Code, shall be deemed to have received the  
 6       training described under this subsection.

7   **SEC. 493. RELATIONSHIP TO STATE LAW.**

8       Nothing in this Act shall be construed to preempt or  
 9       limit any provision of State law, except only to the extent  
 10      that section 1091 provides a greater level of protection  
 11      against liability to an individual described in section  
 12      491(b)(1) or to a covered financial institution described  
 13      in section 491(b)(2) than is provided under State law.

14       **Subtitle S—National Securities**  
 15       **Exchange Regulatory Parity**

16   **SEC. 496. APPLICATION OF EXEMPTION.**

17      Section 18(b)(1) of the Securities Act of 1933 (15  
 18      U.S.C. 77r(b)(1)), as amended by section 456(b), is fur-  
 19      ther amended—

20           (1) by striking subparagraph (A);

21           (2) in subparagraph (B), by striking “that the  
 22      Commission determines by rule (on its own initiative  
 23      or on the basis of a petition) are substantially simi-  
 24      lar to the listing standards applicable to securities

described in subparagraph (A)” and inserting “that  
have been approved by the Commission”;

(3) in subparagraph (C), by striking “or (B)”;  
and

(4) by redesignating subparagraphs (B), (C),  
and (D) as subparagraphs (A), (B), and (C), respec-  
tively.

## **Subtitle T—Private Company Flexibility and Growth**

### **SEC. 497. SHAREHOLDER THRESHOLD FOR REGISTRATION.**

The Securities Exchange Act of 1934 (15 U.S.C. 78a  
et seq.) is amended—

(1) in section 12(g)—

(A) in paragraph (1)—

(i) by striking “shall—” and all that  
follows through “register such security”  
and inserting “shall, not later than 120  
days after the last day of its first fiscal  
year ended after the effective date of this  
subsection on which the issuer has total as-  
sets exceeding \$10,000,000 (or such great-  
er amount of assets as the Commission  
may establish by rule) and a class of eq-  
uity security (other than an exempted se-  
curity) held of record by 2,000 or more

persons (or such greater number of persons as the Commission may establish by rule), register such security”; and

(ii) by adding at the end the following: “The dollar figure in this paragraph shall be indexed for inflation every 5 years by the Commission to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, rounded to the nearest \$100,000.”; and

(B) in paragraph (4), by striking “300 persons” and all that follows through “1,200 persons persons” and inserting “1,200 persons”; and

(2) in section 15(d)(1), by striking “300 persons” and all that follows through “1,200 persons persons” and inserting “1,200 persons”.

## **Subtitle U—Small Company Capital Formation Enhancements**

### **SEC. 498. JOBS ACT-RELATED EXEMPTION.**

Section 3(b) of the Securities Act of 1933 (15 U.S.C. 77c(b)) is amended—

(1) in paragraph (2)(A), by striking “\$50,000,000” and inserting “\$75,000,000, ad-

1       justed for inflation by the Commission every 2 years  
2       to the nearest \$10,000 to reflect the change in the  
3       Consumer Price Index for All Urban Consumers  
4       published by the Bureau of Labor Statistics”; and

5               (2) in paragraph (5)—

6                       (A) by striking “such amount as” and in-  
7                       serting: “such amount, in addition to the ad-  
8                       justment for inflation provided for under such  
9                       paragraph (2)(A), as”; and

10                      (B) by striking “such amount, it” and in-  
11                      serting “such amount, in addition to the adjust-  
12                      ment for inflation provided for under such  
13                      paragraph (2)(A), it”.

## 14       **Subtitle V—Encouraging Public** 15       **Offerings**

### 16       **SEC. 499. EXPANDING TESTING THE WATERS AND CON-** 17       **FIDENTIAL SUBMISSIONS.**

18       The Securities Act of 1933 (15 U.S.C. 77a et seq.)  
19       is amended—

20               (1) in section 5(d), by striking “an emerging  
21       growth company or any person authorized to act on  
22       behalf of an emerging growth company” and insert-  
23       ing “an issuer or any person authorized to act on  
24       behalf of an issuer”; and

25               (2) in section 6(e)—

(A) in the heading, by striking “EMERGING GROWTH COMPANIES” and inserting “DRAFT REGISTRATION STATEMENTS”; and

(B) by amending paragraph (1) to read as follows:

“(1) IN GENERAL.—Any issuer, prior to its initial public offering date, may confidentially submit to the Commission a draft registration statement, for confidential nonpublic review by the staff of the Commission prior to public filing, provided that the initial confidential submission and all amendments thereto shall be publicly filed with the Commission not later than 15 days before the date on which the issuer conducts a road show, as such term is defined in section 230.433(h)(4) of title 17, Code of Federal Regulations, or any successor thereto.”.

## **TITLE V—REGULATORY RELIEF FOR MAIN STREET AND COMMUNITY FINANCIAL INSTITUTIONS**

### **Subtitle A—Preserving Access to Manufactured Housing**

#### **SEC. 501. MORTGAGE ORIGINATOR DEFINITION.**

Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

1           (1) by redesignating the second subsection (cc)  
2           and subsection (dd) as subsections (dd) and (ee), re-  
3           spectively; and

4           (2) in paragraph (2)(C) of subsection (dd), as  
5           so redesignated, by striking “an employee of a re-  
6           tailer of manufactured homes who is not described  
7           in clause (i) or (iii) of subparagraph (A) and who  
8           does not advise a consumer on loan terms (including  
9           rates, fees, and other costs)” and inserting “a re-  
10          tailer of manufactured or modular homes or its em-  
11          ployees unless such retailer or its employees receive  
12          compensation or gain for engaging in activities de-  
13          scribed in subparagraph (A) that is in excess of any  
14          compensation or gain received in a comparable cash  
15          transaction”.

16 **SEC. 502. HIGH-COST MORTGAGE DEFINITION.**

17          Section 103 of the Truth in Lending Act (15 U.S.C.  
18          1602), as amended by section 501, is further amended—

19           (1) by redesignating subsection (aa) (relating to  
20           disclosure of greater amount or percentage), as so  
21           designated by section 1100A of the Consumer Fi-  
22           nancial Protection Act of 2010, as subsection (bb);

23           (2) by redesignating subsection (bb) (relating to  
24           high cost mortgages), as so designated by section  
25           1100A of the Consumer Financial Protection Act of

2010, as subsection (aa), and moving such subsection to immediately follow subsection (z); and

(3) in subsection (aa)(1)(A), as so redesignated—

(A) in clause (i)(I), by striking “(8.5 percentage points, if the dwelling is personal property and the transaction is for less than \$50,000)” and inserting “(10 percentage points if the dwelling is personal property or is a transaction that does not include the purchase of real property on which a dwelling is to be placed, and the transaction is for less than \$75,000 (as such amount is adjusted by the Consumer Law Enforcement Agency to reflect the change in the Consumer Price Index))”; and

(B) in clause (ii)—

(i) in subclause (I), by striking “or” at the end; and

(ii) by adding at the end the following:

“(III) in the case of a transaction for less than \$75,000 (as such amount is adjusted by the Consumer Law Enforcement Agency to reflect

1 the change in the Consumer Price  
 2 Index) in which the dwelling is per-  
 3 sonal property (or is a consumer cred-  
 4 it transaction that does not include  
 5 the purchase of real property on  
 6 which a dwelling is to be placed) the  
 7 greater of 5 percent of the total trans-  
 8 action amount or \$3,000 (as such  
 9 amount is adjusted by the Consumer  
 10 Law Enforcement Agency to reflect  
 11 the change in the Consumer Price  
 12 Index); or”.

## 13 **Subtitle B—Mortgage Choice**

### 14 **SEC. 506. DEFINITION OF POINTS AND FEES.**

15 (a) AMENDMENT TO SECTION 103 OF TILA.—Para-  
 16 graph (4) of section 103(aa) of the Truth in Lending Act,  
 17 as redesignated by section 502, is amended—

18 (1) by striking “paragraph (1)(B)” and insert-  
 19 ing “paragraph (1)(A) and section 129C”;

20 (2) in subparagraph (C)—

21 (A) by inserting “and insurance” after  
 22 “taxes”;

23 (B) in clause (ii), by inserting “, except as  
 24 retained by a creditor or its affiliate as a result  
 25 of their participation in an affiliated business

1 arrangement (as defined in section 3(7) of the  
2 Real Estate Settlement Procedures Act of 1974  
3 (12 U.S.C. 2602(7))” after “compensation”;  
4 and

5 (C) by striking clause (iii) and inserting  
6 the following:

7 “(iii) the charge is—

8 “(I) a bona fide third-party charge  
9 not retained by the mortgage originator,  
10 creditor, or an affiliate of the creditor or  
11 mortgage originator; or

12 “(II) a charge set forth in section  
13 106(e)(1);”; and

14 (3) in subparagraph (D)—

15 (A) by striking “accident,”; and

16 (B) by striking “or any payments” and in-  
17 serting “and any payments”.

18 (b) AMENDMENT TO SECTION 129C OF TILA.—Sec-  
19 tion 129C of the Truth in Lending Act (15 U.S.C. 1639c)  
20 is amended—

21 (1) in subsection (a)(5)(C), by striking “103”  
22 and all that follows through “or mortgage origi-  
23 nator” and inserting “103(aa)(4)”; and

1 (2) in subsection (b)(2)(C)(i), by striking “103”  
 2 and all that follows through “or mortgage origi-  
 3 nator)” and inserting “103(aa)(4)”.

4 **Subtitle C—Financial Institution**  
 5 **Customer Protection**

6 **SEC. 511. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**  
 7 **NATION REQUESTS AND ORDERS.**

8 (a) TERMINATION REQUESTS OR ORDERS MUST BE  
 9 MATERIAL.—

10 (1) IN GENERAL.—An appropriate Federal  
 11 banking agency may not formally or informally re-  
 12 quest or order a depository institution to terminate  
 13 a specific customer account or group of customer ac-  
 14 counts or to otherwise restrict or discourage a de-  
 15 pository institution from entering into or maintain-  
 16 ing a banking relationship with a specific customer  
 17 or group of customers unless—

18 (A) the agency has a material reason for  
 19 such request or order; and

20 (B) such reason is not based solely on rep-  
 21 utation risk.

22 (2) TREATMENT OF NATIONAL SECURITY  
 23 THREATS.—If an appropriate Federal banking agen-  
 24 cy believes a specific customer or group of customers  
 25 is, or is acting as a conduit for, an entity which—

1 (A) poses a threat to national security;

2 (B) is involved in terrorist financing;

3 (C) is an agency of the government of  
4 Iran, North Korea, Syria, or any country listed  
5 from time to time on the State Sponsors of  
6 Terrorism list;

7 (D) is located in, or is subject to the juris-  
8 diction of, any country specified in subpara-  
9 graph (C); or

10 (E) does business with any entity described  
11 in subparagraph (C) or (D), unless the appro-  
12 priate Federal banking agency determines that  
13 the customer or group of customers has used  
14 due diligence to avoid doing business with any  
15 entity described in subparagraph (C) or (D),  
16 such belief shall satisfy the requirement under para-  
17 graph (1).

18 (b) NOTICE REQUIREMENT.—

19 (1) IN GENERAL.—If an appropriate Federal  
20 banking agency formally or informally requests or  
21 orders a depository institution to terminate a spe-  
22 cific customer account or a group of customer ac-  
23 counts, the agency shall—

24 (A) provide such request or order to the  
25 institution in writing; and

1 (B) accompany such request or order with  
2 a written justification for why such termination  
3 is needed, including any specific laws or regula-  
4 tions the agency believes are being violated by  
5 the customer or group of customers, if any.

6 (2) JUSTIFICATION REQUIREMENT.—A jus-  
7 tification described under paragraph (1)(B) may not  
8 be based solely on the reputation risk to the deposi-  
9 tory institution.

10 (c) CUSTOMER NOTICE.—

11 (1) NOTICE REQUIRED.—Except as provided  
12 under paragraph (2), if an appropriate Federal  
13 banking agency orders a depository institution to  
14 terminate a specific customer account or a group of  
15 customer accounts, the depository institution shall  
16 inform the customer or customers of the justification  
17 for the customer's account termination described  
18 under subsection (b).

19 (2) NOTICE PROHIBITED IN CASES OF NA-  
20 TIONAL SECURITY.—If an appropriate Federal bank-  
21 ing agency requests or orders a depository institu-  
22 tion to terminate a specific customer account or a  
23 group of customer accounts based on a belief that  
24 the customer or customers pose a threat to national  
25 security, or are otherwise described under subsection

1 (a)(2), neither the depository institution nor the ap-  
2 propriate Federal banking agency may inform the  
3 customer or customers of the justification for the  
4 customer's account termination.

5 (d) REPORTING REQUIREMENT.—Each appropriate  
6 Federal banking agency shall issue an annual report to  
7 the Congress stating—

8 (1) the aggregate number of specific customer  
9 accounts that the agency requested or ordered a de-  
10 pository institution to terminate during the previous  
11 year; and

12 (2) the legal authority on which the agency re-  
13 lied in making such requests and orders and the fre-  
14 quency on which the agency relied on each such au-  
15 thority.

16 (e) DEFINITIONS.—For purposes of this section:

17 (1) APPROPRIATE FEDERAL BANKING AGEN-  
18 CY.—The term “appropriate Federal banking agen-  
19 cy” means—

20 (A) the appropriate Federal banking agen-  
21 cy, as defined under section 3 of the Federal  
22 Deposit Insurance Act (12 U.S.C. 1813); and

23 (B) the National Credit Union Administra-  
24 tion, in the case of an insured credit union.

1           (2) DEPOSITORY INSTITUTION.—The term “de-  
2       pository institution” means—

3           (A) a depository institution, as defined  
4       under section 3 of the Federal Deposit Insur-  
5       ance Act (12 U.S.C. 1813); and

6           (B) an insured credit union.

7       **SEC. 512. AMENDMENTS TO THE FINANCIAL INSTITUTIONS**  
8                 **REFORM, RECOVERY, AND ENFORCEMENT**  
9                 **ACT OF 1989.**

10       Section 951 of the Financial Institutions Reform, Re-  
11       covery, and Enforcement Act of 1989 (12 U.S.C. 1833a)  
12       is amended—

13           (1) in subsection (c)(2), by striking “affecting  
14       a federally insured financial institution” and insert-  
15       ing “against a federally insured financial institution  
16       or by a federally insured financial institution against  
17       an unaffiliated third person”; and

18           (2) in subsection (g)—

19           (A) in the heading, by striking “SUB-  
20       POENAS” and inserting “INVESTIGATIONS”; and

21           (B) by amending paragraph (1)(C) to read  
22       as follows:

23           “(C) summon witnesses and require the  
24       production of any books, papers, correspond-  
25       ence, memoranda, or other records which the

1 Attorney General deems relevant or material to  
2 the inquiry, if the Attorney General—

3 “(i) requests a court order from a  
4 court of competent jurisdiction for such ac-  
5 tions and offers specific and articulable  
6 facts showing that there are reasonable  
7 grounds to believe that the information or  
8 testimony sought is relevant and material  
9 for conducting an investigation under this  
10 section; or

11 “(ii) either personally or through dele-  
12 gation no lower than the Deputy Attorney  
13 General, issues and signs a subpoena for  
14 such actions and such subpoena is sup-  
15 ported by specific and articulable facts  
16 showing that there are reasonable grounds  
17 to believe that the information or testi-  
18 mony sought is relevant for conducting an  
19 investigation under this section.”.

1     **Subtitle D—Portfolio Lending and**  
2                     **Mortgage Access**

3     **SEC. 516. SAFE HARBOR FOR CERTAIN LOANS HELD ON**  
4                     **PORTFOLIO.**

5             (a) IN GENERAL.—Section 129C of the Truth in  
6     Lending Act (15 U.S.C. 1639c) is amended by adding at  
7     the end the following:

8             “(j) SAFE HARBOR FOR CERTAIN LOANS HELD ON  
9     PORTFOLIO.—

10             “(1) SAFE HARBOR FOR CREDITORS THAT ARE  
11     DEPOSITORY INSTITUTIONS.—

12             “(A) IN GENERAL.—A creditor that is a  
13     depository institution shall not be subject to  
14     suit for failure to comply with subsection (a),  
15     (c)(1), or (f)(2) of this section or section 129H  
16     with respect to a residential mortgage loan, and  
17     the banking regulators shall treat such loan as  
18     a qualified mortgage, if—

19             “(i) the creditor has, since the origi-  
20     nation of the loan, held the loan on the  
21     balance sheet of the creditor; and

22             “(ii) all prepayment penalties with re-  
23     spect to the loan comply with the limita-  
24     tions described under subsection (c)(3).

1           “(B) EXCEPTION FOR CERTAIN TRANS-  
2           FERS.—In the case of a depository institution  
3           that transfers a loan originated by that institu-  
4           tion to another depository institution by reason  
5           of the bankruptcy or failure of the originating  
6           depository institution or the purchase of the  
7           originating depository institution, the depository  
8           institution transferring such loan shall be  
9           deemed to have complied with the requirement  
10          under subparagraph (A)(i).

11          “(2) SAFE HARBOR FOR MORTGAGE ORIGINA-  
12          TORS.—A mortgage originator shall not be subject  
13          to suit for a violation of section 129B(c)(3)(B) for  
14          steering a consumer to a residential mortgage loan  
15          if—

16               “(A) the creditor of such loan is a deposi-  
17               tory institution and has informed the mortgage  
18               originator that the creditor intends to hold the  
19               loan on the balance sheet of the creditor for the  
20               life of the loan; and

21               “(B) the mortgage originator informs the  
22               consumer that the creditor intends to hold the  
23               loan on the balance sheet of the creditor for the  
24               life of the loan.

1           “(3) DEFINITIONS.—For purposes of this sub-  
2       section:

3           “(A) BANKING REGULATORS.—The term  
4       ‘banking regulators’ means the Federal banking  
5       agencies, the Consumer Law Enforcement  
6       Agency, and the National Credit Union Admin-  
7       istration.

8           “(B) DEPOSITORY INSTITUTION.—The  
9       term ‘depository institution’ has the meaning  
10      given that term under section 19(b)(1) of the  
11      Federal Reserve Act (12 U.S.C. 505(b)(1)).

12          “(C) FEDERAL BANKING AGENCIES.—The  
13      term ‘Federal banking agencies’ has the mean-  
14      ing given that term under section 3 of the Fed-  
15      eral Deposit Insurance Act.”.

16      (b) RULE OF CONSTRUCTION.—Nothing in the  
17      amendment made by this section may be construed as pre-  
18      venting a balloon loan from qualifying for the safe harbor  
19      provided under section 129C(j) of the Truth in Lending  
20      Act if the balloon loan otherwise meets all of the require-  
21      ments under such subsection (j), regardless of whether the  
22      balloon loan meets the requirements described under  
23      clauses (i) through (iv) of section 129C(b)(2)(E) of such  
24      Act.

1       **Subtitle E—Application of the**  
2       **Expedited Funds Availability Act**

3       **SEC. 521. APPLICATION OF THE EXPEDITED FUNDS AVAIL-**  
4       **ABILITY ACT.**

5           (a) IN GENERAL.—The Expedited Funds Availability  
6       Act (12 U.S.C. 4001 et seq.) is amended—

7           (1) in section 602(20) (12 U.S.C. 4001(20)) by  
8       inserting “, located in the United States,” after  
9       “ATM”;

10          (2) in section 602(21) (12 U.S.C. 4001(21)) by  
11       inserting “American Samoa, the Commonwealth of  
12       the Northern Mariana Islands,” after “Puerto  
13       Rico,”;

14          (3) in section 602(23) (12 U.S.C. 4001(23)) by  
15       inserting “American Samoa, the Commonwealth of  
16       the Northern Mariana Islands,” after “Puerto  
17       Rico,”; and

18          (4) in section 603(d)(2)(A) (12 U.S.C.  
19       4002(d)(2)(A)), by inserting “American Samoa, the  
20       Commonwealth of the Northern Mariana Islands,”  
21       after “Puerto Rico,”.

22          (b) EFFECTIVE DATE.—This section shall take effect  
23       on January 1, 2017.

## **Subtitle F—Small Bank Holding Company Policy Statement**

### **SEC. 526. CHANGES REQUIRED TO SMALL BANK HOLDING COMPANY POLICY STATEMENT ON ASSESS- MENT OF FINANCIAL AND MANAGERIAL FAC- TORS.**

(a) IN GENERAL.—Before the end of the 6-month pe-  
riod beginning on the date of the enactment of this Act,  
the Board of Governors of the Federal Reserve System  
shall revise the Small Bank Holding Company Policy  
Statement on Assessment of Financial and Managerial  
Factors (12 C.F.R. part 225—appendix C) to raise the  
consolidated asset threshold under such policy statement  
from \$1,000,000,000 (as adjusted by Public Law 113–  
250) to \$10,000,000,000.

(b) CONFORMING AMENDMENT.—Subparagraph (C)  
of section 171(b)(5) of the Dodd-Frank Wall Street Re-  
form and Consumer Protection Act (12 U.S.C.  
5371(b)(5)) is amended to read as follows:

“(C) any bank holding company or savings  
and loan holding company that is subject to the  
application of the Small Bank Holding Com-  
pany Policy Statement on Assessment of Finan-  
cial and Managerial Factors of the Board of  
Governors (12 C.F.R. part 225—appendix C).”.

1   **Subtitle G—Community Institution**  
2                   **Mortgage Relief**

3   **SEC. 531. COMMUNITY FINANCIAL INSTITUTION MORTGAGE**  
4                   **RELIEF.**

5           (a) EXEMPTION FROM ESCROW REQUIREMENTS FOR  
6   LOANS HELD BY SMALLER CREDITORS.—Section 129D  
7   of the Truth in Lending Act (15 U.S.C. 1639d) is amend-  
8   ed—

9           (1) by adding at the end the following:

10          “(k) SAFE HARBOR FOR LOANS HELD BY SMALLER  
11   CREDITORS.—

12           “(1) IN GENERAL.—A creditor shall not be in  
13   violation of subsection (a) with respect to a loan if—

14           “(A) the creditor has consolidated assets of  
15           \$10,000,000,000 or less; and

16           “(B) the creditor holds the loan on the bal-  
17   ance sheet of the creditor for the 3-year period  
18   beginning on the date of the origination of the  
19   loan.

20          “(2) EXCEPTION FOR CERTAIN TRANSFERS.—

21   In the case of a creditor that transfers a loan to an-  
22   other person by reason of the bankruptcy or failure  
23   of the creditor, the purchase of the creditor, or a su-  
24   pervisory act or recommendation from a State or  
25   Federal regulator, the creditor shall be deemed to

1 have complied with the requirement under para-  
 2 graph (1)(B).”; and

3 (2) by striking the term “Board” each place  
 4 such term appears and inserting “Consumer Law  
 5 Enforcement Agency”.

6 (b) MODIFICATION TO EXEMPTION FOR SMALL  
 7 SERVICERS OF MORTGAGE LOANS.—Section 6 of the Real  
 8 Estate Settlement Procedures Act of 1974 (12 U.S.C.  
 9 2605) is amended by adding at the end the following:

10 “(n) SMALL SERVICER EXEMPTION.—The Consumer  
 11 Law Enforcement Agency shall, by regulation, provide ex-  
 12 emptions to, or adjustments for, the provisions of this sec-  
 13 tion for a servicer that annually services 20,000 or fewer  
 14 mortgage loans, in order to reduce regulatory burdens  
 15 while appropriately balancing consumer protections.”.

## 16 **Subtitle H—Financial Institutions** 17 **Examination Fairness and Reform**

### 18 **SEC. 536. TIMELINESS OF EXAMINATION REPORTS.**

19 (a) IN GENERAL.—The Federal Financial Institu-  
 20 tions Examination Council Act of 1978 (12 U.S.C. 3301  
 21 et seq.) is amended by adding at the end the following:

#### 22 **“SEC. 1012. TIMELINESS OF EXAMINATION REPORTS.**

23 “(a) IN GENERAL.—

24 “(1) FINAL EXAMINATION REPORT.—A Federal  
 25 financial institutions regulatory agency shall provide

1 a final examination report to a financial institution  
2 not later than 60 days after the later of—

3 “(A) the exit interview for an examination  
4 of the institution; or

5 “(B) the provision of additional informa-  
6 tion by the institution relating to the examina-  
7 tion.

8 “(2) EXIT INTERVIEW.—If a financial institu-  
9 tion is not subject to a resident examiner program,  
10 the exit interview shall occur not later than the end  
11 of the 9-month period beginning on the commence-  
12 ment of the examination, except that such period  
13 may be extended by the Federal financial institu-  
14 tions regulatory agency by providing written notice  
15 to the institution and the Independent Examination  
16 Review Director describing with particularity the  
17 reasons that a longer period is needed to complete  
18 the examination.

19 “(b) EXAMINATION MATERIALS.—Upon the request  
20 of a financial institution, the Federal financial institutions  
21 regulatory agency shall include with the final report an  
22 appendix listing all examination or other factual informa-  
23 tion relied upon by the agency in support of a material  
24 supervisory determination.

1 **“SEC. 1013. EXAMINATION STANDARDS.**

2 “(a) IN GENERAL.—In the examination of a financial  
3 institution—

4 “(1) a commercial loan shall not be placed in  
5 non-accrual status solely because the collateral for  
6 such loan has deteriorated in value;

7 “(2) a modified or restructured commercial loan  
8 shall be removed from non-accrual status if the bor-  
9 rower demonstrates the ability to perform on such  
10 loan over a maximum period of 6 months, except  
11 that with respect to loans on a quarterly, semi-  
12 annual, or longer repayment schedule such period  
13 shall be a maximum of 3 consecutive repayment pe-  
14 riods;

15 “(3) a new appraisal on a performing commer-  
16 cial loan shall not be required unless an advance of  
17 new funds is involved; and

18 “(4) in classifying a commercial loan in which  
19 there has been deterioration in collateral value, the  
20 amount to be classified shall be the portion of the  
21 deficiency relating to the decline in collateral value  
22 and repayment capacity of the borrower.

23 “(b) WELL CAPITALIZED INSTITUTIONS.—The Fed-  
24 eral financial institutions regulatory agencies may not re-  
25 quire a financial institution that is well capitalized to raise

1 additional capital in lieu of an action prohibited under  
2 subsection (a).

3 “(c) CONSISTENT LOAN CLASSIFICATIONS.—The  
4 Federal financial institutions regulatory agencies shall de-  
5 velop and apply identical definitions and reporting require-  
6 ments for non-accrual loans.

7 **“SEC. 1014. OFFICE OF INDEPENDENT EXAMINATION RE-**  
8 **VIEW.**

9 “(a) ESTABLISHMENT.—There is established in the  
10 Council an Office of Independent Examination Review  
11 (the ‘Office’).

12 “(b) HEAD OF OFFICE.—There is established the po-  
13 sition of the Independent Examination Review Director  
14 (the ‘Director’), as the head of the Office. The Director  
15 shall be appointed by the Council and shall be independent  
16 from any member agency of the Council.

17 “(c) STAFFING.—The Director is authorized to hire  
18 staff to support the activities of the Office.

19 “(d) DUTIES.—The Director shall—

20 “(1) receive and, at the Director’s discretion,  
21 investigate complaints from financial institutions,  
22 their representatives, or another entity acting on be-  
23 half of such institutions, concerning examinations,  
24 examination practices, or examination reports;

1           “(2) hold meetings, at least once every three  
2           months and in locations designed to encourage par-  
3           ticipation from all sections of the United States,  
4           with financial institutions, their representatives, or  
5           another entity acting on behalf of such institutions,  
6           to discuss examination procedures, examination  
7           practices, or examination policies;

8           “(3) review examination procedures of the Fed-  
9           eral financial institutions regulatory agencies to en-  
10          sure that the written examination policies of those  
11          agencies are being followed in practice and adhere to  
12          the standards for consistency established by the  
13          Council;

14          “(4) conduct a continuing and regular review of  
15          examination quality assurance for all examination  
16          types conducted by the Federal financial institutions  
17          regulatory agencies;

18          “(5) adjudicate any supervisory appeal initiated  
19          under section 1015; and

20          “(6) report annually to the Committee on Fi-  
21          nancial Services of the House of Representatives, the  
22          Committee on Banking, Housing, and Urban Affairs  
23          of the Senate, and the Council, on the reviews car-  
24          ried out pursuant to paragraphs (3) and (4), includ-  
25          ing compliance with the requirements set forth in

1 section 1012 regarding timeliness of examination re-  
 2 ports, and the Council’s recommendations for im-  
 3 provements in examination procedures, practices,  
 4 and policies.

5 “(e) CONFIDENTIALITY.—The Director shall keep  
 6 confidential all meetings with, discussions with, and infor-  
 7 mation provided by financial institutions.

8 **“SEC. 1015. RIGHT TO INDEPENDENT REVIEW OF MATERIAL**  
 9 **SUPERVISORY DETERMINATIONS.**

10 “(a) IN GENERAL.—A financial institution shall have  
 11 the right to obtain an independent review of a material  
 12 supervisory determination contained in a final report of  
 13 examination.

14 “(b) NOTICE.—

15 “(1) TIMING.—A financial institution seeking  
 16 review of a material supervisory determination under  
 17 this section shall file a written notice with the Inde-  
 18 pendent Examination Review Director (the ‘Direc-  
 19 tor’) within 60 days after receiving the final report  
 20 of examination that is the subject of such review.

21 “(2) IDENTIFICATION OF DETERMINATION.—

22 The written notice shall identify the material super-  
 23 visory determination that is the subject of the inde-  
 24 pendent examination review, and a statement of the  
 25 reasons why the institution believes that the deter-

1       mination is incorrect or should otherwise be modi-  
2       fied.

3               “(3) INFORMATION TO BE PROVIDED TO INSTI-  
4       TUTION.—Any information relied upon by the agen-  
5       cy in the final report that is not in the possession  
6       of the financial institution may be requested by the  
7       financial institution and shall be delivered promptly  
8       by the agency to the financial institution.

9               “(c) RIGHT TO HEARING.—

10              “(1) IN GENERAL.—The Director shall deter-  
11       mine the merits of the appeal on the record or, at  
12       the financial institution’s election, shall refer the ap-  
13       peal to an Administrative Law Judge to conduct a  
14       confidential hearing pursuant to the procedures set  
15       forth under sections 556 and 557 of title 5, United  
16       States Code, which hearing shall take place not later  
17       than 60 days after the petition for review was re-  
18       ceived by the Director, and to issue a proposed deci-  
19       sion to the Director based upon the record estab-  
20       lished at such hearing.

21              “(2) STANDARD OF REVIEW.—In rendering a  
22       determination or recommendation under this sub-  
23       section, neither the Administrative Law Judge nor  
24       the Director shall defer to the opinions of the exam-  
25       iner or agency, but shall conduct a de novo review

1 to independently determine the appropriateness of  
2 the agency's decision based upon the relevant stat-  
3 utes, regulations, and other appropriate guidance, as  
4 well as evidence adduced at any hearing.

5 “(d) FINAL DECISION.—A decision by the Director  
6 on an independent review under this section shall—

7 “(1) be made not later than 60 days after the  
8 record has been closed; and

9 “(2) be deemed final agency action and shall  
10 bind the agency whose supervisory determination  
11 was the subject of the review and the financial insti-  
12 tution requesting the review.

13 “(e) RIGHT TO JUDICIAL REVIEW.—A financial insti-  
14 tution shall have the right to petition for review of final  
15 agency action under this section by filing a Petition for  
16 Review within 60 days of the Director's decision in the  
17 United States Court of Appeals for the District of Colum-  
18 bia Circuit or the Circuit in which the financial institution  
19 is located.

20 “(f) REPORT.—The Director shall report annually to  
21 the Committee on Financial Services of the House of Rep-  
22 resentatives and the Committee on Banking, Housing, and  
23 Urban Affairs of the Senate on actions taken under this  
24 section, including the types of issues that the Director has  
25 reviewed and the results of those reviews. In no case shall

1 such a report contain information about individual finan-  
2 cial institutions or any confidential or privileged informa-  
3 tion shared by financial institutions.

4 “(g) RETALIATION PROHIBITED.—A Federal finan-  
5 cial institutions regulatory agency may not—

6 “(1) retaliate against a financial institution, in-  
7 cluding service providers, or any institution-affiliated  
8 party (as defined under section 3 of the Federal De-  
9 posit Insurance Act), for exercising appellate rights  
10 under this section; or

11 “(2) delay or deny any agency action that  
12 would benefit a financial institution or any institu-  
13 tion-affiliated party on the basis that an appeal  
14 under this section is pending under this section.

15 “(h) RULE OF CONSTRUCTION.—Nothing in this sec-  
16 tion may be construed—

17 “(1) to affect the right of a Federal financial  
18 institutions regulatory agency to take enforcement  
19 or other supervisory actions related to a material su-  
20 pervisory determination under review under this sec-  
21 tion; or

22 “(2) to prohibit the review under this section of  
23 a material supervisory determination with respect to  
24 which there is an ongoing enforcement or other su-  
25 pervisory action.”.

1 (b) ADDITIONAL AMENDMENTS.—

2 (1) RIEGLE COMMUNITY DEVELOPMENT AND  
3 REGULATORY IMPROVEMENT ACT OF 1994.—Section  
4 309 of the Riegle Community Development and Reg-  
5 ulatory Improvement Act of 1994 (12 U.S.C. 4806)  
6 is amended—

7 (A) in subsection (a), by inserting after  
8 “appropriate Federal banking agency” the fol-  
9 lowing: “, the Consumer Law Enforcement  
10 Agency,”;

11 (B) in subsection (b)—

12 (i) in paragraph (2), by striking “the  
13 appellant from retaliation by agency exam-  
14 iners” and inserting “the insured deposi-  
15 tory institution or insured credit union  
16 from retaliation by the agencies referred to  
17 in subsection (a)”;

18 (ii) by adding at the end the following  
19 flush-left text:

20 “For purposes of this subsection and subsection (e), retal-  
21 iation includes delaying consideration of, or withholding  
22 approval of, any request, notice, or application that other-  
23 wise would have been approved, but for the exercise of the  
24 institution’s or credit union’s rights under this section.”;

25 (C) in subsection (e)(2)—

1 (i) in subparagraph (B), by striking  
2 “and” at the end;

3 (ii) in subparagraph (C), by striking  
4 the period and inserting “; and”; and

5 (iii) by adding at the end the fol-  
6 lowing:

7 “(D) ensure that appropriate safeguards  
8 exist for protecting the insured depository insti-  
9 tution or insured credit union from retaliation  
10 by any agency referred to in subsection (a) for  
11 exercising its rights under this subsection.”;  
12 and

13 (D) in subsection (f)(1)(A)—

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

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

18 (iii) by adding at the end the fol-  
19 lowing:

20 “(iv) any issue specifically listed in an  
21 exam report as a matter requiring atten-  
22 tion by the institution’s management or  
23 board of directors; and

24 “(v) any suspension or removal of an  
25 institution’s status as eligible for expedited

1 processing of applications, requests, no-  
2 tices, or filings on the grounds of a super-  
3 visory or compliance concern, regardless of  
4 whether that concern has been cited as a  
5 basis for another material supervisory de-  
6 termination or matter requiring attention  
7 in an examination report, provided that the  
8 conduct at issue did not involve violation of  
9 any criminal law; and”.

10 (2) FEDERAL CREDIT UNION ACT.—Section  
11 205(j) of the Federal Credit Union Act (12 U.S.C.  
12 1785(j)) is amended by inserting “the Consumer  
13 Law Enforcement Agency,” before “the Administra-  
14 tion” each place such term appears.

15 (3) FEDERAL FINANCIAL INSTITUTIONS EXAM-  
16 INATION COUNCIL ACT OF 1978.—The Federal Fi-  
17 nancial Institutions Examination Council Act of  
18 1978 (12 U.S.C. 3301 et seq.) is amended—

19 (A) in section 1003, by amending para-  
20 graph (1) to read as follows:

21 “(1) the term ‘Federal financial institutions  
22 regulatory agencies’—

23 “(A) means the Office of the Comptroller  
24 of the Currency, the Board of Governors of the  
25 Federal Reserve System, the Federal Deposit

1 Insurance Corporation, and the National Credit  
 2 Union Administration; and

3 “(B) for purposes of sections 1012, 1013,  
 4 1014, and 1015, includes the Consumer Law  
 5 Enforcement Agency;”; and

6 (B) in section 1005, by striking “One-  
 7 fifth” and inserting “One-fourth”.

8 **Subtitle I—National Credit Union**  
 9 **Administration Budget Trans-**  
 10 **parency**

11 **SEC. 541. BUDGET TRANSPARENCY FOR THE NCUA.**

12 Section 209(b) of the Federal Credit Union Act (12  
 13 U.S.C. 1789) is amended—

14 (1) by redesignating paragraphs (1) and (2) as  
 15 paragraphs (2) and (3), respectively;

16 (2) by inserting before paragraph (2), as so re-  
 17 designated, the following:

18 “(1) on an annual basis and prior to the sub-  
 19 mission of the detailed business-type budget required  
 20 under paragraph (2)—

21 “(A) make publicly available and cause to  
 22 be printed in the Federal Register a draft of  
 23 such detailed business-type budget; and

24 “(B) hold a public hearing, with public no-  
 25 tice provided of such hearing, wherein the pub-

1           lic can submit comments on the draft of such  
2           detailed business-type budget;” and

3           (3) in paragraph (2), as so redesignated—

4                   (A) by inserting “detailed” after “submit  
5           a”; and

6                   (B) by inserting “, and where such budget  
7           shall address any comments submitted by the  
8           public pursuant to paragraph (1)(B)” after  
9           “Control Act”.

10   **Subtitle J—Taking Account of In-**  
11   **stitutions With Low Operation**  
12   **Risk**

13   **SEC. 546. REGULATIONS APPROPRIATE TO BUSINESS MOD-**  
14   **ELS.**

15           (a) IN GENERAL.—For any regulatory action occur-  
16   ring after the date of the enactment of this Act, each Fed-  
17   eral financial institutions regulatory agency shall—

18                   (1) take into consideration the risk profile and  
19           business models of each type of institution or class  
20           of institutions subject to the regulatory action;

21                   (2) determine the necessity, appropriateness,  
22           and impact of applying such regulatory action to  
23           such institutions or classes of institutions; and

24                   (3) tailor such regulatory action in a manner  
25           that limits the regulatory compliance impact, cost, li-

1 ability risk, and other burdens, as appropriate, for  
2 the risk profile and business model of the institution  
3 or class of institutions involved.

4 (b) OTHER CONSIDERATIONS.—In carrying out the  
5 requirements of subsection (a), each Federal financial in-  
6 stitutions regulatory agency shall consider—

7 (1) the impact that such regulatory action, both  
8 by itself and in conjunction with the aggregate effect  
9 of other regulations, has on the ability of the appli-  
10 cable institution or class of institutions to serve  
11 evolving and diverse customer needs;

12 (2) the potential impact of examination manu-  
13 als, regulatory actions taken with respect to third-  
14 party service providers, or other regulatory directives  
15 that may be in conflict or inconsistent with the tai-  
16 loring of such regulatory action described in sub-  
17 section (a)(3); and

18 (3) the underlying policy objectives of the regu-  
19 latory action and statutory scheme involved.

20 (c) NOTICE OF PROPOSED AND FINAL RULE-  
21 MAKING.—Each Federal financial institutions regulatory  
22 agency shall disclose in every notice of proposed rule-  
23 making and in any final rulemaking for a regulatory ac-  
24 tion how the agency has applied subsections (a) and (b).

25 (d) REPORTS TO CONGRESS.—

1 (1) INDIVIDUAL AGENCY REPORTS.—

2 (A) IN GENERAL.—Not later than 1 year  
3 after the date of the enactment of this Act and  
4 annually thereafter, each Federal financial in-  
5 stitutions regulatory agency shall report to the  
6 Committee on Financial Services of the House  
7 of Representatives and the Committee on Bank-  
8 ing, Housing, and Urban Affairs of the Senate  
9 on the specific actions taken to tailor the regu-  
10 latory actions of the agency pursuant to the re-  
11 quirements of this Act.

12 (B) APPEARANCE BEFORE THE COMMIT-  
13 TEES.—The head of each Federal financial in-  
14 stitution regulatory agency shall appear before  
15 the Committee on Financial Services of the  
16 House of Representatives and the Committee  
17 on Banking, Housing, and Urban Affairs of the  
18 Senate after each report is made pursuant to  
19 subparagraph (A) to testify on the contents of  
20 such report.

21 (2) FIEC REPORTS.—

22 (A) IN GENERAL.—Not later than 3  
23 months after each report is submitted under  
24 paragraph (1), the Financial Institutions Ex-  
25 amination Council shall report to the Com-

mittee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on—

(i) the extent to which regulatory actions tailored pursuant to this Act result in different treatment of similarly situated institutions of diverse charter types; and

(ii) the reasons for such differential treatment.

(B) APPEARANCE BEFORE THE COMMITTEES.—The Chairman of the Financial Institutions Examination Council shall appear before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate after each report is made pursuant to subparagraph (A) to testify on the contents of such report.

(e) LIMITED LOOK-BACK APPLICATION.—

(1) IN GENERAL.—Each Federal financial institutions regulatory agency shall conduct a review of all regulations adopted during the period beginning on the date that is seven years before the date of the introduction of this Act in the House of Representa-

1       tives and ending on the date of the enactment of  
2       this Act, and apply the requirements of this Act to  
3       such regulations.

4           (2) REVISION.—If the application of the re-  
5       quirements of this Act to any such regulation re-  
6       quires such regulation to be revised, the applicable  
7       Federal financial institutions regulatory agency shall  
8       revise such regulation within 3 years of the enact-  
9       ment of this Act.

10       (f) DEFINITIONS.—In this Act, the following defini-  
11      tions shall apply:

12           (1) FEDERAL FINANCIAL INSTITUTIONS REGU-  
13      LATORY AGENCIES.—The term “Federal financial in-  
14      stitutions regulatory agencies” means the Office of  
15      the Comptroller of the Currency, the Board of Gov-  
16      ernors of the Federal Reserve System, the Federal  
17      Deposit Insurance Corporation, the National Credit  
18      Union Administration, and the Consumer Law En-  
19      forcement Agency.

20           (2) REGULATORY ACTION.—The term “regu-  
21      latory action” means any proposed, interim, or final  
22      rule or regulation, guidance, or published interpreta-  
23      tion.

**Subtitle K—Federal Savings  
Association Charter Flexibility**

**SEC. 551. OPTION FOR FEDERAL SAVINGS ASSOCIATIONS  
TO OPERATE AS A COVERED SAVINGS ASSO-  
CIATION.**

The Home Owners' Loan Act is amended by inserting  
after section 5 (12 U.S.C. 1464) the following:

**“SEC. 5A. ELECTION TO OPERATE AS A COVERED SAVINGS  
ASSOCIATION.**

“(a) DEFINITION.—In this section, the term ‘covered  
savings association’ means a Federal savings association  
that makes an election approved under subsection (b).

“(b) ELECTION.—

“(1) IN GENERAL.—Upon issuance of the rules  
described in subsection (f), a Federal savings asso-  
ciation may elect to operate as a covered savings as-  
sociation by submitting a notice to the Comptroller  
of such election.

“(2) APPROVAL.—A Federal savings association  
shall be deemed to be approved to operate as a cov-  
ered savings association on the date that is 60 days  
after the date on which the Comptroller receives the  
notice under paragraph (1), unless the Comptroller  
notifies the Federal savings association otherwise.

1       “(c) RIGHTS AND DUTIES.—Notwithstanding any  
2 other provision of law and except as otherwise provided  
3 in this section, a covered savings association shall—

4               “(1) have the same rights and privileges as a  
5 national bank that has its main office situated in the  
6 same location as the home office of the covered sav-  
7 ings association; and

8               “(2) be subject to the same duties, restrictions,  
9 penalties, liabilities, conditions, and limitations that  
10 would apply to such a national bank.

11       “(d) TREATMENT OF COVERED SAVINGS ASSOCIA-  
12 TIONS.—A covered savings association shall be treated as  
13 a Federal savings association for the purposes—

14               “(1) of governance of the covered savings asso-  
15 ciation, including incorporation, bylaws, boards of  
16 directors, shareholders, and distribution of divi-  
17 dends;

18               “(2) of consolidation, merger, dissolution, con-  
19 version (including conversion to a stock bank or to  
20 another charter), conservatorship, and receivership;  
21 and

22               “(3) determined by regulation of the Comp-  
23 troller.

24       “(e) EXISTING BRANCHES.—A covered savings asso-  
25 ciation may continue to operate any branch or agency the

1 covered savings association operated on the date on which  
2 an election under subsection (b) is approved.

3 “(f) RULEMAKING.—The Comptroller shall issue  
4 rules to carry out this section—

5 “(1) that establish streamlined standards and  
6 procedures that clearly identify required documenta-  
7 tion or timelines for an election under subsection  
8 (b);

9 “(2) that require a Federal savings association  
10 that makes an election under subsection (b) to iden-  
11 tify specific assets and subsidiaries—

12 “(A) that do not conform to the require-  
13 ments for assets and subsidiaries of a national  
14 bank; and

15 “(B) that are held by the Federal savings  
16 association on the date on which the Federal  
17 savings association submits a notice of such  
18 election;

19 “(3) that establish—

20 “(A) a transition process for bringing such  
21 assets and subsidiaries into conformance with  
22 the requirements for a national bank; and

23 “(B) procedures for allowing the Federal  
24 savings association to provide a justification for  
25 grandfathering such assets and subsidiaries

1 after electing to operate as a covered savings  
2 association;

3 “(4) that establish standards and procedures to  
4 allow a covered savings association to terminate an  
5 election under subsection (b) after an appropriate  
6 period of time or to make a subsequent election;

7 “(5) that clarify requirements for the treatment  
8 of covered savings associations, including the provi-  
9 sions of law that apply to covered savings associa-  
10 tions; and

11 “(6) as the Comptroller deems necessary and in  
12 the interests of safety and soundness.”.

## 13 **Subtitle L—SAFE Transitional** 14 **Licensing**

### 15 **SEC. 556. ELIMINATING BARRIERS TO JOBS FOR LOAN** 16 **ORIGINATORS.**

17 (a) IN GENERAL.—The S.A.F.E. Mortgage Licensing  
18 Act of 2008 (12 U.S.C. 5101 et seq.) is amended by add-  
19 ing at the end the following:

### 20 **“SEC. 1518. EMPLOYMENT TRANSITION OF LOAN ORIGINA-** 21 **TORS.**

22 “(a) TEMPORARY AUTHORITY TO ORIGINATE LOANS  
23 FOR LOAN ORIGINATORS MOVING FROM A DEPOSITORY  
24 INSTITUTION TO A NON-DEPOSITORY INSTITUTION.—

1           “(1) IN GENERAL.—Upon employment by a  
2           State-licensed mortgage company, an individual who  
3           is a registered loan originator shall be deemed to  
4           have temporary authority to act as a loan originator  
5           in an application State for the period described in  
6           paragraph (2) if the individual—

7                   “(A) has not had an application for a loan  
8                   originator license denied, or had such a license  
9                   revoked or suspended in any governmental ju-  
10                  risdiction;

11                  “(B) has not been subject to or served  
12                  with a cease and desist order in any govern-  
13                  mental jurisdiction or as described in section  
14                  1514(c);

15                  “(C) has not been convicted of a felony  
16                  that would preclude licensure under the law of  
17                  the application State;

18                  “(D) has submitted an application to be a  
19                  State-licensed loan originator in the application  
20                  State; and

21                  “(E) was registered in the Nationwide  
22                  Mortgage Licensing System and Registry as a  
23                  loan originator during the 12-month period pre-  
24                  ceding the date of submission of the informa-  
25                  tion required under section 1505(a).

1           “(2) PERIOD.—The period described in para-  
2           graph (1) shall begin on the date that the individual  
3           submits the information required under section  
4           1505(a) and shall end on the earliest of—

5                   “(A) the date that the individual with-  
6                   draws the application to be a State-licensed  
7                   loan originator in the application State;

8                   “(B) the date that the application State  
9                   denies, or issues a notice of intent to deny, the  
10                  application;

11                  “(C) the date that the application State  
12                  grants a State license; or

13                  “(D) the date that is 120 days after the  
14                  date on which the individual submits the appli-  
15                  cation, if the application is listed on the Nation-  
16                  wide Mortgage Licensing System and Registry  
17                  as incomplete.

18           “(b) TEMPORARY AUTHORITY TO ORIGINATE LOANS  
19           FOR STATE-LICENSED LOAN ORIGINATORS MOVING  
20           INTERSTATE.—

21                   “(1) IN GENERAL.—A State-licensed loan origi-  
22                   nator shall be deemed to have temporary authority  
23                   to act as a loan originator in an application State  
24                   for the period described in paragraph (2) if the  
25                   State-licensed loan originator—

1           “(A) meets the requirements of subpara-  
2           graphs (A), (B), (C), and (D) of subsection  
3           (a)(1);

4           “(B) is employed by a State-licensed mort-  
5           gage company in the application State; and

6           “(C) was licensed in a State that is not the  
7           application State during the 30-day period pre-  
8           ceding the date of submission of the informa-  
9           tion required under section 1505(a) in connec-  
10          tion with the application submitted to the appli-  
11          cation State.

12          “(2) PERIOD.—The period described in para-  
13          graph (1) shall begin on the date that the State-li-  
14          censed loan originator submits the information re-  
15          quired under section 1505(a) in connection with the  
16          application submitted to the application State and  
17          end on the earliest of—

18               “(A) the date that the State-licensed loan  
19               originator withdraws the application to be a  
20               State-licensed loan originator in the application  
21               State;

22               “(B) the date that the application State  
23               denies, or issues a notice of intent to deny, the  
24               application;

1           “(C) the date that the application State  
2           grants a State license; or

3           “(D) the date that is 120 days after the  
4           date on which the State-licensed loan originator  
5           submits the application, if the application is  
6           listed on the Nationwide Mortgage Licensing  
7           System and Registry as incomplete.

8           “(c) APPLICABILITY.—

9           “(1) Any person employing an individual who is  
10          deemed to have temporary authority to act as a loan  
11          originator in an application State pursuant to this  
12          section shall be subject to the requirements of this  
13          title and to applicable State law to the same extent  
14          as if such individual was a State-licensed loan origi-  
15          nator licensed by the application State.

16          “(2) Any individual who is deemed to have tem-  
17          porary authority to act as a loan originator in an ap-  
18          plication State pursuant to this section and who en-  
19          gages in residential mortgage loan origination activi-  
20          ties shall be subject to the requirements of this title  
21          and to applicable State law to the same extent as if  
22          such individual was a State-licensed loan originator  
23          licensed by the application State.

24          “(d) DEFINITIONS.—In this section, the following  
25          definitions shall apply:

1           “(1) STATE-LICENSED MORTGAGE COMPANY.—

2           The term ‘State-licensed mortgage company’ means  
3           an entity licensed or registered under the law of any  
4           State to engage in residential mortgage loan origina-  
5           tion and processing activities.

6           “(2) APPLICATION STATE.—The term ‘applica-  
7           tion State’ means a State in which a registered loan  
8           originator or a State-licensed loan originator seeks  
9           to be licensed.”.

10          (b) TABLE OF CONTENTS AMENDMENT.—The table  
11          of contents in section 1(b) of the Housing and Economic  
12          Recovery Act of 2008 (42 U.S.C. 4501 note) is amended  
13          by inserting after the item relating to section 1517 the  
14          following:

          “Sec. 1518. Employment transition of loan originators.”.

15          (c) AMENDMENT TO CIVIL LIABILITY OF THE CON-  
16          SUMER LAW ENFORCEMENT AGENCY AND OTHER OFFI-  
17          CIALS.—Section 1513 of the S.A.F.E. Mortgage Licensing  
18          Act of 2008 (12 U.S.C. 5112) is amended by striking “are  
19          loan originators or are applying for licensing or registra-  
20          tion as loan originators” and inserting “are applying for  
21          licensing or registration using the Nationwide Mortgage  
22          Licensing System and Registry”.

## 1                   **Subtitle M—Right to Lend**

### 2   **SEC. 561. SMALL BUSINESS LOAN DATA COLLECTION RE-** 3                   **QUIREMENT.**

4           (a) REPEAL.—Section 704B of the Equal Credit Op-  
 5   portunity Act (15 U.S.C. 1691c–2) is repealed.

6           (b) CONFORMING AMENDMENTS.—Section 701(b) of  
 7   the Equal Credit Opportunity Act (15 U.S.C. 1691(b)) is  
 8   amended—

9                   (1) in paragraph (3), by inserting “or” at the  
 10   end;

11                  (2) in paragraph (4), by striking “; or” and in-  
 12   serting a period; and

13                  (3) by striking paragraph (5).

14           (c) CLERICAL AMENDMENT.—The table of sections  
 15   for title VII of the Consumer Credit Protection Act is  
 16   amended by striking the item relating to section 704B.

## 17                   **Subtitle N—Community Bank** 18                   **Reporting Relief**

### 19   **SEC. 566. SHORT FORM CALL REPORT.**

20           (a) IN GENERAL.—Section 7(a) of the Federal De-  
 21   posit Insurance Act (12 U.S.C. 1817(a)) is amended by  
 22   adding at the end the following:

23                   “(12) SHORT FORM REPORTING.—

24                           “(A) IN GENERAL.—The appropriate Fed-  
 25   eral banking agencies shall issue regulations al-

1           lowing for a reduced reporting requirement for  
2           covered depository institutions when making the  
3           first and third report of condition for a year, as  
4           required pursuant to paragraph (3).

5           “(B) COVERED DEPOSITORY INSTITUTION  
6           DEFINED.—For purposes of this paragraph, the  
7           term ‘covered depository institution’ means an  
8           insured depository institution that—

9                   “(i) is well capitalized (as defined  
10                  under section 38(b)); and

11                  “(ii) satisfies such other criteria as  
12                  the appropriate Federal banking agencies  
13                  determine appropriate.”.

14       (b) REPORT TO CONGRESS.—Not later than 180 days  
15 after the date of the enactment of this Act, and every 365  
16 days thereafter until the appropriate Federal banking  
17 agencies (as defined under section 3 of the Federal De-  
18 posit Insurance Act) have issued the regulations required  
19 under section 7(a)(12)(A) of the Federal Deposit Insur-  
20 ance Act, such agencies shall submit to the Committee on  
21 Financial Services of the House of Representatives and  
22 the Committee on Banking, Housing, and Urban Affairs  
23 of the Senate a report describing the progress made in  
24 issuing such regulations.

1                   **Subtitle O—Homeowner**  
2                   **Information Privacy Protection**

3   **SEC. 571. STUDY REGARDING PRIVACY OF INFORMATION**  
4                   **COLLECTED UNDER THE HOME MORTGAGE**  
5                   **DISCLOSURE ACT OF 1975.**

6           (a) STUDY.—The Comptroller General of the United  
7 States shall conduct a study to determine whether the  
8 data required to be published, made available, or disclosed  
9 under the final rule, in connection with other publicly  
10 available data sources, including data made publicly avail-  
11 able under Regulation C (12 C.F.R. 1003) before the ef-  
12 fective date of the final rule, could allow for or increase  
13 the probability of—

14               (1) exposure of the identity of mortgage appli-  
15 cants or mortgagors through reverse engineering;

16               (2) exposure of mortgage applicants or mortga-  
17 gors to identity theft or the loss of sensitive personal  
18 financial information;

19               (3) the marketing or sale of unfair or deceptive  
20 financial products to mortgage applicants or mortga-  
21 gors based on such data;

22               (4) personal financial loss or emotional distress  
23 resulting from the exposure of mortgage applicants  
24 or mortgagors to identify theft or the loss of sen-  
25 sitive personal financial information; and

1           (5) the potential legal liability facing the Con-  
2           sumer Law Enforcement Agency and market partici-  
3           pants in the event the data required to be published,  
4           made available, or disclosed under the final rule  
5           leads or contributes to identity theft or the capture  
6           of sensitive personal financial information.

7           (b) REPORT.—The Comptroller General of the  
8           United States shall submit to the Committee on Financial  
9           Services of the House of Representatives and the Com-  
10          mittee on Banking, Housing, and Urban Affairs of the  
11          Senate a report that includes—

12           (1) the findings and conclusions of the Comp-  
13           troller General with respect to the study required  
14           under subsection (a); and

15           (2) any recommendations for legislative or regu-  
16           latory actions that—

17           (A) would enhance the privacy of a con-  
18           sumer when accessing mortgage credit; and

19           (B) are consistent with consumer protec-  
20           tions and safe and sound banking operations.

21          (c) SUSPENSION OF DATA SHARING REQUIRE-  
22          MENTS.—Notwithstanding any other provision of law, in-  
23          cluding the final rule—

24           (1) depository institutions shall not be required  
25           to publish, disclose, or otherwise make available to

1 the public, pursuant to the Home Mortgage Discl-  
2 sure Act of 1975 (or regulations issued under such  
3 Act) any data that was not required to be published,  
4 disclosed, or otherwise made available pursuant to  
5 such Act (or regulations issued under such Act) on  
6 the day before the date of the enactment of the  
7 Dodd-Frank Wall Street Reform and Consumer Pro-  
8 tection Act; and

9 (2) the Consumer Law Enforcement Agency  
10 and the Financial Institutions Examination Council  
11 shall not publish, disclose, or otherwise make avail-  
12 able to the public any such information received  
13 from a depository institution pursuant to the final  
14 rule.

15 (d) DEFINITIONS.—For purposes of this section:

16 (1) DEPOSITORY INSTITUTION.—The term “de-  
17 pository institution” has the meaning given that  
18 term under section 303 of the Home Mortgage Dis-  
19 closure Act of 1975 (12 U.S.C. 2802).

20 (2) FINAL RULE.—The term “final rule” means  
21 the final rule issued by the Bureau of Consumer Fi-  
22 nancial Protection titled “Home Mortgage Discl-  
23 sure (Regulation C)” (October 28, 2015; 80 Fed.  
24 Reg. 66128).

1           **Subtitle P—Home Mortgage**  
2           **Disclosure Adjustment**

3   **SEC. 576. DEPOSITORY INSTITUTIONS SUBJECT TO MAINTENANCE OF RECORDS AND DISCLOSURE REQUIREMENTS.**

6           (a) IN GENERAL.—Section 304 of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2803) is amended—

9                   (1) by redesignating subsection (i) as paragraph  
10                  (2) and adjusting the margin appropriately; and  
11                  (2) by inserting before such paragraph (2) the  
12                  following:

13               “(i) EXEMPTIONS.—

14                   “(1) IN GENERAL.—With respect to a depository institution, the requirements of subsections (a)  
15                  and (b) shall not apply—

17                           “(A) with respect to closed-end mortgage  
18                          loans, if such depository institution originated  
19                          less than 100 closed-end mortgage loans in each  
20                          of the two preceding calendar years; and

21                           “(B) with respect to open-end lines of  
22                          credit, if such depository institution originated  
23                          less than 200 open-end lines of credit in each  
24                          of the two preceding calendar years.”.

1 (b) TECHNICAL CORRECTION.—Section 304(i)(2) of  
2 such Act, as redesignated by subsection (a), is amended  
3 by striking “section 303(2)(A)” and inserting “section  
4 303(3)(A)”.

5 **Subtitle Q—Protecting Consumers’**  
6 **Access to Credit**

7 **SEC. 581. RATE OF INTEREST AFTER TRANSFER OF LOAN.**

8 (a) AMENDMENT TO THE REVISED STATUTES.—Sec-  
9 tion 5197 of the Revised Statutes of the United States  
10 (12 U.S.C. 85) is amended by adding at the end the fol-  
11 lowing new sentence: “A loan that is valid when made as  
12 to its maximum rate of interest in accordance with this  
13 section shall remain valid with respect to such rate regard-  
14 less of whether the loan is subsequently sold, assigned, or  
15 otherwise transferred to a third party, and may be en-  
16 forced by such third party notwithstanding any State law  
17 to the contrary.”.

18 (b) AMENDMENT TO THE HOME OWNERS’ LOAN  
19 ACT.—Section 4(g)(1) of the Home Owners’ Loan Act (12  
20 U.S.C. 1463(g)(1)) is amended by adding at the end the  
21 following new sentence: “A loan that is valid when made  
22 as to its maximum rate of interest in accordance with this  
23 subsection shall remain valid with respect to such rate re-  
24 gardless of whether the loan is subsequently sold, as-  
25 signed, or otherwise transferred to a third party, and may

1 be enforced by such third party notwithstanding any State  
2 law to the contrary.”.

3 (c) AMENDMENT TO THE FEDERAL CREDIT UNION  
4 ACT.—Section 205(g)(1) of the Federal Credit Union Act  
5 (12 U.S.C. 1785(g)(1)) is amended by adding at the end  
6 the following new sentence: “A loan that is valid when  
7 made as to its maximum rate of interest in accordance  
8 with this subsection shall remain valid with respect to such  
9 rate regardless of whether the loan is subsequently sold,  
10 assigned, or otherwise transferred to a third party, and  
11 may be enforced by such third party notwithstanding any  
12 State law to the contrary.”.

13 (d) AMENDMENT TO THE FEDERAL DEPOSIT INSUR-  
14 ANCE ACT.—Section 27(a) of the Federal Deposit Insur-  
15 ance Act (12 U.S.C. 1831d(a)) is amended by adding at  
16 the end the following new sentence: “A loan that is valid  
17 when made as to its maximum rate of interest in accord-  
18 ance with this section shall remain valid with respect to  
19 such rate regardless of whether the loan is subsequently  
20 sold, assigned, or otherwise transferred to a third party,  
21 and may be enforced by such third party notwithstanding  
22 any State law to the contrary.”.

## **Subtitle R—NCUA Overhead Transparency**

### **SEC. 586. FUND TRANSPARENCY.**

Section 203 of the Federal Credit Union Act (12 U.S.C. 1783) is amended by adding at the end the following:

“(g) FUND TRANSPARENCY.—

“(1) IN GENERAL.—The Board shall accompany each annual budget submitted pursuant to section 209(b) with a report containing—

“(A) a detailed analysis of how the expenses of the Administration are assigned between prudential activities and insurance-related activities and the extent to which those expenses are paid from the fees collected pursuant to section 105 or from the Fund; and

“(B) the Board’s supporting rationale for any proposed use of amounts in the Fund contained in such budget, including detailed breakdowns and supporting rationales for any such proposed use related to titles of this Act other than this title.

“(2) PUBLIC DISCLOSURE.—The Board shall make each report described under paragraph (1) available to the public.”.

1 **TITLE VI—REGULATORY RELIEF**  
2 **FOR STRONGLY CAPITALIZED,**  
3 **WELL MANAGED BANKING**  
4 **ORGANIZATIONS**

5 **SEC. 601. CAPITAL ELECTION.**

6 (a) IN GENERAL.—A banking organization may make  
7 an election under this section to be treated as a qualifying  
8 banking organization for purposes of the regulatory relief  
9 described under section 602.

10 (b) REQUIREMENTS.—A banking organization may  
11 qualify to be treated as a qualifying banking organization  
12 if—

13 (1) the banking organization has an average le-  
14 verage ratio of at least 10 percent;

15 (2) with respect to a depository institution hold-  
16 ing company, each insured depository institution  
17 subsidiary of the holding company simultaneously  
18 makes the election described under subsection (a);  
19 and

20 (3) with respect to an insured depository insti-  
21 tution, any parent depository institution holding  
22 company of the institution simultaneously makes the  
23 election described under subsection (a).

24 (c) ELECTION PROCESS.—To make an election under  
25 this section, a banking organization shall submit an elec-

tion to the appropriate Federal banking agency (and any applicable State bank supervisor that regulates the banking organization) containing—

(1) a notice of such election;

(2) the banking organization's average leverage ratio, as well as the organization's quarterly leverage ratio for each of the most recently completed four calendar quarters;

(3) if the banking organization is a depository institution holding company, the information described under paragraph (2) for each of the organization's insured depository institution subsidiaries; and

(4) if the banking organization is an insured depository institution, the information described under paragraph (2) for any parent depository institution holding company of the institution.

(d) EFFECTIVE DATE OF ELECTION.—

(1) IN GENERAL.—An election made under this section shall take effect at the end of the 30-day period beginning on the date that the appropriate Federal banking agency receives the application described under subsection (c), unless the appropriate Federal banking agency determines that the banking

1 organization has not met the requirements described  
2 under subsection (b).

3 (2) NOTICE OF FAILURE TO MEET REQUIRE-  
4 MENTS.—If the appropriate Federal banking agency  
5 determines that a banking organization submitting  
6 an election notice under subsection (c) does not meet  
7 the requirements described under subsection (b), the  
8 agency shall—

9 (A) notify the banking organization (and  
10 any applicable State bank supervisor that regu-  
11 lates the banking organization), in writing, of  
12 such determination as soon as possible after  
13 such determination is made, but in no case  
14 later than the end of the 30-day period begin-  
15 ning on the date that the appropriate Federal  
16 banking agency receives the election; and

17 (B) include in such notification the specific  
18 reasons for such determination and steps that  
19 the banking organization can take to meet such  
20 requirements.

21 (e) TREATMENT OF CERTAIN NEW BANKING ORGA-  
22 NIZATIONS.—In the case of a banking organization that  
23 is a newly-chartered insured depository institution or a  
24 banking organization that becomes a banking organization  
25 because it controls a newly-chartered insured depository

1 institution, such banking organization may be treated as  
2 a qualifying banking organization immediately upon be-  
3 coming a banking organization, if—

4 (1) an election to be treated as a qualifying  
5 banking organization was included in the application  
6 filed with the appropriate Federal banking agency in  
7 connection with becoming a banking organization;  
8 and

9 (2) as of the date the banking organization be-  
10 comes a banking organization, the banking organiza-  
11 tion's tangible equity divided by the banking organi-  
12 zation's leverage exposure, expressed as a percent-  
13 age, is at least 10 percent.

14 (f) FAILURE TO MAINTAIN QUARTERLY LEVERAGE  
15 RATIO AND LOSS OF ELECTION.—

16 (1) EFFECT OF FAILURE TO MAINTAIN QUAR-  
17 TERLY LEVERAGE RATIO.—

18 (A) IN GENERAL.—If, with respect to the  
19 most recently completed calendar quarter, the  
20 appropriate Federal banking agency determines  
21 that a qualifying banking organization's quar-  
22 terly leverage ratio is below 10 percent—

23 (i) the appropriate Federal banking  
24 agency shall notify the qualifying banking  
25 organization and any applicable State bank

1 supervisor that regulates the banking orga-  
2 nization of such determination;

3 (ii) the appropriate Federal banking  
4 agency may prohibit the banking organiza-  
5 tion from making a capital distribution;  
6 and

7 (iii) the banking organization shall,  
8 within 3 months of the first such deter-  
9 mination, submit a capital restoration plan  
10 to the appropriate Federal banking agency.

11 (B) LOSS OF ELECTION AFTER ONE-YEAR  
12 REMEDIATION PERIOD.—If a banking organiza-  
13 tion described under subparagraph (A) does  
14 not, within the 1-year period beginning on the  
15 date of such determination, raise the organiza-  
16 tion's quarterly leverage ratio for a calendar  
17 quarter ending in such 1-year period to at least  
18 10 percent, the banking organization's election  
19 under this section shall be terminated, and the  
20 appropriate Federal banking agency shall notify  
21 any applicable State bank supervisor that regu-  
22 lates the banking organization of such termi-  
23 nation.

24 (C) EFFECT OF SUBSIDIARY ON PARENT  
25 ORGANIZATION.—With respect to a qualifying

1 banking organization described under subpara-  
2 graph (A) that is an insured depository institu-  
3 tion, any parent depository institution holding  
4 company of the qualifying banking organization  
5 shall—

6 (i) if the appropriate Federal banking  
7 agency determines it appropriate, be pro-  
8 hibited from making a capital distribution  
9 (other than a capital contribution to such  
10 qualifying banking organization described  
11 under subparagraph (A)); and

12 (ii) if the qualifying banking organiza-  
13 tion has an election terminated under sub-  
14 paragraph (B), any such parent depository  
15 institution holding company shall also have  
16 its election under this section terminated.

17 (2) IMMEDIATE LOSS OF ELECTION IF THE  
18 QUARTERLY LEVERAGE RATIO FALLS BELOW 6 PER-  
19 CENT.—

20 (A) IN GENERAL.—If, with respect to the  
21 most recently completed calendar quarter, the  
22 appropriate Federal banking agency determines  
23 that a qualifying banking organization's quar-  
24 terly leverage ratio is below 6 percent, the  
25 banking organization's election under this sec-

tion shall be terminated, and the appropriate Federal banking agency shall notify any applicable State bank supervisor that regulates the banking organization of such termination.

(B) EFFECT OF SUBSIDIARY ON PARENT ORGANIZATION.—With respect to a qualifying banking organization described under subparagraph (A) that is an insured depository institution, any parent depository institution holding company of the qualifying banking organization shall also have its election under this section terminated.

(3) ABILITY TO MAKE FUTURE ELECTIONS.—If a banking organization has an election under this section terminated, the banking organization may not apply for another election under this section until the banking organization has maintained a quarterly leverage ratio of at least 10 percent for 8 consecutive calendar quarters.

**SEC. 602. REGULATORY RELIEF.**

(a) IN GENERAL.—A qualifying banking organization shall be exempt from the following:

(1) Any Federal law, rule, or regulation addressing capital or liquidity requirements or standards.

1           (2) Any Federal law, rule, or regulation that  
2           permits an appropriate Federal banking agency to  
3           object to a capital distribution.

4           (3) Any consideration by an appropriate Fed-  
5           eral banking agency of the following:

6                   (A) Any risk the qualifying banking orga-  
7                   nization may pose to “the stability of the finan-  
8                   cial system of the United States”, under section  
9                   5(c)(2) of the Bank Holding Company Act of  
10                  1956.

11                   (B) The “extent to which a proposed ac-  
12                   quisition, merger, or consolidation would result  
13                   in greater or more concentrated risks to the  
14                   stability of the United States banking or finan-  
15                   cial system”, under section 3(c)(7) of the Bank  
16                   Holding Company Act of 1956, so long as the  
17                   banking organization, after such proposed ac-  
18                   quisition, merger, or consolidation, would main-  
19                   tain a quarterly leverage ratio of at least 10  
20                   percent.

21                   (C) Whether the performance of an activity  
22                   by the banking organization could possibly pose  
23                   a “risk to the stability of the United States  
24                   banking or financial system”, under section

1 4(j)(2)(A) of the Bank Holding Company Act  
2 of 1956.

3 (D) Whether the acquisition of control of  
4 shares of a company engaged in an activity de-  
5 scribed in section 4(j)(1)(A) of the Bank Hold-  
6 ing Company Act of 1956 could possibly pose a  
7 “risk to the stability of the United States bank-  
8 ing or financial system”, under section  
9 4(j)(2)(A) of the Bank Holding Company Act  
10 of 1956, so long as the banking organization,  
11 after acquiring control of such company, would  
12 maintain a quarterly leverage ratio of at least  
13 10 percent.

14 (E) Whether a merger would pose a “risk  
15 to the stability of the United States banking or  
16 financial system”, under section 18(c)(5) of the  
17 Federal Deposit Insurance Act, so long as the  
18 banking organization, after such proposed  
19 merger, would maintain a quarterly leverage  
20 ratio of at least 10 percent.

21 (F) Any risk the qualifying banking orga-  
22 nization may pose to “the stability of the finan-  
23 cial system of the United States”, under section  
24 10(b)(4) of the Home Owners’ Loan Act.

1           (4) Subsections (i)(8) and (k)(6)(B)(ii) of sec-  
2           tion 4 and section 14 of the Bank Holding Company  
3           Act of 1956.

4           (5) Section 18(c)(13) of the Federal Deposit  
5           Insurance Act.

6           (6) Section 163 of the Financial Stability Act  
7           of 2010.

8           (7) Section 10(e)(2)(E) of the Home Owners'  
9           Loan Act.

10          (8) Any Federal law, rule, or regulation imple-  
11          menting standards of the type provided for in sub-  
12          sections (b), (c), (d), (e), (g), (h), (i), and (j) of sec-  
13          tion 165 of the Financial Stability Act of 2010.

14          (9) Any Federal law, rule, or regulation pro-  
15          viding limitations on mergers, consolidations, or ac-  
16          quisitions of assets or control, to the extent such  
17          limitations relate to capital or liquidity standards or  
18          concentrations of deposits or assets, so long as the  
19          banking organization, after such proposed merger,  
20          consolidation, or acquisition, would maintain a quar-  
21          terly leverage ratio of at least 10 percent.

22          (b) QUALIFYING BANKING ORGANIZATIONS TREAT-  
23          ED AS WELL CAPITALIZED.—A qualifying banking organi-  
24          zation shall be deemed to be “well capitalized” for pur-  
25          poses of—

1 (1) section 216 of the Federal Credit Union  
2 Act; and

3 (2) sections 29, 38, 44, and 46 of the Federal  
4 Deposit Insurance Act.

5 (c) TREATMENT OF CERTAIN RISK-WEIGHTED ASSET  
6 REQUIREMENTS FOR QUALIFYING BANKING ORGANIZA-  
7 TIONS.—

8 (1) ACQUISITION SIZE CRITERIA TREATMENT.—

9 A qualifying banking organization shall be deemed  
10 to meet the criteria described under section  
11 4(j)(4)(D) of the Bank Holding Company Act of  
12 1956, so long as after the proposed transaction the  
13 acquiring qualifying banking organization would  
14 maintain a quarterly leverage ratio of at least 10  
15 percent.

16 (2) USE OF LEVERAGE EXPOSURE.—With re-  
17 spect to a qualifying banking organization, in deter-  
18 mining whether a proposal qualifies with the criteria  
19 described under subparagraphs (A)(iii) and (B)(i) of  
20 section 4(j)(4) of the Bank Holding Company Act of  
21 1956, the Board of Governors of the Federal Re-  
22 serve System shall consider the leverage exposure of  
23 an insured depository institution instead of the total  
24 risk-weighted assets of such institution.

1 **SEC. 603. CONTINGENT CAPITAL STUDY.**

2 (a) STUDY.—The Board of Governors of the Federal  
3 Reserve System, the Federal Deposit Insurance Corpora-  
4 tion, and the Office of the Comptroller of the Currency  
5 shall each carry out a study, which shall include holding  
6 public hearings, on how to design a requirement that  
7 banking organizations issue contingent capital with a mar-  
8 ket-based conversion trigger.

9 (b) REPORT.—Not later than the end of the 1-year  
10 period beginning on the date of the enactment of this Act,  
11 each agency described under subsection (a) shall submit  
12 a report to the Congress containing—

13 (1) all findings and determinations made by the  
14 agency in carrying out the study required under sub-  
15 section (a); and

16 (2) the agency's recommendations on how the  
17 Congress should design a requirement that banking  
18 organizations issue contingent capital with a market-  
19 based conversion trigger.

20 **SEC. 604. STUDY ON ALTERING THE CURRENT PROMPT**  
21 **CORRECTIVE ACTION RULES.**

22 (a) STUDY.—The Comptroller General of the United  
23 States shall conduct a study to assess the benefits and  
24 feasibility of altering the current prompt corrective action  
25 rules and replacing the Basel-based capital ratios with the  
26 nonperforming asset coverage ratio or NACR as the trig-

ger for specific required supervisory interventions. The Comptroller General shall ensure that such study includes the following:

(1) An assessment of the performance of an NACR forward-looking measure of a banking organization's solvency condition relative to the regulatory capital ratios currently used by prompt corrective action rules.

(2) An analysis of the performance of alternative definitions of nonperforming assets.

(3) An assessment of the impact of two alternative intervention thresholds:

(A) An initial (high) intervention threshold, below which appropriate Federal banking agency examiners are required to intervene and assess a banking organization's condition and prescribe remedial measures.

(B) A lower threshold, below which banking organizations must increase their capital, seek an acquirer, or face mandatory resolution within 90 days.

(b) REPORT.—Not later than the end of the 1-year period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

1 (1) all findings and determinations made in car-  
2 rying out the study required under subsection (a);  
3 and

4 (2) recommendations on the most suitable defi-  
5 nition of nonperforming assets, as well as the two  
6 numerical thresholds that trigger specific required  
7 supervisory interventions.

8 **SEC. 605. DEFINITIONS.**

9 For purposes of this title:

10 (1) APPROPRIATE FEDERAL BANKING AGEN-  
11 CY.—The term “appropriate Federal banking agen-  
12 cy”—

13 (A) has the meaning given such term  
14 under section 3 of the Federal Deposit Insur-  
15 ance Act; and

16 (B) means the National Credit Union Ad-  
17 ministration, in the case of an insured credit  
18 union.

19 (2) BANKING ORGANIZATION.—The term  
20 “banking organization” means—

21 (A) an insured depository institution;

22 (B) an insured credit union;

23 (C) a depository institution holding com-  
24 pany;

1 (D) a company that is treated as a bank  
2 holding company for purposes of section 8 of  
3 the International Banking Act; and

4 (E) a U.S. intermediate holding company  
5 established by a foreign banking organization  
6 pursuant to section 252.153 of title 12, Code of  
7 Federal Regulations.

8 (3) FOREIGN EXCHANGE SWAP.—The term  
9 “foreign exchange swap” has the meaning given that  
10 term under section 1a of the Commodity Exchange  
11 Act.

12 (4) INSURED CREDIT UNION.—The term “in-  
13 sured credit union” has the meaning given that term  
14 under section 101 of the Federal Credit Union Act.

15 (5) LEVERAGE EXPOSURE.—The term “lever-  
16 age exposure”—

17 (A) with respect to a banking organization  
18 other than an insured credit union or a tradi-  
19 tional banking organization, has the meaning  
20 given the term “total leverage exposure” under  
21 section 3.10(c)(4)(ii), 217.10(c)(4), or  
22 324.10(c)(4) of title 12, Code of Federal Regu-  
23 lations, as applicable, as in effect on the date  
24 of the enactment of this Act;

1 (B) with respect to a traditional banking  
2 organization other than an insured credit union,  
3 means total assets (minus any items deducted  
4 from common equity tier 1 capital) as cal-  
5 culated in accordance with generally accepted  
6 accounting principles and as reported on the  
7 traditional banking organization’s applicable  
8 regulatory filing with the banking organiza-  
9 tion’s appropriate Federal banking agency; and

10 (C) with respect to a banking organization  
11 that is an insured credit union, has the mean-  
12 ing given the term “total assets” under section  
13 702.2 of title 12, Code of Federal Regulations,  
14 as in effect on the date of the enactment of this  
15 Act.

16 (6) LEVERAGE RATIO DEFINITIONS.—

17 (A) AVERAGE LEVERAGE RATIO.—With re-  
18 spect to a banking organization, the term “av-  
19 erage leverage ratio” means the average of the  
20 banking organization’s quarterly leverage ratios  
21 for each of the most recently completed four  
22 calendar quarters.

23 (B) QUARTERLY LEVERAGE RATIO.—With  
24 respect to a banking organization and a cal-  
25 endar quarter, the term “quarterly leverage

1 ratio” means the organization’s tangible equity  
2 divided by the organization’s leverage exposure,  
3 expressed as a percentage, on the last day of  
4 such quarter.

5 (7) NACR.—The term “NACR” means—

6 (A) book equity less nonperforming assets  
7 plus loan loss reserves, divided by

8 (B) total banking organization assets.

9 (8) NONPERFORMING ASSETS.—The term “non-  
10 performing assets” means—

11 (A) 20 percent of assets that are past due  
12 30 to 89 days, plus

13 (B) 50 percent of assets that are past due  
14 90 days or more, plus

15 (C) 100 percent of nonaccrual assets and  
16 other real estate owned.

17 (9) QUALIFYING BANKING ORGANIZATION.—

18 The term “qualifying banking organization” means  
19 a banking organization that has made an election  
20 under section 601 and with respect to which such  
21 election is in effect.

22 (10) SECURITY-BASED SWAP .—The term “se-  
23 curity-based swap” has the meaning given that term  
24 under section 3 of the Securities Exchange Act of  
25 1934.

1           (11) SWAP.—The term “swap” has the mean-  
2           ing given that term under section 1a of the Com-  
3           modity Exchange Act.

4           (12) TANGIBLE EQUITY.—The term “tangible  
5           equity”—

6                   (A) with respect to a banking organization  
7           other than a credit union, means the sum of—

8                           (i) common equity tier 1 capital;

9                           (ii) additional tier 1 capital consisting  
10           of instruments issued on or before the date  
11           of enactment of this Act; and

12                   (iii) with respect to a depository insti-  
13           tution holding company that had less than  
14           \$15,000,000,000 in total consolidated as-  
15           sets as of December 31, 2009, or March  
16           31, 2010, or a banking organization that  
17           was a mutual holding company as of May  
18           19, 2010, trust preferred securities issued  
19           prior to May 19, 2010, to the extent such  
20           organization was permitted, as of the date  
21           of the enactment of this Act, to consider  
22           such securities as tier 1 capital under ex-  
23           isting regulations of the appropriate Fed-  
24           eral banking agency; and

1 (B) with respect to a banking organization  
2 that is a credit union, has the meaning given  
3 the term “net worth” under section 702.2 of  
4 title 12, Code of Federal Regulations, as in ef-  
5 fect on the date of the enactment of this Act.

6 (13) TRADITIONAL BANKING ORGANIZATION.—  
7 The term “traditional banking organization” means  
8 a banking organization that—

9 (A) has zero trading assets and zero trad-  
10 ing liabilities;

11 (B) does not engage in swaps or security-  
12 based swaps, other than swaps or security-  
13 based swaps referencing interest rates or for-  
14 eign exchange swaps; and

15 (C) has a total notional exposure of swaps  
16 and security-based swaps of not more than  
17 \$8,000,000,000.

18 (14) OTHER BANKING TERMS.—The terms “in-  
19 sured depository institution” and “depository insti-  
20 tution holding company” have the meaning given  
21 those terms, respectively, under section 3 of the  
22 Federal Deposit Insurance Act.

23 (15) OTHER CAPITAL TERMS.—With respect to  
24 a banking organization, the terms “additional tier 1  
25 capital” and “common equity tier 1 capital” have

1 the meaning given such terms, respectively, under  
 2 section 3.20, 217.20, or 324.20 of title 12, Code of  
 3 Federal Regulations, as applicable, as in effect on  
 4 the date of the enactment of this Act.

5 **TITLE VII—EMPOWERING AMER-**  
 6 **ICANS TO ACHIEVE FINAN-**  
 7 **CIAL INDEPENDENCE**

8 **Subtitle A—Separation of Powers**  
 9 **and Liberty Enhancements**

10 **SEC. 711. CONSUMER LAW ENFORCEMENT AGENCY.**

11 (a) MAKING THE BUREAU AN INDEPENDENT CON-  
 12 SUMER LAW ENFORCEMENT AGENCY.—The Consumer  
 13 Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.)  
 14 is amended—

15 (1) in section 1011—

16 (A) in the heading of such section, by  
 17 striking “**BUREAU OF CONSUMER FINAN-**  
 18 **CIAL PROTECTION**” and inserting “**CON-**  
 19 **SUMER LAW ENFORCEMENT AGENCY**”;

20 (B) in subsection (a)—

21 (i) in the heading of such subsection,  
 22 by striking “**BUREAU**” and inserting  
 23 “**AGENCY**”;

24 (ii) by striking “in the Federal Re-  
 25 serve System,”;

1 (iii) by striking “independent bureau”  
 2 and inserting “independent agency”; and

3 (iv) by striking “Bureau of Consumer  
 4 Financial Protection” and inserting “Con-  
 5 sumer Law Enforcement Agency (herein-  
 6 after in this section referred to as the  
 7 ‘Agency’)”;

8 (C) in subsection (b)(5), by amending sub-  
 9 paragraph (A) to read as follows:

10 “(A) shall be appointed by the President;  
 11 and”;

12 (D) in subsection (c), by striking para-  
 13 graph (3);

14 (E) in subsection (e), by striking “, includ-  
 15 ing in cities in which the Federal reserve banks,  
 16 or branches of such banks, are located,”; and

17 (F) by striking “Bureau” each place such  
 18 term appears and inserting “Agency”; and

19 (2) in section 1012—

20 (A) in subsection (a)(10), by striking “ex-  
 21 aminations,”; and

22 (B) by striking subsection (c).

23 (b) DEEMING OF NAME.—Any reference in a law,  
 24 regulation, document, paper, or other record of the United  
 25 States to the Bureau of Consumer Financial Protection

1 shall be deemed a reference to the Consumer Law En-  
2 forcement Agency.

3 (c) CONFORMING AMENDMENTS.—

4 (1) DODD-FRANK WALL STREET REFORM AND  
5 CONSUMER PROTECTION ACT.—The Dodd-Frank  
6 Wall Street Reform and Consumer Protection Act  
7 (12 U.S.C. 5301 et seq.) is amended—

8 (A) in the table of contents in section  
9 1(b)—

10 (i) by striking “Bureau of Consumer  
11 Financial Protection” each place such term  
12 appears and inserting “Consumer Law En-  
13 forcement Agency”; and

14 (ii) in the table of contents relating to  
15 title X, in the items relating to subtitle B,  
16 subtitle C, and section 1027, by striking  
17 “Bureau” each place such term appears  
18 and inserting “Agency”;

19 (B) in section 2, by amending paragraph  
20 (4) to read as follows:

21 “(4) AGENCY.—The term ‘Agency’ means the  
22 Consumer Law Enforcement Agency established  
23 under title X.”;

1 (C) in section 342 by striking “Bureau”  
2 each place such term appears in headings and  
3 text and inserting “Agency”;

4 (D) in section 1400(b)—

5 (i) by striking “Bureau of Consumer  
6 Financial Protection” and inserting “Con-  
7 sumer Law Enforcement Agency”; and

8 (ii) in the subsection heading, by  
9 striking “BUREAU OF CONSUMER FINAN-  
10 CIAL PROTECTION” and inserting “CON-  
11 SUMER LAW ENFORCEMENT AGENCY”;

12 (E) in section 1411(a)(1), by striking “Bu-  
13 reau” and inserting “Agency”; and

14 (F) in section 1447, by striking “Director  
15 of the Bureau” each place such term appears  
16 and inserting “Director of the Consumer Law  
17 Enforcement Agency”.

18 (2) ALTERNATIVE MORTGAGE TRANSACTION  
19 PARITY ACT OF 1982.—The Alternative Mortgage  
20 Transaction Parity Act of 1982 (12 U.S.C. 3801 et  
21 seq.) is amended—

22 (A) by striking “Bureau of Consumer Fi-  
23 nancial Protection” each place such term ap-  
24 pears and inserting “Consumer Law Enforce-  
25 ment Agency”; and

1 (B) in the subsection heading of subsection  
2 (d) of section 804 (12 U.S.C. 3803(d)), by  
3 striking “BUREAU” and inserting “AGENCY”.

4 (3) ELECTRONIC FUND TRANSFER ACT.—The  
5 Electronic Fund Transfer Act (15 U.S.C. 1693 et  
6 seq.) is amended—

7 (A) by amending the second paragraph (4)  
8 (defining the term “Bureau”) to read as fol-  
9 lows:

10 “(4) the term ‘Agency’ means the Consumer  
11 Law Enforcement Agency;”;

12 (B) in section 916(d)(1), by striking “Bu-  
13 reau of Consumer Financial Protection” and in-  
14 serting “Consumer Law Enforcement Agency”;  
15 and

16 (C) by striking “Bureau” each place that  
17 term appears in heading or text and inserting  
18 “Agency”.

19 (4) EQUAL CREDIT OPPORTUNITY ACT.—The  
20 Equal Credit Opportunity Act (15 U.S.C. 1691 et  
21 seq.) is amended—

22 (A) in section 702 (15 U.S.C. 1691a), by  
23 amending subsection (c) to read as follows:

24 “(c) The term ‘Agency’ means the Consumer Law  
25 Enforcement Agency.”; and

1 (B) by striking “Bureau” each place that  
2 term appears in heading or text and inserting  
3 “Agency”.

4 (5) EXPEDITED FUNDS AVAILABILITY ACT.—  
5 The Expedited Funds Availability Act (12 U.S.C.  
6 4001 et seq.) is amended—

7 (A) by striking “Bureau of Consumer Fi-  
8 nancial Protection” each place such term ap-  
9 pears and inserting “Consumer Law Enforce-  
10 ment Agency”; and

11 (B) in the heading of section 605(f)(1), by  
12 striking “BOARD AND BUREAU” and inserting  
13 “BOARD AND AGENCY”.

14 (6) FAIR AND ACCURATE CREDIT TRANS-  
15 ACTIONS ACT OF 2003.—The Fair and Accurate  
16 Credit Transactions Act of 2003 (Public Law 108-  
17 159) is amended by striking “Bureau” each place  
18 such term appears and inserting “Agency”.

19 (7) FAIR CREDIT REPORTING ACT.—The Fair  
20 Credit Reporting Act (15 U.S.C. 1681 et seq.) is  
21 amended—

22 (A) by amending section 603(w) to read as  
23 follows:

24 “(w) AGENCY.—The term ‘Agency’ means the Con-  
25 sumer Law Enforcement Agency.”; and

1 (B) by striking “Bureau” each place such  
2 term appears, other than in sections 626 and  
3 603(v), and inserting “Agency”.

4 (8) FAIR DEBT COLLECTION PRACTICES ACT.—  
5 The Fair Debt Collection Practices Act (15 U.S.C.  
6 1692 et seq.) is amended—

7 (A) by amending section 803(1) to read as  
8 follows:

9 “(1) The term ‘Agency’ means the Consumer  
10 Law Enforcement Agency.”; and

11 (B) by striking “Bureau” each place such  
12 term appears in heading or text and inserting  
13 “Agency”.

14 (9) FEDERAL DEPOSIT INSURANCE ACT.—The  
15 Federal Deposit Insurance Act (12 U.S.C. 1811 et  
16 seq.) is amended—

17 (A) in the second paragraph (6) (with the  
18 heading “Referral to bureau of consumer finan-  
19 cial protection”) of section 8(t) (12 U.S.C.  
20 1818(t))—

21 (i) in the paragraph heading, by strik-  
22 ing “BUREAU OF CONSUMER FINANCIAL  
23 PROTECTION”; and inserting “CONSUMER  
24 LAW ENFORCEMENT AGENCY”; and

1 (ii) by striking “Bureau of Consumer  
2 Financial Protection” and inserting “Con-  
3 sumer Law Enforcement Agency”;

4 (B) by amending clause (vi) of section  
5 11(t)(2)(A) (12 U.S.C. 1821(t)(2)(A)(vi)) to  
6 read as follows:

7 “(vi) The Consumer Law Enforce-  
8 ment Agency.”;

9 (C) in section 18(x) (12 U.S.C. 1828(x)),  
10 by striking “Bureau of Consumer Financial  
11 Protection” each place such term appears and  
12 inserting “Consumer Law Enforcement Agen-  
13 cy”;

14 (D) by striking “Bureau” each place such  
15 term appears and inserting “Agency”; and

16 (E) in section 43(e) (12 U.S.C. 1831t(e)),  
17 by amending paragraph (5) to read as follows:

18 “(5) AGENCY.—The term ‘Agency’ means the  
19 Consumer Law Enforcement Agency.”.

20 (10) FEDERAL FINANCIAL INSTITUTIONS EXAM-  
21 INATION COUNCIL ACT OF 1978.—The Federal Fi-  
22 nancial Institutions Examination Council Act of  
23 1978 (12 U.S.C. 3301 et seq.) is amended—

24 (A) in section 1004(a)(4), by striking  
25 “Consumer Financial Protection Bureau” and

1 inserting “Consumer Law Enforcement Agen-  
2 cy”; and

3 (B) in section 1011, by striking “Bureau  
4 of Consumer Financial Protection” and insert-  
5 ing “Consumer Law Enforcement Agency”.

6 (11) FINANCIAL INSTITUTIONS REFORM, RE-  
7 COVERY, AND ENFORCEMENT ACT OF 1989.—The Fi-  
8 nancial Institutions Reform, Recovery, and Enforce-  
9 ment Act of 1989 (Public Law 101–73; 103 Stat.  
10 183) is amended—

11 (A) in section 1112(b) (12 U.S.C. 3341),  
12 by striking “Bureau of Consumer Financial  
13 Protection” and inserting “Consumer Law En-  
14 forcement Agency”;

15 (B) in section 1124 (12 U.S.C. 3353), by  
16 striking “Bureau of Consumer Financial Pro-  
17 tection” each place such term appears and in-  
18 serting “Consumer Law Enforcement Agency”;

19 (C) in section 1125 (12 U.S.C. 3354), by  
20 striking “Bureau of Consumer Financial Pro-  
21 tection” each place such term appears and in-  
22 serting “Consumer Law Enforcement Agency”;  
23 and

24 (D) in section 1206(a) (12 U.S.C.  
25 1833b(a)), by striking “Federal Housing Fi-

1 nance Board” and all that follows through  
2 “Farm Credit Administration” and inserting  
3 “Federal Housing Finance Board, the Con-  
4 sumer Law Enforcement Agency, and the Farm  
5 Credit Administration”.

6 (12) FINANCIAL LITERACY AND EDUCATION IM-  
7 PROVEMENT ACT.—Section 513 of the Financial Lit-  
8 eracy and Education Improvement Act (20 U.S.C.  
9 9702) is amended by striking “Bureau of Consumer  
10 Financial Protection” each place such term appears  
11 and inserting “Consumer Law Enforcement Agen-  
12 cy”.

13 (13) GRAMM-LEACH-BLILEY ACT.—Title V of  
14 the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et  
15 seq.) is amended—

16 (A) by striking “Bureau of Consumer Fi-  
17 nancial Protection” each place such term ap-  
18 pears and inserting “Consumer Law Enforce-  
19 ment Agency”; and

20 (B) in section 505(a)(8) (15 U.S.C.  
21 6805(a)(8)), by striking “Bureau” and insert-  
22 ing “Agency”.

23 (14) HOME MORTGAGE DISCLOSURE ACT OF  
24 1975.—The Home Mortgage Disclosure Act of 1975  
25 (12 U.S.C. 2801 et seq.) is amended—

1 (A) by striking “Bureau of Consumer Fi-  
2 nancial Protection” each place such term ap-  
3 pears and inserting “Consumer Law Enforce-  
4 ment Agency”;

5 (B) by striking “Bureau” each place such  
6 term appears and inserting “Agency”; and

7 (C) in section 303, by amending paragraph  
8 (1) to read as follows:

9 “(1) the term ‘Agency’ means the Consumer  
10 Law Enforcement Agency;”.

11 (15) HOMEOWNERS PROTECTION ACT OF  
12 1998.—Section 10(a)(4) of the Homeowners Protec-  
13 tion Act of 1998 (12 U.S.C. 4909(a)(4)) is amended  
14 by striking “Bureau of Consumer Financial Protec-  
15 tion” and inserting “Consumer Law Enforcement  
16 Agency”.

17 (16) HOME OWNERSHIP AND EQUITY PROTEC-  
18 TION ACT OF 1994.—Section 158(a) of the Home  
19 Ownership and Equity Protection Act of 1994 (15  
20 U.S.C. 1601 note) is amended by striking “Bureau”  
21 and inserting “Consumer Law Enforcement Agen-  
22 cy”.

23 (17) INTERSTATE LAND SALES FULL DISCLO-  
24 SURE ACT.—The Interstate Land Sales Full Disclo-  
25 sure Act (12 U.S.C. 1701 et seq.) is amended—

1 (A) by striking “Bureau of Consumer Fi-  
2 nancial Protection” each place such term ap-  
3 pears and inserting “Agency”;

4 (B) in section 1402, by amending para-  
5 graph (12) to read as follows:

6 “(12) ‘Agency’ means the Consumer Law En-  
7 forcement Agency.”; and

8 (C) in section 1416, by striking “Bureau”  
9 each place such term appears and inserting  
10 “Agency”.

11 (18) REAL ESTATE SETTLEMENT PROCEDURES  
12 ACT OF 1974.—The Real Estate Settlement Proce-  
13 dures Act of 1974 (12 U.S.C. 2601 et seq.) is  
14 amended—

15 (A) by striking “Bureau of Consumer Fi-  
16 nancial Protection” each place such term ap-  
17 pears and inserting “Consumer Law Enforce-  
18 ment Agency”;

19 (B) by striking “Bureau” each place such  
20 term appears and inserting “Agency”; and

21 (C) in section 3, by amending paragraph  
22 (9) to read as follows:

23 “(9) the term ‘Agency’ means the Consumer  
24 Law Enforcement Agency.”.

1           (19) REVISED STATUTES OF THE UNITED  
2       STATES.—Section 5136C(b)(3)(B) of the Revised  
3       Statutes of the United States (12 U.S.C.  
4       25b(b)(3)(B)) is amended by striking “Bureau of  
5       Consumer Financial Protection” and inserting “Con-  
6       sumer Law Enforcement Agency”.

7           (20) RIGHT TO FINANCIAL PRIVACY ACT OF  
8       1978.—The Right to Financial Privacy Act of 1978  
9       (12 U.S.C. 3401 et seq.) is amended—

10           (A) by amending subparagraph (B) of sec-  
11       tion 1101(7) (12 U.S.C. 3401(7)(B)) to read as  
12       follows:

13           “(B) the Consumer Law Enforcement  
14       Agency;”; and

15           (B) by striking “Bureau of Consumer Fi-  
16       nancial Protection” each place such term ap-  
17       pears in heading or text and inserting “Con-  
18       sumer Law Enforcement Agency”.

19           (21) S.A.F.E. MORTGAGE LICENSING ACT OF  
20       2008.—The S.A.F.E. Mortgage Licensing Act of  
21       2008 (12 U.S.C. 5101 et seq.) is amended—

22           (A) in section 1507, by striking “Bureau,  
23       and the Bureau of Consumer Financial Protec-  
24       tion” each place such term appears and insert-  
25       ing “Consumer Law Enforcement Agency”;

1 (B) by striking “Bureau of Consumer Fi-  
2 nancial Protection” each place such term ap-  
3 pears and inserting “Consumer Law Enforce-  
4 ment Agency”;

5 (C) by striking “Bureau” each place such  
6 appears, other than in sections 1505(a)(1),  
7 1507(a)(2)(A), and 1511(b), and inserting  
8 “Agency”;

9 (D) in section 1503, by amending para-  
10 graph (1) to read as follows:

11 “(1) AGENCY.—The term ‘Agency’ means the  
12 Consumer Law Enforcement Agency.”;

13 (E) in the heading of section 1508, by  
14 striking “**BUREAU OF CONSUMER FINAN-**  
15 **CIAL PROTECTION**” and inserting “**CON-**  
16 **SUMER LAW ENFORCEMENT AGENCY**”; and

17 (F) in the heading of section 1514, by  
18 striking “**BUREAU**” and inserting “**AGENCY**”.

19 (22) TELEMARKETING AND CONSUMER FRAUD  
20 AND ABUSE PREVENTION ACT.—The Telemarketing  
21 and Consumer Fraud and Abuse Prevention Act (15  
22 U.S.C. 6101 et seq.) is amended by striking “Bu-  
23 reau of Consumer Financial Protection” each place  
24 such term appears in heading or text and inserting  
25 “Consumer Law Enforcement Agency”.

1 (23) TITLE 5, UNITED STATES CODE.—Title 5,  
2 United States Code, is amended—

3 (A) in section 552a(w)—

4 (i) in the subsection heading, by strik-  
5 ing “BUREAU OF CONSUMER FINANCIAL  
6 PROTECTION” and inserting “CONSUMER  
7 LAW ENFORCEMENT AGENCY”;

8 (ii) by striking “Bureau of Consumer  
9 Financial Protection” and inserting “Con-  
10 sumer Law Enforcement Agency”;

11 (B) in section 609(d)(2), by striking “Con-  
12 sumer Financial Protection Bureau of the Fed-  
13 eral Reserve System” and inserting “Consumer  
14 Law Enforcement Agency”; and

15 (C) in section 3132(a)(1)(D), as amended  
16 by section 151(a)(1), is further amended by in-  
17 serting “the Consumer Law Enforcement Agen-  
18 cy,” before “and the National Credit Union Ad-  
19 ministration”.

20 (24) TITLE 10, UNITED STATES CODE.—

21 (A) SECTION 987.—Section 987(h)(3)(E)  
22 of title 10, United States Code, is amended by  
23 striking “Bureau of Consumer Financial Pro-  
24 tection” and inserting “Consumer Law En-  
25 forcement Agency”.

1 (B) NDAA FY 2015.—Section 557(a) of  
2 the Carl Levin and Howard P. “Buck” McKeon  
3 National Defense Authorization Act for Fiscal  
4 Year 2015 (Public Law 113-29; 128 Stat.  
5 3381; 10 U.S.C. 1144 note), is amended by  
6 striking “Consumer Financial Protection Bu-  
7 reau” each place such term appears and insert-  
8 ing “Consumer Law Enforcement Agency”.

9 (25) TITLE 44, UNITED STATES CODE.—Title  
10 44, United States Code, is amended—

11 (A) in section 3502(5), by striking “the  
12 Bureau of Consumer Financial Protection, the  
13 Office of Financial Research,” and inserting  
14 “the Consumer Law Enforcement Agency,”;  
15 and

16 (B) in section 3513(c), by striking “Bu-  
17 reau of Consumer Financial Protection” and in-  
18 serting “Consumer Law Enforcement Agency”.

19 (26) TRUTH IN LENDING ACT.—The Truth in  
20 Lending Act (15 U.S.C. 1601 et seq.) is amended—

21 (A) by amending section 103(b) (15 U.S.C.  
22 1602(b)) to read as follows:

23 “(b) AGENCY.—The term ‘Agency’ means the Con-  
24 sumer Law Enforcement Agency.”;

1 (B) by amending section 103(c) (15 U.S.C.  
2 1602(c)) to read as follows:

3 “(c) BOARD.—The term ‘Board’ means the Board of  
4 Governors of the Federal Reserve System.”; and

5 (C) in section 128(f) (15 U.S.C. 1638(f)),  
6 by striking “Board” each place such term ap-  
7 pears and inserting “Agency”;

8 (D) in sections 129B (15 U.S.C. 1639b)  
9 and 129C (15 U.S.C. 1639c), by striking  
10 “Board” each place such term appears and in-  
11 serting “Agency”;

12 (E) in section 140A (15 U.S.C. 1651), by  
13 striking “in consultation with the Bureau” and  
14 inserting “in consultation with the Federal  
15 Trade Commission”;

16 (F) by striking “National Credit Union  
17 Administration Bureau” each place such term  
18 appears and inserting “National Credit Union  
19 Administration Board”;

20 (G) by striking “Bureau” each place such  
21 term appears in heading or text and inserting  
22 “Agency”; and

23 (H) by striking “BUREAU” and inserting  
24 “AGENCY” in the paragraph headings for—

1 (i) section 122(d)(2) (15 U.S.C.  
2 1632(d)(2));

3 (ii) section 127(c)(5) (15 U.S.C.  
4 1637(c)(5));

5 (iii) section 127(r)(3) (15 U.S.C.  
6 1637(r)(3)); and

7 (iv) section 127A(a)(14) (15 U.S.C.  
8 1637a(a)(14)).

9 (27) TRUTH IN SAVINGS ACT.—The Truth in  
10 Savings Act (12 U.S.C. 4301 et seq.) is amended—

11 (A) by amending paragraph (4) of section  
12 274 (12 U.S.C. 4313(4)) to read as follows:

13 “(4) AGENCY.—The term ‘Agency’ means the  
14 Consumer Law Enforcement Agency.”;

15 (B) by striking “National Credit Union  
16 Administration Bureau” each place such term  
17 appears and inserting “National Credit Union  
18 Administration Board”; and

19 (C) by striking “Bureau” each place such  
20 term appears and inserting “Agency”.

21 **SEC. 712. AUTHORITY OF THE OFFICE OF INFORMATION**  
22 **AND REGULATORY AFFAIRS.**

23 Section 1022 of the Consumer Financial Protection  
24 Act of 2010 (12 U.S.C. 5512) is amended by adding at  
25 the end the following:

1       “(e) AUTHORITY OF THE OFFICE OF INFORMATION  
 2 AND REGULATORY AFFAIRS.—The Office of Information  
 3 and Regulatory Affairs shall have the same duties and au-  
 4 thorities with respect to the Consumer Law Enforcement  
 5 Agency as the Office of Information and Regulatory Af-  
 6 fairs has with respect to any other agency that is not an  
 7 independent regulatory agency (as such terms are defined,  
 8 respectively, under section 3502 of title 44, United States  
 9 Code).”.

10 **SEC. 713. BRINGING THE AGENCY INTO THE REGULAR AP-**  
 11 **PROPRIATIONS PROCESS.**

12       Section 1017 of the Consumer Financial Protection  
 13 Act of 2010 (12 U.S.C. 5497) is amended—

14           (1) in subsection (a)—

15                   (A) by amending the heading of such sub-  
 16 section to read as follows: “BUDGET, FINAN-  
 17 CIAL MANAGEMENT, AND AUDIT.—”;

18                   (B) by striking paragraphs (1), (2), and  
 19 (3);

20                   (C) by redesignating paragraphs (4) and  
 21 (5) as paragraphs (1) and (2), respectively; and

22                   (D) by striking subparagraphs (E) and (F)  
 23 of paragraph (1), as so redesignated;

24                   (2) by striking subsections (b) and (c);

1           (3) by redesignating subsections (d) and (e) as  
2           subsections (b) and (c), respectively; and

3           (4) in subsection (c), as so redesignated—

4                   (A) by striking paragraphs (1), (2), and  
5           (3) and inserting the following:

6           “(1) AUTHORIZATION OF APPROPRIATIONS.—

7           There is authorized to be appropriated to the Agen-  
8           cy for each of fiscal years 2017 and 2018 an amount  
9           equal to the aggregate amount of funds transferred  
10          by the Board of Governors to the Bureau of Con-  
11          sumer Financial Protection during fiscal year  
12          2015.”; and

13                   (B) by redesignating paragraph (4) as  
14          paragraph (2).

15 **SEC. 714. CONSUMER LAW ENFORCEMENT AGENCY INSPEC-**  
16 **TOR GENERAL REFORM.**

17          (a) APPOINTMENT OF INSPECTOR GENERAL.—The  
18          Inspector General Act of 1978 (5 U.S.C. App.) is amend-  
19          ed—

20               (1) in section 8G—

21                   (A) in subsection (a)(2), by striking “and  
22          the Bureau of Consumer Financial Protection”;

23                   (B) in subsection (c), by striking “For  
24          purposes of implementing this section” and all

1           that follows through the end of the subsection;  
2           and

3                   (C) in subsection (g)(3), by striking “and  
4           the Bureau of Consumer Financial Protection”;  
5           and

6           (2) in section 12—

7                   (A) in paragraph (1), by inserting “the  
8           Consumer Law Enforcement Agency;” after  
9           “the President of the Export-Import Bank;”;  
10          and

11                   (B) in paragraph (2), by inserting “the  
12          Consumer Law Enforcement Agency;” after  
13          “the Export-Import Bank,”.

14          (b) REQUIREMENTS FOR THE INSPECTOR GENERAL  
15          FOR THE CONSUMER LAW ENFORCEMENT AGENCY.—

16                  (1) ESTABLISHMENT.—Section 1011 of the  
17          Consumer Financial Protection Act of 2010 (12  
18          U.S.C. 5491), as amended by section 311, is further  
19          amended by adding at the end the following:

20          “(i) INSPECTOR GENERAL.—There is established the  
21          position of the Inspector General of the Agency.”; and

22                  (2) HEARINGS.—Section 1016 of the Consumer  
23          Financial Protection Act of 2010 (12 U.S.C. 5496)  
24          is amended by inserting after subsection (c) the fol-  
25          lowing:

1       “(d) ADDITIONAL REQUIREMENT FOR INSPECTOR  
2 GENERAL.—On a separate occasion from that described  
3 in subsection (a), the Inspector General of the Agency  
4 shall appear, upon invitation, before the Committee on  
5 Banking, Housing, and Urban Affairs of the Senate and  
6 the Committee on Financial Services of the House of Rep-  
7 resentatives at semi-annual hearings regarding the reports  
8 required under subsection (b) and the reports required  
9 under section 5 of the Inspector General Act of 1978 (5  
10 U.S.C. App.).”.

11           (3) PARTICIPATION IN THE COUNCIL OF IN-  
12 SPECTORS GENERAL ON FINANCIAL OVERSIGHT.—  
13 Section 989E(a)(1) of the Dodd-Frank Wall Street  
14 Reform and Consumer Protection Act is amended by  
15 adding at the end the following:

16           “(J) The Consumer Law Enforcement  
17 Agency.”.

18           (4) DEADLINE FOR APPOINTMENT.—Not later  
19 than 60 days after the date of the enactment of this  
20 Act, the President shall appoint an Inspector Gen-  
21 eral for the Consumer Law Enforcement Agency in  
22 accordance with section 3 of the Inspector General  
23 Act of 1978 (5 U.S.C. App.).

24       (c) TRANSITION PERIOD.—The Inspector General of  
25 the Board of Governors of the Federal Reserve System

1 and the Bureau of Consumer Financial Protection shall  
 2 serve in that position until the confirmation of an Inspec-  
 3 tor General for the Consumer Law Enforcement Agency.  
 4 At that time, the Inspector General of the Board of Gov-  
 5 ernors of the Federal Reserve System and the Bureau of  
 6 Consumer Financial Protection shall become the Inspector  
 7 General of the Board of Governors of the Federal Reserve  
 8 System.

9 **SEC. 715. PRIVATE PARTIES AUTHORIZED TO COMPEL THE**  
 10 **AGENCY TO SEEK SANCTIONS BY FILING**  
 11 **CIVIL ACTIONS; ADJUDICATIONS DEEMED AC-**  
 12 **TIONS.**

13 Section 1053 of the Consumer Financial Protection  
 14 Act of 2010 (12 U.S.C. 5563) is amended by adding at  
 15 the end the following:

16 “(f) PRIVATE PARTIES AUTHORIZED TO COMPEL  
 17 THE AGENCY TO SEEK SANCTIONS BY FILING CIVIL AC-  
 18 TIONS.—

19 “(1) TERMINATION OF ADMINISTRATIVE PRO-  
 20 CEEDING.—In the case of any person who is a party  
 21 to a proceeding brought by the Agency under this  
 22 section, to which chapter 5 of title 5, United States  
 23 Code, applies, and against whom an order imposing  
 24 a cease and desist order or a penalty may be issued  
 25 at the conclusion of the proceeding, that person

1 may, not later than 20 days after receiving notice of  
 2 such proceeding, and at that person’s discretion, re-  
 3 quire the Agency to terminate the proceeding.

4 “(2) CIVIL ACTION AUTHORIZED.—If a person  
 5 requires the Agency to terminate a proceeding pur-  
 6 suant to paragraph (1), the Agency may bring a civil  
 7 action against that person for the same remedy that  
 8 might be imposed.

9 “(g) ADJUDICATIONS DEEMED ACTIONS.—Any ad-  
 10 ministrative adjudication commenced under this section  
 11 shall be deemed an ‘action’ for purposes of section  
 12 1054(g).”.

13 **SEC. 716. CIVIL INVESTIGATIVE DEMANDS TO BE AP-**  
 14 **PEALED TO COURTS.**

15 Section 1052 of the Consumer Financial Protection  
 16 Act of 2010 (12 U.S.C. 5562) is amended—

17 (1) in subsection (c)—

18 (A) in paragraph (2), by inserting after  
 19 “shall state” the following: “with specificity”;  
 20 and

21 (B) by adding at the end the following:

22 “(14) MEETING REQUIREMENT.—The recipient  
 23 of a civil investigative demand shall meet and confer  
 24 with an Agency investigator within 30 calendar days  
 25 after receipt of the demand to discuss and attempt

1 to resolve all issues regarding compliance with the  
2 civil investigative demand, unless the Agency grants  
3 an extension requested by such recipient.”;

4 (2) in subsection (f)—

5 (A) by amending paragraph (1) to read as  
6 follows:

7 “(1) IN GENERAL.—Not later than 45 days  
8 after the service of any civil investigative demand  
9 upon any person under subsection (c), or at any  
10 time before the return date specified in the demand,  
11 whichever period is shorter, or within such period ex-  
12 ceeding 45 days after service or in excess of such re-  
13 turn date as may be prescribed in writing, subse-  
14 quent to service, by any Agency investigator named  
15 in the demand, such person may file, in the district  
16 court of the United States for any judicial district  
17 in which such person resides, is found, or transacts  
18 business, a petition for an order modifying or setting  
19 aside the demand.”; and

20 (B) in paragraph (2), by striking “at the  
21 Bureau”; and

22 (3) in subsection (h)—

23 (A) by striking “(1) IN GENERAL.—”; and

24 (B) by striking paragraph (2).

1 **SEC. 717. AGENCY DUAL MANDATE AND ECONOMIC ANAL-**  
2 **YSIS.**

3 (a) PURPOSE.—Section 1021(a) of the Consumer Fi-  
4 nancial Protection Act of 2010 (12 U.S.C. 5511(a)) is  
5 amended by adding at the end the following: “In addition,  
6 the Director shall seek to implement and, where applica-  
7 ble, enforce Federal consumer financial law consistently  
8 for the purpose of strengthening participation in markets  
9 by covered persons, without Government interference or  
10 subsidies, to increase competition and enhance consumer  
11 choice.”.

12 (b) OFFICE OF ECONOMIC ANALYSIS.—

13 (1) IN GENERAL.—Section 1013 of the Con-  
14 sumer Financial Protection Act of 2010 (12 U.S.C.  
15 5493) is amended by adding at the end the fol-  
16 lowing:

17 “(h) OFFICE OF ECONOMIC ANALYSIS.—

18 “(1) ESTABLISHMENT.—The Director shall, not  
19 later than the end of the 60-day period beginning on  
20 the date of the enactment of this subsection, estab-  
21 lish an Office of Economic Analysis.

22 “(2) DIRECT REPORTING.—The head of the Of-  
23 fice of Economic Analysis shall report directly to the  
24 Director.

1           “(3) REVIEW AND ASSESSMENT OF PROPOSED  
2       RULES AND REGULATIONS.—The Office of Economic  
3       Analysis shall—

4           “(A) review all proposed rules and regula-  
5       tions of the Agency;

6           “(B) assess the impact of such rules and  
7       regulations on consumer choice, price, and ac-  
8       cess to credit products; and

9           “(C) publish a report on such reviews and  
10      assessments in the Federal Register.

11          “(4) MEASURING EXISTING RULES AND REGU-  
12      LATIONS.—The Office of Economic Analysis shall—

13          “(A) review each rule and regulation  
14      issued by the Commission after 1, 2, 6, and 11  
15      years;

16          “(B) measure the rule or regulation’s suc-  
17      cess in solving the problem that the rule or reg-  
18      ulation was intended to solve when issued; and

19          “(C) publish a report on such review and  
20      measurement in the Federal Register.

21          “(5) COST-BENEFIT ANALYSIS RELATED TO AD-  
22      MINISTRATIVE ENFORCEMENT AND CIVIL AC-  
23      TIONS.—The Office of Economic Analysis shall—

24          “(A) carry out a cost-benefit analysis of  
25      any proposed administrative enforcement ac-

tion, civil lawsuit, or consent order of the Agency; and

“(B) assess the impact of such complaint, lawsuit, or order on consumer choice, price, and access to credit products.”.

(2) CONSIDERATION OF REVIEW AND ASSESSMENT; RULEMAKING REQUIREMENTS.—Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)) is amended by adding at the end the following:

“(5) CONSIDERATION OF REVIEW AND ASSESSMENT BY THE OFFICE OF ECONOMIC ANALYSIS.—Before issuing any rule or regulation, the Director shall consider the review and assessment of such rule or regulation carried out by the Office of Economic Analysis.

“(6) IDENTIFICATION OF PROBLEMS AND METRICS FOR JUDGING SUCCESS.—

“(A) IN GENERAL.—The Director shall, in each proposed rulemaking of the Agency—

“(i) identify the problem that the particular rule or regulations is seeking to solve; and

1 “(ii) specify the metrics by which the  
2 Agency will measure the success of the rule  
3 or regulation in solving such problem.

4 “(B) REQUIRED METRICS.—The metrics  
5 specified under subparagraph (A)(ii) shall in-  
6 clude a measurement of changes to consumer  
7 access to, and cost of, consumer financial prod-  
8 ucts and services.”.

9 (3) CONSIDERATION OF COST-BENEFIT REVIEW  
10 RELATED TO ADMINISTRATIVE ACTIONS.—The  
11 Dodd-Frank Wall Street Reform and Consumer Pro-  
12 tection Act (12 U.S.C. 5301 et seq.) is amended—

13 (A) in subtitle E of title X, by adding at  
14 the end the following:

15 **“SEC. 1059. CONSIDERATION OF COST-BENEFIT ANALYSIS**  
16 **RELATED TO ADMINISTRATIVE ENFORCE-**  
17 **MENT AND CIVIL ACTIONS.**

18 “Before initiating any administrative enforcement ac-  
19 tion or civil lawsuit or entering into a consent order, the  
20 Director shall consider the cost-benefit analysis of such  
21 action, lawsuit, or order carried out by the Office of Eco-  
22 nomic Analysis.”; and

23 (B) in the table of contents under section  
24 1(b), by inserting after the item relating to sec-  
25 tion 1058 the following:

“Sec. 1059. Consideration of cost-benefit analysis related to administrative enforcement and civil actions.”.

1           (c) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY  
2 ANALYSES.—The Consumer Law Enforcement Agency  
3 may perform any of the analyses required by the amend-  
4 ments made by this section in conjunction with, or as part  
5 of, any other agenda or analysis required by any other  
6 provision of law, if such other agenda or analysis satisfies  
7 the provisions of this section.

8 **SEC. 718. NO DEFERENCE TO AGENCY INTERPRETATION.**

9           The Consumer Financial Protection Act of 2010 (12  
10 U.S.C. 5481 et seq.) is amended—

11                 (1) in section 1022(b)(4)—

12                         (A) by striking “(A) IN GENERAL.—”; and

13                         (B) by striking subparagraph (B); and

14                 (2) in section 1061(b)(5)(E)—

15                         (A) by striking “affords to the—” and all  
16 that follows through “(i) Federal Trade Com-  
17 mission” and inserting “affords to the Federal  
18 Trade Commission”;

19                         (B) by striking “; or” and inserting a pe-  
20 riod; and

21                         (C) by striking clause (ii).

## **Subtitle B—Administrative Enhancements**

### **SEC. 721. ADVISORY OPINIONS.**

Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)), as amended by section 717, is further amended by adding at the end the following:

“(7) ADVISORY OPINIONS.—

“(A) ESTABLISHING PROCEDURES.—

“(i) IN GENERAL.—The Director shall establish a procedure and, as necessary, promulgate rules to provide written opinions in response to inquiries concerning the conformance of specific conduct with Federal consumer financial law. In establishing the procedure, the Director shall consult with the prudential regulators and such other Federal departments and agencies as the Director determines appropriate, and obtain the views of all interested persons through a public notice and comment period.

“(ii) SCOPE OF REQUEST.—A request for an opinion under this paragraph must relate to specific proposed or prospective

1           conduct by a covered person contemplating  
2           the proposed or prospective conduct.

3           “(iii) SUBMISSION.—A request for an  
4           opinion under this paragraph may be sub-  
5           mitted to the Director either by or on be-  
6           half of a covered person.

7           “(iv) RIGHT TO WITHDRAW IN-  
8           QUIRY.—Any inquiry under this paragraph  
9           may be withdrawn at any time prior to the  
10          Director issuing an opinion in response to  
11          such inquiry, and any opinion based on an  
12          inquiry that has been withdrawn shall have  
13          no force or effect.

14          “(B) ISSUANCE OF OPINIONS.—

15          “(i) IN GENERAL.—The Director  
16          shall, within 90 days of receiving the re-  
17          quest for an opinion under this paragraph,  
18          either—

19                  “(I) issue an opinion stating  
20                  whether the described conduct would  
21                  violate Federal consumer financial  
22                  law;

23                  “(II) if permissible under clause  
24                  (iii), deny the request; or

1                   “(III) explain why it is not fea-  
2                   sible to issue an opinion.

3                   “(ii) EXTENSION.—Notwithstanding  
4                   clause (i), if the Director determines that  
5                   the Agency requires additional time to  
6                   issue an opinion, the Director may make a  
7                   single extension of the deadline of 90 days  
8                   or less.

9                   “(iii) DENIAL OF REQUESTS.—The  
10                  Director shall not issue an opinion, and  
11                  shall so inform the requestor, if the re-  
12                  quest for an opinion—

13                   “(I) asks a general question of  
14                   interpretation;

15                   “(II) asks about a hypothetical  
16                   situation;

17                   “(III) asks about the conduct of  
18                   someone other than the covered per-  
19                   son on whose behalf the request is  
20                   made;

21                   “(IV) asks about past conduct  
22                   that the covered person on whose be-  
23                   half the request is made does not plan  
24                   to continue in the future; or

1                   “(V) fails to provide necessary  
2                   supporting information requested by  
3                   the Agency within a reasonable time  
4                   established by the Agency.

5                   “(iv) AMENDMENT AND REVOCA-  
6                   TION.—An advisory opinion issued under  
7                   this paragraph may be amended or revoked  
8                   at any time.

9                   “(v) PUBLIC DISCLOSURE.—An opin-  
10                  ion rendered pursuant to this paragraph  
11                  shall be placed in the Agency’s public  
12                  record 90 days after the requesting party  
13                  has received the advice, subject to any lim-  
14                  itations on public disclosure arising from  
15                  statutory restrictions, Agency regulations,  
16                  or the public interest. The Agency shall re-  
17                  dact any personal, confidential, or identi-  
18                  fying information about the covered person  
19                  or any other persons mentioned in the ad-  
20                  visory opinion, unless the covered person  
21                  consents to such disclosure.

22                  “(vi) REPORT TO CONGRESS.—The  
23                  Agency shall, concurrent with the semi-an-  
24                  nual report required under section  
25                  1016(b), submit information regarding the

1           number of requests for an advisory opinion  
2           received, the subject of each request, the  
3           number of requests denied pursuant to  
4           clause (iii), and the time needed to respond  
5           to each request.

6           “(C) RELIANCE ON OPINION.—Any person  
7           may rely on an opinion issued by the Director  
8           pursuant to this paragraph that has not been  
9           amended or withdrawn. No liability under Fed-  
10          eral consumer financial law shall attach to con-  
11          duct consistent with an advisory opinion that  
12          had not been amended or withdrawn at the time  
13          the conduct was undertaken.

14          “(D) CONFIDENTIALITY.—Any document  
15          or other material that is received by the Agency  
16          or any other Federal department or agency in  
17          connection with an inquiry under this para-  
18          graph shall be exempt from disclosure under  
19          section 552 of title 5, United States Code (com-  
20          monly referred to as the ‘Freedom of Informa-  
21          tion Act’) and may not, except with the consent  
22          of the covered person making such inquiry, be  
23          made publicly available, regardless of whether  
24          the Director responds to such inquiry or the

1 covered person withdraws such inquiry before  
2 receiving an opinion.

3 “(E) ASSISTANCE FOR SMALL BUSI-  
4 NESSES.—

5 “(i) IN GENERAL.—The Agency shall  
6 assist, to the maximum extent practicable,  
7 small businesses in preparing inquiries  
8 under this paragraph.

9 “(ii) SMALL BUSINESS DEFINED.—  
10 For purposes of this subparagraph, the  
11 term ‘small business’ has the meaning  
12 given the term ‘small business concern’  
13 under section 3 of the Small Business Act  
14 (15 U.S.C. 632).

15 “(F) INQUIRY FEE.—

16 “(i) IN GENERAL.—The Director shall  
17 develop a system to charge a fee for each  
18 inquiry made under this paragraph in an  
19 amount sufficient, in the aggregate, to pay  
20 for the cost of carrying out this paragraph.

21 “(ii) NOTICE AND COMMENT.—Not  
22 later than 45 days after the date of the en-  
23 actment of this paragraph, the Director  
24 shall publish a description of the fee sys-  
25 tem described in clause (i) in the Federal

1 Register and shall solicit comments from  
 2 the public for a period of 60 days after  
 3 publication.

4 “(iii) FINALIZATION.—The Director  
 5 shall publish a final description of the fee  
 6 system and implement such fee system not  
 7 later than 30 days after the end of the  
 8 public comment period described in clause  
 9 (ii).”.

10 **SEC. 722. REFORM OF CONSUMER FINANCIAL CIVIL PEN-**  
 11 **ALTY FUND.**

12 (a) SEGREGATED ACCOUNTS.—Section 1017(b) of  
 13 the Consumer Financial Protection Act of 2010, as redes-  
 14 ignated by section 713, is amended by redesignating para-  
 15 graph (2) as paragraph (3), and by inserting after para-  
 16 graph (1) the following new paragraph:

17 “(2) SEGREGATED ACCOUNTS IN CIVIL PEN-  
 18 ALTY FUND.—

19 “(A) IN GENERAL.—The Agency shall es-  
 20 tablish and maintain a segregated account in  
 21 the Civil Penalty Fund each time the Agency  
 22 obtains a civil penalty against any person in  
 23 any judicial or administrative action under Fed-  
 24 eral consumer financial laws.

1           “(B) DEPOSITS IN SEGREGATED AC-  
2           COUNTS.—The Agency shall deposit each civil  
3           penalty collected into the segregated account es-  
4           tablished for such penalty under subparagraph  
5           (A).”.

6           (b) PAYMENT TO VICTIMS.—Paragraph (3) of section  
7   1017(b) of such Act, as redesignated by subsection (a),  
8   is amended to read as follows:

9           “(3) PAYMENT TO VICTIMS.—

10          “(A) IN GENERAL.—

11           “(i) IDENTIFICATION OF CLASS.—Not  
12           later than 60 days after the date of deposit  
13           of amounts in a segregated account in the  
14           Civil Penalty Fund, the Agency shall iden-  
15           tify the class of victims of the violation of  
16           Federal consumer financial laws for which  
17           such amounts were collected and deposited  
18           under paragraph (2).

19           “(ii) PAYMENTS.—The Agency, within  
20           2 years after the date on which such class  
21           of victims is identified, shall locate and  
22           make payments from such amounts to each  
23           victim.

24          “(B) FUNDS DEPOSITED IN TREASURY.—

1                   “(i) IN GENERAL.—The Agency shall  
2                   deposit into the general fund of the Treas-  
3                   ury any amounts remaining in a seg-  
4                   regated account in the Civil Penalty Fund  
5                   at the end of the 2-year period for pay-  
6                   ments to victims under subparagraph (A).

7                   “(ii) IMPOSSIBLE OR IMPRACTICAL  
8                   PAYMENTS.—If the Agency determines be-  
9                   fore the end of the 2-year period for pay-  
10                  ments to victims under subparagraph (A)  
11                  that such victims cannot be located or pay-  
12                  ments to such victims are otherwise not  
13                  practicable, the Agency shall deposit into  
14                  the general fund of the Treasury the  
15                  amounts in the segregated account in the  
16                  Civil Penalty Fund.”.

17               (c) EFFECTIVE DATE.—

18               (1) IN GENERAL.—The amendments made by  
19               this section shall apply with respect to civil penalties  
20               collected after the date of enactment of this Act.

21               (2) AMOUNTS IN CONSUMER FINANCIAL CIVIL  
22               PENALTY FUND ON DATE OF ENACTMENT.—With  
23               respect to amounts in the Consumer Financial Civil  
24               Penalty Fund on the date of enactment of this Act  
25               that were not allocated for consumer education and

1 financial literacy programs on or before September  
2 30, 2015, the Consumer Law Enforcement Agency  
3 shall separate such amounts into segregated ac-  
4 counts in accordance with, and for purposes of, sec-  
5 tion 1017(d) of the Consumer Financial Protection  
6 Act of 2010, as amended by this section. The date  
7 of deposit of such amounts shall be deemed to be the  
8 date of enactment of this Act.

9 **SEC. 723. AGENCY PAY FAIRNESS.**

10 (a) IN GENERAL.—Section 1013(a)(2) of the Con-  
11 sumer Financial Protection Act of 2010 (12 U.S.C.  
12 5493(a)(2)) is amended to read as follows:

13 “(2) COMPENSATION.—The rates of basic pay  
14 for all employees of the Agency shall be set and ad-  
15 justed by the Director in accordance with the Gen-  
16 eral Schedule set forth in section 5332 of title 5,  
17 United States Code.”.

18 (b) EFFECTIVE DATE.—The amendment made by  
19 subsection (a) shall apply to service by an employee of the  
20 Consumer Law Enforcement Agency following the 90-day  
21 period beginning on the date of enactment of this Act.

22 **SEC. 724. ELIMINATION OF MARKET MONITORING FUNC-**  
23 **TIONS.**

24 The Consumer Financial Protection Act of 2010 (12  
25 U.S.C. 5481 et seq.) is amended—

1 (1) in section 1021(c)—

2 (A) by striking paragraph (3); and

3 (B) by redesignating paragraphs (4), (5),  
4 and (6) as paragraphs (3), (4), and (5), respec-  
5 tively;

6 (2) in section 1022, by striking subsection (c);

7 and

8 (3) in section 1026(b), by striking “, and to as-  
9 sess and detect risks to consumers and consumer fi-  
10 nancial markets”.

11 **SEC. 725. REFORMS TO MANDATORY FUNCTIONAL UNITS.**

12 The Consumer Financial Protection Act of 2010 (12  
13 U.S.C. 5481 et seq.) is amended—

14 (1) in section 1013—

15 (A) in subsection (b)—

16 (i) in paragraph (1), by striking  
17 “shall establish” and inserting “may estab-  
18 lish”;

19 (ii) in paragraph (2), by striking  
20 “shall establish” and inserting “may estab-  
21 lish”; and

22 (iii) paragraph (3)(D)—

23 (I) by striking “To facilitate  
24 preparation of the reports required  
25 under subparagraph (C), supervision

1 and enforcement activities, and moni-  
2 toring of the market for consumer fi-  
3 nancial products and services, the”  
4 and inserting “The”; and

5 (II) by adding at the end the fol-  
6 lowing: “Information collected under  
7 this paragraph may not be made pub-  
8 licly available.”;

9 (B) in subsection (c)—

10 (i) in paragraph (1), by striking  
11 “shall establish” and inserting “may estab-  
12 lish”; and

13 (ii) in paragraph (3), by striking  
14 “There is established the” and inserting  
15 “At any time when the Office of Fair  
16 Lending and Equal Opportunity exists  
17 within the Agency, there shall be a”;

18 (C) in subsection (d)—

19 (i) in paragraph (1), by striking  
20 “shall establish” and inserting “may estab-  
21 lish”;

22 (ii) in paragraph (3)—

23 (I) in subparagraph (A), by in-  
24 serting “, if such Office exists within

1 the Agency,” after “Community Af-  
2 fairs Office”; and

3 (II) in subparagraph (B), by  
4 striking “established by the Director”  
5 and inserting “, if established by the  
6 Director,”; and

7 (iii) in paragraph (4), by striking  
8 “Not later than 24 months after the des-  
9 ignated transfer date, and annually there-  
10 after,” and inserting “Annually, at any  
11 time when the Office of Financial Edu-  
12 cation exists within the Agency,”;

13 (D) in subsection (e)(1), by striking “shall  
14 establish” and inserting “may establish”;

15 (E) by striking subsection (f);

16 (F) by redesignating subsections (g) and  
17 (h) as subsections (f) and (g), respectively; and

18 (G) in subsection (f), as so redesignated—

19 (i) in paragraph (1)—

20 (I) by striking “Before the end of  
21 the 180-day period beginning on the  
22 designated transfer date, the Director  
23 shall” and inserting “The Director  
24 may”; and

1 (II) by striking “on protection  
2 from unfair, deceptive, and abusive  
3 practices and”;

4 (ii) in paragraph (2), by striking “The  
5 Office” and inserting “At any time when  
6 the Office of Financial Protection for  
7 Older Americans exists within the Agency,  
8 the Office”; and

9 (iii) in paragraph (3)—

10 (I) in subparagraph (A)—

11 (aa) by striking clause (i);

12 (bb) by redesignating  
13 clauses (ii) and (iii) as clauses (i)  
14 and (ii), respectively; and

15 (cc) in clause (ii), as so re-  
16 designated, by striking “to re-  
17 spond to consumer problems  
18 caused by unfair, deceptive, or  
19 abusive practices”;

20 (II) in subparagraph (B), by  
21 striking “and alert the Commission  
22 and State regulators of certifications  
23 or designations that are identified as  
24 unfair, deceptive, or abusive”; and

25 (III) in subparagraph (D)—

1 (aa) by striking clause (i);

2 and

3 (bb) by redesignating

4 clauses (ii) and (iii) as clauses (i)

5 and (ii), respectively;

6 (2) in section 1029(e), by inserting after “Af-

7 fairs,” the following: “if established under this

8 title,”; and

9 (3) in section 1035—

10 (A) in subsection (a), by striking “shall

11 designate” and inserting “may designate”; and

12 (B) in subsection (b), by striking “The

13 Secretary” and inserting “If the Secretary des-

14 ignates the Ombudsman under subsection (a),

15 the Secretary”.

16 **SEC. 726. REPEAL OF MANDATORY ADVISORY BOARD.**

17 (a) IN GENERAL.—Section 1014 of the Consumer Fi-

18 nancial Protection Act of 2010 (12 U.S.C. 5494) is re-

19 pealed.

20 (b) CLERICAL AMENDMENT.—The table of contents

21 in section 1(b) of the Dodd-Frank Wall Street Reform and

22 Consumer Protection Act is amended by striking the item

23 relation to section 1014.

24 (c) RULE OF CONSTRUCTION.—Nothing in this sec-

25 tion may be construed as limiting the authority of the Di-

1 rector of the Consumer Law Enforcement Agency to es-  
 2 tablish advisory committees pursuant to the Federal Advi-  
 3 sory Committee Act.

4 **SEC. 727. ELIMINATION OF SUPERVISION AUTHORITY.**

5 (a) IN GENERAL.—The Consumer Financial Protec-  
 6 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

7 (1) in section 1002(15)(B)(ii)(I), by striking  
 8 “examination or”;

9 (2) in section 1013(a)(1)(B), by striking “com-  
 10 pliance examiners, compliance supervision analysts,”;

11 (3) in section 1016(c)—

12 (A) in paragraph (5), by striking “super-  
 13 visory and”; and

14 (B) in paragraph (6), by striking “orders,  
 15 and supervisory actions” and inserting “and or-  
 16 ders”;

17 (4) in section 1024—

18 (A) in the heading, by striking “**SUPER-**  
 19 **VISION OF**” and inserting “**AUTHORITY**  
 20 **WITH RESPECT TO CERTAIN**”;

21 (B) in subsection (a)—

22 (i) in paragraph (1)(B), by striking  
 23 “as defined by rule in accordance with  
 24 paragraph (2)” and inserting “as of the

1 date of the enactment of the Financial  
2 CHOICE Act of 2017”;

3 (ii) by striking paragraph (2);

4 (iii) by redesignating paragraph (3) as  
5 paragraph (2); and

6 (iv) in subparagraph (A) of paragraph  
7 (2), as so redesignated, by striking  
8 “1025(a) or”;

9 (C) by striking subsection (b);

10 (D) by redesignating subsections (c), (d),  
11 (e), and (f) as subsections (b), (c), (d), and (e),  
12 respectively;

13 (E) in subsection (c), as so redesignated—

14 (i) in the heading, by striking “AND  
15 EXAMINATION AUTHORITY”; and

16 (ii) by striking “, conduct examina-  
17 tions,” each place such term appears;

18 (F) in subsection (d), as so redesignated—

19 (i) by inserting “rulemaking and en-  
20 forcement, but not supervisory,” before  
21 “authority of the Bureau”; and

22 (ii) by striking “conducting any exam-  
23 ination or requiring any report from a  
24 service provider subject to this subsection”  
25 and inserting “carrying out any authority

1                   pursuant to this subsection with respect to  
2                   a service provider”;

3                   (5) by striking section 1025;

4                   (6) in section 1026—

5                   (A) by amending subsection (a) to read as  
6                   follows:

7                   “(a) SCOPE OF COVERAGE.—This section shall apply  
8                   to any covered person that is an insured depository insti-  
9                   tution or an insured credit union.”;

10                   (B) in subsection (b)(3), by striking “re-  
11                   port of examination or related”;

12                   (C) by striking subsection (c);

13                   (D) by redesignating subsections (d) and  
14                   (e) as subsections (c) and (d), respectively; and

15                   (E) in subsection (d), as so redesignated—

16                   (i) by striking “section 1025” and in-  
17                   serting “this section”; and

18                   (ii) by striking “When conducting any  
19                   examination or requiring any report from a  
20                   service provider subject to this subsection”  
21                   and inserting “In carrying out any author-  
22                   ity pursuant to this subsection with respect  
23                   to a service provider”;

24                   (7) in section 1027—

1 (A) by striking “supervisory,” each place  
2 such term appears;

3 (B) in subsection (e)(1), by striking “su-  
4 pervisory or”; and

5 (C) in subsection (p), by striking “section  
6 1024(c)(1)” and inserting “section  
7 1024(b)(1)”;  
8 (8) in section 1034—

9 (A) by striking subsections (b) and (c);  
10 and

11 (B) by redesignating subsection (d) as sub-  
12 section (b);  
13 (9) in section 1053—

14 (A) in subsection (b)(1)(A), by striking  
15 “sections 1024, 1025, and 1026” and inserting  
16 “sections 1024 and 1026”; and

17 (B) in subsection (c)(3)(B)(ii)(II), by  
18 striking “, by examination or otherwise,”;

19 (10) in section 1054(a), by striking “sections  
20 1024, 1025, and 1026” and inserting “sections  
21 1024 and 1026”;

22 (11) in section 1061—

23 (A) in subsection (a)(1)—

1 (i) in subparagraph (A), by striking “;  
2 and” at the end and inserting a period;  
3 and

4 (ii) by striking subparagraph (B); and  
5 (B) in subsection (c)—

6 (i) by amending paragraph (1) to read  
7 as follows:

8 “(1) EXAMINATION.—A transferor agency that  
9 is a prudential regulator shall have exclusive author-  
10 ity (relative to the Bureau) to require reports from  
11 and conduct examinations for compliance with Fed-  
12 eral consumer financial laws with respect to a person  
13 described in section 1026(a).”;

14 (ii) in paragraph (2)—

15 (I) by striking subparagraph (A);  
16 and

17 (II) by redesignating subpara-  
18 graphs (B) and (C) as subparagraphs  
19 (A) and (B), respectively;

20 (12) in section 1063, by striking “sections  
21 1024, 1025, and 1026” each place such term ap-  
22 pears and inserting “sections 1024 and 1026”; and

23 (13) in section 1067, by striking subsection (e).

24 (b) HOME MORTGAGE DISCLOSURE ACT OF 1975.—

25 Section 305(d) of the Home Mortgage Disclosure Act of

1 1975 (12 U.S.C. 2804(d)) is amended by striking “exam-  
2 ine and”.

3 (c) OMNIBUS APPROPRIATIONS ACT, 2009.—Section  
4 626 of the Omnibus Appropriations Act, 2009 (15 U.S.C.  
5 1638 note) is repealed.

6 (d) CLERICAL AMENDMENT.—The table of contents  
7 in section 1(b) of the Dodd-Frank Wall Street Reform and  
8 Consumer Protection Act is amended—

9 (1) in the item relating to section 1024, by  
10 striking “SUPERVISION OF” and inserting “AU-  
11 THORITY WITH RESPECT TO CERTAIN”; and

12 (2) by striking the item relating to section  
13 1025.

14 **SEC. 728. TRANSFER OF OLD OTS BUILDING FROM OCC TO**  
15 **GSA.**

16 Not later than 180 days after the date of enactment  
17 of this Act, the Comptroller of the Currency shall transfer  
18 administrative jurisdiction over the Federal property lo-  
19 cated at 1700 G Street, Northwest, in the District of Co-  
20 lumbia to the Administrator of General Services.

21 **SEC. 729. LIMITATION ON AGENCY AUTHORITY.**

22 Section 1027 of the Consumer Financial Protection  
23 Act of 2010 (12 U.S.C. 5517) is amended—

24 (1) in subsection (g)(3)(A), by striking “may  
25 not exercise any rulemaking or enforcement author-

1       ity” and inserting “may not exercise any rule-  
2       making, enforcement, or other authority”;

3               (2) in subsection (i)(1), by striking “shall have  
4       no authority to exercise any power to enforce this  
5       title” and inserting “may not exercise any rule-  
6       making, enforcement, or other authority”; and

7               (3) in subsection (j)(1), by striking “shall have  
8       no authority to exercise any power to enforce this  
9       title” and inserting “may not exercise any rule-  
10      making, enforcement, or other authority”.

## 11   **Subtitle C—Policy Enhancements**

### 12   **SEC. 731. CONSUMER RIGHT TO FINANCIAL PRIVACY.**

13       (a) REQUIREMENT OF THE AGENCY TO OBTAIN PER-  
14      MISSION BEFORE COLLECTING NONPUBLIC PERSONAL  
15      INFORMATION.—Section 1022 of the Consumer Financial  
16      Protection Act of 2010 (12 U.S.C. 5512), as amended by  
17      section 724(3), is further amended by inserting after sub-  
18      section (b) the following:

19       “(c) CONSUMER PRIVACY.—

20               “(1) IN GENERAL.—The Agency may not re-  
21      quest, obtain, access, collect, use, retain, or disclose  
22      any nonpublic personal information about a con-  
23      sumer unless—

24               “(A) the Agency clearly and conspicuously  
25      discloses to the consumer, in writing or in an

1 electronic form, what information will be re-  
2 requested, obtained, accessed, collected, used, re-  
3 tained, or disclosed; and

4 “(B) before such information is requested,  
5 obtained, accessed, collected, used, retained, or  
6 disclosed, the consumer informs the Agency  
7 that such information may be requested, ob-  
8 tained, accessed, collected, used, retained, or  
9 disclosed.

10 “(2) APPLICATION OF REQUIREMENT TO CON-  
11 TRACTORS OF THE AGENCY.—Paragraph (1) shall  
12 apply to any person directed or engaged by the  
13 Agency to collect information to the extent such in-  
14 formation is being collected on behalf of the Agency.

15 “(3) DEFINITION OF NONPUBLIC PERSONAL IN-  
16 FORMATION.—In this subsection, the term ‘non-  
17 public personal information’ has the meaning given  
18 the term in section 509 of the Gramm-Leach-Bliley  
19 Act (15 U.S.C. 6809).”.

20 (b) REMOVAL OF EXEMPTION FOR THE AGENCY  
21 FROM THE RIGHT TO FINANCIAL PRIVACY ACT.—Section  
22 1113 of the Right to Financial Privacy Act of 1978 (12  
23 U.S.C. 3413) is amended by striking subsection (r).

1 **SEC. 732. REPEAL OF COUNCIL AUTHORITY TO SET ASIDE**  
2 **AGENCY RULES AND REQUIREMENT OF SAFE-**  
3 **TY AND SOUNDNESS CONSIDERATIONS WHEN**  
4 **ISSUING RULES.**

5 (a) REPEAL OF AUTHORITY.—

6 (1) IN GENERAL.—Section 1023 of the Con-  
7 sumer Financial Protection Act of 2010 (12 U.S.C.  
8 5513) is hereby repealed.

9 (2) CONFORMING AMENDMENT.—Section  
10 1022(b)(2)(C) of the Consumer Financial Protection  
11 Act of 2010 (12 U.S.C. 5512(b)(2)(C)) is amended  
12 by striking “, except that nothing in this clause shall  
13 be construed as altering or limiting the procedures  
14 under section 1023 that may apply to any rule pre-  
15 scribed by the Bureau”.

16 (3) CLERICAL AMENDMENT.—The table of con-  
17 tents under section 1(b) of the Dodd-Frank Wall  
18 Street Reform and Consumer Protection Act is  
19 amended by striking the item relating to section  
20 1023.

21 (b) SAFETY AND SOUNDNESS CHECK.—Section  
22 1022(b)(2)(A) of the Consumer Financial Protection Act  
23 of 2010 (12 U.S.C. 5512(b)(2)(A)) is amended—

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

25 (2) in clause (ii), by adding “and” at the end;

26 and

1 (3) by adding at the end the following:

2 “(iii) the impact of such rule on the  
3 financial safety or soundness of an insured  
4 depository institution;”.

5 **SEC. 733. REMOVAL OF AUTHORITY TO REGULATE SMALL-**  
6 **DOLLAR CREDIT.**

7 The Consumer Financial Protection Act of 2010 (12  
8 U.S.C. 5481 et seq.) is amended—

9 (1) in section 1024(a)(1)—

10 (A) in subparagraph (C), by adding “or”  
11 at the end;

12 (B) in subparagraph (D), by striking “;  
13 or” and inserting a period; and

14 (C) by striking subparagraph (E); and

15 (2) in section 1027, by adding at the end the  
16 following:

17 “(t) NO AUTHORITY TO REGULATE SMALL-DOLLAR  
18 CREDIT.—The Agency may not exercise any rulemaking,  
19 enforcement, or other authority with respect to payday  
20 loans, vehicle title loans, or other similar loans.”.

21 **SEC. 734. REFORMING INDIRECT AUTO FINANCING GUID-**  
22 **ANCE.**

23 (a) NULLIFICATION OF AUTO LENDING GUID-  
24 ANCE.—Bulletin 2013–02 of the Bureau of Consumer Fi-

1 nancial Protection (published March 21, 2013) shall have  
2 no force or effect.

3 (b) GUIDANCE REQUIREMENTS.—Section 1022(b) of  
4 the Consumer Financial Protection Act of 2010 (12  
5 U.S.C. 5512(b)), as amended by section 721, is further  
6 amended by adding at the end the following:

7 “(8) GUIDANCE ON INDIRECT AUTO FINANC-  
8 ING.—In proposing and issuing guidance primarily  
9 related to indirect auto financing, the Agency  
10 shall—

11 “(A) provide for a public notice and com-  
12 ment period before issuing the guidance in final  
13 form;

14 “(B) make available to the public, includ-  
15 ing on the website of the Agency, all studies,  
16 data, methodologies, analyses, and other infor-  
17 mation relied on by the Agency in preparing  
18 such guidance;

19 “(C) redact any information that is exempt  
20 from disclosure under paragraph (3), (4), (6),  
21 (7), or (8) of section 552(b) of title 5, United  
22 States Code;

23 “(D) consult with the Board of Governors  
24 of the Federal Reserve System, the Federal

1 Trade Commission, and the Department of Jus-  
 2 tice; and

3 “(E) conduct a study on the costs and im-  
 4 pacts of such guidance to consumers and  
 5 women-owned, minority-owned, veteran-owned,  
 6 and small businesses, including consumers and  
 7 small businesses in rural areas.”.

8 (c) RULE OF CONSTRUCTION.—Nothing in this sec-  
 9 tion shall be construed to apply to guidance issued by the  
 10 Consumer Law Enforcement Agency that is not primarily  
 11 related to indirect auto financing.

12 **SEC. 735. PROHIBITION OF GOVERNMENT PRICE CON-**  
 13 **TROLS FOR PAYMENT CARD TRANSACTIONS.**

14 (a) IN GENERAL.—Section 1075 of the Consumer Fi-  
 15 nancial Protection Act of 2010 is hereby repealed and the  
 16 provisions of law amended by such section are revived or  
 17 restored as if such section had not been enacted.

18 (b) CLERICAL AMENDMENT.—The table of contents  
 19 under section 1(b) of the Dodd-Frank Wall Street Reform  
 20 and Consumer Protection Act is amended by striking the  
 21 item relating to section 1075.

22 **SEC. 736. REMOVAL OF AGENCY UDAAP AUTHORITY.**

23 (a) IN GENERAL.—The Consumer Financial Protec-  
 24 tion Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

1 (1) in section 1021(b)(2), by striking “unfair,  
2 deceptive, or abusive acts and practices and”;

3 (2) by striking section 1031;

4 (3) in section 1036(a)—

5 (A) in paragraph (1)—

6 (i) by striking “provider” and all that  
7 follows through “to offer” and inserting  
8 “provider to offer”;

9 (ii) by striking subparagraph (B); and

10 (B) in paragraph (2)(C), by striking “; or”  
11 at the end and inserting a period; and

12 (C) by striking paragraph (3); and

13 (4) in section 1061(b)(5)—

14 (A) in subparagraph (B), by striking  
15 clause (ii);

16 (B) by striking subparagraph (D); and

17 (C) by redesignating subparagraph (E) (as  
18 amended by section 718(2)) as subparagraph  
19 (D); and

20 (5) in section 1076(b)(2), by striking “deter-  
21 mine—” and all that follows through “(B) provide  
22 for” and inserting “determine, provide for”.

23 (b) TELEMARKETING AND CONSUMER FRAUD AND  
24 ABUSE PREVENTION ACT.—Section 3(c) of the Tele-

1 marketing and Consumer Fraud and Abuse Prevention  
2 Act (15 U.S.C. 6102) is amended—

3 (1) in paragraph (1), by striking “; and” at the  
4 end and inserting a period;

5 (2) by striking paragraph (2); and

6 (3) by striking “subsection (a)—” and all that  
7 follows through “(1) shall” and inserting “sub-  
8 section (a) shall”.

9 (c) CLERICAL AMENDMENT.—The table of contents  
10 in section 1(b) of the Dodd-Frank Wall Street Reform and  
11 Consumer Protection Act is amended by striking the item  
12 relating to section 1031.

13 **SEC. 737. PRESERVATION OF UDAP AUTHORITY FOR FED-**  
14 **ERAL BANKING REGULATORS.**

15 (a) IN GENERAL.—Section 18(f) of the Federal  
16 Trade Commission Act (15 U.S.C. 57a(f)) is amended to  
17 read as follows:

18 “(f) UNFAIR OR DECEPTIVE ACTS OR PRACTICES BY  
19 DEPOSITORY INSTITUTIONS.—

20 “(1) IN GENERAL.—In order to prevent unfair  
21 or deceptive acts or practices in or affecting com-  
22 merce (including acts or practices which are unfair  
23 or deceptive to consumers) by depository institu-  
24 tions, each Federal banking regulator shall prescribe  
25 regulations to carry out the purposes of this section,

1 including regulations defining with specificity such  
2 unfair or deceptive acts or practices, and containing  
3 requirements prescribed for the purpose of pre-  
4 venting such acts or practices.

5 “(2) PROMULGATING SUBSTANTIALLY SIMILAR  
6 REGULATIONS.—Whenever the Commission pre-  
7 scribes a rule under subsection (a)(1)(B), then with-  
8 in 60 days after such rule takes effect each Federal  
9 banking regulator shall promulgate substantially  
10 similar regulations prohibiting acts or practices of  
11 depository institutions which are substantially simi-  
12 lar to those prohibited by rules of the Commission  
13 and which impose substantially similar requirements,  
14 unless—

15 “(A) the Federal banking regulator finds  
16 that such acts or practices of depository institu-  
17 tions are not unfair or deceptive; or

18 “(B) the Board of Governors of the Fed-  
19 eral Reserve System finds that implementation  
20 of similar regulations with respect to depository  
21 institutions would seriously conflict with essen-  
22 tial monetary and payments systems policies of  
23 such Board, and publishes any such finding,  
24 and the reasons therefor, in the Federal Reg-  
25 ister.

1 “(3) ENFORCEMENT.—

2 “(A) IN GENERAL.—Compliance with regu-  
3 lations prescribed under this subsection shall be  
4 enforced—

5 “(i) under section 8 of the Federal  
6 Deposit Insurance Act, with respect to a  
7 depository institution other than a Federal  
8 credit union; and

9 “(ii) under sections 120 and 206 of  
10 the Federal Credit Union Act, with respect  
11 to a Federal credit union.

12 “(B) DEEMING OF VIOLATION.—For the  
13 purpose of the exercise by a Federal banking  
14 regulator of the regulator’s powers under any  
15 Act referred to in subparagraph (A), a violation  
16 of any regulation prescribed under this sub-  
17 section shall be deemed to be a violation of a  
18 requirement imposed under that Act.

19 “(C) ENFORCEMENT THROUGH ANY EXIST-  
20 ING AUTHORITY.—In addition to its powers  
21 under any provision of law specifically referred  
22 to in subparagraph (A), each Federal banking  
23 regulator may exercise, for the purpose of en-  
24 forcing compliance with any regulation pre-

1           scribed under this subsection, any other author-  
2           ity conferred on the regulator by law.

3           “(4) RULE OF CONSTRUCTION.—The authority  
4           of the Board of Governors of the Federal Reserve  
5           System to issue regulations under this subsection  
6           does not impair the authority of any other Federal  
7           banking regulator to make rules respecting the regu-  
8           lator’s own procedures in enforcing compliance with  
9           regulations prescribed under this subsection.

10          “(5) REPORT TO CONGRESS.—Each Federal  
11          banking regulator exercising authority under this  
12          subsection shall transmit to the Congress each year  
13          a detailed report on its activities under this sub-  
14          section during the preceding calendar year.

15          “(6) DEFINITIONS.—For purposes of this Act:

16               “(A) BANK.—The term ‘bank’ means—

17                   “(i) national banks and Federal  
18                   branches and Federal agencies of foreign  
19                   banks;

20                   “(ii) member banks of the Federal  
21                   Reserve System (other than national  
22                   banks), branches and agencies of foreign  
23                   banks (other than Federal branches, Fed-  
24                   eral agencies, and insured State branches  
25                   of foreign banks), commercial lending com-

panies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act; and

“(iii) banks insured by the Federal Deposit Insurance Corporation (other than banks referred to in clause (i) or (ii) and insured State branches of foreign banks.

“(B) DEPOSITORY INSTITUTION.—The term ‘depository institution’ means a bank, a savings and loan institution, or a Federal credit union.

“(C) FEDERAL BANKING REGULATOR.—The term ‘Federal banking regulator’—

“(i) has the meaning given the term ‘appropriate Federal banking agency’ under section 3 of the Federal Deposit Insurance Act; and

“(ii) means the National Credit Union Administration, in the case of a Federal credit union.

“(D) FEDERAL CREDIT UNION.—The term ‘Federal credit union’ has the same meaning as in section 101 of the Federal Credit Union Act.

1                   “(E) SAVINGS AND LOAN INSTITUTION.—

2                   The term ‘savings and loan institution’ has the  
3                   same meaning as in section 3 of the Federal  
4                   Deposit Insurance Act.

5                   “(F) OTHER TERMS.—The terms used in  
6                   this paragraph that are not defined in this Act  
7                   or otherwise defined in section 3(s) of the Fed-  
8                   eral Deposit Insurance Act shall have the mean-  
9                   ing given to them in section 1(b) of the Inter-  
10                  national Banking Act of 1978.”.

11               (b) CONFORMING AMENDMENTS.—The Federal  
12 Trade Commission Act (15 U.S.C. 41 et seq.) is amend-  
13 ed—

14               (1) in section 6(j)(6), by striking “section  
15 18(f)(3) (15 U.S.C. 57a(f)(3)), a Federal credit  
16 union described in section 18(f)(4) (15 U.S.C.  
17 57a(f)(4))” and inserting “section 18(f), a Federal  
18 credit union described in section 18(f)”;

19               (2) in section 21(b)(6)(C), by striking “section  
20 18(f)(3) of the Federal Trade Commission Act (15  
21 U.S.C. 57a(f)(3)), or a Federal credit union de-  
22 scribed in section 18(f)(4) of the Federal Trade  
23 Commission Act (15 U.S.C. 57a(f)(4))” and insert-  
24 ing “18(f), or a Federal credit union described in  
25 section 18(f)”;

1           (3) by striking “section 18(f)(2)” each place  
2           such term appears and inserting “section 18(f)”;

3           (4) by striking “section 18(f)(3)” each place  
4           such term appears and inserting “section 18(f)”;  
5           and

6           (5) by striking “section 18(f)(4)” each place  
7           such term appears and inserting “section 18(f)”.

8   **SEC. 738. REPEAL OF AUTHORITY TO RESTRICT ARBITRA-**  
9                                   **TION.**

10          (a) IN GENERAL.—Section 1028 of the Consumer Fi-  
11          nancial Protection Act of 2010 (12 U.S.C. 5518) is hereby  
12          repealed.

13          (b) CLERICAL AMENDMENT.—The table of contents  
14          under section 1(b) of the Dodd-Frank Wall Street Reform  
15          and Consumer Protection Act is amended by striking the  
16          item relating to section 1028.

17   **TITLE VIII—CAPITAL MARKETS**  
18                                   **IMPROVEMENTS**

19                   **Subtitle A—SEC Reform,**  
20   **Restructuring, and Accountability**

21   **SEC. 801. AUTHORIZATION OF APPROPRIATIONS.**

22          Section 35 of the Securities Exchange Act of 1934  
23          (15 U.S.C. 78kk) is amended by striking paragraphs (1)  
24          through (5) and inserting the following:

25                   “(1) for fiscal year 2017, \$1,555,000,000;

1 “(2) for fiscal year 2018, \$1,605,000,000;  
2 “(3) for fiscal year 2019, \$1,655,000,000;  
3 “(4) for fiscal year 2020, \$1,705,000,000;  
4 “(5) for fiscal year 2021, \$1,755,000,000; and  
5 “(6) for fiscal year 2022, \$1,805,000,000.”.

6 **SEC. 802. REPORT ON UNOBLIGATED APPROPRIATIONS.**

7 Section 23 of the Securities Exchange Act of 1934  
8 (15 U.S.C. 78w) is amended by adding at the end the fol-  
9 lowing:

10 “(e) REPORT ON UNOBLIGATED APPROPRIATIONS.—  
11 If, at the end of any fiscal year, there remain unobligated  
12 any funds that were appropriated to the Commission for  
13 such fiscal year, the Commission shall, not later than 30  
14 days after the last day of such fiscal year, submit to the  
15 Committee on Financial Services and the Committee on  
16 Appropriations of the House of Representatives and the  
17 Committee on Banking, Housing, and Urban Affairs and  
18 the Committee on Appropriations of the Senate a report  
19 stating the amount of such unobligated funds. If there is  
20 any material change in the amount stated in the report,  
21 the Commission shall, not later than 7 days after deter-  
22 mining the amount of the change, submit to such commit-  
23 tees a supplementary report stating the amount of and  
24 reason for the change.”.

1 **SEC. 803. SEC RESERVE FUND ABOLISHED.**

2 Section 4 of the Securities Exchange Act of 1934 (15  
3 U.S.C. 78d) is amended by striking subsection (i).

4 **SEC. 804. FEES TO OFFSET APPROPRIATIONS.**

5 (a) SECTION 31 OF THE SECURITIES EXCHANGE ACT  
6 OF 1934.—Section 31 of the Securities Exchange Act of  
7 1934 (15 U.S.C. 78ee) is amended—

8 (1) by striking subsection (a) and inserting the  
9 following:

10 “(a) COLLECTION.—The Commission shall, in ac-  
11 cordance with this section, collect transaction fees and as-  
12 sessments.”;

13 (2) in subsection (i)—

14 (A) in paragraph (1)(A), by inserting “ex-  
15 cept as provided in paragraph (2),” before  
16 “shall”; and

17 (B) by striking paragraph (2) and insert-  
18 ing the following:

19 “(2) GENERAL REVENUE.—Any fees collected  
20 for a fiscal year pursuant to this section, sections  
21 13(e) and 14(g) of this title, and section 6(b) of the  
22 Securities Act of 1933 in excess of the amount pro-  
23 vided in appropriation Acts for collection for such  
24 fiscal year pursuant to such sections shall be depos-  
25 ited and credited as general revenue of the Treas-  
26 ury.”;

1 (3) in subsection (j)—

2 (A) by striking “the regular appropriation  
3 to the Commission by Congress for such fiscal  
4 year” each place it appears and inserting “the  
5 target offsetting collection amount for such fis-  
6 cal year”; and

7 (B) in paragraph (2), by striking “sub-  
8 section (l)” and inserting “subsection (l)(2)”;  
9 and

10 (4) by striking subsection (l) and inserting the  
11 following:

12 “(l) DEFINITIONS.—For purposes of this section:

13 “(1) TARGET OFFSETTING COLLECTION  
14 AMOUNT.—The target offsetting collection amount  
15 for a fiscal year is—

16 “(A) for fiscal year 2017, \$1,400,000,000;  
17 and

18 “(B) for each succeeding fiscal year, the  
19 target offsetting collection amount for the prior  
20 fiscal year, adjusted by the rate of inflation.

21 “(2) BASELINE ESTIMATE OF THE AGGREGATE  
22 DOLLAR AMOUNT OF SALES.—The baseline estimate  
23 of the aggregate dollar amount of sales for any fiscal  
24 year is the baseline estimate of the aggregate dollar  
25 amount of sales of securities (other than bonds, de-

1        ventures, other evidences of indebtedness, security  
2        futures products, and options on securities indexes  
3        (excluding a narrow-based security index)) to be  
4        transacted on each national securities exchange and  
5        by or through any member of each national securi-  
6        ties association (otherwise than on a national securi-  
7        ties exchange) during such fiscal year as determined  
8        by the Commission, after consultation with the Con-  
9        gressional Budget Office and the Office of Manage-  
10       ment and Budget, using the methodology required  
11       for making projections pursuant to section 257 of  
12       the Balanced Budget and Emergency Deficit Control  
13       Act of 1985.”.

14       (b) SECTION 6(b) OF THE SECURITIES ACT OF  
15       1933.—Section 6(b) of the Securities Act of 1933 (15  
16       U.S.C. 77f(b)) is amended—

17                (1) by striking “target fee collection amount”  
18        each place it appears and inserting “target offsetting  
19        collection amount”;

20                (2) in paragraph (4), by striking the last sen-  
21        tence and inserting the following: “Subject to para-  
22        graphs (6)(B) and (7), an adjusted rate prescribed  
23        under paragraph (2) shall take effect on the later  
24        of—

1           “(A) the first day of the fiscal year to  
2           which such rate applies; or

3           “(B) five days after the date on which a  
4           regular appropriation to the Commission for  
5           such fiscal year is enacted.”;

6           (3) in paragraph (5), by inserting “of the Secu-  
7           rities Exchange Act of 1934” after “sections 13(e)  
8           and 14(g)”;

9           (4) by redesignating paragraph (6) as para-  
10          graph (8);

11          (5) by inserting after paragraph (5) the fol-  
12          lowing:

13          “(6) OFFSETTING COLLECTIONS.—Fees col-  
14          lected pursuant to this subsection for any fiscal  
15          year—

16                 “(A) except as provided in section 31(i)(2)  
17                 of the Securities Exchange Act of 1934, shall  
18                 be deposited and credited as offsetting collec-  
19                 tions to the account providing appropriations to  
20                 the Commission; and

21                 “(B) except as provided in paragraph (7),  
22                 shall not be collected for any fiscal year except  
23                 to the extent provided in advance in appropria-  
24                 tion Acts.

1           “(7) LAPSE OF APPROPRIATION.—If on the  
 2       first day of a fiscal year a regular appropriation to  
 3       the Commission has not been enacted, the Commis-  
 4       sion shall continue to collect fees (as offsetting col-  
 5       lections) under this subsection at the rate in effect  
 6       during the preceding fiscal year, until 5 days after  
 7       the date such a regular appropriation is enacted.”;  
 8       and

9           (6) in subparagraph (A) of paragraph (8) (as  
 10      so redesignated)—

11           (A) by striking the subparagraph heading  
 12      and inserting “TARGET OFFSETTING COLLEC-  
 13      TION AMOUNT.—”; and

14           (B) in the heading of the right column of  
 15      the table, by striking “**fee**” and inserting “**off-**  
 16      **setting**”.

17       (c) SECTION 13(e) OF THE SECURITIES EXCHANGE  
 18   ACT OF 1934.—Section 13(e) of the Securities Exchange  
 19   Act of 1934 (15 U.S.C. 78m(e)) is amended—

20           (1) by striking paragraph (5) and inserting the  
 21      following:

22           “(5) OFFSETTING COLLECTIONS.—Fees col-  
 23      lected pursuant to this subsection for any fiscal  
 24      year—

1           “(A) except as provided in section 31(i)(2),  
2           shall be deposited and credited as offsetting col-  
3           lections to the account providing appropriations  
4           to the Commission; and

5           “(B) except as provided in paragraph (8),  
6           shall not be collected for any fiscal year except  
7           to the extent provided in advance in appropria-  
8           tions Acts.”; and

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

10          “(8) LAPSE OF APPROPRIATION.—If on the  
11          first day of a fiscal year a regular appropriation to  
12          the Commission has not been enacted, the Commis-  
13          sion shall continue to collect fees (as offsetting col-  
14          lections) under this subsection at the rate in effect  
15          during the preceding fiscal year, until 5 days after  
16          the date such a regular appropriation is enacted.”.

17          (d) SECTION 14(g) OF THE SECURITIES EXCHANGE  
18          ACT OF 1934.—Section 14(g) of the Securities Exchange  
19          Act of 1934 (15 U.S.C. 78n(g)) is amended—

20                 (1) by striking paragraph (5) and inserting the  
21          following:

22                 “(5) OFFSETTING COLLECTIONS.—Fees col-  
23          lected pursuant to this subsection for any fiscal  
24          year—

1           “(A) except as provided in section 31(i)(2),  
2           shall be deposited and credited as offsetting col-  
3           lections to the account providing appropriations  
4           to the Commission; and

5           “(B) except as provided in paragraph (8),  
6           shall not be collected for any fiscal year except  
7           to the extent provided in advance in appropria-  
8           tions Acts.”;

9           (2) by redesignating paragraph (8) as para-  
10          graph (9); and

11          (3) by inserting after paragraph (7) the fol-  
12          lowing:

13          “(8) LAPSE OF APPROPRIATION.—If on the  
14          first day of a fiscal year a regular appropriation to  
15          the Commission has not been enacted, the Commis-  
16          sion shall continue to collect fees (as offsetting col-  
17          lections) under this subsection at the rate in effect  
18          during the preceding fiscal year, until 5 days after  
19          the date such a regular appropriation is enacted.”.

20          (e) EFFECTIVE DATE.—The amendments made by  
21          this section—

22                (1) shall apply beginning on October 1, 2017,  
23                except that for fiscal year 2018, the Securities and  
24                Exchange Commission shall publish—

1 (A) the rates established under section 31  
 2 of the Securities Exchange Act of 1934, as  
 3 amended by this section, not later than 30 days  
 4 after the date on which an Act making a reg-  
 5 ular appropriation to the Commission for fiscal  
 6 year 2018 is enacted; and

7 (B) the rate established under section 6(b)  
 8 of the Securities Act of 1933, as amended by  
 9 this section, not later than August 31, 2017;  
 10 and

11 (2) shall not apply with respect to fees for any  
 12 fiscal year before fiscal year 2018.

13 **SEC. 805. COMMISSION RELOCATION FUNDING PROHIBI-**  
 14 **TION.**

15 The Securities and Exchange Commission may not  
 16 obligate any funds for the purpose of constructing a new  
 17 headquarters of the Commission.

18 **SEC. 806. IMPLEMENTATION OF RECOMMENDATIONS.**

19 Section 967 of the Dodd-Frank Wall Street Reform  
 20 and Consumer Protection Act is amended by adding at  
 21 the end the following:

22 “(d) IMPLEMENTATION OF RECOMMENDATIONS.—  
 23 Not later than 6 months after the date of enactment of  
 24 this subsection, the Securities and Exchange Commission  
 25 shall complete an implementation of the recommendations

1 contained in the report of the independent consultant  
2 issued under subsection (b) on March 10, 2011. To the  
3 extent that implementation of certain recommendations  
4 requires legislation, the Commission shall submit a report  
5 to Congress containing a request for legislation granting  
6 the Commission such authority it needs to fully implement  
7 such recommendations.”.

8 **SEC. 807. OFFICE OF CREDIT RATINGS TO REPORT TO THE**  
9 **DIVISION OF TRADING AND MARKETS.**

10 Section 15E(p)(1) of the Securities Exchange Act of  
11 1934 (15 U.S.C. 78o–7(p)(1)) is amended—

12 (1) in subparagraph (A), by striking “within  
13 the Commission” and inserting “within the Division  
14 of Trading and Markets”; and

15 (2) in subparagraph (B), by striking “report to  
16 the Chairman” and inserting “report to the head of  
17 the Division of Trading and Markets”.

18 **SEC. 808. OFFICE OF MUNICIPAL SECURITIES TO REPORT**  
19 **TO THE DIVISION OF TRADING AND MAR-**  
20 **KETS.**

21 Section 979 of the Dodd-Frank Wall Street Reform  
22 and Consumer Protection Act (15 U.S.C. 78o–4a) is  
23 amended—

1 (1) in subsection (a), by inserting “, within the  
2 Division of Trading and Markets,” after “There  
3 shall be in the Commission”; and

4 (2) in subsection (b), by striking “report to the  
5 Chairman” and inserting “report to the head of the  
6 Division of Trading and Markets”.

7 **SEC. 809. INDEPENDENCE OF COMMISSION OMBUDSMAN.**

8 Section 4(g)(8) of the Securities Exchange Act of  
9 1934 (15 U.S.C. 78d(g)(8)) is amended—

10 (1) in subparagraph (A), by striking “the In-  
11 vestor Advocate shall appoint” and all that follows  
12 through “Investor Advocate” and inserting “the  
13 Chairman shall appoint an Ombudsman, who shall  
14 report to the Commission”; and

15 (2) in subparagraph (D)—

16 (A) by striking “report to the Investor Ad-  
17 vocate” and inserting “report to the Commis-  
18 sion”; and

19 (B) by striking the last sentence.

20 **SEC. 810. INVESTOR ADVISORY COMMITTEE IMPROVE-**  
21 **MENTS.**

22 Section 39 of the Securities Exchange Act of 1934  
23 (15 U.S.C. 78pp) is amended—

24 (1) in subsection (a)(2)(B), by striking “sub-  
25 mit” and inserting, “in consultation with the Small

1 Business Capital Formation Advisory Committee es-  
2 tablished under section 40, submit”;

3 (2) in subsection (b)—

4 (A) in paragraph (1)—

5 (i) in subparagraph (C), by striking  
6 “and”;

7 (ii) in subparagraph (D)(iv), by strik-  
8 ing the period at the end and inserting “;  
9 and”; and

10 (iii) by adding at the end the fol-  
11 lowing:

12 “(E) a member of the Small Business Cap-  
13 ital Formation Advisory Committee who shall  
14 be a nonvoting member.”;

15 (B) by amending paragraph (2) to read as  
16 follows:

17 “(2) TERM.—

18 “(A) LENGTH OF TERM FOR MEMBERS OF  
19 THE COMMITTEE.—Each member of the Com-  
20 mittee appointed under paragraph (1), other  
21 than the Investor Advocate, shall serve for a  
22 term of 4 years.

23 “(B) LIMITATION ON MULTIPLE TERMS.—  
24 A member of the Committee may not serve for  
25 more than one term, except for the Investor Ad-

1           vocate, a representative of State securities com-  
 2           missions, and the member of the Small Busi-  
 3           ness Capital Formation Advisory Committee.”;  
 4           and

5           (C) in paragraph (3), by striking “para-  
 6           graph (1)(B)” and inserting “paragraph (1)”;

7           (3) in subsection (c), by amending paragraph  
 8           (2) to read as follows:

9           “(2) TERM.—

10           “(A) LENGTH OF TERM.—Each member  
 11           elected under paragraph (1) shall serve for a  
 12           term of 3 years in the capacity for which the  
 13           member was elected under paragraph (1).

14           “(B) LIMITATION ON MULTIPLE TERMS.—  
 15           A member elected under paragraph (1) may not  
 16           serve for more than one term in the capacity  
 17           for which the member was elected under para-  
 18           graph (1).”; and

19           (4) by striking subsections (i) and (j).

20   **SEC. 811. DUTIES OF INVESTOR ADVOCATE.**

21           Section 4(g)(4) of the Securities Exchange Act of  
 22   1934 (15 U.S.C. 78d(g)(4)) is amended—

23           (1) in subparagraph (D)(ii), by striking “and”;

24           (2) in subparagraph (E), by striking the period

25           at the end and inserting a semicolon; and

1 (3) by adding at the end the following:

2 “(F) not take a position on any legislation  
3 pending before Congress other than a legislative  
4 change proposed by the Investor Advocate pur-  
5 suant to subparagraph (E);

6 “(G) consult with the Advocate for Small  
7 Business Capital Formation on proposed rec-  
8 ommendations made under subparagraph (E);  
9 and

10 “(H) advise the Advocate for Small Busi-  
11 ness Capital Formation on issues related to  
12 small business investors.”.

13 **SEC. 812. ELIMINATION OF EXEMPTION OF SMALL BUSI-**  
14 **NESS CAPITAL FORMATION ADVISORY COM-**  
15 **MITTEE FROM FEDERAL ADVISORY COM-**  
16 **MITTEE ACT.**

17 Section 40 of the Securities Exchange Act of 1934  
18 (as added by Public Law 114–284) is amended by striking  
19 subsection (h).

20 **SEC. 813. INTERNAL RISK CONTROLS.**

21 The Securities Exchange Act of 1934 (15 U.S.C. 78a  
22 et seq.) is amended—

23 (1) by inserting after section 4G, as added by  
24 this Act, the following:

1 **“SEC. 4H. INTERNAL RISK CONTROLS.**

2 “(a) IN GENERAL.—Each of the following entities, in  
3 consultation with the Chief Economist, shall develop com-  
4 prehensive internal risk control mechanisms to safeguard  
5 and govern the storage of all market data by such entity,  
6 all market data sharing agreements of such entity, and  
7 all academic research performed at such entity using mar-  
8 ket data:

9 “(1) The Commission.

10 “(2) Each national security association required  
11 to register under section 15A.

12 “(b) CONSOLIDATED AUDIT TRAIL.—The Commis-  
13 sion may not approve a national market system plan pur-  
14 suant to part 242.613 of title 17, Code of Federal Regula-  
15 tions (or any successor regulation), unless the operator of  
16 the consolidated audit trail created by such plan has devel-  
17 oped, in consultation with the Chief Economist, com-  
18 prehensive internal risk control mechanisms to safeguard  
19 and govern the storage of all market data by such oper-  
20 ator, all market data sharing agreements of such operator,  
21 and all academic research performed at such operator  
22 using market data.”;

23 (2) in section 3(a), by redesignating the second  
24 paragraph (80) (relating to funding portals) as  
25 paragraph (81); and

1 (3) in section 3(a), by adding at the end the  
2 following:

3 “(82) CHIEF ECONOMIST.—The term ‘Chief  
4 Economist’ means the Director of the Division of  
5 Economic and Risk Analysis, or an employee of the  
6 Commission with comparable authority, as deter-  
7 mined by the Commission.”.

8 **SEC. 814. APPLICABILITY OF NOTICE AND COMMENT RE-**  
9 **QUIREMENTS OF THE ADMINISTRATIVE PRO-**  
10 **CEDURE ACT TO GUIDANCE VOTED ON BY**  
11 **THE COMMISSION.**

12 The Securities Exchange Act of 1934 (15 U.S.C. 78a  
13 et seq.) is amended by inserting after section 4H, as added  
14 by this Act, the following:

15 **“SEC. 4I. APPLICABILITY OF NOTICE AND COMMENT RE-**  
16 **QUIREMENTS OF THE ADMINISTRATIVE PRO-**  
17 **CEDURE ACT TO GUIDANCE VOTED ON BY**  
18 **THE COMMISSION.**

19 “The notice and comment requirements of section  
20 553 of title 5, United States Code, shall also apply with  
21 respect to any Commission statement or guidance, includ-  
22 ing interpretive rules, general statements of policy, or  
23 rules of Commission organization, procedure, or practice,  
24 that has the effect of implementing, interpreting, or pre-

1 scribing law or policy and that is voted on by the Commis-  
2 sion.”.

3 **SEC. 815. LIMITATION ON PILOT PROGRAMS.**

4 (a) IN GENERAL.—Section 4 of the Securities Ex-  
5 change Act of 1934 (15 U.S.C. 78d), as amended by sec-  
6 tion 371(e), is further amended by adding at the end the  
7 following:

8 “(k) LIMITATION ON PILOT PROGRAMS.—

9 “(1) IN GENERAL.—Any pilot program estab-  
10 lished by self-regulatory organizations, either indi-  
11 vidually or jointly, and filed with the Commission,  
12 including under section 11A or 19, shall terminate  
13 after the end of the 5-year period beginning on the  
14 date that the Commission approved such program,  
15 unless the Commission issues a rule to permanently  
16 continue such program or approves such program on  
17 a permanent basis.

18 “(2) EXTENSION.—With respect to a particular  
19 pilot program described under paragraph (1), the  
20 Commission may extend the 5-year period described  
21 under such paragraph for an additional 3 years if  
22 the Commission determines such extension is nec-  
23 essary or appropriate in the public interest or for  
24 the protection of investors.

1           “(3) LACK OF STATUTORY AUTHORITY.—If,  
2       with respect to a pilot program described under  
3       paragraph (1), the Commission determines that the  
4       pilot program should continue permanently, but the  
5       Commission lacks sufficient statutory authority to  
6       permanently continue the program, the Commission  
7       shall, not later than 1 year before such pilot pro-  
8       gram is scheduled to terminate pursuant to para-  
9       graph (1), notify the Committee on Financial Serv-  
10      ices of the House of Representatives and the Com-  
11      mittee on Banking, Housing, and Urban Affairs of  
12      the Senate that the Commission believes the pro-  
13      gram should continue permanently but does not have  
14      sufficient statutory authority to continue the pro-  
15      gram.”.

16      (b) TREATMENT OF EXISTING PILOT PROGRAMS.—  
17   For purposes of section 4(k) of Securities Exchange Act  
18   of 1934, as added by subsection (a), the date on which  
19   the Commission approved a pilot program that was in ex-  
20   istence on the date of the enactment of this Act shall be  
21   deemed to be the date of the enactment of this Act.

1 **SEC. 816. PROCEDURE FOR OBTAINING CERTAIN INTEL-**  
2 **LECTUAL PROPERTY.**

3 (a) PERSONS UNDER SECURITIES ACT OF 1933.—  
4 Section 8 of the Securities Act of 1933 (15 U.S.C. 77h)  
5 is amended by adding at the end the following:

6 “(g) PROCEDURE FOR OBTAINING CERTAIN INTEL-  
7 LECTUAL PROPERTY.—The Commission is not authorized  
8 to compel under this title a person to produce or furnish  
9 source code, including algorithmic trading source code or  
10 similar intellectual property, to the Commission unless the  
11 Commission first issues a subpoena.”.

12 (b) PERSONS UNDER THE SECURITIES EXCHANGE  
13 ACT OF 1934.—Section 23 of the Securities Exchange Act  
14 of 1934 (15 U.S.C. 78w) is amended by adding at the  
15 end the following:

16 “(e) PROCEDURE FOR OBTAINING CERTAIN INTEL-  
17 LECTUAL PROPERTY.—The Commission is not authorized  
18 to compel under this title a person to produce or furnish  
19 source code, including algorithmic trading source code or  
20 similar intellectual property, to the Commission unless the  
21 Commission first issues a subpoena.”.

22 (c) INVESTMENT COMPANIES.—Section 31 of the In-  
23 vestment Company Act of 1940 (15 U.S.C. 80a–30) is  
24 amended by adding at the end the following:

25 “(e) PROCEDURE FOR OBTAINING CERTAIN INTEL-  
26 LECTUAL PROPERTY.—The Commission is not authorized

1 to compel under this title an investment company to  
 2 produce or furnish source code, including algorithmic trad-  
 3 ing source code or similar intellectual property, to the  
 4 Commission unless the Commission first issues a sub-  
 5 poena.”.

6 (d) INVESTMENT ADVISERS.—Section 204 of the In-  
 7 vestment Advisers Act of 1940 (15 U.S.C. 80b–4) is  
 8 amended—

9 (1) by adding at the end the following:

10 “(f) PROCEDURE FOR OBTAINING CERTAIN INTEL-  
 11 LECTUAL PROPERTY.—The Commission is not authorized  
 12 to compel under this title an investment adviser to produce  
 13 or furnish source code, including algorithmic trading  
 14 source code or similar intellectual property, to the Com-  
 15 mission unless the Commission first issues a subpoena.”;  
 16 and

17 (2) in the second subsection (d), by striking  
 18 “(d)” and inserting “(e)”.

19 **SEC. 817. PROCESS FOR CLOSING INVESTIGATIONS.**

20 (a) IN GENERAL.—Not later than 180 days after the  
 21 date of the enactment of this Act, the Securities and Ex-  
 22 change Commission shall establish a process for closing  
 23 investigations (including preliminary or informal inves-  
 24 tigation) that is designed to ensure that the Commission,  
 25 in a timely manner—

1           (1) makes a determination of whether or not to  
 2           institute an administrative or judicial action in a  
 3           matter or refer the matter to the Attorney General  
 4           for potential criminal prosecution; and

5           (2) if the Commission determines not to insti-  
 6           tute such an action or refer the matter to the Attor-  
 7           ney General, informs the persons who are the sub-  
 8           ject of the investigation that the investigation is  
 9           closed.

10          (b) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
 11       tion shall be construed to affect the authority of the Com-  
 12       mission to re-open an investigation if the Commission ob-  
 13       tains new evidence after the investigation is closed, subject  
 14       to any applicable statute of limitations.

15       **SEC. 818. ENFORCEMENT OMBUDSMAN.**

16          (a) **IN GENERAL.**—Section 4 of the Securities Ex-  
 17       change Act of 1934 (15 U.S.C. 78d), as amended by sec-  
 18       tion 803, is further amended by adding at the end the  
 19       following:

20           “(i) **ENFORCEMENT OMBUDSMAN.**—

21               “(1) **ESTABLISHMENT.**—The Commission shall  
 22           have an Enforcement Ombudsman, who shall be ap-  
 23           pointed by and report directly to the Commission.

24               “(2) **DUTIES.**—The Enforcement Ombudsman  
 25           shall—

1           “(A) act as a liaison between the Commis-  
2           sion and any person who is the subject of an in-  
3           vestigation (including a preliminary or informal  
4           investigation) by the Commission or an admin-  
5           istrative or judicial action brought by the Com-  
6           mission in resolving problems that such persons  
7           may have with the Commission or the conduct  
8           of Commission staff; and

9           “(B) establish safeguards to maintain the  
10          confidentiality of communications between the  
11          persons described in subparagraph (A) and the  
12          Enforcement Ombudsman.

13          “(3) LIMITATION.—In carrying out the duties  
14          of the Enforcement Ombudsman under paragraph  
15          (2), the Enforcement Ombudsman shall utilize per-  
16          sonnel of the Commission to the extent practicable.  
17          Nothing in this subsection shall be construed as re-  
18          placing, altering, or diminishing the activities of any  
19          ombudsman or similar office of any other agency.

20          “(4) REPORT.—The Enforcement Ombudsman  
21          shall submit to the Commission and to the Com-  
22          mittee on Financial Services of the House of Rep-  
23          resentatives and the Committee on Banking, Hous-  
24          ing, and Urban Affairs of the Senate an annual re-  
25          port that describes the activities and evaluates the

1 effectiveness of the Enforcement Ombudsman during  
2 the preceding year.”.

3 (b) DEADLINE FOR INITIAL APPOINTMENT.—The  
4 Securities and Exchange Commission shall appoint the ini-  
5 tial Enforcement Ombudsman under subsection (i) of sec-  
6 tion 4 of the Securities Exchange Act of 1934, as added  
7 by subsection (a), not later than 180 days after the date  
8 of the enactment of this Act.

9 **SEC. 819. ADEQUATE NOTICE.**

10 Section 21 of the Securities Exchange Act of 1934  
11 (15 U.S.C. 78u) is amended by adding at the end the fol-  
12 lowing:

13 “(k) ADEQUATE NOTICE REQUIRED BEFORE BRING-  
14 ING AN ENFORCEMENT ACTION.—

15 “(1) IN GENERAL.—No person shall be subject  
16 to an enforcement action by the Commission for an  
17 alleged violation of the securities laws or the rules  
18 and regulations issued thereunder if such person did  
19 not have adequate notice of such law, rule, or regu-  
20 lation.

21 “(2) PUBLISHING OF INTERPRETATION  
22 DEEMED ADEQUATE NOTICE.—With respect to an  
23 enforcement action, adequate notice of a securities  
24 law or a rule or regulation issued thereunder shall  
25 be deemed to have been provided to a person if the

1 Commission approved a statement or guidance, in  
2 accordance with Section 4I, with respect to the con-  
3 duct that is the subject of the enforcement action,  
4 prior to the time that the person engaged in the con-  
5 duct that is the subject of the enforcement action.”.

6 **SEC. 820. ADVISORY COMMITTEE ON COMMISSION’S EN-**  
7 **FORCEMENT POLICIES AND PRACTICES.**

8 (a) ESTABLISHMENT.—Not later than 6 months after  
9 the date of the enactment of this Act, the Chairman shall  
10 establish an advisory committee on the Commission’s en-  
11 forcement policies and practices (in this section referred  
12 to as the “Committee”).

13 (b) DUTIES.—

14 (1) ANALYSIS AND RECOMMENDATIONS.—

15 (A) IN GENERAL.—The Committee shall  
16 conduct an analysis of the policies and practices  
17 of the Commission relating to the enforcement  
18 of the securities laws and make recommenda-  
19 tions to the Commission regarding changes to  
20 such policies and practices.

21 (B) SPECIFIC MATTERS INCLUDED.—In  
22 carrying out subparagraph (A), the Committee  
23 shall analyze and make recommendations to the  
24 Commission regarding matters including the  
25 following:

1           (i) How the Commission's enforce-  
2           ment objectives and strategies may be  
3           more effective.

4           (ii) The Commission's enforcement  
5           practices and procedures from the point of  
6           view of due process, the relationship of en-  
7           forcement action to notice of legal require-  
8           ments, the attribution of responsibility for  
9           violations, and the protection of reputation  
10          and rights of privacy.

11          (iii) The Commission's enforcement  
12          policies and practices in light of its statu-  
13          tory responsibility to protect investors,  
14          maintain fair, orderly, and efficient mar-  
15          kets, and facilitate capital formation.

16          (iv) The appropriate blend of regula-  
17          tion, publicity, and formal enforcement ac-  
18          tion and on methods of furthering vol-  
19          untary compliance.

20          (v) Criteria for the selection and dis-  
21          position of enforcement actions, the ade-  
22          quacy of sanctions authorized by law, and  
23          the suitability and effectiveness of sanc-  
24          tions imposed by the Commission pro-  
25          ceedings.

1           (2) REPORT.—Not later than 1 year after the  
2       establishment of the Committee under subsection  
3       (a), the Committee shall submit to the Commission  
4       and the appropriate congressional committees a re-  
5       port containing the results of the analysis and the  
6       recommendations required by paragraph (1)(A).

7       (c) MEMBERSHIP.—

8           (1) NUMBER AND APPOINTMENT.—The Com-  
9       mittee shall be composed of not less than 3 and not  
10      greater than 7 members appointed by the Chairman.

11          (2) CHAIRPERSON.—The Chairperson of the  
12      Committee shall be designated by the Chairman at  
13      the time of appointment of the members.

14      (d) SUPPORT.—The Commission shall provide the  
15      Committee with the administrative, professional, and tech-  
16      nical support required by the Committee to carry out its  
17      responsibilities under this section.

18      (e) TERMINATION OF COMMITTEE.—The Committee  
19      established by subsection (a) shall terminate on the date  
20      that the report required by subsection (b)(2) is submitted.

21      (f) CONSIDERATION AND ADOPTION OF REC-  
22      OMMENDATIONS BY COMMISSION.—Not later than 180  
23      days after the Committee submits the report required by  
24      subsection (b)(2), the Commission shall—

1           (1) consider the analysis and recommendations  
2 included in such report;

3           (2) adopt such recommendations, with any  
4 modifications, as the Commission considers appro-  
5 priate; and

6           (3) submit to the appropriate congressional  
7 committees a report that—

8                 (A) lists each recommendation included in  
9 such report that the Commission does not adopt  
10 or adopts with material modifications; and

11                (B) for each recommendation listed under  
12 subparagraph (A), explains why the Commis-  
13 sion does not consider it appropriate or does  
14 not have sufficient authority to adopt the rec-  
15 ommendation or to adopt the recommendation  
16 without material modification.

17 (g) DEFINITIONS.—In this section:

18           (1) APPROPRIATE CONGRESSIONAL COMMIT-  
19 TEES.—The term “appropriate congressional com-  
20 mittees” means the Committee on Financial Services  
21 of the House of Representatives and the Committee  
22 on Banking, Housing, and Urban Affairs of the Sen-  
23 ate.

24           (2) CHAIRMAN.—The term “Chairman” means  
25 the Chairman of the Commission.

1           (3) COMMISSION.—The term “Commission”  
2       means the Securities and Exchange Commission.

3           (4) SECURITIES LAWS.—The term “securities  
4       laws” has the meaning given such term in section  
5       3(a) of the Securities Exchange Act of 1934 (15  
6       U.S.C. 78c(a)).

7   **SEC. 821. PROCESS TO PERMIT RECIPIENT OF WELLS NOTI-**  
8                           **FICATION TO APPEAR BEFORE COMMISSION**  
9                           **STAFF IN-PERSON.**

10       (a) IN GENERAL.—Not later than 180 days after the  
11       date of the enactment of this Act, the Securities and Ex-  
12       change Commission shall establish a process under which,  
13       in any instance in which the Commission staff provides  
14       a written Wells notification to an individual informing the  
15       individual that the Commission staff has made a prelimi-  
16       nary determination to recommend that the Commission  
17       bring an administrative or judicial action against the indi-  
18       vidual, the individual shall have the right to make an in-  
19       person presentation before the Commission staff con-  
20       cerning such recommendation and to be represented by  
21       counsel at such presentation, at the individual’s own ex-  
22       pense.

23       (b) ATTENDANCE BY COMMISSIONERS.—Such proc-  
24       ess shall provide that each Commissioner of the Commis-

1 sion, or a designee of the Commissioner, may attend any  
2 such presentation.

3 (c) REPORT BY COMMISSION STAFF.—Such process  
4 shall provide that, before any Commission vote on whether  
5 to bring the administrative or judicial action against the  
6 individual, the Commission staff shall provide to each  
7 Commissioner a written report on any such presentation,  
8 including any factual or legal arguments made by the indi-  
9 vidual and any supporting documents provided by the indi-  
10 vidual.

11 **SEC. 822. PUBLICATION OF ENFORCEMENT MANUAL.**

12 (a) IN GENERAL.—Not later than 1 year after the  
13 date of the enactment of this Act, the Securities and Ex-  
14 change Commission shall approve, by vote of the Commis-  
15 sion, and publish an updated manual that sets forth the  
16 policies and practices that the Commission will follow in  
17 the enforcement of the securities laws (as defined in sec-  
18 tion 3(a) of the Securities Exchange Act of 1934 (15  
19 U.S.C. 78c(a))). Such manual shall include policies and  
20 practices required by this Act, and by the amendments  
21 made by this Act, and shall be developed so as to ensure  
22 transparency in such enforcement and uniform application  
23 of such laws by the Commission.

24 (b) ENFORCEMENT PLAN AND REPORT.—Beginning  
25 on the date that is one year after the date of enactment

1 of this Act, and each year thereafter, and the Securities  
2 and Exchange Commission shall transmit to Congress and  
3 publish on its Internet website an annual enforcement  
4 plan and report that shall—

5 (1) detail the priorities of the Commission with  
6 regard to enforcement and examination activities for  
7 the forthcoming year;

8 (2) report on the Commission's enforcement  
9 and examination activities for the previous year, in-  
10 cluding an assessment of how such activities com-  
11 ported with the priorities identified for that year  
12 pursuant to paragraph (1);

13 (3) contain an analysis of litigated decisions  
14 found not in favor of the Commission over the pre-  
15 ceding year;

16 (4) contain a description of any emerging  
17 trends the Commission has focused on as part of its  
18 enforcement program, including whether and how  
19 the Commission has alerted or communicated with  
20 those who may be subject to the Commission's regu-  
21 lation of emerging trends;

22 (5) contain a description of legal theories or  
23 standards employed by the Commission in enforce-  
24 ment over the preceding year that had not previously

1       been employed, and a summary justifying each such  
2       theory or standard; and

3               (6) provide an opportunity and mechanism for  
4       public comment.

5       **SEC. 823. PRIVATE PARTIES AUTHORIZED TO COMPEL THE**  
6                       **SECURITIES AND EXCHANGE COMMISSION TO**  
7                       **SEEK SANCTIONS BY FILING CIVIL ACTIONS.**

8       Title I of the Securities Exchange Act of 1934 (15  
9       U.S.C. 78a et seq.) is amended by adding at the end the  
10      following:

11      **“SEC. 41. PRIVATE PARTIES AUTHORIZED TO COMPEL THE**  
12                       **COMMISSION TO SEEK SANCTIONS BY FILING**  
13                       **CIVIL ACTIONS.**

14      “(a) TERMINATION OF ADMINISTRATIVE PRO-  
15      CEEDING.—In the case of any person who is a party to  
16      a proceeding brought by the Commission under a securi-  
17      ties law, to which section 554 of title 5, United States  
18      Code, applies, and against whom an order imposing a  
19      cease and desist order and a penalty may be issued at  
20      the conclusion of the proceeding, that person may, not  
21      later than 20 days after receiving notice of such pro-  
22      ceeding, and at that person’s discretion, require the Com-  
23      mission to terminate the proceeding.

24      “(b) CIVIL ACTION AUTHORIZED.—If a person re-  
25      quires the Commission to terminate a proceeding pursuant

1 to subsection (a), the Commission may bring a civil action  
2 against that person for the same remedy that might be  
3 imposed.

4 “(c) STANDARD OF PROOF IN ADMINISTRATIVE PRO-  
5 CEEDING.—Notwithstanding any other provision of law, in  
6 the case of a proceeding brought by the Commission under  
7 a securities law, to which section 554 of title 5, United  
8 States Code, applies, a legal or equitable remedy may be  
9 imposed on the person against whom the proceeding was  
10 brought only on a showing by the Commission of clear and  
11 convincing evidence that the person has violated the rel-  
12 evant provision of law.”.

13 **SEC. 824. CERTAIN FINDINGS REQUIRED TO APPROVE**  
14 **CIVIL MONEY PENALTIES AGAINST ISSUERS.**

15 The Securities Exchange Act of 1934 (15 U.S.C. 78a  
16 et seq.) is amended by inserting after section 4E the fol-  
17 lowing:

18 **“SEC. 4F. CERTAIN FINDINGS REQUIRED TO APPROVE**  
19 **CIVIL MONEY PENALTIES AGAINST ISSUERS.**

20 “The Commission may not seek against or impose on  
21 an issuer a civil money penalty for violation of the securi-  
22 ties laws unless the publicly available text of the order ap-  
23 proving the seeking or imposition of such penalty contains  
24 findings, supported by an analysis by the Division of Eco-

1 nomic and Risk Analysis and certified by the Chief Econo-  
 2 mist, of whether—

3 “(1) the alleged violation resulted in direct eco-  
 4 nomic benefit to the issuer; and

5 “(2) the penalty will harm the shareholders of  
 6 the issuer.”.

7 **SEC. 825. REPEAL OF AUTHORITY OF THE COMMISSION TO**  
 8 **PROHIBIT PERSONS FROM SERVING AS OFFI-**  
 9 **CERS OR DIRECTORS.**

10 (a) UNDER SECURITIES ACT OF 1933.—Subsection  
 11 (f) of section 8A of the Securities Act of 1933 (15 U.S.C.  
 12 77h–1) is repealed.

13 (b) UNDER SECURITIES EXCHANGE ACT OF 1934.—  
 14 Subsection (f) of section 21C of the Securities Exchange  
 15 Act of 1934 (15 U.S.C. 78u–3) is repealed.

16 **SEC. 826. SUBPOENA DURATION AND RENEWAL.**

17 Section 21(b) of the Securities Exchange Act of 1934  
 18 (15 U.S.C. 78u(b)) is amended—

19 (1) by inserting “SUBPOENA.—” after the enu-  
 20 merator;

21 (2) by striking “For the purpose of” and insert-  
 22 ing the following:

23 “(1) IN GENERAL.—For the purpose of”; and

24 (3) by adding at the end the following:

25 “(2) OMNIBUS ORDERS OF INVESTIGATION.—

1           “(A) DURATION AND RENEWAL.—An om-  
 2           nibus order of investigation shall not be for an  
 3           indefinite duration and may be renewed only by  
 4           Commission action.

5           “(B) DEFINITION.—In paragraph (A), the  
 6           term ‘omnibus order of investigation’ means an  
 7           order of the Commission authorizing 1 of more  
 8           members of the Commission or its staff to issue  
 9           subpoenas under paragraph (1) to multiple per-  
 10          sons in relation to a particular subject matter  
 11          area.”.

12 **SEC. 827. ELIMINATION OF AUTOMATIC DISQUALIFICA-**  
 13 **TIONS.**

14       The Securities Exchange Act of 1934 (15 U.S.C. 78a  
 15 et seq.), as amended by this Act, is further amended by  
 16 inserting after section 4F the following:

17 **“SEC. 4G. ELIMINATION OF AUTOMATIC DISQUALIFICA-**  
 18 **TIONS.**

19       “(a) IN GENERAL.—Notwithstanding any other pro-  
 20 vision of law, a non-natural person may not be disqualified  
 21 or otherwise made ineligible to use an exemption or reg-  
 22 istration provision, engage in an activity, or qualify for  
 23 any similar treatment under a provision of the securities  
 24 laws or the rules issued by the Commission under the se-  
 25 curities laws by reason of having, or a person described

1 in subsection (b) having, been convicted of any felony or  
2 misdemeanor or made the subject of any judicial or admin-  
3 istrative order, judgment, or decree arising out of a gov-  
4 ernmental action (including an order, judgment, or decree  
5 agreed to in a settlement), or having, or a person de-  
6 scribed in subsection (b) having, been suspended or ex-  
7 pelled from membership in, or suspended or barred from  
8 association with a member of, a registered national securi-  
9 ties exchange or a registered national or affiliated securi-  
10 ties association for any act or omission to act constituting  
11 conduct inconsistent with just and equitable principles of  
12 trade, unless the Commission, by order, on the record  
13 after notice and an opportunity for hearing, makes a de-  
14 termination that such non-natural person should be so dis-  
15 qualified or otherwise made ineligible for purposes of such  
16 provision.

17 “(b) PERSON DESCRIBED.—A person is described in  
18 this subsection if the person is—

19 “(1) a natural person who is a director, officer,  
20 employee, partner, member, or shareholder of the  
21 non-natural person referred to in subsection (a) or  
22 is otherwise associated or affiliated with such non-  
23 natural person in any way; or

1           “(2) a non-natural person who is associated or  
 2           affiliated with the non-natural person referred to in  
 3           subsection (a) in any way.

4           “(c) RULE OF CONSTRUCTION.—Nothing in this sec-  
 5           tion shall be construed to limit any authority of the Com-  
 6           mission, by order, on the record after notice and an oppor-  
 7           tunity for hearing, to prohibit a person from using an ex-  
 8           emption or registration provision, engaging in an activity,  
 9           or qualifying for any similar treatment under a provision  
 10          of the securities laws, or the rules issued by the Commis-  
 11          sion under the securities laws, by reason of a circumstance  
 12          referred to in subsection (a) or any similar circumstance.”.

13   **SEC. 828. DENIAL OF AWARD TO CULPABLE WHISTLE-**  
 14                           **BLOWERS.**

15          Section 21F(c) of the Securities Exchange Act of  
 16   1934 (15 U.S.C. 78u–6(c)) is amended—

17               (1) in paragraph (2)—

18                       (A) in subparagraph (C), by striking “or”  
 19                       at the end;

20                       (B) in subparagraph (D), by striking the  
 21                       period and inserting “; or”; and

22                       (C) by adding at the end the following:

23                               “(E) to any whistleblower who is respon-  
 24                               sible for, or complicit in, the violation of the se-

1 securities laws for which the whistleblower pro-  
 2 vided information to the Commission.”; and

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

4 “(3) DEFINITION.—For purposes of paragraph  
 5 (2)(E), a person is responsible for, or complicit in,  
 6 a violation of the securities laws if, with the intent  
 7 to promote or assist the violation, the person—

8 “(A) procures, induces, or causes another  
 9 person to commit the offense;

10 “(B) aids or abets another person in com-  
 11 mitting the offense; or

12 “(C) having a duty to prevent the viola-  
 13 tion, fails to make an effort the person is re-  
 14 quired to make.”.

15 **SEC. 829. CONFIDENTIALITY OF RECORDS OBTAINED FROM**  
 16 **FOREIGN SECURITIES AND LAW ENFORCE-**  
 17 **MENT AUTHORITIES.**

18 Section 24(d) of the Securities Exchange Act of 1934  
 19 (15 U.S.C. 78x(d)) is amended to read as follows:

20 “(d) RECORDS OBTAINED FROM FOREIGN SECURI-  
 21 TIES AND LAW ENFORCEMENT AUTHORITIES.—Except as  
 22 provided in subsection (g), the Commission shall not be  
 23 compelled to disclose records obtained from a foreign secu-  
 24 rities authority, or from a foreign law enforcement author-  
 25 ity as defined in subsection (f)(4), if—

1           “(1) the foreign securities authority or foreign  
2           law enforcement authority has in good faith deter-  
3           mined and represented to the Commission that the  
4           records are confidential under the laws of the coun-  
5           try of such authority; and

6           “(2) the Commission obtains such records pur-  
7           suant to—

8                   “(A) such procedure as the Commission  
9                   may authorize for use in connection with the  
10                  administration or enforcement of the securities  
11                  laws; or

12                  “(B) a memorandum of understanding.

13   For purposes of section 552 of title 5, United States Code,  
14   this subsection shall be considered a statute described in  
15   subsection (b)(3)(B) of such section 552.”.

16   **SEC. 830. CLARIFICATION OF AUTHORITY TO IMPOSE SANC-**  
17                   **TIONS ON PERSONS ASSOCIATED WITH A**  
18                   **BROKER OR DEALER.**

19           Section 15(b)(6)(A)(i) of the Securities Exchange Act  
20   of 1934 (15 U.S.C. 78o(b)(6)(A)(i)) is amended by strik-  
21   ing “enumerated” and all that follows and inserting “enu-  
22   merated in subparagraph (A), (D), (E), (G), or (H) of  
23   paragraph (4) of this subsection;”.

1 **SEC. 831. COMPLAINT AND BURDEN OF PROOF REQUIRE-**  
2 **MENTS FOR CERTAIN ACTIONS FOR BREACH**  
3 **OF FIDUCIARY DUTY.**

4 Section 36(b) of the Investment Company Act of  
5 1940 (15 U.S.C. 80a–35(b)) is amended by adding at the  
6 end the following:

7 “(7) In any such action brought by a security  
8 holder of a registered investment company on behalf  
9 of such company—

10 “(A) the complaint shall state with par-  
11 ticularity all facts establishing a breach of fidu-  
12 ciary duty, and, if an allegation of any such  
13 facts is based on information and belief, the  
14 complaint shall state with particularity all facts  
15 on which that belief is formed; and

16 “(B) such security holder shall have the  
17 burden of proving a breach of fiduciary duty by  
18 clear and convincing evidence.”.

19 **SEC. 832. CONGRESSIONAL ACCESS TO INFORMATION**  
20 **HELD BY THE PUBLIC COMPANY ACCOUNT-**  
21 **ING OVERSIGHT BOARD.**

22 Section 105(b)(5) of the Sarbanes-Oxley Act of 2002  
23 (15 U.S.C. 7215(b)(5)) is amended—

24 (1) in subparagraph (A), by striking “subpara-  
25 graphs (B) and (C)” and inserting “subparagraphs  
26 (B), (C) and (D)”; and

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

2 “(D) AVAILABILITY TO THE CONGRES-  
3 SIONAL COMMITTEES.—The Board shall make  
4 available to the Committees specified under sec-  
5 tion 101(h)—

6 “(i) such information as the Commit-  
7 tees shall request; and

8 “(ii) with respect to any confidential  
9 or privileged information provided in re-  
10 sponse to a request under clause (i), in-  
11 cluding any information subject to section  
12 104(g) and subparagraph (A), or any con-  
13 fidential or privileged information provided  
14 orally in response to such a request, such  
15 information shall maintain the protections  
16 provided in subparagraph (A), and shall  
17 retain its confidential and privileged status  
18 in the hands of the Board and the Com-  
19 mittees.”.

20 **SEC. 833. ABOLISHING INVESTOR ADVISORY GROUP.**

21 The Public Company Accounting Oversight Board  
22 shall abolish the Investor Advisory Group.

1 **SEC. 834. REPEAL OF REQUIREMENT FOR PUBLIC COM-**  
2 **PANY ACCOUNTING OVERSIGHT BOARD TO**  
3 **USE CERTAIN FUNDS FOR MERIT SCHOLAR-**  
4 **SHIP PROGRAM.**

5 (a) IN GENERAL.—Section 109(c) of the Sarbanes-  
6 Oxley Act of 2002 (15 U.S.C. 7219(c)) is amended by  
7 striking paragraph (2).

8 (b) CONFORMING AMENDMENTS.—Section 109 of the  
9 Sarbanes-Oxley Act of 2002 (15 U.S.C. 7219) is amend-  
10 ed—

11 (1) in subsection (c), by striking “USES OF  
12 FUNDS” and all that follows through “The budget”  
13 and inserting “USES OF FUNDS.—The budget”; and

14 (2) in subsection (f), by striking “subsection  
15 (c)(1)” and inserting “subsection (c)”.

16 **SEC. 835. REALLOCATION OF FINES FOR VIOLATIONS OF**  
17 **RULES OF MUNICIPAL SECURITIES RULE-**  
18 **MAKING BOARD.**

19 (a) IN GENERAL.—Section 15B(c)(9) of the Securi-  
20 ties Exchange Act of 1934 (15 U.S.C. 78o–4(c)(9)) is  
21 amended to read as follows:

22 “(9) Fines collected for violations of the rules of the  
23 Board shall be deposited and credited as general revenue  
24 of the Treasury, except as otherwise provided in section  
25 308 of the Sarbanes-Oxley Act of 2002 or section 21F  
26 of this title.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply to fines collected after the date  
3 of enactment of this Act.

4 **Subtitle B—Eliminating Excessive**  
5 **Government Intrusion in the**  
6 **Capital Markets**

7 **SEC. 841. REPEAL OF DEPARTMENT OF LABOR FIDUCIARY**  
8 **RULE AND REQUIREMENTS PRIOR TO RULE-**  
9 **MAKING RELATING TO STANDARDS OF CON-**  
10 **DUCT FOR BROKERS AND DEALERS.**

11 (a) REPEAL OF DEPARTMENT OF LABOR FIDUCIARY  
12 RULE.—The final rule of the Department of Labor titled  
13 “Definition of the Term ‘Fiduciary’; Conflict of Interest  
14 Rule—Retirement Investment Advice” and related prohib-  
15 ited transaction exemptions published April 8, 2016 (81  
16 Fed. Reg. 20946) shall have no force or effect.

17 (b) STAY ON RULES DEFINING CERTAIN FIDU-  
18 CIARIES.—After the date of enactment of this Act, the  
19 Secretary of Labor shall not prescribe any regulation  
20 under the Employee Retirement Income Security Act of  
21 1974 (29 U.S.C. 1001 et seq.) defining the circumstances  
22 under which an individual is considered a fiduciary until  
23 the date that is 60 days after the Securities and Exchange  
24 Commission issues a final rule relating to standards of  
25 conduct for brokers and dealers pursuant to the second

1 subsection (k) of section 15 of the Securities Exchange  
2 Act of 1934 (15 U.S.C. 78o(k)).

3 (c) REQUIREMENT AFTER STAY.—If, after the stay  
4 described under subsection (b), the Secretary of Labor  
5 prescribes a regulation described under such subsection,  
6 the Secretary of Labor shall prescribe a substantially iden-  
7 tical definition of what constitutes fiduciary investment  
8 advice and impose substantially identical standards of care  
9 and conditions as the Securities and Exchange Commis-  
10 sion has imposed on brokers, dealers, or investment advis-  
11 ers.

12 (d) REQUIREMENTS PRIOR TO RULEMAKING RELAT-  
13 ING TO STANDARDS OF CONDUCT FOR BROKERS AND  
14 DEALERS.—The second subsection (k) of section 15 of the  
15 Securities Exchange Act of 1934 (15 U.S.C. 78o(k)), as  
16 added by section 913(g)(1) of the Dodd-Frank Wall Street  
17 Reform and Consumer Protection Act (12 U.S.C. 5301  
18 et seq.), is amended by adding at the end the following:

19 “(3) REQUIREMENTS PRIOR TO RULEMAKING.—  
20 The Commission shall not promulgate a rule pursu-  
21 ant to paragraph (1) before providing a report to the  
22 Committee on Financial Services of the House of  
23 Representatives and the Committee on Banking,  
24 Housing, and Urban Affairs of the Senate describing  
25 whether—

1           “(A) retail investors (and such other cus-  
2           tomers as the Commission may provide) are  
3           being harmed due to brokers or dealers oper-  
4           ating under different standards of conduct than  
5           those that apply to investment advisors under  
6           section 211 of the Investment Advisers Act of  
7           1940 (15 U.S.C. 80b–11);

8           “(B) alternative remedies will reduce any  
9           confusion or harm to retail investors due to  
10          brokers or dealers operating under different  
11          standards of conduct than those standards that  
12          apply to investment advisors under section 211  
13          of the Investment Advisers Act of 1940 (15  
14          U.S.C. 80b–11), including—

15               “(i) simplifying the titles used by bro-  
16               kers, dealers, and investment advisors; and

17               “(ii) enhancing disclosure surrounding  
18               the different standards of conduct cur-  
19               rently applicable to brokers, dealers, and  
20               investment advisors;

21           “(C) the adoption of a uniform fiduciary  
22           standard of conduct for brokers, dealers, and  
23           investment advisors would adversely impact the  
24           commissions of brokers and dealers, the avail-  
25           ability of proprietary products offered by bro-

1           kers and dealers, and the ability of brokers and  
2           dealers to engage in principal transactions with  
3           customers; and

4                 “(D) the adoption of a uniform fiduciary  
5           standard of conduct for brokers or dealers and  
6           investment advisors would adversely impact re-  
7           tail investor access to personalized and cost-ef-  
8           fective investment advice, recommendations  
9           about securities, or the availability of such ad-  
10          vice and recommendations.

11               “(4) ECONOMIC ANALYSIS.—The Commission’s  
12          conclusions contained in the report described in  
13          paragraph (3) shall be supported by economic anal-  
14          ysis.

15               “(5) REQUIREMENTS FOR PROMULGATING A  
16          RULE.—The Commission shall publish in the Fed-  
17          eral Register alongside the rule promulgated pursu-  
18          ant to paragraph (1) formal findings that such rule  
19          would reduce confusion or harm to retail customers  
20          (and such other customers as the Commission may  
21          by rule provide) due to different standards of con-  
22          duct applicable to brokers, dealers, and investment  
23          advisors.

24               “(6) REQUIREMENTS UNDER INVESTMENT AD-  
25          VISERS ACT OF 1940.—In proposing rules under

1 paragraph (1) for brokers or dealers, the Commis-  
 2 sion shall consider the differences in the registration,  
 3 supervision, and examination requirements applica-  
 4 ble to brokers, dealers, and investment advisors.”.

5 **SEC. 842. EXEMPTION FROM RISK RETENTION REQUIRE-**  
 6 **MENTS FOR NONRESIDENTIAL MORTGAGE.**

7 (a) IN GENERAL.—Section 15G of the Securities Ex-  
 8 change Act of 1934 (15 U.S.C. 78o–11) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (3)(B), by striking “and”  
 11 at the end;

12 (B) in paragraph (4)(B), by striking the  
 13 period and inserting “; and”; and

14 (C) by adding at the end the following:

15 “(5) the term ‘asset-backed security’ refers only  
 16 to an asset-backed security that is comprised wholly  
 17 of residential mortgages.”;

18 (2) in subsection (b)—

19 (A) by striking paragraph (1); and

20 (B) by striking “(2) RESIDENTIAL MORT-  
 21 GAGES.—”;

22 (3) by striking subsection (h) and redesignating  
 23 subsection (i) as subsection (h); and

24 (4) in subsection (h) (as so redesignated)—

1 (A) by striking “effective—” and all that  
 2 follows through “(1) with respect to” and in-  
 3 serting “effective with respect to”;

4 (B) in paragraph (1), by striking “; and”  
 5 and inserting a period; and

6 (C) by striking paragraph (2).

7 (b) CONFORMING AMENDMENT.—Section 941 of the  
 8 Dodd-Frank Wall Street Reform and Consumer Protec-  
 9 tion Act is amended by striking subsection (c).

10 **SEC. 843. FREQUENCY OF SHAREHOLDER APPROVAL OF**  
 11 **EXECUTIVE COMPENSATION.**

12 Section 14A(a) of the Securities Exchange Act of  
 13 1934 (15 U.S.C. 78n–1(a)) is amended—

14 (1) in paragraph (1), by striking “Not less fre-  
 15 quently than once every 3 years” and inserting  
 16 “Each year in which there has been a material  
 17 change to the compensation of executives of an  
 18 issuer from the previous year”; and

19 (2) by striking paragraph (2) and redesignating  
 20 paragraph (3) as paragraph (2).

21 **SEC. 844. SHAREHOLDER PROPOSALS.**

22 (a) RESUBMISSION THRESHOLDS.—The Securities  
 23 and Exchange Commission shall revise section 240.14a–  
 24 8(i)(12) of title 17, Code of Federal Regulations to—

1           (1) in paragraph (i), adjust the 3 percent  
2           threshold to 6 percent;

3           (2) in paragraph (ii), adjust the 6 percent  
4           threshold to 15 percent; and

5           (3) in paragraph (iii), adjust the 10 percent  
6           threshold to 30 percent.

7           (b) **HOLDING REQUIREMENT.**—The Securities and  
8           Exchange Commission shall revise the holding require-  
9           ment for a shareholder to be eligible to submit a share-  
10          holder proposal to an issuer in section 240.14a–8(b)(1)  
11          of title 17, Code of Federal Regulations, to—

12          (1) eliminate the option to satisfy the holding  
13          requirement by holding a certain dollar amount;

14          (2) require the shareholder to hold 1 percent of  
15          the issuer’s securities entitled to be voted on the  
16          proposal, or such greater percentage as determined  
17          by the Commission; and

18          (3) adjust the 1 year holding period to 3 years.

19          (c) **SHAREHOLDER PROPOSALS ISSUED BY PROX-**  
20          **IES.**—Section 14 of the Securities Exchange Act of 1934  
21          (15 U.S.C. 78n) is amended by adding at the end the fol-  
22          lowing:

23          “(j) **SHAREHOLDER PROPOSALS BY PROXIES NOT**  
24          **PERMITTED.**—An issuer may not include in its proxy ma-  
25          terials a shareholder proposal submitted by a person in

1 such person's capacity as a proxy, representative, agent,  
2 or person otherwise acting on behalf of a shareholder.”.

3 **SEC. 845. PROHIBITION ON REQUIRING A SINGLE BALLOT.**

4 Section 14 of the Securities Exchange Act of 1934  
5 (15 U.S.C. 78n) is amended by adding at the end the fol-  
6 lowing:

7 “(k) PROHIBITION ON REQUIRING A SINGLE BAL-  
8 LOT.—The Commission may not require that a solicitation  
9 of a proxy, consent, or authorization to vote a security  
10 of an issuer in an election of members of the board of  
11 directors of the issuer be made using a single ballot or  
12 card that lists both individuals nominated by (or on behalf  
13 of) the issuer and individuals nominated by (or on behalf  
14 of) other proponents and permits the person granting the  
15 proxy, consent, or authorization to select from among indi-  
16 viduals in both groups.”.

17 **SEC. 846. REQUIREMENT FOR MUNICIPAL ADVISOR FOR**  
18 **ISSUERS OF MUNICIPAL SECURITIES.**

19 Section 15B(d) of the Securities Exchange Act of  
20 1934 (15 U.S.C. 78o–4(d)) is amended by adding at the  
21 end the following:

22 “(3) An issuer of municipal securities shall not be  
23 required to retain a municipal advisor prior to issuing any  
24 such securities.”.

1 **SEC. 847. SMALL ISSUER EXEMPTION FROM INTERNAL**  
 2 **CONTROL EVALUATION.**

3 Section 404(c) of the Sarbanes-Oxley Act of 2002 (15  
 4 U.S.C. 7262(c)) is amended to read as follows:

5 “(c) EXEMPTION FOR SMALLER ISSUERS.—Sub-  
 6 section (b) shall not apply with respect to any audit report  
 7 prepared for an issuer that has total market capitalization  
 8 of less than \$500,000,000, nor to any issuer that is a de-  
 9 pository institution with assets of less than  
 10 \$1,000,000,000.”.

11 **SEC. 848. STREAMLINING OF APPLICATIONS FOR AN EX-**  
 12 **EMPTION FROM THE INVESTMENT COMPANY**  
 13 **ACT OF 1940.**

14 Section 6(c) of the Investment Company Act of 1940  
 15 (15 U.S.C. 80a–6(c)) is amended—

16 (1) by striking “(c) The Commission” and in-  
 17 serting the following:

18 “(c) GENERAL EXEMPTIVE AUTHORITY.—

19 “(1) IN GENERAL.—The Commission”; and

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

21 “(2) APPLICATION PROCESS.—

22 “(A) IN GENERAL.—A person who wishes  
 23 to receive an exemption from the Commission  
 24 pursuant to paragraph (1) shall file an applica-  
 25 tion with the Commission in such form and

1 manner and containing such information as the  
2 Commission may require.

3 “(B) PUBLICATION; REJECTION OF IN-  
4 VALID APPLICATIONS.—

5 “(i) IN GENERAL.—Not later than the  
6 end of the 5-day period beginning on the  
7 date that the Commission receives an ap-  
8 plication under subparagraph (A), the  
9 Commission shall either—

10 “(I) publish the application, in-  
11 cluding by publication on the website  
12 of the Commission; or

13 “(II) if the Commission deter-  
14 mines that the application does not  
15 comply with the proper form, manner,  
16 or information requirements described  
17 under subparagraph (A), reject such  
18 application and notify the applicant of  
19 the specific reasons the application  
20 was rejected.

21 “(ii) FAILURE TO PUBLISH APPLICA-  
22 TION.—If the Commission does not reject  
23 an application under clause (i)(II), but  
24 fails to publish the application by the end  
25 of the time period specified under clause

1 (i), such application shall be deemed to  
2 have been published on the date that is the  
3 end of such time period.

4 “(3) DETERMINATION BY COMMISSION.—

5 “(A) IN GENERAL.—Not later than 45  
6 days after the date that the Commission pub-  
7 lishes an application pursuant to paragraph  
8 (2)(B), the Commission shall, by order—

9 “(i) approve the application;

10 “(ii) if the Commission determines  
11 that the application would have been ap-  
12 proved had the applicant provided addi-  
13 tional supporting documentation or made  
14 certain amendments to the application—

15 “(I) provide the applicant with  
16 the specific additional supporting doc-  
17 umentation or amendments that the  
18 Commission believes are necessary for  
19 the applicant to provide in order for  
20 the application to be approved; and

21 “(II) request that the applicant  
22 withdraw the application and re-sub-  
23 mit the application with such addi-  
24 tional supporting documentation and  
25 amendments; or

1 “(iii) deny the application.

2 “(B) EXTENSION OF TIME PERIOD.—The  
3 Commission may extend the time period de-  
4 scribed under subparagraph (A) by not more  
5 than an additional 45 days, if—

6 “(i) the Commission determines that a  
7 longer period is appropriate and publishes  
8 the reasons for such determination; or

9 “(ii) the applicant consents to the  
10 longer period.

11 “(C) TIME PERIOD FOR WITHDRAWAL.—If  
12 the Commission makes a request under sub-  
13 paragraph (A)(ii) for an applicant to withdraw  
14 an application, such application shall be deemed  
15 to be denied if the applicant informs the Com-  
16 mission that the applicant will not withdraw the  
17 application or if the applicant does not with-  
18 draw the application before the end of the 30-  
19 day period beginning on the date the Commis-  
20 sion makes such request.

21 “(4) PROCEEDINGS; NOTICE AND HEARING.—If  
22 an application is denied pursuant to paragraph (3),  
23 the Commission shall provide the applicant with—

24 “(A) a written explanation for why the ap-  
25 plication was not approved; and

1           “(B) an opportunity for hearing, if re-  
2           quested by the applicant not later than 20 days  
3           after the date of such denial, with such hearing  
4           to be commenced not later than 30 days after  
5           the date of such denial.

6           “(5) RESULT OF FAILURE TO INSTITUTE OR  
7           COMMENCE PROCEEDINGS.—An application shall be  
8           deemed to have been approved by the Commission,  
9           if—

10           “(A) the Commission fails to either ap-  
11           prove, request the withdrawal of, or deny the  
12           application, as required under paragraph  
13           (3)(A), within the time period required under  
14           paragraph (3)(A), as such time period may  
15           have been extended pursuant to paragraph  
16           (3)(B); or

17           “(B) the applicant requests an opportunity  
18           for hearing, pursuant to paragraph (4)(B), but  
19           the Commission does not commence such hear-  
20           ing within the time period required under para-  
21           graph (4)(B).

22           “(6) RULEMAKING.—Not later than 180 days  
23           after the date of enactment of this paragraph, the  
24           Commission shall issue rules to carry out this sub-  
25           section.”.

1 **SEC. 849. RESTRICTION ON RECOVERY OF ERRONEOUSLY**  
2 **AWARDED COMPENSATION.**

3 Section 10D(b)(2) of the Securities Exchange Act of  
4 1934 (15 U.S.C. 78j-4(b)(2)) is amended by inserting be-  
5 fore the period the following: “, where such executive offi-  
6 cer had control or authority over the financial reporting  
7 that resulted in the accounting restatement”.

8 **SEC. 850. EXEMPTIVE AUTHORITY FOR CERTAIN PROVI-**  
9 **SIONS RELATING TO REGISTRATION OF NA-**  
10 **TIONALLY RECOGNIZED STATISTICAL RAT-**  
11 **ING ORGANIZATIONS.**

12 Section 15E of the Securities Exchange Act of 1934  
13 (15 U.S.C. 78o-7) is amended by adding at the end the  
14 following:

15 “(w) COMMISSION EXEMPTIVE AUTHORITY.—The  
16 Commission, by rules and regulations upon its own mo-  
17 tion, or by order upon application, may conditionally or  
18 unconditionally exempt any person from any provision or  
19 provisions of this title or of any rule or regulation there-  
20 under, if and to the extent it determines that such rule,  
21 regulation, or requirement is creating a barrier to entry  
22 into the market for nationally recognized statistical rating  
23 organizations or impeding competition among such organi-  
24 zations, or that such an exemption is necessary or appro-  
25 priate in the public interest and is consistent with the pro-  
26 tection of investors.”.

1 **SEC. 851. RISK-BASED EXAMINATIONS OF NATIONALLY**  
 2 **RECOGNIZED STATISTICAL RATING ORGANI-**  
 3 **ZATIONS.**

4 Section 15E(p)(3) of the Securities Exchange Act of  
 5 1934 (15 U.S.C. 78o–7(p)(3)) is amended—

6 (1) in subparagraph (A)—

7 (A) in the heading, by striking “ANNUAL”  
 8 and inserting “RISK-BASED”;

9 (B) by striking “an examination” and in-  
 10 serting “examinations”; and

11 (C) by striking “at least annually”; and

12 (2) in subparagraph (B), in the matter pre-  
 13 ceding clause (i), by inserting “, as appropriate,”  
 14 after “Each examination under subparagraph (A)”  
 15 shall include”.

16 **SEC. 852. TRANSPARENCY OF CREDIT RATING METH-**  
 17 **ODOLOGIES.**

18 Section 15E(s) of the Securities Exchange Act of  
 19 1934 (15 U.S.C. 78o–7(s)) is amended—

20 (1) in paragraph (2)(B), by inserting before the  
 21 semicolon the following: “rated by the nationally rec-  
 22 ognized statistical rating agency”; and

23 (2) in paragraph (3)—

24 (A) in subparagraph (A)(ix), by inserting  
 25 before the period the following: “, except that  
 26 the Commission may not require the inclusion

of references to statutory or regulatory requirements or statutory provision headings or enumerators for any specific disclosure”;

(B) in subparagraph (B)(iv), by inserting before the period the following: “, except that the Commission may not require the inclusion of references to statutory or regulatory requirements or statutory provision headings or enumerators for any specific disclosure”; and

(C) by adding at the end the following:

“(C) NO MANDATE ON THE ORGANIZATION OF DISCLOSURES.—The Commission may not mandate the specific organization of the disclosures required under this paragraph.”.

**SEC. 853. REPEAL OF CERTAIN ATTESTATION REQUIREMENTS RELATING TO CREDIT RATINGS.**

Section 15E of the Securities Exchange Act of 1934 (15 U.S.C. 78o–7) is amended—

(1) in subsection (c)(3)(B)—

(A) in clause (i), by adding “and” at the end;

(B) in clause (ii), by striking “; and” and inserting a period; and

(C) by striking clause (iii); and

(2) in subsection (q)(2)—

- 1 (A) in subparagraph (D), by adding “and”  
2 at the end;  
3 (B) in subparagraph (E), by striking “;  
4 and” and inserting a period; and  
5 (C) by striking subparagraph (F).

6 **SEC. 854. LOOK-BACK REVIEW BY NRSRO.**

7 Section 15E(h)(4)(A) of the Securities Exchange Act  
8 of 1934 (15 U.S.C. 78o–7(h)(4)(A)) is amended—

9 (1) by striking “Each nationally” and inserting  
10 the following:

11 “(i) IN GENERAL.—Each nationally”;

12 (2) by striking “underwriter” and inserting  
13 “lead underwriter”;

14 (3) by striking “in any capacity”;

15 (4) by striking “during the 1-year period pre-  
16 ceding the date an action was taken with respect to  
17 the credit rating”;

18 (5) by redesignating clauses (i) and (ii) as sub-  
19 clauses (I) and (II), respectively, and adjusting the  
20 margin of such subclauses accordingly;

21 (6) in subclause (I), as so redesignated, by in-  
22 serting before the semicolon the following: “during  
23 the 1-year period preceding the departure of the em-  
24 ployee from the nationally recognized statistical rat-  
25 ing organization”; and

(7) by adding at the end the following:

“(ii) MAINTENANCE OF RATINGS ACTIONS.—In the case of maintenance of ratings actions, the requirement under clause (i) shall only apply to employees of a person subject to a credit rating of the nationally recognized statistical rating organization or an issuer of a security or money market instrument subject to a credit rating of the nationally recognized statistical rating organization.”.

**SEC. 855. APPROVAL OF CREDIT RATING PROCEDURES AND METHODOLOGIES.**

Section 15E(r)(1)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–7(r)(1)(A)) is amended by inserting “, or the Chief Credit Officer” after “performing a function similar to that of a board”.

**SEC. 856. EXCEPTION FOR PROVIDING CERTAIN MATERIAL INFORMATION RELATING TO A CREDIT RATING.**

Section 15E(h)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–7(h)(3)) is amended by adding at the end the following:

“(C) EXCEPTION FOR PROVIDING CERTAIN MATERIAL INFORMATION.—Rules issued under

1           this paragraph may not prohibit a person who  
2           participates in sales or marketing of a product  
3           or service of a nationally recognized statistical  
4           rating organization from providing material in-  
5           formation, or information believed in good faith  
6           to be material, to the issuance or maintenance  
7           of a credit rating to a person who participates  
8           in determining or monitoring the credit rating,  
9           or developing or approving procedures or meth-  
10          odologies used for determining the credit rating,  
11          so long as the information provided is not in-  
12          tended to influence the determination of a cred-  
13          it rating, or the procedures or methodologies  
14          used to determine credit ratings.”.

15 **SEC. 857. REPEALS.**

16       (a) REPEALS.—The following provisions of title IX  
17 of the Dodd-Frank Wall Street Reform and Consumer  
18 Protection Act are repealed, and the provisions of law  
19 amended or repealed by such sections are restored or re-  
20 vived as if such sections had not been enacted:

- 21           (1) Section 912.
- 22           (2) Section 914.
- 23           (3) Section 917.
- 24           (4) Section 918.
- 25           (5) Section 919A.

- 1 (6) Section 919B.
- 2 (7) Section 919C.
- 3 (8) Section 921.
- 4 (9) Section 929T.
- 5 (10) Section 929X.
- 6 (11) Section 929Y.
- 7 (12) Section 929Z.
- 8 (13) Section 931.
- 9 (14) Section 933.
- 10 (15) Section 937.
- 11 (16) Section 939B.
- 12 (17) Section 939C.
- 13 (18) Section 939D.
- 14 (19) Section 939E.
- 15 (20) Section 939F.
- 16 (21) Section 939G.
- 17 (22) Section 939H.
- 18 (23) Section 946.
- 19 (24) Subsection (b) of section 953.
- 20 (25) Section 955.
- 21 (26) Section 956.
- 22 (27) Section 964.
- 23 (28) Section 965.
- 24 (29) Section 968.
- 25 (30) Section 971.

1 (31) Section 972.

2 (32) Section 976.

3 (33) Section 977.

4 (34) Section 978.

5 (35) Section 984.

6 (36) Section 989.

7 (37) Section 989A.

8 (38) Section 989F.

9 (39) Subsection (b) of section 989G.

10 (40) Section 989I.

11 (b) CONFORMING AMENDMENTS.—The Dodd-Frank  
12 Wall Street Reform and Consumer Protection Act (12  
13 U.S.C. 5301) is amended—

14 (1) in the table of contents in section 1(b), by  
15 striking the items relating to the sections described  
16 under paragraphs (1) through (23), (25) through  
17 (38), and (40) of subsection (a);

18 (2) in section 953, by striking “(a) DISCLO-  
19 SURE OF PAY VERSUS PERFORMANCE.—”; and

20 (3) in section 989G, by striking “(a) EXEMP-  
21 TION.—”.

1 **SEC. 858. EXEMPTION OF AND REPORTING BY PRIVATE EQ-**  
2 **UITY FUND ADVISERS.**

3 Section 203 of the Investment Advisers Act of 1940  
4 (15 U.S.C. 80b-3) is amended by adding at the end the  
5 following:

6 “(o) EXEMPTION OF AND REPORTING BY PRIVATE  
7 EQUITY FUND ADVISERS.—

8 “(1) IN GENERAL.—Except as provided in this  
9 subsection, no investment adviser shall be subject to  
10 the registration or reporting requirements of this  
11 title with respect to the provision of investment ad-  
12 vice relating to a private equity fund.

13 “(2) MAINTENANCE OF RECORDS AND ACCESS  
14 BY COMMISSION.—Not later than 6 months after the  
15 date of enactment of this subsection, the Commis-  
16 sion shall issue final rules—

17 “(A) to require investment advisers de-  
18 scribed in paragraph (1) to maintain such  
19 records and provide to the Commission such an-  
20 nual or other reports as the Commission, taking  
21 into account fund size, governance, investment  
22 strategy, risk, and other factors, determines  
23 necessary and appropriate in the public interest  
24 and for the protection of investors; and

25 “(B) to define the term ‘private equity  
26 fund’ for purposes of this subsection.”.

1 **SEC. 859. RECORDS AND REPORTS OF PRIVATE FUNDS.**

2 The Investment Advisers Act of 1940 (15 U.S.C.  
3 80b-1 et seq.) is amended—

4 (1) in section 204(b)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (A), by striking  
7 “investors,” and all that follows and in-  
8 serting “investors.”;

9 (ii) by striking subparagraph (B); and

10 (iii) by striking “this title—” and all  
11 that follows through “to maintain” and in-  
12 serting “this title to maintain”;

13 (B) in paragraph (3)(H)—

14 (i) by striking “, in consultation with  
15 the Council,”; and

16 (ii) by striking “or for the assessment  
17 of systemic risk”;

18 (C) in paragraph (4), by striking “, or for  
19 the assessment of systemic risk”;

20 (D) in paragraph (5), by striking “or for  
21 the assessment of systemic risk”;

22 (E) in paragraph (6)(A)(ii), by striking “,  
23 or for the assessment of systemic risk”;

24 (F) by striking paragraph (7) and redesign-  
25 ating paragraphs (8) through (11) as para-  
26 graphs (7) through (10), respectively; and

1 (G) in paragraph (8) (as so redesignated),  
2 by striking “paragraph (8)” and inserting  
3 “paragraph (7)”; and  
4 (2) in section 211(e)—  
5 (A) by striking “after consultation with the  
6 Council but”; and  
7 (B) by striking “subsection 204(b)” and  
8 inserting “section 204(b)”.

9 **SEC. 860. DEFINITION OF ACCREDITED INVESTOR.**

10 (a) IN GENERAL.—Section 2(a)(15) of the Securities  
11 Act of 1933 (15 U.S.C. 77b(a)(15)) is amended—

12 (1) by redesignating clauses (i) and (ii) as sub-  
13 paragraphs (A) and (F), respectively; and

14 (2) in subparagraph (A) (as so redesignated),  
15 by striking “; or” at the end and inserting a semi-  
16 colon, and inserting after such subparagraph the fol-  
17 lowing:

18 “(B) any natural person whose individual  
19 net worth, or joint net worth with that person’s  
20 spouse, exceeds \$1,000,000 (which amount,  
21 along with the amounts set forth in subpara-  
22 graph (C), shall be adjusted for inflation by the  
23 Commission every 5 years to the nearest  
24 \$10,000 to reflect the change in the Consumer  
25 Price Index for All Urban Consumers published

1 by the Bureau of Labor Statistics) where, for  
2 purposes of calculating net worth under this  
3 subparagraph—

4 “(i) the person’s primary residence  
5 shall not be included as an asset;

6 “(ii) indebtedness that is secured by  
7 the person’s primary residence, up to the  
8 estimated fair market value of the primary  
9 residence at the time of the sale of securi-  
10 ties, shall not be included as a liability (ex-  
11 cept that if the amount of such indebted-  
12 ness outstanding at the time of sale of se-  
13 curities exceeds the amount outstanding 60  
14 days before such time, other than as a re-  
15 sult of the acquisition of the primary resi-  
16 dence, the amount of such excess shall be  
17 included as a liability); and

18 “(iii) indebtedness that is secured by  
19 the person’s primary residence in excess of  
20 the estimated fair market value of the pri-  
21 mary residence at the time of the sale of  
22 securities shall be included as a liability;

23 “(C) any natural person who had an indi-  
24 vidual income in excess of \$200,000 in each of  
25 the 2 most recent years or joint income with

1           that person’s spouse in excess of \$300,000 in  
2           each of those years and has a reasonable expect-  
3           tation of reaching the same income level in the  
4           current year;

5           “(D) any natural person who, by reason of  
6           their net worth or income, is an accredited in-  
7           vestor under section 230.215 of title 17, Code  
8           of Federal Regulations (as in effect on the day  
9           before the date of enactment of this subpara-  
10          graph);

11          “(E) any natural person who is currently  
12          licensed or registered as a broker or investment  
13          adviser by the Commission, the Financial In-  
14          dustry Regulatory Authority, or an equivalent  
15          self-regulatory organization (as defined in sec-  
16          tion 3(a)(26) of the Securities Exchange Act of  
17          1934), or the securities division of a State or  
18          the equivalent State division responsible for li-  
19          censing or registration of individuals in connec-  
20          tion with securities activities;

21          “(F) any natural person the Commission  
22          determines, by regulation, to have demonstrable  
23          education or job experience to qualify such per-  
24          son as having professional knowledge of a sub-  
25          ject related to a particular investment, and

1           whose education or job experience is verified by  
2           the Financial Industry Regulatory Authority or  
3           an equivalent self-regulatory organization (as  
4           defined in section 3(a)(26) of the Securities Ex-  
5           change Act of 1934); or”.

6           (b) REPEAL.—

7           (1) IN GENERAL.—Section 413 of the Dodd-  
8           Frank Wall Street Reform and Consumer Protection  
9           Act (Public Law 111–203) is hereby repealed.

10          (2) CLERICAL AMENDMENT.—The table of con-  
11          tents in section 1(b) of the Dodd-Frank Wall Street  
12          Reform and Consumer Protection Act is amended by  
13          striking the items relating to section 413.

14   **SEC. 861. REPEAL OF CERTAIN PROVISIONS REQUIRING A**  
15                           **STUDY AND REPORT TO CONGRESS.**

16          (a) REPEAL.—The following provisions of the Dodd-  
17          Frank Wall Street Reform and Consumer Protection Act  
18          are repealed:

19               (1) Section 412.

20               (2) Section 415.

21               (3) Section 416.

22               (4) Section 417.

23          (b) CLERICAL AMENDMENT.—The table of contents  
24          in section 1(b) of the Dodd-Frank Wall Street Reform and

1 Consumer Protection Act is amended by striking the items  
 2 relating to sections 412, 415, 416, and 417.

3 **SEC. 862. REPEAL.**

4 (a) REPEAL.—The following sections of title XV of  
 5 the Dodd-Frank Wall Street Reform and Consumer Pro-  
 6 tection Act are repealed, and the provisions of law amend-  
 7 ed or repealed by such sections are restored or revived as  
 8 if such sections had not been enacted:

9 (1) Section 1502.

10 (2) Section 1503.

11 (3) Section 1504.

12 (4) Section 1505.

13 (5) Section 1506.

14 (b) CLERICAL AMENDMENT.—The table of contents  
 15 in section 1(b) of the Dodd-Frank Wall Street Reform and  
 16 Consumer Protection Act is amended by striking the items  
 17 relating to sections 1502, 1503, 1504, 1505, and 1506.

18 **Subtitle C—Harmonization of**  
 19 **Derivatives Rules**

20 **SEC. 871. COMMISSIONS REVIEW AND HARMONIZATION OF**  
 21 **RULES RELATING TO THE REGULATION OF**  
 22 **OVER-THE-COUNTER SWAPS MARKETS.**

23 The Securities and Exchange Commission and the  
 24 Commodity Futures Trading Commission shall review  
 25 each rule, order, and interpretive guidance issued by either

1 such Commission pursuant to title VII of the Dodd-Frank  
 2 Wall Street Reform and Consumer Protection Act (15  
 3 U.S.C. 8301 et seq.) and, where the Commissions find in-  
 4 consistencies in any such rules, orders, or interpretive  
 5 guidance, shall jointly issue new rules, orders, or interpre-  
 6 tive guidance to resolve such inconsistencies.

7 **SEC. 872. TREATMENT OF TRANSACTIONS BETWEEN AF-**  
 8 **FILIATES.**

9 (a) COMMODITY EXCHANGE ACT.—Section 1a(47) of  
 10 the Commodity Exchange Act (7 U.S.C. 1a(47)) is amend-  
 11 ed by adding at the end the following:

12 “(G) TREATMENT OF SWAP TRANSACTIONS  
 13 BETWEEN AFFILIATES.—

14 “(i) EXEMPTION FROM SWAP  
 15 RULES.—Except as provided under clause  
 16 (ii), the Commission may not regulate a  
 17 swap under this Act if all of the following  
 18 apply to such swap:

19 “(I) AFFILIATION.—One  
 20 counterparty, directly or indirectly,  
 21 holds a majority ownership interest in  
 22 the other counterparty, or a third  
 23 party, directly or indirectly, holds a  
 24 majority ownership interest in both  
 25 counterparties.

1 “(II) FINANCIAL STATEMENTS.—

2 The affiliated counterparty that holds  
3 the majority interest in the other  
4 counterparty or the third party that,  
5 directly or indirectly, holds the major-  
6 ity interests in both affiliated counter-  
7 parties, reports its financial state-  
8 ments on a consolidated basis under  
9 generally accepted accounting prin-  
10 ciples or International Financial Re-  
11 porting Standards, or other similar  
12 standards, and the financial state-  
13 ments include the financial results of  
14 the majority-owned affiliated  
15 counterparty or counterparties.

16 “(ii) REQUIREMENTS FOR EXEMPTED  
17 SWAPS.—With respect to a swap described  
18 under clause (i):

19 “(I) REPORTING REQUIRE-  
20 MENT.—If at least one counterparty is  
21 a swap dealer or major swap partici-  
22 pant, that counterparty shall report  
23 the swap pursuant to section 4r, with-  
24 in such time period as the Commis-

1 sion may by rule or regulation pre-  
2 scribe—

3 “(aa) to a swap data reposi-  
4 tory; or

5 “(bb) if there is no swap  
6 data repository that would accept  
7 the agreement, contract or trans-  
8 action, to the Commission.

9 “(II) RISK MANAGEMENT RE-  
10 QUIREMENT.—If at least one  
11 counterparty is a swap dealer or  
12 major swap participant, the swap  
13 shall be subject to a centralized risk  
14 management program pursuant to  
15 section 4s(j) that is reasonably de-  
16 signed to monitor and to manage the  
17 risks associated with the swap.

18 “(III) ANTI-EVASION REQUIRE-  
19 MENT.—The swap shall not be struc-  
20 tured to evade the Dodd-Frank Wall  
21 Street Reform and Consumer Protec-  
22 tion Act in violation of any rule pro-  
23 mulgated by the Commission pursuant  
24 to section 721(c) of such Act.”.

1       (b) SECURITIES EXCHANGE ACT OF 1934.—Section  
2 3(a)(68) of the Securities Exchange Act of 1934 (15  
3 U.S.C. 78c(a)(68)) is amended by inserting before sub-  
4 section (b) the following:

5               “(F) TREATMENT OF SECURITY-BASED  
6 SWAP TRANSACTIONS BETWEEN AFFILIATES.—

7               “(i) EXEMPTION FROM SECURITY-  
8 BASED SWAP RULES.—Except as provided  
9 under clause (ii), the Commission may not  
10 regulate a security-based swap under this  
11 Act if all of the following apply to such se-  
12 curity-based swap:

13               “(I) AFFILIATION.—One  
14 counterparty, directly or indirectly,  
15 holds a majority ownership interest in  
16 the other counterparty, or a third  
17 party, directly or indirectly, holds a  
18 majority ownership interest in both  
19 counterparties.

20               “(II) FINANCIAL STATEMENTS.—  
21 The affiliated counterparty that holds  
22 the majority interest in the other  
23 counterparty or the third party that,  
24 directly or indirectly, holds the major-  
25 ity interests in both affiliated counter-

1 parties, reports its financial state-  
2 ments on a consolidated basis under  
3 generally accepted accounting prin-  
4 ciples or International Financial Re-  
5 porting Standards, or other similar  
6 standards, and the financial state-  
7 ments include the financial results of  
8 the majority-owned affiliated  
9 counterparty or counterparties.

10 “(ii) REQUIREMENTS FOR EXEMPTED  
11 SECURITY-BASED SWAPS.—With respect to  
12 a security-based swap described under  
13 clause (i):

14 “(I) REPORTING REQUIRE-  
15 MENT.—If at least one counterparty is  
16 a security-based swap dealer or major  
17 security-based swap participant, that  
18 counterparty shall report the security-  
19 based swap pursuant to section 13A,  
20 within such time period as the Com-  
21 mission may by rule or regulation pre-  
22 scribe—

23 “(aa) to a security-based  
24 swap data repository; or

1 “(bb) if there is no security-  
2 based swap data repository that  
3 would accept the agreement, con-  
4 tract or transaction, to the Com-  
5 mission.

6 “(II) RISK MANAGEMENT RE-  
7 QUIREMENT.—If at least one  
8 counterparty is a security-based swap  
9 dealer or major security-based swap  
10 participant, the security-based swap  
11 shall be subject to a centralized risk  
12 management program pursuant to  
13 section 15F(j) that is reasonably de-  
14 signed to monitor and to manage the  
15 risks associated with the security-  
16 based swap.

17 “(III) ANTI-EVASION REQUIRE-  
18 MENT.—The security-based swap shall  
19 not be structured to evade the Dodd-  
20 Frank Wall Street Reform and Con-  
21 sumer Protection Act in violation of  
22 any rule promulgated by the Commis-  
23 sion pursuant to section 761(b)(3) of  
24 such Act.”.

1 **TITLE IX—REPEAL OF THE**  
 2 **VOLCKER RULE AND OTHER**  
 3 **PROVISIONS**

4 **SEC. 901. REPEALS.**

5 (a) IN GENERAL.—The following sections of title VI  
 6 of the Dodd-Frank Wall Street Reform and Consumer  
 7 Protection Act are repealed, and the provisions of law  
 8 amended or repealed by such sections are restored or re-  
 9 vived as if such sections had not been enacted:

10 (1) Section 603.

11 (2) Section 618.

12 (3) Section 619.

13 (4) Section 620.

14 (5) Section 621.

15 (b) CLERICAL AMENDMENT.—The table of contents  
 16 under section 1(b) of the Dodd-Frank Wall Street Reform  
 17 and Consumer Protection Act is amended by striking the  
 18 items relating to sections 603, 618, 619, 620, and 621.

19 **TITLE X—FED OVERSIGHT**  
 20 **REFORM AND MODERNIZATION**

21 **SEC. 1001. REQUIREMENTS FOR POLICY RULES OF THE**  
 22 **FEDERAL OPEN MARKET COMMITTEE.**

23 The Federal Reserve Act (12 U.S.C. 221 et seq.) is  
 24 amended by inserting after section 2B the following new  
 25 section:

1 **“SEC. 2C. DIRECTIVE POLICY RULES OF THE FEDERAL**  
2 **OPEN MARKET COMMITTEE.**

3 “(a) DEFINITIONS.—In this section the following  
4 definitions shall apply:

5 “(1) APPROPRIATE CONGRESSIONAL COMMIT-  
6 TEES.—The term ‘appropriate congressional com-  
7 mittees’ means the Committee on Financial Services  
8 of the House of Representatives and the Committee  
9 on Banking, Housing, and Urban Affairs of the Sen-  
10 ate.

11 “(2) DIRECTIVE POLICY RULE.—The term ‘Di-  
12 rective Policy Rule’ means a policy rule developed by  
13 the Federal Open Market Committee that meets the  
14 requirements of subsection (c) and that provides the  
15 basis for the Open Market Operations Directive.

16 “(3) GDP.—The term ‘GDP’ means the gross  
17 domestic product of the United States as computed  
18 and published by the Department of Commerce.

19 “(4) INTERMEDIATE POLICY INPUT.—The term  
20 ‘Intermediate Policy Input’—

21 “(A) may include any variable determined  
22 by the Federal Open Market Committee as a  
23 necessary input to guide open-market oper-  
24 ations;

1           “(B) shall include an estimate of, and the  
2           method of calculation for, the current rate of  
3           inflation or current inflation expectations; and

4           “(C) shall include, specifying whether the  
5           variable or estimate is historical, current, or a  
6           forecast and the method of calculation, at least  
7           one of—

8                   “(i) an estimate of real GDP, nominal  
9                   GDP, or potential GDP;

10                   “(ii) an estimate of the monetary ag-  
11                   gregate compiled by the Board of Gov-  
12                   ernors of the Federal Reserve System and  
13                   Federal reserve banks; or

14                   “(iii) an interactive variable or a net  
15                   estimate composed of the estimates de-  
16                   scribed in clauses (i) and (ii).

17           “(5) LEGISLATIVE DAY.—The term ‘legislative  
18           day’ means a day on which either House of Congress  
19           is in session.

20           “(6) OPEN MARKET OPERATIONS DIRECTIVE.—  
21           The term ‘Open Market Operations Directive’ means  
22           an order to achieve a specified Policy Instrument  
23           Target provided to the Federal Reserve Bank of  
24           New York by the Federal Open Market Committee

1       pursuant to powers authorized under section 14 of  
2       this Act that guide open-market operations.

3               “(7) POLICY INSTRUMENT.—The term ‘Policy  
4       Instrument’ means—

5                       “(A) the nominal Federal funds rate;

6                       “(B) the nominal rate of interest paid on  
7       nonborrowed reserves; or

8                       “(C) the discount window primary credit  
9       interest rate most recently published on the  
10      Federal Reserve Statistical Release on selected  
11      interest rates (daily or weekly), commonly re-  
12      ferred to as the H.15 release.

13               “(8) POLICY INSTRUMENT TARGET.—The term  
14      ‘Policy Instrument Target’ means the target for the  
15      Policy Instrument specified in the Open Market Op-  
16      erations Directive.

17               “(9) REFERENCE POLICY RULE.—The term  
18      ‘Reference Policy Rule’ means a calculation of the  
19      nominal Federal funds rate as equal to the sum of  
20      the following:

21                       “(A) The rate of inflation over the pre-  
22      vious four quarters.

23                       “(B) One-half of the percentage deviation  
24      of the real GDP from an estimate of potential  
25      GDP.

1                   “(C) One-half of the difference between the  
2                   rate of inflation over the previous four quarters  
3                   and two percent.

4                   “(D) Two percent.

5           “(b) SUBMITTING A DIRECTIVE POLICY RULE.—Not  
6 later than 48 hours after the end of a meeting of the Fed-  
7 eral Open Market Committee, the Chairman of the Fed-  
8 eral Open Market Committee shall submit to the appro-  
9 priate congressional committees and the Comptroller Gen-  
10 eral of the United States a Directive Policy Rule and a  
11 statement that identifies the members of the Federal Open  
12 Market Committee who voted in favor of the Directive Pol-  
13 icy Rule.

14           “(c) REQUIREMENTS FOR A DIRECTIVE POLICY  
15 RULE.—A Directive Policy Rule shall—

16                   “(1) identify the Policy Instrument the Direc-  
17 tive Policy Rule is designed to target;

18                   “(2) describe the strategy or rule of the Federal  
19 Open Market Committee for the systematic quan-  
20 titative adjustment of the Policy Instrument Target  
21 to respond to a change in the Intermediate Policy  
22 Inputs;

23                   “(3) include a function that comprehensively  
24 models the interactive relationship between the In-  
25 termediate Policy Inputs;

1           “(4) include the coefficients of the Directive  
2       Policy Rule that generate the current Policy Instru-  
3       ment Target and a range of predicted future values  
4       for the Policy Instrument Target if changes occur in  
5       any Intermediate Policy Input;

6           “(5) describe the procedure for adjusting the  
7       supply of bank reserves to achieve the Policy Instru-  
8       ment Target;

9           “(6) include a statement as to whether the Di-  
10      rective Policy Rule substantially conforms to the  
11      Reference Policy Rule and, if applicable—

12           “(A) an explanation of the extent to which  
13      it departs from the Reference Policy Rule;

14           “(B) a detailed justification for that depar-  
15      ture; and

16           “(C) a description of the circumstances  
17      under which the Directive Policy Rule may be  
18      amended in the future;

19           “(7) include a certification that the Directive  
20      Policy Rule is expected to support the economy in  
21      achieving stable prices and maximum natural em-  
22      ployment over the long term;

23           “(8) include a calculation that describes with  
24      mathematical precision the expected annual inflation  
25      rate over a 5-year period; and

1           “(9) include a plan to use the most accurate  
2           data, subject to all historical revisions, for inputs  
3           into the Directive Policy Rule and the Reference  
4           Policy Rule.

5           “(d) GAO REPORT.—The Comptroller General of the  
6           United States shall compare the Directive Policy Rule sub-  
7           mitted under subsection (b) with the rule that was most  
8           recently submitted to determine whether the Directive Pol-  
9           icy Rule has materially changed. If the Directive Policy  
10          Rule has materially changed, the Comptroller General  
11          shall, not later than 7 days after each meeting of the Fed-  
12          eral Open Market Committee, prepare and submit a com-  
13          pliance report to the appropriate congressional committees  
14          specifying whether the Directive Policy Rule submitted  
15          after that meeting and the Federal Open Market Com-  
16          mittee are in compliance with this section.

17          “(e) CHANGING MARKET CONDITIONS.—

18                 “(1) RULE OF CONSTRUCTION.—Nothing in  
19                 this Act shall be construed to require that the plans  
20                 with respect to the systematic quantitative adjust-  
21                 ment of the Policy Instrument Target described  
22                 under subsection (c)(2) be implemented if the Fed-  
23                 eral Open Market Committee determines that such  
24                 plans cannot or should not be achieved due to  
25                 changing market conditions.

1           “(2) GAO APPROVAL OF UPDATE.—Upon deter-  
2           mining that plans described in paragraph (1) cannot  
3           or should not be achieved, the Federal Open Market  
4           Committee shall submit an explanation for that de-  
5           termination and an updated version of the Directive  
6           Policy Rule to the Comptroller General of the  
7           United States and the appropriate congressional  
8           committees not later than 48 hours after making the  
9           determination. The Comptroller General shall, not  
10          later than 48 hours after receiving such updated  
11          version, prepare and submit to the appropriate con-  
12          gressional committees a compliance report deter-  
13          mining whether such updated version and the Fed-  
14          eral Open Market Committee are in compliance with  
15          this section.

16          “(f) DIRECTIVE POLICY RULE AND FEDERAL OPEN  
17 MARKET COMMITTEE NOT IN COMPLIANCE.—

18           “(1) IN GENERAL.—If the Comptroller General  
19           of the United States determines that the Directive  
20           Policy Rule and the Federal Open Market Com-  
21           mittee are not in compliance with this section in the  
22           report submitted pursuant to subsection (d), or that  
23           the updated version of the Directive Policy Rule and  
24           the Federal Open Market Committee are not in com-  
25           pliance with this section in the report submitted pur-

1       suant to subsection (e)(2), the Chairman of the  
2       Board of Governors of the Federal Reserve System  
3       shall, if requested by the chairman of either of the  
4       appropriate congressional committees, not later than  
5       7 legislative days after such request, testify before  
6       such committee as to why the Directive Policy Rule,  
7       the updated version, or the Federal Open Market  
8       Committee is not in compliance.

9               “(2) GAO AUDIT.—Notwithstanding subsection  
10       (b) of section 714 of title 31, United States Code,  
11       upon submitting a report of noncompliance pursuant  
12       to subsection (d) or subsection (e)(2) and after the  
13       period of 7 legislative days described in paragraph  
14       (1), the Comptroller General shall audit the conduct  
15       of monetary policy by the Board of Governors of the  
16       Federal Reserve System and the Federal Open Mar-  
17       ket Committee upon request of the appropriate con-  
18       gressional committee. Such committee may specify  
19       the parameters of such audit.

20              “(g) CONGRESSIONAL HEARINGS.—The Chairman of  
21       the Board of Governors of the Federal Reserve System  
22       shall, if requested by the chairman of either of the appro-  
23       priate congressional committees and not later than 7 legis-  
24       lative days after such request, appear before such com-

1 mittee to explain any change to the Directive Policy  
2 Rule.”.

3 **SEC. 1002. FEDERAL OPEN MARKET COMMITTEE BLACK-**  
4 **OUT PERIOD.**

5 Section 12A of the Federal Reserve Act (12 U.S.C.  
6 263) is amended by adding at the end the following new  
7 subsection:

8 “(d) BLACKOUT PERIOD.—

9 “(1) IN GENERAL.—During a blackout period,  
10 the only public communications that may be made  
11 by members and staff of the Committee with respect  
12 to macroeconomic or financial developments or about  
13 current or prospective monetary policy issues are the  
14 following:

15 “(A) The dissemination of published data,  
16 surveys, and reports that have been cleared for  
17 publication by the Board of Governors of the  
18 Federal Reserve System.

19 “(B) Answers to technical questions spe-  
20 cific to a data release.

21 “(C) Communications with respect to the  
22 prudential or supervisory functions of the  
23 Board of Governors.

24 “(2) BLACKOUT PERIOD DEFINED.—For pur-  
25 poses of this subsection, and with respect to a meet-

1       ing of the Committee described under subsection (a),  
2       the term ‘blackout period’ means the time period  
3       that—

4               “(A) begins immediately after midnight on  
5       the day that is one week prior to the date on  
6       which such meeting takes place; and

7               “(B) ends at midnight on the day after the  
8       date on which such meeting takes place.

9               “(3) EXEMPTION FOR CHAIRMAN OF THE  
10      BOARD OF GOVERNORS.—Nothing in this section  
11      shall prohibit the Chairman of the Board of Gov-  
12      ernors of the Federal Reserve System from partici-  
13      pating in or issuing public communications.”.

14   **SEC. 1003. PUBLIC TRANSCRIPTS OF FOMC MEETINGS.**

15      Section 12A of the Federal Reserve Act (12 U.S.C.  
16   263), as amended by section 1002, is further amended by  
17   adding at the end the following:

18      “(e) PUBLIC TRANSCRIPTS OF MEETINGS.—The  
19   Committee shall—

20              “(1) record all meetings of the Committee; and

21              “(2) make the full transcript of such meetings  
22      available to the public.”.

1 **SEC. 1004. MEMBERSHIP OF FEDERAL OPEN MARKET COM-**  
2 **MITTEE.**

3 Section 12A(a) of the Federal Reserve Act (12  
4 U.S.C. 263(a)) is amended—

5 (1) in the first sentence, by striking “five” and  
6 inserting “six”;

7 (2) in the second sentence, by striking “One by  
8 the board of directors” and all that follows through  
9 the period at the end and inserting the following:  
10 “One by the boards of directors of the Federal Re-  
11 serve Banks of New York and Boston; one by the  
12 boards of directors of the Federal Reserve Banks of  
13 Philadelphia and Cleveland; one by the boards of di-  
14 rectors of the Federal Reserve Banks of Richmond  
15 and Atlanta; one by the boards of directors of the  
16 Federal Reserve Banks of Chicago and St. Louis;  
17 one by the boards of directors of the Federal Re-  
18 serve Banks of Minneapolis and Kansas City; and  
19 one by the boards of directors of the Federal Re-  
20 serve Banks of Dallas and San Francisco.”; and

21 (3) by inserting after the second sentence the  
22 following: “In odd numbered calendar years, one  
23 representative shall be elected from each of the Fed-  
24 eral Reserve Banks of Boston, Philadelphia, Rich-  
25 mond, Chicago, Minneapolis, and Dallas. In even-  
26 numbered calendar years, one representative shall be

1       elected from each of the Federal Reserve Banks of  
2       New York, Cleveland, Atlanta, St. Louis, Kansas  
3       City, and San Francisco.”.

4   **SEC. 1005. FREQUENCY OF TESTIMONY OF THE CHAIRMAN**  
5                   **OF THE BOARD OF GOVERNORS OF THE FED-**  
6                   **ERAL RESERVE SYSTEM TO CONGRESS.**

7       (a) IN GENERAL.—Section 2B of the Federal Reserve  
8   Act (12 U.S.C. 225b) is amended—

9               (1) by striking “semi-annual” each place it ap-  
10      pears and inserting “quarterly”; and

11              (2) in subsection (a)(2)—

12                   (A) by inserting “and October 20” after  
13               “July 20” each place it appears; and

14                   (B) by inserting “and May 20” after  
15               “February 20” each place it appears.

16       (b) CONFORMING AMENDMENT.—Paragraph (12) of  
17   section 10 of the Federal Reserve Act (12 U.S.C.  
18   247b(12)) is amended by striking “semi-annual” and in-  
19   serting “quarterly”.

20   **SEC. 1006. VICE CHAIRMAN FOR SUPERVISION REPORT RE-**  
21                   **QUIREMENT.**

22       Paragraph (12) of section 10 of the Federal Reserve  
23   Act (12 U.S.C. 247(b)) is amended—

24               (1) by redesignating such paragraph as para-  
25      graph (11); and

1           (2) in such paragraph, by adding at the end the  
2           following: “In each such appearance, the Vice Chair-  
3           man for Supervision shall provide written testimony  
4           that includes the status of all pending and antici-  
5           pated rulemakings that are being made by the  
6           Board of Governors of the Federal Reserve System.  
7           If, at the time of any appearance described in this  
8           paragraph, the position of Vice Chairman for Super-  
9           vision is vacant, the Vice Chairman for the Board of  
10          Governors of the Federal Reserve System (who has  
11          the responsibility to serve in the absence of the  
12          Chairman) shall appear instead and provide the re-  
13          quired written testimony. If, at the time of any ap-  
14          pearance described in this paragraph, both Vice  
15          Chairman positions are vacant, the Chairman of the  
16          Board of Governors of the Federal Reserve System  
17          shall appear instead and provide the required writ-  
18          ten testimony.”.

19 **SEC. 1007. SALARIES, FINANCIAL DISCLOSURES, AND OF-**  
20 **FICE STAFF OF THE BOARD OF GOVERNORS**  
21 **OF THE FEDERAL RESERVE SYSTEM.**

22           (a) IN GENERAL.—Section 11 of the Federal Reserve  
23 Act (12 U.S.C. 248) is amended—

1           (1) by redesignating the second subsection (s)  
2           (relating to “Assessments, Fees, and Other Charges  
3           for Certain Companies”) as subsection (t); and

4           (2) by inserting before subsection (w), as added  
5           by section 371(a), the following new subsections:

6           “(u) ETHICS STANDARDS FOR MEMBERS AND EM-  
7           PLOYEES.—

8           “(1) PROHIBITED AND RESTRICTED FINANCIAL  
9           INTERESTS AND TRANSACTIONS.—The members and  
10          employees of the Board of Governors of the Federal  
11          Reserve System shall be subject to the provisions  
12          under section 4401.102 of title 5, Code of Federal  
13          Regulations, to the same extent as such provisions  
14          apply to an employee of the Securities and Exchange  
15          Commission.

16          “(2) TREATMENT OF BROKERAGE ACCOUNTS  
17          AND AVAILABILITY OF ACCOUNT STATEMENTS.—The  
18          members and employees of the Board of Governors  
19          of the Federal Reserve System shall—

20                 “(A) disclose all brokerage accounts that  
21                 the member or employee maintains, as well as  
22                 any accounts in which the member or employee  
23                 controls trading or has a financial interest (in-  
24                 cluding managed accounts, trust accounts, in-  
25                 vestment club accounts, and accounts of

1 spouses or minor children who live with the  
2 member or employee); and

3 “(B) with respect to any securities account  
4 that the member or employee is required to dis-  
5 close to the Board of Governors, authorize the  
6 brokers and dealers of such account to send du-  
7 plicate account statements directly to Board of  
8 Governors.

9 “(3) PROHIBITIONS RELATED TO OUTSIDE EM-  
10 PLOYMENT AND ACTIVITIES.—The members and em-  
11 ployees of the Board of Governors of the Federal  
12 Reserve System shall be subject to the prohibitions  
13 related to outside employment and activities de-  
14 scribed under section 4401.103(c) of title 5, Code of  
15 Federal Regulations, to the same extent as such pro-  
16 hibitions apply to an employee of the Securities and  
17 Exchange Commission.

18 “(4) ADDITIONAL ETHICS STANDARDS.—The  
19 members and employees of the Board of Governors  
20 of the Federal Reserve System shall be subject to—

21 “(A) the employee responsibilities and con-  
22 duct regulations of the Office of Personnel  
23 Management under part 735 of title 5, Code of  
24 Federal Regulations;

1           “(B) the canons of ethics contained in sub-  
2           part C of part 200 of title 17, Code of Federal  
3           Regulations, to the same extent as such subpart  
4           applies to the employees of the Securities and  
5           Exchange Commission; and

6           “(C) the regulations concerning the con-  
7           duct of members and employees and former  
8           members and employees contained in subpart M  
9           of part 200 of title 17, Code of Federal Regula-  
10          tions, to the same extent as such subpart ap-  
11          plies to the employees of the Securities and Ex-  
12          change Commission.

13          “(v) DISCLOSURE OF STAFF SALARIES AND FINAN-  
14          CIAL INFORMATION.—The Board of Governors of the Fed-  
15          eral Reserve System shall make publicly available, on the  
16          website of the Board of Governors, a searchable database  
17          that contains the names of all members, officers, and em-  
18          ployees of the Board of Governors who receive an annual  
19          salary in excess of the annual rate of basic pay for GS-  
20          15 of the General Schedule, and—

21                 “(1) the yearly salary information for such indi-  
22          viduals, along with any nonsalary compensation re-  
23          ceived by such individuals; and

24                 “(2) any financial disclosures required to be  
25          made by such individuals.”.

1       (b) OFFICE STAFF FOR EACH MEMBER OF THE  
 2 BOARD OF GOVERNORS.—Subsection (l) of section 11 of  
 3 the Federal Reserve Act (12 U.S.C. 248) is amended by  
 4 adding at the end the following: “Each member of the  
 5 Board of Governors of the Federal Reserve System may  
 6 employ, at a minimum, 2 individuals, with such individuals  
 7 selected by such member and the salaries of such individ-  
 8 uals set by such member. A member may employ addi-  
 9 tional individuals as determined necessary by the Board  
 10 of Governors.”.

11 **SEC. 1008. AMENDMENTS TO POWERS OF THE BOARD OF**  
 12 **GOVERNORS OF THE FEDERAL RESERVE SYS-**  
 13 **TEM.**

14       (a) IN GENERAL.—Section 13(3) of the Federal Re-  
 15 serve Act (12 U.S.C. 343(3)), as amended by section  
 16 111(b)(3), is further amended—

17               (1) in subparagraph (A)—

18                       (A) by inserting “that pose a threat to the  
 19 financial stability of the United States” after  
 20 “unusual and exigent circumstances”; and

21                       (B) by inserting “and by the affirmative  
 22 vote of not less than nine presidents of the Fed-  
 23 eral reserve banks” after “five members”;

24               (2) in subparagraph (B)—

1 (A) in clause (i), by inserting at the end  
2 the following: “Federal reserve banks may not  
3 accept equity securities issued by the recipient  
4 of any loan or other financial assistance under  
5 this paragraph as collateral. Not later than 6  
6 months after the date of enactment of this sen-  
7 tence, the Board shall, by rule, establish—

8 “(I) a method for determining  
9 the sufficiency of the collateral re-  
10 quired under this paragraph;

11 “(II) acceptable classes of collat-  
12 eral;

13 “(III) the amount of any dis-  
14 count on the value of the collateral  
15 that the Federal reserve banks will  
16 apply for purposes of calculating the  
17 sufficiency of collateral under this  
18 paragraph; and

19 “(IV) a method for obtaining  
20 independent appraisals of the value of  
21 collateral the Federal reserve banks  
22 receive.”; and

23 (B) in clause (ii)—

24 (i) by striking the second sentence;  
25 and

1                   (ii) by inserting after the first sen-  
2                   tence the following: “A borrower shall not  
3                   be eligible to borrow from any emergency  
4                   lending program or facility unless the  
5                   Board and all Federal banking regulators  
6                   with jurisdiction over the borrower certify  
7                   that, at the time the borrower initially bor-  
8                   rows under the program or facility, the  
9                   borrower is not insolvent.”;

10               (3) by inserting “financial institution” before  
11               “participant” each place such term appears;

12               (4) in subparagraph (D)(i), by inserting “finan-  
13               cial institution” before “participants”; and

14               (5) by adding at the end the following new sub-  
15               paragraphs:

16                   “(E) PENALTY RATE.—

17                   “(i) IN GENERAL.—Not later than 6  
18                   months after the date of enactment of this  
19                   subparagraph, the Board shall, with re-  
20                   spect to a recipient of any loan or other fi-  
21                   nancial assistance under this paragraph,  
22                   establish by rule a minimum interest rate  
23                   on the principal amount of any loan or  
24                   other financial assistance.

1 “(ii) MINIMUM INTEREST RATE DE-  
2 FINED.—In this subparagraph, the term  
3 ‘minimum interest rate’ shall mean the  
4 sum of—

5 “(I) the average of the secondary  
6 discount rate of all Federal Reserve  
7 banks over the most recent 90-day pe-  
8 riod; and

9 “(II) the average of the dif-  
10 ference between a distressed corporate  
11 bond yield index (as defined by rule of  
12 the Board) and a bond yield index of  
13 debt issued by the United States (as  
14 defined by rule of the Board) over the  
15 most recent 90-day period.

16 “(F) FINANCIAL INSTITUTION PARTICI-  
17 PANT DEFINED.—For purposes of this para-  
18 graph, the term ‘financial institution partici-  
19 pant’—

20 “(i) means a company that is pre-  
21 dominantly engaged in financial activities  
22 (as defined in section 102(a) of the Dodd-  
23 Frank Wall Street Reform and Consumer  
24 Protection Act (12 U.S.C. 5311(a))); and

1 “(ii) does not include an agency de-  
 2 scribed in subparagraph (W) of section  
 3 5312(a)(2) of title 31, United States Code,  
 4 or an entity controlled or sponsored by  
 5 such an agency.”.

6 (b) CONFORMING AMENDMENT.—Section  
 7 11(r)(2)(A) of the Federal Reserve Act (12 U.S.C.  
 8 248(r)(2)(A)) is amended—

9 (1) in clause (ii)(IV), by striking “; and” and  
 10 inserting a semicolon;

11 (2) in clause (iii), by striking the period at the  
 12 end and inserting “; and”; and

13 (3) by adding at the end the following new  
 14 clause:

15 “(iv) the available members secure the affirma-  
 16 tive vote of not less than nine presidents of the Fed-  
 17 eral reserve banks.”.

18 **SEC. 1009. INTEREST RATES ON BALANCES MAINTAINED AT**  
 19 **A FEDERAL RESERVE BANK BY DEPOSITORY**  
 20 **INSTITUTIONS ESTABLISHED BY FEDERAL**  
 21 **OPEN MARKET COMMITTEE.**

22 Subparagraph (A) of section 19(b)(12) of the Federal  
 23 Reserve Act (12 U.S.C. 461(b)(12)(A)) is amended by in-  
 24 serting “established by the Federal Open Market Com-  
 25 mittee” after “rate or rates”.

1 **SEC. 1010. AUDIT REFORM AND TRANSPARENCY FOR THE**  
2 **BOARD OF GOVERNORS OF THE FEDERAL RE-**  
3 **SERVE SYSTEM.**

4 (a) IN GENERAL.—Notwithstanding section 714 of  
5 title 31, United States Code, or any other provision of law,  
6 the Comptroller General of the United States shall annu-  
7 ally complete an audit of the Board of Governors of the  
8 Federal Reserve System and the Federal reserve banks  
9 under subsection (b) of such section 714 within 12 months  
10 after the date of the enactment of this Act.

11 (b) REPORT.—

12 (1) IN GENERAL.—Not later than 90 days after  
13 each audit required pursuant to subsection (a) is  
14 completed, the Comptroller General—

15 (A) shall submit to Congress a report on  
16 such audit; and

17 (B) shall make such report available to the  
18 Speaker of the House, the majority and minor-  
19 ity leaders of the House of Representatives, the  
20 majority and minority leaders of the Senate, the  
21 Chairman and Ranking Member of the com-  
22 mittee and each subcommittee of jurisdiction in  
23 the House of Representatives and the Senate,  
24 and any other Member of Congress who re-  
25 quests the report.

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

8           (c) REPEAL OF CERTAIN LIMITATIONS.—Subsection  
9           (b) of section 714 of title 31, United States Code, is  
10          amended by striking the second sentence.

11          (d) TECHNICAL AND CONFORMING AMENDMENTS.—

12                (1) IN GENERAL.—Section 714 of title 31,  
13          United States Code, is amended—

14                    (A) in subsection (d)(3), by striking “or  
15                   (f)” each place such term appears;

16                    (B) in subsection (e), by striking “the  
17                   third undesignated paragraph of section 13”  
18                   and inserting “section 13(3)”; and

19                    (C) by striking subsection (f).

20           (2) FEDERAL RESERVE ACT.—Subsection (s)  
21           (relating to “Federal Reserve Transparency and Re-  
22           lease of Information”) of section 11 of the Federal  
23           Reserve Act (12 U.S.C. 248) is amended—

24                    (A) in paragraph (4)(A), by striking “has  
25                   the same meaning as in section 714(f)(1)(A) of

1 title 31, United States Code” and inserting  
 2 “means a program or facility, including any  
 3 special purpose vehicle or other entity estab-  
 4 lished by or on behalf of the Board of Gov-  
 5 ernors of the Federal Reserve System or a Fed-  
 6 eral reserve bank, authorized by the Board of  
 7 Governors under section 13(3), that is not sub-  
 8 ject to audit under section 714(e) of title 31,  
 9 United States Code”;

10 (B) in paragraph (6), by striking “or in  
 11 section 714(f)(3)(C) of title 31, United States  
 12 Code, the information described in paragraph  
 13 (1) and information concerning the transactions  
 14 described in section 714(f) of such title,” and  
 15 inserting “the information described in para-  
 16 graph (1)”;

17 (C) in paragraph (7), by striking “and sec-  
 18 tion 13(3)(C), section 714(f)(3)(C) of title 31,  
 19 United States Code, and” and inserting “, sec-  
 20 tion 13(3)(C), and”.

21 **SEC. 1011. ESTABLISHMENT OF A CENTENNIAL MONETARY**  
 22 **COMMISSION.**

23 (a) FINDINGS.—Congress finds the following:

24 (1) The Constitution endows Congress with the  
 25 power “to coin money, regulate the value thereof”.

1           (2) Following the financial crisis known as the  
2       Panic of 1907, Congress established the National  
3       Monetary Commission to provide recommendations  
4       for the reform of the financial and monetary systems  
5       of the United States.

6           (3) Incorporating several of the recommenda-  
7       tions of the National Monetary Commission, Con-  
8       gress created the Federal Reserve System in 1913.  
9       As currently organized, the Federal Reserve System  
10      consists of the Board of Governors in Washington,  
11      District of Columbia, and the Federal reserve banks  
12      organized into 12 districts around the United States.  
13      The stockholders of the 12 Federal reserve banks in-  
14      clude national and certain State-chartered commer-  
15      cial banks, which operate on a fractional reserve  
16      basis.

17          (4) Originally, Congress gave the Federal Re-  
18      serve System a monetary mandate to provide an  
19      elastic currency, within the context of a gold stand-  
20      ard, in response to seasonal fluctuations in the de-  
21      mand for currency.

22          (5) Congress also gave the Federal Reserve  
23      System a financial stability mandate to serve as the  
24      lender of last resort to solvent but illiquid banks  
25      during a financial crisis.

1           (6) In 1977, Congress changed the monetary  
2       mandate of the Federal Reserve System to a dual  
3       mandate for maximum employment and stable  
4       prices.

5           (7) Empirical studies and historical evidence,  
6       both within the United States and in other coun-  
7       tries, demonstrate that price stability is desirable be-  
8       cause both inflation and deflation damage the econ-  
9       omy.

10          (8) The economic challenge of recent years—  
11       most notably the bursting of the housing bubble, the  
12       financial crisis of 2008, and the ensuing anemic re-  
13       covery—have occurred at great cost in terms of lost  
14       jobs and output.

15          (9) Policymakers are reexamining the structure  
16       and functioning of financial institutions and markets  
17       to determine what, if any, changes need to be made  
18       to place the financial system on a stronger, more  
19       sustainable path going forward.

20          (10) The Federal Reserve System has taken ex-  
21       traordinary actions in response to the recent eco-  
22       nomic challenges.

23          (11) The Federal Open Market Committee has  
24       engaged in multiple rounds of quantitative easing,  
25       providing unprecedented liquidity to financial mar-

1       kets, while committing to holding short-term interest  
2       rates low for a seemingly indefinite period, and pur-  
3       suing a policy of credit allocation by purchasing  
4       Federal agency debt and mortgage-backed securities.

5           (12) In the wake of the recent extraordinary ac-  
6       tions of the Federal Reserve System, Congress—con-  
7       sistent with its constitutional responsibilities and as  
8       it has done periodically throughout the history of the  
9       United States—has once again renewed its examina-  
10      tion of monetary policy.

11          (13) Central in such examination has been a re-  
12      newed look at what is the most proper mandate for  
13      the Federal Reserve System to conduct monetary  
14      policy in the 21st century.

15          (b) ESTABLISHMENT OF A CENTENNIAL MONETARY  
16      COMMISSION.—There is established a commission to be  
17      known as the “Centennial Monetary Commission” (in this  
18      section referred to as the “Commission”).

19          (c) STUDY AND REPORT ON MONETARY POLICY.—

20              (1) STUDY.—The Commission shall—

21                  (A) examine how United States monetary  
22                  policy since the creation of the Board of Gov-  
23                  ernors of the Federal Reserve System in 1913  
24                  has affected the performance of the United

1 States economy in terms of output, employ-  
2 ment, prices, and financial stability over time;

3 (B) evaluate various operational regimes  
4 under which the Board of Governors of the  
5 Federal Reserve System and the Federal Open  
6 Market Committee may conduct monetary pol-  
7 icy in terms achieving the maximum sustainable  
8 level of output and employment and price sta-  
9 bility over the long term, including—

10 (i) discretion in determining monetary  
11 policy without an operational regime;

12 (ii) price level targeting;

13 (iii) inflation rate targeting;

14 (iv) nominal gross domestic product  
15 targeting (both level and growth rate);

16 (v) the use of monetary policy rules;

17 and

18 (vi) the gold standard;

19 (C) evaluate the use of macro-prudential  
20 supervision and regulation as a tool of mone-  
21 tary policy in terms of achieving the maximum  
22 sustainable level of output and employment and  
23 price stability over the long term;

24 (D) evaluate the use of the lender-of-last-  
25 resort function of the Board of Governors of

1 the Federal Reserve System as a tool of mone-  
2 tary policy in terms of achieving the maximum  
3 sustainable level of output and employment and  
4 price stability over the long term;

5 (E) recommend a course for United States  
6 monetary policy going forward, including—

7 (i) the legislative mandate;

8 (ii) the operational regime;

9 (iii) the securities used in open-mar-  
10 ket operations; and

11 (iv) transparency issues; and

12 (F) consider the effects of the GDP output  
13 and employment targets of the “dual mandate”  
14 (both from the creation of the dual mandate in  
15 1977 until the present time and estimates of  
16 the future effect of the dual mandate ) on—

17 (i) United States economic activity;

18 (ii) actions of the Board of Governors  
19 of the Federal Reserve System; and

20 (iii) Federal debt.

21 (2) REPORT.—Not later than 1 year after the  
22 date of the enactment of this section, the Commis-  
23 sion shall submit to Congress and make publicly  
24 available a report containing a statement of the find-  
25 ings and conclusions of the Commission in carrying

1 out the study under paragraph (1), together with  
2 the recommendations the Commission considers ap-  
3 propriate. In making such report, the Commission  
4 shall specifically report on the considerations re-  
5 quired under paragraph (1)(F).

6 (d) MEMBERSHIP.—

7 (1) NUMBER AND APPOINTMENT.—

8 (A) APPOINTED VOTING MEMBERS.—The  
9 Commission shall contain 12 voting members as  
10 follows:

11 (i) Six members appointed by the  
12 Speaker of the House of Representatives,  
13 with four members from the majority party  
14 and two members from the minority party.

15 (ii) Six members appointed by the  
16 President Pro Tempore of the Senate, with  
17 four members from the majority party and  
18 two members from the minority party.

19 (B) CHAIRMAN.—The Speaker of the  
20 House of Representatives and the majority  
21 leader of the Senate shall jointly designate one  
22 of the members of the Commission as Chair-  
23 man.

1 (C) NON-VOTING MEMBERS.—The Com-  
2 mission shall contain 2 non-voting members as  
3 follows:

4 (i) One member appointed by the Sec-  
5 retary of the Treasury.

6 (ii) One member who is the president  
7 of a district Federal reserve bank ap-  
8 pointed by the Chair of the Board of Gov-  
9 ernors of the Federal Reserve System.

10 (2) PERIOD OF APPOINTMENT.—Each member  
11 shall be appointed for the life of the Commission.

12 (3) TIMING OF APPOINTMENT.—All members of  
13 the Commission shall be appointed not later than 30  
14 days after the date of the enactment of this section.

15 (4) VACANCIES.—A vacancy in the Commission  
16 shall not affect its powers, and shall be filled in the  
17 manner in which the original appointment was  
18 made.

19 (5) MEETINGS.—

20 (A) INITIAL MEETING.—The Commission  
21 shall hold its initial meeting and begin the oper-  
22 ations of the Commission as soon as is prac-  
23 ticable.

1 (B) FURTHER MEETINGS.—The Commis-  
2 sion shall meet upon the call of the Chair or a  
3 majority of its members.

4 (6) QUORUM.—Seven voting members of the  
5 Commission shall constitute a quorum but a lesser  
6 number may hold hearings.

7 (7) MEMBER OF CONGRESS DEFINED.—In this  
8 subsection, the term “Member of Congress” means  
9 a Senator or a Representative in, or Delegate or  
10 Resident Commissioner to, the Congress.

11 (e) POWERS.—

12 (1) HEARINGS AND SESSIONS.—The Commis-  
13 sion or, on the authority of the Commission, any  
14 subcommittee or member thereof, may, for the pur-  
15 pose of carrying out this section, hold hearings, sit  
16 and act at times and places, take testimony, receive  
17 evidence, or administer oaths as the Commission or  
18 such subcommittee or member thereof considers ap-  
19 propriate.

20 (2) CONTRACT AUTHORITY.—To the extent or  
21 in the amounts provided in advance in appropriation  
22 Acts, the Commission may contract with and com-  
23 pensate government and private agencies or persons  
24 to enable the Commission to discharge its duties

1 under this section, without regard to section 3709 of  
2 the Revised Statutes (41 U.S.C. 5).

3 (3) OBTAINING OFFICIAL DATA.—

4 (A) IN GENERAL.—The Commission is au-  
5 thorized to secure directly from any executive  
6 department, bureau, agency, board, commission,  
7 office, independent establishment, or instrumen-  
8 tality of the Government, any information, in-  
9 cluding suggestions, estimates, or statistics, for  
10 the purposes of this section.

11 (B) REQUESTING OFFICIAL DATA.—The  
12 head of such department, bureau, agency,  
13 board, commission, office, independent estab-  
14 lishment, or instrumentality of the government  
15 shall, to the extent authorized by law, furnish  
16 such information upon request made by—

17 (i) the Chair;

18 (ii) the Chair of any subcommittee  
19 created by a majority of the Commission;  
20 or

21 (iii) any member of the Commission  
22 designated by a majority of the commission  
23 to request such information.

24 (4) ASSISTANCE FROM FEDERAL AGENCIES.—

1           (A) GENERAL SERVICES ADMINISTRA-  
2           TION.—The Administrator of General Services  
3           shall provide to the Commission on a reimburs-  
4           able basis administrative support and other  
5           services for the performance of the functions of  
6           the Commission.

7           (B) OTHER DEPARTMENTS AND AGEN-  
8           CIES.—In addition to the assistance prescribed  
9           in subparagraph (A), at the request of the  
10          Commission, departments and agencies of the  
11          United States shall provide such services, funds,  
12          facilities, staff, and other support services as  
13          may be authorized by law.

14          (5) POSTAL SERVICE.—The Commission may  
15          use the United States mails in the same manner and  
16          under the same conditions as other departments and  
17          agencies of the United States.

18          (f) COMMISSION PERSONNEL.—

19               (1) APPOINTMENT AND COMPENSATION OF  
20               STAFF.—

21               (A) IN GENERAL.—Subject to rules pre-  
22               scribed by the Commission, the Chair may ap-  
23               point and fix the pay of the executive director  
24               and other personnel as the Chair considers ap-  
25               propriate.

1                   (B) APPLICABILITY OF CIVIL SERVICE  
2                   LAWS.—The staff of the Commission may be  
3                   appointed without regard to the provisions of  
4                   title 5, United States Code, governing appoint-  
5                   ments in the competitive service, and may be  
6                   paid without regard to the provisions of chapter  
7                   51 and subchapter III of chapter 53 of that  
8                   title relating to classification and General  
9                   Schedule pay rates, except that an individual so  
10                  appointed may not receive pay in excess of level  
11                  V of the Executive Schedule.

12               (2) CONSULTANTS.—The Commission may pro-  
13               cure temporary and intermittent services under sec-  
14               tion 3109(b) of title 5, United States Code, but at  
15               rates for individuals not to exceed the daily equiva-  
16               lent of the rate of pay for a person occupying a posi-  
17               tion at level IV of the Executive Schedule.

18               (3) STAFF OF FEDERAL AGENCIES.—Upon re-  
19               quest of the Commission, the head of any Federal  
20               department or agency may detail, on a reimbursable  
21               basis, any of the personnel of such department or  
22               agency to the Commission to assist it in carrying out  
23               its duties under this section.

24               (g) TERMINATION OF COMMISSION.—

1           (1) IN GENERAL.—The Commission shall termi-  
 2           nate 6 months after the date on which the report is  
 3           submitted under subsection (c)(2).

4           (2) ADMINISTRATIVE ACTIVITIES BEFORE TER-  
 5           MINATION.—The Commission may use the period be-  
 6           tween the submission of its report and its termi-  
 7           nation for the purpose of concluding its activities,  
 8           including providing testimony to the committee of  
 9           Congress concerning its report.

10          (h) AUTHORIZATION OF APPROPRIATIONS.—There is  
 11          authorized to be appropriated to carry out this section  
 12          \$1,000,000, which shall remain available until the date on  
 13          which the Commission terminates.

14       **TITLE   XI—IMPROVING   INSUR-**  
 15       **ANCE                   COORDINATION**  
 16       **THROUGH AN INDEPENDENT**  
 17       **ADVOCATE**

18       **SEC. 1101. REPEAL OF THE FEDERAL INSURANCE OFFICE;**  
 19                       **CREATION OF THE OFFICE OF THE INDE-**  
 20                       **PENDENT INSURANCE ADVOCATE.**

21          (a) ESTABLISHMENT.—Section 313 of title 31,  
 22          United States Code, is amended to read as follows (and  
 23          conforming the table of contents for chapter 3 of such title  
 24          accordingly):

1 **“§ 313. Office of the Independent Insurance Advocate**

2       “(a) ESTABLISHMENT.—There is established in the  
3 Department of the Treasury a bureau to be known as the  
4 Office of the Independent Insurance Advocate (in this sec-  
5 tion referred to as the ‘Office’).

6       “(b) INDEPENDENT INSURANCE ADVOCATE.—

7               “(1) ESTABLISHMENT OF POSITION.—The chief  
8 officer of the Office of the Independent Insurance  
9 Advocate shall be known as the Independent Insur-  
10 ance Advocate. The Independent Insurance Advocate  
11 shall perform the duties of such office under the  
12 general direction of the Secretary of the Treasury.

13               “(2) APPOINTMENT.—The Independent Insur-  
14 ance Advocate shall be appointed by the President,  
15 by and with the advice and consent of the Senate,  
16 from among persons having insurance expertise.

17               “(3) TERM.—

18                       “(A) IN GENERAL.—The Independent In-  
19 surance Advocate shall serve a term of 6 years,  
20 unless sooner removed by the President upon  
21 reasons which shall be communicated to the  
22 Senate.

23                       “(B) SERVICE AFTER EXPIRATION.—If a  
24 successor is not nominated and confirmed by  
25 the end of the term of service of the Inde-  
26 pendent Insurance Advocate, the person serving

1 as Independent Insurance Advocate shall con-  
2 tinue to serve until such time a successor is ap-  
3 pointed and confirmed.

4 “(C) VACANCY.—An Independent Insur-  
5 ance Advocate who is appointed to serve the re-  
6 mainder of a predecessor’s uncompleted term  
7 shall be eligible thereafter to be appointed to a  
8 full 6 year term.

9 “(D) ACTING OFFICIAL ON FINANCIAL  
10 STABILITY OVERSIGHT COUNCIL.—In the event  
11 of a vacancy in the office of the Independent  
12 Insurance Advocate, and pending the appoint-  
13 ment and confirmation of a successor, or during  
14 the absence or disability of the Independent In-  
15 surance Advocate, the Independent Member  
16 shall appoint a federal official appointed by the  
17 President and confirmed by the Senate from a  
18 member agency of the Financial Stability Over-  
19 sight Council, not otherwise serving on the  
20 Council, who shall serve as a member of the  
21 Council and act in the place of the Independent  
22 Insurance Advocate until such vacancy, ab-  
23 sence, or disability concludes.

24 “(4) EMPLOYMENT.—The Independent Insur-  
25 ance Advocate shall be an employee of the Federal

1 Government within the definition of employee under  
2 section 2105 of title 5, United States Code.

3 “(c) INDEPENDENCE; OVERSIGHT.—

4 “(1) INDEPENDENCE.—The Secretary of the  
5 Treasury may not delay or prevent the issuance of  
6 any rule or the promulgation of any regulation by  
7 the Independent Insurance Advocate, and may not  
8 intervene in any matter or proceeding before the  
9 Independent Insurance Advocate, unless otherwise  
10 specifically provided by law.

11 “(2) OVERSIGHT BY INSPECTOR GENERAL.—

12 The Office of the Independent Insurance Advocate  
13 shall be an office in the establishment of the Depart-  
14 ment of the Treasury for purposes of the Inspector  
15 General Act of 1978 (5 U.S.C. App.).

16 “(d) RETENTION OF EXISTING STATE REGULATORY  
17 AUTHORITY.—Nothing in this section or section 314 shall  
18 be construed to establish or provide the Office or the De-  
19 partment of the Treasury with general supervisory or reg-  
20 ulatory authority over the business of insurance.

21 “(e) BUDGET.—

22 “(1) ANNUAL TRANSMITTAL.—For each fiscal  
23 year, the Independent Insurance Advocate shall  
24 transmit a budget estimate and request to the Sec-  
25 retary of the Treasury, which shall specify the ag-

1 gregate amount of funds requested for such fiscal  
2 year for the operations of the Office of the Inde-  
3 pendent Insurance Advocate.

4 “(2) INCLUSIONS.—In transmitting the pro-  
5 posed budget to the President for approval, the Sec-  
6 retary of the Treasury shall include—

7 “(A) an aggregate request for the Inde-  
8 pendent Insurance Advocate; and

9 “(B) any comments of the Independent In-  
10 surance Advocate with respect to the proposal.

11 “(3) PRESIDENT’S BUDGET.—The President  
12 shall include in each budget of the United States  
13 Government submitted to the Congress—

14 “(A) a separate statement of the budget  
15 estimate prepared in accordance with paragraph  
16 (1);

17 “(B) the amount requested by the Presi-  
18 dent for the Independent Insurance Advocate;  
19 and

20 “(C) any comments of the Independent In-  
21 surance Advocate with respect to the proposal if  
22 the Independent Insurance Advocate concludes  
23 that the budget submitted by the President  
24 would substantially inhibit the Independent In-

1           surance Advocate from performing the duties of  
2           the office.

3           “(f) ASSISTANCE.—The Secretary of the Treasury  
4 shall provide the Independent Insurance Advocate such  
5 services, funds, facilities and other support services as the  
6 Independent Insurance Advocate may request and as the  
7 Secretary may approve.

8           “(g) PERSONNEL.—

9           “(1) EMPLOYEES.—The Independent Insurance  
10 Advocate may fix the number of, and appoint and  
11 direct, the employees of the Office, in accordance  
12 with the applicable provisions of title 5, United  
13 States Code. The Independent Insurance Advocate is  
14 authorized to employ attorneys, analysts, economists,  
15 and other employees as may be deemed necessary to  
16 assist the Independent Insurance Advocate to carry  
17 out the duties and functions of the Office. Unless  
18 otherwise provided expressly by law, any individual  
19 appointed under this paragraph shall be an employee  
20 as defined in section 2105 of title 5, United States  
21 Code, and subject to the provisions of such title and  
22 other laws generally applicable to the employees of  
23 the Executive Branch.

24           “(2) COMPENSATION.—Employees of the Office  
25 shall be paid in accordance with the provisions of

1 chapter 51 and subchapter III of chapter 53 of title  
2 5, United States Code, relating to classification and  
3 General Schedule pay rates.

4 “(3) PROCUREMENT OF TEMPORARY AND  
5 INTERMITTENT SERVICES.—The Independent Insur-  
6 ance Advocate may procure temporary and intermit-  
7 tent services under section 3109(b) of title 5, United  
8 States Code, at rates for individuals which do not  
9 exceed the daily equivalent of the annual rate of  
10 basic pay prescribed for Level V of the Executive  
11 Schedule under section 5316 of such title.

12 “(4) DETAILS.—Any employee of the Federal  
13 Government may be detailed to the Office with or  
14 without reimbursement, and such detail shall be  
15 without interruption or loss of civil service status or  
16 privilege. An employee of the Federal Government  
17 detailed to the Office shall report to and be subject  
18 to oversight by the Independent Insurance Advocate  
19 during the assignment to the office, and may be  
20 compensated by the branch, department, or agency  
21 from which the employee was detailed.

22 “(5) INTERGOVERNMENTAL PERSONNEL.—The  
23 Independent Insurance Advocate may enter into  
24 agreements under subchapter VI of chapter 33 of  
25 title 5, United States Code, with State and local

1 governments, institutions of higher education, Indian  
2 tribal governments, and other eligible organizations  
3 for the assignment of intermittent, part-time, and  
4 full-time personnel, on a reimbursable or non-reim-  
5 bursable basis.

6 “(h) ETHICS.—

7 “(1) DESIGNATED ETHICS OFFICIAL.—The  
8 Legal Counsel of the Financial Stability Oversight  
9 Council, or in the absence of a Legal Counsel of the  
10 Council, the designated ethics official of any Council  
11 member agency, as chosen by the Independent In-  
12 surance Advocate, shall be the ethics official for the  
13 Independent Insurance Advocate.

14 “(2) RESTRICTION ON REPRESENTATION.—In  
15 addition to any restriction under section 205(c) of  
16 title18, United States Code, except as provided in  
17 subsections (d) through (i) of section 205 of such  
18 title, the Independent Insurance Advocate (except in  
19 the proper discharge of official duties) shall not,  
20 with or without compensation, represent anyone to  
21 or before any officer or employee of—

22 “(A) the Financial Stability Oversight  
23 Council on any matter; or

1           “(B) the Department of Justice with re-  
2           spect to litigation involving a matter described  
3           in subparagraph (A).

4           “(3) COMPENSATION FOR SERVICES PROVIDED  
5           BY ANOTHER.—For purposes of section 203 of title  
6           18, United States Code, and if a special government  
7           employee—

8           “(A) the Independent Insurance Advocate  
9           shall not be subject to the restrictions of sub-  
10          section (a)(1) of section 203, of title 18, United  
11          States Code, for sharing in compensation  
12          earned by another for representations on mat-  
13          ters covered by such section; and

14          “(B) a person shall not be subject to the  
15          restrictions of subsection (a)(2) of such section  
16          for sharing such compensation with the Inde-  
17          pendent Insurance Advocate.

18          “(i) ADVISORY, TECHNICAL, AND PROFESSIONAL  
19          COMMITTEES.—The Independent Insurance Advocate may  
20          appoint such special advisory, technical, or professional  
21          committees as may be useful in carrying out the functions  
22          of the Office and the members of such committees may  
23          be staff of the Office, or other persons, or both.

24          “(j) MISSION AND FUNCTIONS.—

1           “(1) MISSION.—In carrying out the functions  
2           under this subsection, the mission of the Office shall  
3           be to act as an independent advocate on behalf of  
4           the interests of United States policyholders on pru-  
5           dential aspects of insurance matters of importance,  
6           and to provide perspective on protecting their inter-  
7           ests, separate and apart from any other Federal  
8           agency or State insurance regulator.

9           “(2) OFFICE.—The Office shall have the au-  
10          thority—

11               “(A) to coordinate Federal efforts on pru-  
12               dential aspects of international insurance mat-  
13               ters, including representing the United States,  
14               as appropriate, in the International Association  
15               of Insurance Supervisors (or a successor entity)  
16               and assisting the Secretary in negotiating cov-  
17               ered agreements (as such term is defined in  
18               subsection (q)) in coordination with States (in-  
19               cluding State insurance commissioners) and the  
20               United States Trade Representative;

21               “(B) to consult with the States (including  
22               State insurance regulators) regarding insurance  
23               matters of national importance and prudential  
24               insurance matters of international importance;

1           “(C) to assist the Secretary in admin-  
2           istering the Terrorism Insurance Program es-  
3           tablished in the Department of the Treasury  
4           under the Terrorism Risk Insurance Act of  
5           2002 (15 U.S.C. 6701 note);

6           “(D) to observe all aspects of the insur-  
7           ance industry, including identifying issues or  
8           gaps in the regulation of insurers that could  
9           contribute to a systemic crisis in the insurance  
10          industry or the United States financial system;  
11          and

12          “(E) to make determinations and exercise  
13          the authority under subsection (m) with respect  
14          to covered agreements and State insurance  
15          measures.

16          “(3) MEMBERSHIP ON FINANCIAL STABILITY  
17          OVERSIGHT COUNCIL.—

18                 “(A) IN GENERAL.—The Independent In-  
19                 surance Advocate shall serve, pursuant to sec-  
20                 tion 111(b)(1)(J) of the Financial Stability Act  
21                 of 2010 (12 U.S.C. 5321(b)(1)(J)), as a mem-  
22                 ber on the Financial Stability Oversight Coun-  
23                 cil.

24                 “(B) AUTHORITY.—To assist the Financial  
25                 Stability Oversight Council with its responsibil-

ities to monitor international insurance developments, advise the Congress, and make recommendations, the Independent Insurance Advocate shall have the authority—

“(i) to regularly consult with international insurance supervisors and international financial stability counterparts;

“(ii) to consult with the Board of Governors of the Federal Reserve System and the States with respect to representing the United States, as appropriate, in the International Association of Insurance Supervisors (including to become a non-voting member thereof), particularly on matters of systemic risk;

“(iii) to participate at the Financial Stability Board of The Group of Twenty and to join with other members from the United States including on matters related to insurance; and

“(iv) to participate with the United States delegation to the Organization for Economic Cooperation and Development and observe and participate at the Insurance and Private Pensions Committee.

1           “(4) LIMITATIONS ON PARTICIPATION IN SU-  
2       PERVISORY COLLEGES.—The Office may not engage  
3       in any activities that it is not specifically authorized  
4       to engage in under this section or any other provi-  
5       sion of law, including participation in any super-  
6       visory college or other meetings or fora for coopera-  
7       tion and communication between the involved insur-  
8       ance supervisors established for the fundamental  
9       purpose of facilitating the effectiveness of super-  
10      vision of entities which belong to an insurance  
11      group.

12       “(k) SCOPE.—The authority of the Office as specified  
13      and limited in this section shall extend to all lines of insur-  
14      ance except—

15           “(1) health insurance, as determined by the  
16      Secretary in coordination with the Secretary of  
17      Health and Human Services based on section 2791  
18      of the Public Health Service Act (42 U.S.C. 300gg-  
19      91);

20           “(2) long-term care insurance, except long-term  
21      care insurance that is included with life or annuity  
22      insurance components, as determined by the Sec-  
23      retary in coordination with the Secretary of Health  
24      and Human Services, and in the case of long-term  
25      care insurance that is included with such compo-

1       nents, the Secretary shall coordinate with the Sec-  
2       retary of Health and Human Services in performing  
3       the functions of the Office; and

4               “(3) crop insurance, as established by the Fed-  
5       eral Crop Insurance Act (7 U.S.C. 1501 et seq.).

6       “(l) ACCESS TO INFORMATION.—In carrying out the  
7       functions required under subsection (j), the Office may co-  
8       ordinate with any relevant Federal agency and any State  
9       insurance regulator (or other relevant Federal or State  
10      regulatory agency, if any, in the case of an affiliate of an  
11      insurer) and any publicly available sources for the provi-  
12      sion to the Office of publicly available information. Not-  
13      withstanding any other provision of law, each such rel-  
14      evant Federal agency and State insurance regulator or  
15      other Federal or State regulatory agency is authorized to  
16      provide to the Office such data or information.

17      “(m) PREEMPTION PURSUANT TO COVERED AGREE-  
18      MENTS.—

19               “(1) STANDARDS.—A State insurance measure  
20      shall be preempted pursuant to this section or sec-  
21      tion 314 if, and only to the extent that the Inde-  
22      pendent Insurance Advocate determines, in accord-  
23      ance with this subsection, that the measure—

24                       “(A) results in less favorable treatment of  
25                      a non-United States insurer domiciled in a for-

1           eign jurisdiction that is subject to a covered  
2           agreement than a United States insurer domi-  
3           ciled, licensed, or otherwise admitted in that  
4           State; and

5           “(B) is inconsistent with a covered agree-  
6           ment.

7           “(2) DETERMINATION.—

8           “(A) NOTICE OF POTENTIAL INCONSIST-  
9           ENCY.—Before making any determination  
10          under paragraph (1), the Independent Insur-  
11          ance Advocate shall—

12           “(i) notify and consult with the appro-  
13           priate State regarding any potential incon-  
14           sistency or preemption;

15           “(ii) notify and consult with the  
16           United States Trade Representative re-  
17           garding any potential inconsistency or pre-  
18           emption;

19           “(iii) cause to be published in the  
20           Federal Register notice of the issue re-  
21           garding the potential inconsistency or pre-  
22           emption, including a description of each  
23           State insurance measure at issue and any  
24           applicable covered agreement;

1                   “(iv) provide interested parties a rea-  
2                   sonable opportunity to submit written com-  
3                   ments to the Office; and

4                   “(v) consider any comments received.

5                   “(B) SCOPE OF REVIEW.—For purposes of  
6                   this subsection, any determination of the Inde-  
7                   pendent Insurance Advocate regarding State in-  
8                   surance measures, and any preemption under  
9                   paragraph (1) as a result of such determina-  
10                  tion, shall be limited to the subject matter con-  
11                  tained within the covered agreement involved  
12                  and shall achieve a level of protection for insur-  
13                  ance or reinsurance consumers that is substan-  
14                  tially equivalent to the level of protection  
15                  achieved under State insurance or reinsurance  
16                  regulation.

17                  “(C) NOTICE OF DETERMINATION OF IN-  
18                  CONSISTENCY.—Upon making any determina-  
19                  tion under paragraph (1), the Director shall—

20                       “(i) notify the appropriate State of  
21                       the determination and the extent of the in-  
22                       consistency;

23                       “(ii) establish a reasonable period of  
24                       time, which shall not be less than 30 days,

1 before the determination shall become ef-  
2 fective; and

3 “(iii) notify the Committees on Finan-  
4 cial Services and Ways and Means of the  
5 House of Representatives and the Commit-  
6 tees on Banking, Housing, and Urban Af-  
7 fairs and Finance of the Senate.

8 “(3) NOTICE OF EFFECTIVENESS.—Upon the  
9 conclusion of the period referred to in paragraph  
10 (2)(C)(ii), if the basis for such determination still  
11 exists, the determination shall become effective and  
12 the Independent Insurance Advocate shall—

13 “(A) cause to be published a notice in the  
14 Federal Register that the preemption has be-  
15 come effective, as well as the effective date; and

16 “(B) notify the appropriate State.

17 “(4) LIMITATION.—No State may enforce a  
18 State insurance measure to the extent that such  
19 measure has been preempted under this subsection.

20 “(5) APPLICABILITY OF ADMINISTRATIVE PRO-  
21 CEDURES ACT.—Determinations of inconsistency  
22 made pursuant to paragraph (2) shall be subject to  
23 the applicable provisions of subchapter II of chapter  
24 5 of title 5, United States Code (relating to adminis-  
25 trative procedure), and chapter 7 of such title (relat-

1       ing to judicial review), except that in any action for  
2       judicial review of a determination of inconsistency,  
3       the court shall determine the matter de novo.

4       “(n) CONSULTATION.—The Independent Insurance  
5 Advocate shall consult with State insurance regulators, in-  
6 dividually or collectively, to the extent the Independent In-  
7 surance Advocate determines appropriate, in carrying out  
8 the functions of the Office.

9       “(o) NOTICES AND REQUESTS FOR COMMENT.—In  
10 addition to the other functions and duties specified in this  
11 section, the Independent Insurance Advocate may pre-  
12 scribe such notices and requests for comment in the Fed-  
13 eral Register as are deemed necessary related to and gov-  
14 erning the manner in which the duties and authorities of  
15 the Independent Insurance Advocate are carried out;

16       “(p) SAVINGS PROVISIONS.—Nothing in this section  
17 shall—

18               “(1) preempt—

19                       “(A) any State insurance measure that  
20                       governs any insurer’s rates, premiums, under-  
21                       writing, or sales practices;

22                       “(B) any State coverage requirements for  
23                       insurance;

24                       “(C) the application of the antitrust laws  
25                       of any State to the business of insurance; or

1           “(D) any State insurance measure gov-  
2           erning the capital or solvency of an insurer, ex-  
3           cept to the extent that such State insurance  
4           measure results in less favorable treatment of a  
5           non-United State insurer than a United States  
6           insurer; or

7           “(2) affect the preemption of any State insur-  
8           ance measure otherwise inconsistent with and pre-  
9           empted by Federal law.

10          “(q) RETENTION OF AUTHORITY OF FEDERAL FI-  
11          NANCIAL REGULATORY AGENCIES.—Nothing in this sec-  
12          tion or section 314 shall be construed to limit the author-  
13          ity of any Federal financial regulatory agency, including  
14          the authority to develop and coordinate policy, negotiate,  
15          and enter into agreements with foreign governments, au-  
16          thorities, regulators, and multinational regulatory commit-  
17          tees and to preempt State measures to affect uniformity  
18          with international regulatory agreements.

19          “(r) RETENTION OF AUTHORITY OF UNITED STATES  
20          TRADE REPRESENTATIVE.—Nothing in this section or  
21          section 314 shall be construed to affect the authority of  
22          the Office of the United States Trade Representative pur-  
23          suant to section 141 of the Trade Act of 1974 (19 U.S.C.  
24          2171) or any other provision of law, including authority  
25          over the development and coordination of United States

1 international trade policy and the administration of the  
2 United States trade agreements program.

3 “(s) CONGRESSIONAL TESTIMONY.—The Inde-  
4 pendent Insurance Advocate shall appear before the Com-  
5 mittee on Financial Services of the House of Representa-  
6 tives and the Committee on Banking, Housing, and Urban  
7 Affairs at semi-annual hearings and shall provide testi-  
8 mony, which shall include submitting written testimony in  
9 advance of such appearances to such committees and to  
10 the Committee on Ways and Means of the House of Rep-  
11 resentatives and the Committee on Finance of the Senate,  
12 on the following matters:

13 “(1) OFFICE ACTIVITIES.—The efforts, activi-  
14 ties, objectives, and plans of the Office.

15 “(2) SECTION 313(L) ACTIONS.—Any actions  
16 taken by the Office pursuant to subsection (l) (re-  
17 garding preemption pursuant to covered agree-  
18 ments).

19 “(3) INSURANCE INDUSTRY.—The state of, and  
20 developments in, the insurance industry.

21 “(4) U.S. AND GLOBAL INSURANCE AND REIN-  
22 SURANCE MARKETS.—The breadth and scope of the  
23 global insurance and reinsurance markets and the  
24 critical role such markets plays in supporting insur-  
25 ance in the United States and the ongoing impacts

1 of part II of the Nonadmitted and Reinsurance Re-  
2 form Act of 2010 on the ability of State regulators  
3 to access reinsurance information for regulated com-  
4 panies in their jurisdictions.

5 “(5) OTHER.—Any other matters as deemed  
6 relevant by the Independent Insurance Advocate or  
7 requested by such Committees.

8 “(t) REPORT UPON END OF TERM OF OFFICE.—Not  
9 later than two months prior to the expiration of the term  
10 of office, or discontinuation of service, of each individual  
11 serving as the Independent Insurance Advocate, the Inde-  
12 pendent Insurance Advocate shall submit a report to the  
13 Committees on Financial Services and Ways and Means  
14 of the House of Representatives and the Committees on  
15 Banking, Housing, and Urban Affairs and Finance of the  
16 Senate setting forth recommendations regarding the Fi-  
17 nancial Stability Oversight Council and the role, duties,  
18 and functions of the Independent Insurance Advocate.

19 “(u) DEFINITIONS.—In this section and section 314,  
20 the following definitions shall apply:

21 “(1) AFFILIATE.—The term ‘affiliate’ means,  
22 with respect to an insurer, any person who controls,  
23 is controlled by, or is under common control with the  
24 insurer.

1           “(2) COVERED AGREEMENT.—The term ‘cov-  
2       ered agreement’ means a written bilateral or multi-  
3       lateral agreement regarding prudential measures  
4       with respect to the business of insurance or reinsur-  
5       ance that—

6           “(A) is entered into between the United  
7       States and one or more foreign governments,  
8       authorities, or regulatory entities; and

9           “(B) relates to the recognition of pruden-  
10      tial measures with respect to the business of in-  
11      surance or reinsurance that achieves a level of  
12      protection for insurance or reinsurance con-  
13      sumers that is substantially equivalent to the  
14      level of protection achieved under State insur-  
15      ance or reinsurance regulation.

16          “(3) INSURER.—The term ‘insurer’ means any  
17      person engaged in the business of insurance, includ-  
18      ing reinsurance.

19          “(4) FEDERAL FINANCIAL REGULATORY AGEN-  
20      CY.—The term ‘Federal financial regulatory agency’  
21      means the Department of the Treasury, the Board  
22      of Governors of the Federal Reserve System, the Of-  
23      fice of the Comptroller of the Currency, the Office  
24      of Thrift Supervision, the Securities and Exchange  
25      Commission, the Commodity Futures Trading Com-

1 mission, the Federal Deposit Insurance Corporation,  
2 the Federal Housing Finance Agency, or the Na-  
3 tional Credit Union Administration.

4 “(5) FINANCIAL STABILITY OVERSIGHT COUN-  
5 CIL.—The term ‘Financial Stability Oversight Coun-  
6 cil ’ means the Financial Stability Oversight Council  
7 established under section 111(a) of the Dodd-Frank  
8 Wall Street Reform and Consumer Protection Act  
9 (12 U.S.C. 5321(a)).

10 “(6) MEMBER AGENCY.—The term ‘member  
11 agency’ has the meaning given such term in section  
12 111(a) of the Dodd-Frank Wall Street Reform and  
13 Consumer Protection Act (12 U.S.C. 5321(a)).

14 “(7) NON-UNITED STATES INSURER.—The term  
15 ‘non-United States insurer’ means an insurer that is  
16 organized under the laws of a jurisdiction other than  
17 a State, but does not include any United States  
18 branch of such an insurer.

19 “(8) OFFICE.—The term ‘Office’ means the Of-  
20 fice of the Independent Insurance Advocate estab-  
21 lished by this section.

22 “(9) STATE INSURANCE MEASURE.—The term  
23 ‘State insurance measure’ means any State law, reg-  
24 ulation, administrative ruling, bulletin, guideline, or

1 practice relating to or affecting prudential measures  
2 applicable to insurance or reinsurance.

3 “(10) STATE INSURANCE REGULATOR.—The  
4 term ‘State insurance regulator’ means any State  
5 regulatory authority responsible for the supervision  
6 of insurers.

7 “(11) SUBSTANTIALLY EQUIVALENT TO THE  
8 LEVEL OF PROTECTION ACHIEVED.—The term ‘sub-  
9 stantially equivalent to the level of protection  
10 achieved’ means the prudential measures of a for-  
11 eign government, authority, or regulatory entity  
12 achieve a similar outcome in consumer protection as  
13 the outcome achieved under State insurance or rein-  
14 surance regulation.

15 “(12) UNITED STATES INSURER.—The term  
16 ‘United States insurer’ means—

17 “(A) an insurer that is organized under  
18 the laws of a State; or

19 “(B) a United States branch of a non-  
20 United States insurer.”.

21 (b) PAY AT LEVEL III OF EXECUTIVE SCHEDULE.—  
22 Section 5314 of title 5, United States Code, is amended  
23 by adding at the end the following new item:

24 “Independent Insurance Advocate, Department  
25 of the Treasury.”.

1 (c) VOTING MEMBER OF FSOC.—Paragraph (1) of  
2 section 111(b) of the Dodd-Frank Wall Street Reform and  
3 Consumer Protection Act (12 U.S.C. 5321(b)(1)) is  
4 amended by striking subparagraph (J) and inserting the  
5 following new subparagraph:

6 “(J) the Independent Insurance Advocate  
7 appointed pursuant to section 313 of title 31,  
8 United States Code.”.

9 (d) INDEPENDENCE.—Section 111 of Public Law 93–  
10 495 (12 U.S.C. 250) is amended—

11 (1) by inserting “the Independent Insurance  
12 Advocate of the Department of the Treasury,” after  
13 “Federal Housing Finance Agency,”; and

14 (2) by inserting “or official” before “submitting  
15 them”.

16 (e) TRANSFER OF EMPLOYEES.—All employees of the  
17 Department of Treasury who are performing staff func-  
18 tions for the independent member of the Financial Sta-  
19 bility Oversight Council under section 111(b)(2)(J) of the  
20 Dodd-Frank Wall Street Reform and Consumer Protec-  
21 tion Act (12 U.S.C. 5321(b)(2)(J)) on a full-time equiva-  
22 lent basis as of the date of enactment of this Act shall  
23 be eligible for transfer to the Office of the Independent  
24 Insurance Advocate established pursuant to the amend-  
25 ment made by subsection (a) of this section for appoint-

1 ment as an employee and shall be transferred at the joint  
2 discretion of the Independent Insurance Advocate and the  
3 eligible employee. Any employee eligible for transfer that  
4 is not appointed within 360 days from the date of enact-  
5 ment of this Act shall be eligible for detail under section  
6 313(f)(4) of title 31, United States Code.

7 (f) TEMPORARY SERVICE; TRANSITION.—Notwith-  
8 standing the amendment made by subsection (a) of this  
9 section, during the period beginning on the date of the  
10 enactment of this Act and ending on the date on which  
11 the Independent Insurance Advocate is appointed and con-  
12 firmed pursuant to section 313(b)(2) of title 31, United  
13 States Code, as amended by such amendment, the person  
14 serving, on such date of enactment, as the independent  
15 member of the Financial Stability Oversight Council pur-  
16 suant to section 111(b)(1)(J) of the Dodd-Frank Wall  
17 Street Reform and Consumer Protection Act (12 U.S.C.  
18 5321(b)(1)(J)) shall act for all purposes as, and with the  
19 full powers of, the Independent Insurance Advocate.

20 (g) COMPARABILITY IN COMPENSATION SCHED-  
21 ULES.—Subsection (a) of section 1206 of the Financial  
22 Institutions Reform, Recovery, and Enforcement Act of  
23 1989 (12 U.S.C. 1833b(a)) is amended by inserting “the  
24 Office of the Independent Insurance Advocate of the De-

1 partment of the Treasury,” before “and the Farm Credit  
2 Administration,”.

3 (h) SENIOR EXECUTIVES.—Subparagraph (D) of sec-  
4 tion 3132(a)(1) of title 5, United States Code, is amended  
5 by inserting “the Office of the Independent Insurance Ad-  
6 vocate of the Department of the Treasury,” after “Fi-  
7 nance Agency,”.

8 **SEC. 1102. TREATMENT OF COVERED AGREEMENTS.**

9 Subsection (c) of section 314 of title 31, United  
10 States Code is amended—

11 (1) by designating paragraphs (1) and (2) as  
12 paragraphs (2) and (3), respectively; and

13 (2) by inserting before paragraph (2), as so re-  
14 designated, the following new paragraph:

15 “(1) the Secretary of the Treasury and the  
16 United States Trade Representative have caused to  
17 be published in the Federal Register, and made  
18 available for public comment for a period of not  
19 fewer than 30 days and not greater than 90 days  
20 (which period may run concurrently with the 90-day  
21 period for the covered agreement referred to in para-  
22 graph (3)), the proposed text of the covered agree-  
23 ment;”.

# TITLE XII—TECHNICAL CORRECTIONS

## SEC. 1201. TABLE OF CONTENTS; DEFINITIONAL CORRECTIONS.

(a) TABLE OF CONTENTS.—The table of contents for the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203; 124 Stat. 1376) is amended by striking the items relating to section 407 through 414 and inserting the following:

- “Sec. 407. Exemption of and reporting by venture capital fund advisers.
- “Sec. 408. Exemption of and reporting by certain private fund advisers.
- “Sec. 409. Family offices.
- “Sec. 410. State and Federal responsibilities; asset threshold for Federal registration of investment advisers.
- “Sec. 411. Custody of client assets.
- “Sec. 414. Rule of construction relating to the Commodity Exchange Act.
- “Sec. 418. Qualified client standard.
- “Sec. 419. Transition period.”.

(b) DEFINITIONS.—Section 2 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301) is amended—

(1) in paragraph (1)—

(A) by striking “section 3” and inserting “section 3(w)”; and

(B) by striking “(12 U.S.C. 1813)” and inserting “(12 U.S.C. 1813(w))”;

(2) in paragraph (6), by striking “1 et seq.” and inserting “1a”; and

(3) in paragraph (18)(A)—

1 (A) by striking “‘bank holding company’,”;

2 and

3 (B) by inserting “‘includes’,” before “‘in-

4 cluding’,”.

5 **SEC. 1202. ANTITRUST SAVINGS CLAUSE CORRECTIONS.**

6 Section 6 of the Dodd-Frank Wall Street Reform and

7 Consumer Protection Act (12 U.S.C. 5303) is amended,

8 in the second sentence—

9 (1) by inserting “(15 U.S.C. 12(a))” after

10 “Clayton Act”; and

11 (2) by striking “Act, to” and inserting “Act (15

12 U.S.C. 45) to”.

13 **SEC. 1203. TITLE I CORRECTIONS.**

14 Title I of the Dodd-Frank Wall Street Reform and

15 Consumer Protection Act (12 U.S.C. 5311 et seq.) is

16 amended—

17 (1) in section 102(a)(6) (12 U.S.C.

18 5311(a)(6)), by inserting “(12 U.S.C. 1843(k))”

19 after “of 1956” each place that term appears;

20 (2) in section 111(c)(3) (12 U.S.C. 5321(c)(3)),

21 by striking “that agency or department head” and

22 inserting “the head of that member agency or de-

23 partment”;

24 (3) in section 112 (12 U.S.C. 5322)—

25 (A) in subsection (a)(2)—

1 (i) in subparagraph (C) (as redesignated by section 151)—

3 (I) by striking “to monitor” and  
4 inserting “monitor”; and

5 (II) by striking “to advise” and  
6 inserting “advise”;

7 (ii) in subparagraph (H) (as redesignated by section 151), by striking “may”;  
8 and

10 (B) in subsection (d)(5), by striking “subsection and subtitle B” each place such term  
11 appears and inserting “subtitle”; and

13 (4) in section 171(b)(4)(D) (12 U.S.C.  
14 5371(b)(4)(D)), by adding a period at the end.

15 **SEC. 1204. TITLE III CORRECTIONS.**

16 (a) IN GENERAL.—Title III of the Dodd-Frank Wall  
17 Street Reform and Consumer Protection Act (12 U.S.C.  
18 5401 et seq.) is amended—

19 (1) in section 327(b)(5) (12 U.S.C.  
20 5437(b)(5)), by striking “in” and inserting “into”;

21 (2) in section 333(b)(2) (124 Stat. 1539), by  
22 inserting “the second place that term appears” before  
23 “and inserting”; and

24 (3) in section 369(5) (124 Stat. 1559)—

25 (A) in subparagraph (D)(i)—

1 (i) in subclause (III), by redesignating  
2 items (aa), (bb), and (cc) as subitems  
3 (AA), (BB), and (CC), respectively, and  
4 adjusting the margins accordingly;

5 (ii) in subclause (IV), redesignating  
6 items (aa) and (bb) as subitems (AA) and  
7 (BB), respectively, and adjusting the mar-  
8 gins accordingly;

9 (iii) in subclause (V), by redesignating  
10 items (aa), (bb), and (cc) as subitems  
11 (AA), (BB), and (CC), respectively, and  
12 adjusting the margins accordingly; and

13 (iv) by redesignating subclauses (III),  
14 (IV), and (V) as items (bb), (cc), and (dd),  
15 respectively, and adjusting the margins ac-  
16 cordingly;

17 (B) in subparagraph (F)—

18 (i) in clause (ii), by adding “and” at  
19 the end;

20 (ii) in clause (iii), by striking “; and”  
21 and inserting a period; and

22 (iii) by striking clause (iv); and

23 (C) in subparagraph (G)(i), by inserting  
24 “each place such term appears” before “and in-  
25 serting”.

1 (b) EFFECTIVE DATES.—

2 (1) SECTION 333.—The amendment made by  
3 subsection (a)(2) of this section shall take effect as  
4 though enacted as part of subtitle C of title III of  
5 the Dodd-Frank Wall Street Reform and Consumer  
6 Protection Act (124 Stat. 1538).

7 (2) SECTION 369.—The amendments made by  
8 subsection (a)(3) of this section shall take effect as  
9 though enacted as part of subtitle E of title III of  
10 the Dodd-Frank Wall Street Reform and Consumer  
11 Protection Act (124 Stat. 1546).

12 **SEC. 1205. TITLE IV CORRECTION.**

13 Section 414 of the Dodd-Frank Wall Street Reform  
14 and Consumer Protection Act (124 Stat. 1578) is amend-  
15 ed in the section heading by striking “**COMMODITIES**”  
16 and inserting “**COMMODITY**”.

17 **SEC. 1206. TITLE VI CORRECTIONS.**

18 (a) IN GENERAL.—Section 610 of the Dodd-Frank  
19 Wall Street Reform and Consumer Protection Act (124  
20 Stat. 1596) is amended—

21 (1) by striking subsection (b); and

22 (2) by redesignating subsection (c) as sub-  
23 section (b).

24 (b) EFFECTIVE DATE.—The amendments made by  
25 subsection (a) of this section shall take effect as though

1 enacted as part of section 610 of the Dodd-Frank Wall  
2 Street Reform and Consumer Protection Act (124 Stat.  
3 1611).

4 **SEC. 1207. TITLE VII CORRECTIONS.**

5 (a) IN GENERAL.—Title VII of the Dodd-Frank Wall  
6 Street Reform and Consumer Protection Act (15 U.S.C.  
7 8301 et seq.) is amended—

8 (1) in section 719(c)(1)(B) (15 U.S.C.  
9 8307(c)(1)(B)), by adding a period at the end;

10 (2) in section 723(a)(1)(B) (124 Stat. 1675),  
11 by inserting “, as added by section 107 of the Com-  
12modity Futures Modernization Act of 2000 (Appen-  
13dix E of Public Law 106–554; 114 Stat. 2763A–  
14382),” after “subsection (i)”;

15 (3) in section 734(b)(1) (124 Stat. 1718), by  
16 striking “is amended” and all that follows through  
17 “(B) in” and inserting “is amended in”;

18 (4) in section 741(b)(10) (124 Stat. 1732), by  
19 striking “1a(19)(A)(iv)(II)” each place it appears  
20 and inserting “1a(18)(A)(iv)(II)”;

21 (5) in section 749 (124 Stat. 1746)—

22 (A) in subsection (a)(2), by striking “add-  
23ing at the end” and inserting “inserting after  
24subsection (f)”;

1 (B) in subsection (h)(1)(B), by inserting  
2 “the second place that term appears” before the  
3 semicolon.

4 (b) EFFECTIVE DATE.—The amendments made by  
5 paragraphs (3), (4), and (5) of subsection (a) of this sec-  
6 tion shall take effect as though enacted as part of part  
7 II of subtitle A of title VII of the Dodd-Frank Wall Street  
8 Reform and Consumer Protection Act (124 Stat. 1658).

9 **SEC. 1208. TITLE IX CORRECTIONS.**

10 Section 939(h)(1) of the Dodd-Frank Wall Street Re-  
11 form and Consumer Protection Act (124 Stat. 1887) is  
12 amended—

13 (1) in the matter preceding subparagraph (A),  
14 by inserting “The” before “Commission”; and

15 (2) by striking “feasability” and inserting “fea-  
16 sibility”.

17 **SEC. 1209. TITLE X CORRECTIONS.**

18 (a) IN GENERAL.—Title X of the Dodd-Frank Wall  
19 Street Reform and Consumer Protection Act (12 U.S.C.  
20 5481 et seq.) is amended—

21 (1) in section 1002(12)(G) (12 U.S.C.  
22 5481(12)(G)), by striking “Home Owners” and in-  
23 serting “Homeowners”;

1           (2) in section 1013(a)(1)(C) (12 U.S.C.  
2       5493(a)(1)(C)), by striking “section 11(1)” and in-  
3       serting “subsection (l) of section 11”;

4           (3) in section 1017(a)(2) (as so redesignated by  
5       section 713) (12 U.S.C. 5497(a)(5))—

6           (A) in subparagraph (A), in the last sen-  
7       tence by striking “716(c) of title 31, United  
8       States Code” and inserting “716 of title 31,  
9       United States Code”; and

10          (B) in subparagraph (C), by striking “sec-  
11       tion 3709 of the Revised Statutes of the United  
12       States (41 U.S.C. 5)” and inserting “section  
13       6101 of title 41, United States Code”;

14          (4) in section 1027(d)(1)(B) (12 U.S.C.  
15       5517(d)(1)(B)), by inserting a comma after “(A)”;

16          (5) in section 1029(d) (12 U.S.C. 5519(d)), by  
17       striking the period after “Commission Act”;

18          (6) in section 1061(b)(7) (12 U.S.C.  
19       5581(b)(7))—

20          (A) by striking “Secretary of the Depart-  
21       ment of Housing and Urban Development”  
22       each place that term appears and inserting  
23       “Department of Housing and Urban Develop-  
24       ment”; and

1 (B) in subparagraph (A), by striking “(12  
2 U.S.C. 5102 et seq.)” and inserting “(12  
3 U.S.C. 5101 et seq.)”;

4 (7) in section 1063 (12 U.S.C. 5583)—

5 (A) in subsection (f)(1)(B), by striking  
6 “that”; and

7 (B) in subsection (g)(1)(A)—

8 (i) by striking “(12 U.S.C. 5102 et  
9 seq.)” and inserting “(12 U.S.C. 5101 et  
10 seq.)”; and

11 (ii) by striking “seq.” and inserting  
12 “seq.”;

13 (8) in section 1064(i)(1)(A)(iii) (12 U.S.C.  
14 5584(i)(1)(A)(iii)), by inserting a period before “If  
15 an”;

16 (9) in section 1073(c)(2) (12 U.S.C.  
17 5601(c)(2))—

18 (A) in the paragraph heading, by inserting  
19 “AND EDUCATION” after “FINANCIAL LIT-  
20 ERACY”; and

21 (B) by striking “its duties” and inserting  
22 “their duties”;

23 (10) in section 1076(b)(1) (12 U.S.C.  
24 5602(b)(1)), by inserting before the period at the  
25 end the following: “, the Agency may, after notice

1 and opportunity for comment, prescribe regula-  
2 tions”;

3 (11) in section 1077(b)(4)(F) (124 Stat. 2076),  
4 by striking “associates” and inserting “associate’s”;

5 (12) in section 1084(1) (124 Stat. 2081), by in-  
6 serting a comma after “2009”;

7 (13) in section 1089 (124 Stat. 2092)—

8 (A) in paragraph (3)—

9 (i) in subparagraph (A), by striking  
10 “and” at the end; and

11 (ii) in subparagraph (B)(vi), by strik-  
12 ing the period at the end and inserting “;  
13 and”; and

14 (B) by redesignating paragraph (4) as sub-  
15 paragraph (C) and adjusting the margins ac-  
16 cordingly; and

17 (14) in section 1098(6) (124 Stat. 2104), by in-  
18 serting “the first place that term appears” before  
19 “and”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 paragraphs (11), (12), (13), (14), and (15) of subsection  
22 (a) shall take effect as though enacted as part of subtitle  
23 H of title X of the Dodd-Frank Wall Street Reform and  
24 Consumer Protection Act (124 Stat. 2080).

1 **SEC. 1210. TITLE XII CORRECTION.**

2 Title XII of the Dodd-Frank Wall Street Reform and  
3 Consumer Protection Act (124 Stat. 2129) is amended,  
4 in section 1208(b) (12 U.S.C. 5626(b)), by inserting “,  
5 as defined in section 103(10) of the Riegle Community  
6 Development and Regulatory Improvement Act of 1994  
7 (12 U.S.C. 4702(10)),” after “appropriated to the Fund”.

8 **SEC. 1211. TITLE XIV CORRECTION.**

9 Title XIV of the Dodd-Frank Wall Street Reform and  
10 Consumer Protection Act (124 Stat. 2136) is amended,  
11 in section 1451(c) (12 U.S.C. 1701x–1(c)), by striking  
12 “pursuant”.

13 **SEC. 1212. TECHNICAL CORRECTIONS TO OTHER STAT-**  
14 **UTES.**

15 (a) ALTERNATIVE MORTGAGE TRANSACTION PARITY  
16 ACT OF 1982.—The Alternative Mortgage Transaction  
17 Parity Act of 1982 (12 U.S.C. 3801 et seq.) is amended—

18 (1) in section 802(a)(3) (12 U.S.C.  
19 3801(a)(3)), by striking “the Director of the Office  
20 of Thrift Supervision” and inserting “the Consumer  
21 Law Enforcement Agency”;

22 (2) in section 804 (12 U.S.C. 3803)—

23 (A) in subsection (a), by striking “the Di-  
24 rector of the Office of Thrift Supervision” each  
25 place such term appears and inserting “the  
26 Comptroller of the Currency”; and

1 (B) in subsection (d)(1), by striking the  
2 comma after “Administration”.

3 (b) BANK HOLDING COMPANY ACT AMENDMENTS OF  
4 1970.—Section 106(b)(1) of the Bank Holding Company  
5 Act Amendments of 1970 (12 U.S.C. 1972(1)) is amend-  
6 ed, in the undesignated matter at the end, by striking  
7 “Federal Deposit Insurance Company” and inserting  
8 “Federal Deposit Insurance Corporation”.

9 (c) BALANCED BUDGET AND EMERGENCY DEFICIT  
10 CONTROL ACT.—Section 255(g)(1)(A) of the Balanced  
11 Budget and Emergency Deficit Control Act of 1985 (2  
12 U.S.C. 905(g)(1)(A)) is amended by striking “Office of  
13 Thrift Supervision (20–4108–0–3–373).”.

14 (d) BRETTON WOODS AGREEMENTS ACT.—Section  
15 68(a)(1) of the Bretton Woods Agreements Act (22 U.S.C.  
16 286tt(a)(1)) is amended by striking “Fund ,” and insert-  
17 ing “Fund,”.

18 (e) CAN-SPAM ACT OF 2003.—Section 7(b)(1)(D)  
19 of the CAN-SPAM Act of 2003 (15 U.S.C.  
20 7706(b)(1)(D)) is amended by striking “Director of the  
21 Office of Thrift Supervision” and inserting “Comptroller  
22 of the Currency or the Board of Directors of Federal De-  
23 posit Insurance Corporation, as applicable,”.

24 (f) CHILDREN’S ONLINE PRIVACY PROTECTION ACT  
25 OF 1998.—Section 1306(b)(2) of the Children’s Online

1 Privacy Protection Act of 1998 (15 U.S.C. 6505(b)(2))  
2 is amended by striking “Director of the Office of Thrift  
3 Supervision” and inserting “Comptroller of the Currency  
4 and the Board of Directors of Federal Deposit Insurance  
5 Corporation, as applicable,”.

6 (g) COMMUNITY REINVESTMENT ACT OF 1977.—The  
7 Community Reinvestment Act of 1977 (12 U.S.C. 2901  
8 et seq.) is amended—

9 (1) in section 803(1)(C) (12 U.S.C.  
10 2902(1)(C)), by striking the period at the end and  
11 inserting a semicolon; and

12 (2) in section 806 (12 U.S.C. 2905), by striking  
13 “companies,” and inserting “companies,”.

14 (h) CREDIT REPAIR ORGANIZATIONS ACT.—Section  
15 403(4) of the Credit Repair Organizations Act (15 U.S.C.  
16 1679a(4)) is amended by striking “103(e)” and inserting  
17 “103(f)”.

18 (i) DEPOSITORY INSTITUTION MANAGEMENT INTER-  
19 LOCKS ACT.—Section 205(9) of the Depository Institution  
20 Management Interlocks Act (12 U.S.C. 3204(9)) is  
21 amended by striking “Director of the Office of Thrift Su-  
22 pervision” and inserting “appropriate Federal banking  
23 agency”.

24 (j) ECONOMIC GROWTH AND REGULATORY PAPER-  
25 WORK REDUCTION ACT OF 1996.—Section 2227(a)(1) of

1 the Economic Growth and Regulatory Paperwork Reduc-  
2 tion Act of 1996 (12 U.S.C. 252(a)(1)) is amended by  
3 striking “the Director of the Office of Thrift Super-  
4 vision,”.

5 (k) ELECTRONIC FUND TRANSFER ACT.—The Elec-  
6 tronic Fund Transfer Act (15 U.S.C. 1693 et seq.) is  
7 amended—

8 (1) in section 903 (15 U.S.C. 1693a)—

9 (A) in paragraph (2), by striking “103(i)”  
10 and inserting “103(j)”; and

11 (B) by redesignating the first paragraph  
12 designated as paragraph (4) (defining the term  
13 “Board”), as paragraph (3);

14 (2) in section 904(a) (15 U.S.C. 1693b(a))—

15 (A) by redesignating the second paragraph  
16 designated as paragraph (1) (relating to con-  
17 sultation with other agencies), the second para-  
18 graph designated as paragraph (2) (relating to  
19 the preparation of an analysis of economic im-  
20 pact), paragraph (3), and paragraph (4), as  
21 subparagraphs (A), (B), (C), and (D), respec-  
22 tively, and adjusting the margins accordingly;  
23 and

1 (B) by striking “In prescribing such regu-  
2 lations, the Board shall:” and inserting the fol-  
3 lowing:

4 “(3) REGULATIONS.—In prescribing regulations  
5 under this subsection, the Agency and the Board  
6 shall—”;

7 (3) in section 909(c) (15 U.S.C. 1693g(c)), by  
8 striking “103(e)” and inserting “103(f)”;

9 (4) in section 918(a)(4) (15 U.S.C.  
10 1693o(a)(4), by striking “Act and” and inserting  
11 “Act; and”;

12 (5) by redesignating the section added by sec-  
13 tion 1073(4) of the Dodd-Frank Wall Street Reform  
14 and Consumer Protection Act (relating to remittance  
15 transfers) (15 U.S.C. 1693o–1) as section 920 of  
16 the Electronic Fund Transfer Act;

17 (6) by redesignating the section headed “Rela-  
18 tion to State laws” (15 U.S.C. 1693q) as section  
19 921 of the Electronic Fund Transfer Act;

20 (7) by redesignating the section headed “Ex-  
21 emption for State regulation” (15 U.S.C. 1693r) as  
22 section 922 of the Electronic Fund Transfer Act;  
23 and

1           (8) by redesignating the section headed “Effec-  
2       tive date” (15 U.S.C. 1693 note) as section 923 of  
3       the Electronic Fund Transfer Act.

4       (l) EMERGENCY ECONOMIC STABILIZATION ACT OF  
5       2008.—Section 101(b) of the Emergency Economic Sta-  
6       bilization Act of 2008 (12 U.S.C. 5211(b)) is amended  
7       by striking “the Director of the Office of Thrift Super-  
8       vision,”.

9       (m) EQUAL CREDIT OPPORTUNITY ACT.—The Equal  
10      Credit Opportunity Act (15 U.S.C. 1691 et seq.) is  
11      amended—

12           (1) in section 703 (15 U.S.C. 1691b)—

13               (A) in each of subsections (c) and (d), by  
14               striking “paragraph” each place that term ap-  
15               pears and inserting “subsection”; and

16               (B) in subsection (g), by adding a period  
17               at the end;

18           (2) in section 704 (15 U.S.C. 1691c)—

19               (A) in subsection (a)—

20                   (i) by striking “Consumer Protection  
21                   Financial Protection Act of 2010 with”  
22                   and inserting “Consumer Financial Protec-  
23                   tion Act of 2010, compliance with”;

24                   (ii) in paragraph (1)—

1 (I) by striking “section 8” and  
2 inserting “Section 8”; and

3 (II) in subparagraph (C), by  
4 striking “banks;” and inserting  
5 “banks.”;

6 (iii) in each of paragraphs (6) and  
7 (7), by striking the semicolon at the end  
8 and inserting a period; and

9 (iv) in paragraph (8), by striking “;  
10 and” and inserting a period; and

11 (B) in subsection (c), in the second sen-  
12 tence, by striking “subchapter” and inserting  
13 “title”; and

14 (3) in section 706(k) (15 U.S.C. 1691e(k)), by  
15 striking “, (2), or (3)” and inserting “or (2)”.

16 (n) EXPEDITED FUNDS AVAILABILITY ACT.—The  
17 Expedited Funds Availability Act (12 U.S.C. 4001 et seq.)  
18 is amended—

19 (1) in section 605(f)(2)(A) (12 U.S.C.  
20 4004(f)(2)(A)), by striking “,” and inserting a  
21 semicolon; and

22 (2) in section 610(a)(2) (12 U.S.C.  
23 4009(a)(2)), by striking “Director of the Office of  
24 Thrift Supervision” and inserting “Comptroller of  
25 the Currency and the Board of Directors of the Fed-

1       eral Deposit Insurance Corporation, as appro-  
2       prium,”.

3       (o) FAIR CREDIT REPORTING ACT.—The Fair Credit  
4 Reporting Act (15 U.S.C. 1681 et seq.) is amended—

5           (1) in section 603 (15 U.S.C. 1681a)—

6               (A) in subsection (d)(2)(D), by striking  
7               “(x)” and inserting “(y)”;

8               (B) in subsection (q)(5), by striking  
9               “103(i)” and inserting “103(j)”; and

10              (C) in subsection (v), by striking “Bureau”  
11              and inserting “Federal Trade Commission”;

12           (2) in section 604 (15 U.S.C. 1681b)—

13               (A) in subsection (b)—

14                   (i) in paragraph (2)(B)(i), by striking  
15                   “section 615(a)(3)” and inserting “section  
16                   615(a)(4)”;

17                   (ii) in paragraph (3)(B)(ii), by strik-  
18                   ing “clause (B)(i)(IV)” and inserting  
19                   “clause (i)(IV)”;

20                   (iii) in paragraph (4)(A)(ii), by insert-  
21                   ing “and” after the semicolon; and

22                   (iv) by striking “section 609(c)(3)”  
23                   each place that term appears and inserting  
24                   “section 609(c)”; and

1 (B) in subsection (g)(5), by striking  
2 “PARAGRAPH (2).—” and all that follows  
3 through “The Bureau” and inserting “PARA-  
4 GRAPH (2).—The Agency”;  
5 (3) in section 605 (15 U.S.C. 1681c)—

6 (A) in subsection (f), by striking “who”  
7 and inserting “which”; and

8 (B) in subsection (h)(2)(A)—

9 (i) by striking “shall,” and inserting  
10 “shall,”; and

11 (ii) by striking “Commission,” and  
12 inserting “Commission,”;

13 (4) in section 605A(h)(1)(A) (15 U.S.C. 1681c–  
14 1(h)(1)(A)), by striking “103(i)” and inserting  
15 “103(j)”;

16 (5) in section 607(e)(3)(A) (15 U.S.C.  
17 1681e(e)(3)(A)), by striking “section  
18 604(b)(4)(E)(i)” and inserting “section  
19 604(b)(4)(D)(i)”;

20 (6) in section 609 (15 U.S.C. 1681g)—

21 (A) in subsection (a)(3)(C)(i), by striking  
22 “section 604(b)(4)(E)(i)” and inserting “sec-  
23 tion 604(b)(4)(D)(i)”;

24 (B) in subsection (c)(1)—

1 (i) in the paragraph heading, by strik-  
2 ing “COMMISSION” and inserting “BU-  
3 REAU”; and

4 (ii) in subparagraph (B)(vi), by strik-  
5 ing “603(w)” and inserting “603(x)”;

6 (C) in subsection (e)(2)(B)(ii)(II), by strik-  
7 ing “an”; and

8 (D) by striking “The Commission” each  
9 place that term appears and inserting “The Bu-  
10 reau”;

11 (7) in section 610 (15 U.S.C. 1681h)—

12 (A) in subsection (b)(1), by inserting “sec-  
13 tion” after “under”; and

14 (B) in subsection (e), by inserting a  
15 comma after “on the report”;

16 (8) in section 611 (15 U.S.C. 1681i), by strik-  
17 ing “The Commission” each place that term appears  
18 and inserting “The Agency”;

19 (9) in section 612 (15 U.S.C. 1681j)—

20 (A) in subsection (a)(1)—

21 (i) by striking “(w)” and inserting  
22 “(x)”;

23 (ii) in subparagraph (C), by striking  
24 “603(w)” each place that term appears  
25 and inserting “603(x)”;

1 (B) in subsection (g), by striking  
2 “televison” and inserting “television”; and

3 (C) by striking “The Commission” each  
4 place that term appears and inserting “The Bu-  
5 reau”;

6 (10) in section 621 (15 U.S.C. 1681s)—

7 (A) in subsection (a)(1), in the first sen-  
8 tence, by striking “, subsection (b)”;

9 (B) in subsection (e)(2), by inserting a pe-  
10 riod after “provisions of this title”; and

11 (C) in subsection (f)(2), by striking “The  
12 Commission” and inserting “The Agency” and

13 (11) in section 623(a)(5) (15 U.S.C. 1681s—

14 2(a)(5)), by striking “OF ACCOUNTS.—(A) IN GEN-

15 ERAL.—A person” and inserting “OF ACCOUNTS.—

16 “(A) IN GENERAL.—A person”.

17 (p) FEDERAL CREDIT UNION ACT.—Section

18 206(g)(7)(D)(iv) of the Federal Credit Union Act (12

19 U.S.C. 1786(g)(7)(D)(iv)) is amended by striking the

20 semicolon at the end and inserting a period.

21 (q) FEDERAL DEPOSIT INSURANCE ACT.—The Fed-

22 eral Deposit Insurance Act (12 U.S.C. 1811 et seq.) is

23 amended—

24 (1) in section 3(q)(2)(C) (12 U.S.C.

25 1813(q)(2)(C)), by adding “and” at the end;

1 (2) in section 7 (12 U.S.C. 1817)—

2 (A) in subsection (b)(2)—

3 (i) in subparagraph (A), by striking  
4 “(D)” and inserting “(C)”; and

5 (ii) by redesignating subparagraphs  
6 (D) and (E) as subparagraphs (C) and  
7 (D), respectively; and

8 (B) in subsection (e)(2)(C), by adding a  
9 period at the end;

10 (3) in section 8 (12 U.S.C. 1818)—

11 (A) in subsection (b)(3), by striking  
12 “Act))” and inserting “Act”; and

13 (B) in subsection (t)(2)(C), by striking  
14 “depositors or” and inserting “depositors; or”;

15 (4) in section 11 (12 U.S.C. 1821)—

16 (A) in subsection (d)(2)(I)(ii), by striking  
17 “and section 21A(b)(4)”; and

18 (B) in subsection (m), in each of para-  
19 graphs (16) and (18), by striking the comma  
20 after “Comptroller of the Currency” each place  
21 it appears; and

22 (5) in section 26(a) (12 U.S.C. 1831c(a)), by  
23 striking “Holding Company Act” each place that  
24 term appears and inserting “Holding Company Act  
25 of 1956”.

1       (r) FEDERAL FIRE PREVENTION AND CONTROL ACT  
2 OF 1974.—Section 31(a)(5)(B) of the Federal Fire Pre-  
3 vention and Control Act of 1974 (15 U.S.C.  
4 2227(a)(5)(B)) is amended by striking “the Federal De-  
5 posit Insurance Corporation” and all that follows through  
6 the period and inserting “or the Federal Deposit Insur-  
7 ance Corporation under the affordable housing program  
8 under section 40 of the Federal Deposit Insurance Act.”.

9       (s) FEDERAL HOME LOAN BANK ACT.—The Federal  
10 Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amend-  
11 ed—

12           (1) in section 10(h)(1) (12 U.S.C. 1430(h)(1)),  
13 by striking “Director of the Office of Thrift Super-  
14 vision” and inserting “Comptroller of the Currency  
15 or the Board of Directors of the Federal Deposit In-  
16 surance Corporation, as applicable”; and

17           (2) in section 22(a) (12 U.S.C. 1442(a))—

18           (A) in the matter preceding paragraph (1),  
19 by striking “Comptroller of the Currency” and  
20 all that follows through “Supervision” and in-  
21 serting “Comptroller of the Currency, the  
22 Chairman of the Board of Governors of the  
23 Federal Reserve System, the Chairperson of the  
24 Federal Deposit Insurance Corporation, and the

1 Chairman of the National Credit Union Admin-  
2 istration”; and

3 (B) in the undesignated matter following  
4 paragraph (2), by striking “Comptroller of the  
5 Currency” and all that follows through “Super-  
6 vision” and inserting “Comptroller of the Cur-  
7 rency, the Chairman of the Board of Governors  
8 of the Federal Reserve System, and the Chair-  
9 man of the National Credit Union Administra-  
10 tion”.

11 (t) FEDERAL RESERVE ACT.—Paragraph (8)(B) of  
12 section 11(s) of the Federal Reserve Act (headed “Federal  
13 Reserve Transparency and Release of Information”) (12  
14 U.S.C. 248) is amended by striking “this section” and in-  
15 serting “this subsection”.

16 (u) FINANCIAL INSTITUTIONS REFORM, RECOVERY,  
17 AND ENFORCEMENT ACT OF 1989.—The Financial Insti-  
18 tutions Reform, Recovery, and Enforcement Act of 1989  
19 (Public Law 101–73; 103 Stat. 183) is amended in section  
20 1121(6) (12 U.S.C. 3350(6)), by striking “the Office of  
21 Thrift Supervision,”.

22 (v) GRAMM-LEACH-BLILEY ACT.—The Gramm-  
23 Leach-Bliley Act (Public Law 106–102; 113 Stat. 1338)  
24 is amended—

1           (1) in section 132(a) (12 U.S.C. 1828b(a)), by  
2       striking “the Director of the Office of Thrift Super-  
3       vision,”;

4           (2) in section 206(a) (15 U.S.C. 78e note), by  
5       striking “Except as provided in subsection (e), for”  
6       and inserting “For”;

7           (3) in section 502(e)(5) (15 U.S.C. 6802(e)(5)),  
8       by striking “a Federal” and inserting “, a Federal”;

9           (4) in section 504(a)(2) (15 U.S.C.  
10      6804(a)(2)), by striking “and, as appropriate, and  
11      with” and inserting “and, as appropriate, with”;

12          (5) in section 509(2) (15 U.S.C. 6809(2))—

13               (A) by striking subparagraph (D); and

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

17          (6) in section 522(b)(1)(A)(iv) (15 U.S.C.  
18      6822(b)(1)(A)(iv)), by striking “Director of the Of-  
19      fice of Thrift Supervision” and inserting “Comp-  
20      troller of the Currency and the Board of Directors  
21      of the Federal Deposit Insurance Corporation, as  
22      appropriate”.

23      (w) HELPING FAMILIES SAVE THEIR HOMES ACT OF  
24      2009.—Section 104 of the Helping Families Save Their  
25      Homes Act of 2009 (12 U.S.C. 1715z–25) is amended—

1 (1) in subsection (a)—

2 (A) by striking “and the Director of the  
3 Office of Thrift Supervision, shall jointly” and  
4 inserting “shall”;

5 (B) by striking “and the Office of Thrift  
6 Supervision”; and

7 (C) by striking “each such” and inserting  
8 “such”; and

9 (2) in subsection (b)(1)—

10 (A) in subparagraph (A)—

11 (i) in the first sentence—

12 (I) by striking “and the Director  
13 of the Office of Thrift Supervision,”;  
14 and

15 (II) by striking “or the Direc-  
16 tor”;

17 (ii) in the second sentence, by striking  
18 “and the Director of the Office of Thrift  
19 Supervision”; and

20 (B) in subparagraph (B), by striking “and  
21 the Director of the Office of Thrift Super-  
22 vision”.

23 (x) HOME MORTGAGE DISCLOSURE ACT OF 1975.—

24 The Home Mortgage Disclosure Act of 1975 (12 U.S.C.  
25 2801 et seq.) is amended—

1 (1) in section 304—

2 (A) in subsection (b)(5)(A), by striking  
3 “15 U.S.C. 1602(aa)(4)” and inserting “section  
4 103(aa)(4) of the Truth in Lending Act”; and

5 (B) in subsection (j)(3) (12 U.S.C.  
6 2803(j)(3)), by adding a period at the end; and

7 (2) in section 305(b)(1)(A)(iii) (12 U.S.C.  
8 2804(b)(1)(A)(iii)), by striking “bank as,” and in-  
9 serting “bank, as”.

10 (y) HOME OWNERS’ LOAN ACT.—The Home Owners’  
11 Loan Act (12 U.S.C. 1461 et seq.) is amended—

12 (1) in section 5 (12 U.S.C. 1464)—

13 (A) in subsection (d)(2)(E)(ii)—

14 (i) in the first sentence, by striking  
15 “Except as provided in section 21A of the  
16 Federal Home Loan Bank Act, the” and  
17 inserting “The”; and

18 (ii) by striking “, at the Director’s  
19 discretion,”;

20 (B) in subsection (i)(6), by striking “the  
21 Office of Thrift Supervision or”;

22 (C) in subsection (m), by striking “Direc-  
23 tor’s” each place that term appears and insert-  
24 ing “appropriate Federal banking agency’s”;

1 (D) in subsection (n)(9)(B), by striking  
2 “Director’s” and inserting “Comptroller’s”; and

3 (E) in subsection (s)—

4 (i) in paragraph (1)—

5 (I) in the matter preceding sub-  
6 paragraph (A), by striking “of such  
7 Act)” and all that follows through  
8 “shall require” and inserting “of such  
9 Act), the appropriate Federal banking  
10 agency shall require”; and

11 (II) in subparagraph (B), by  
12 striking “other methods” and all that  
13 follows through “determines” and in-  
14 serting “other methods as the appro-  
15 priate Federal banking agency deter-  
16 mines”;

17 (ii) in paragraph (2)—

18 (I) by striking “DETERMINED”  
19 and all that follows through “may,  
20 consistent” and inserting “DETER-  
21 MINED BY APPROPRIATE FEDERAL  
22 BANKING AGENCY CASE-BY-CASE.—  
23 The appropriate Federal banking  
24 agency may, consistent”; and

1 (II) by striking “capital-to-as-  
 2 sets” and all that follows through  
 3 “determines to be necessary” and in-  
 4 serting “capital-to-assets as the ap-  
 5 propriate Federal banking agency de-  
 6 termines to be necessary”;

7 (2) in section 6(c) (12 U.S.C. 1465(c)), by  
 8 striking “sections” and inserting “section”;

9 (3) in section 10 (12 U.S.C. 1467a)—

10 (A) in subsection (b)(6), by striking  
 11 “time” and all that follows through “release”  
 12 and inserting “time, upon the motion or appli-  
 13 cation of the Board, release”;

14 (B) in subsection (c)(2)(H)—

15 (i) in the matter preceding clause

16 (i)—

17 (I) by striking “1841(p))” and  
 18 inserting “1841(p)))”; and

19 (II) by inserting “(12 U.S.C.  
 20 1843(k))” before “if—”; and

21 (ii) in clause (i), by inserting “of 1956  
 22 (12 U.S.C. 1843(l) and (m))” after “Com-  
 23 pany Act”; and

24 (C) in subsection (e)(7)(B)(iii)—

1 (i) by striking “Board of the Office of  
2 Thrift Supervision” and inserting “Direc-  
3 tor of the Office of Thrift Supervision”;  
4 and

5 (ii) by inserting “, as defined in sec-  
6 tion 2 of the Dodd-Frank Wall Street Re-  
7 form and Consumer Protection Act (12  
8 U.S.C. 5301)” after “transfer date”; and

9 (4) in section 13 (12 U.S.C. 1468b), by striking  
10 “the a” and inserting “a”.

11 (z) HOUSING ACT OF 1948.—Section 502(c)(3) of  
12 the Housing Act of 1948 (12 U.S.C. 1701c(c)(3)) is  
13 amended by striking “Federal Home Loan Bank Agency”  
14 and inserting “Federal Housing Finance Agency”.

15 (aa) HOUSING AND URBAN DEVELOPMENT ACT OF  
16 1968.—Section 106(h)(5) of the Housing and Urban De-  
17 velopment Act of 1968 (12 U.S.C. 1701x(h)(5)) is amend-  
18 ed by striking “authorised” and inserting “authorized”.

19 (bb) INTERNATIONAL BANKING ACT OF 1978.—Sec-  
20 tion 15 of the International Banking Act of 1978 (12  
21 U.S.C. 3109) is amended—

22 (1) in each of subsections (a) and (b)—

23 (A) by striking “, and Director of the Of-  
24 fice of Thrift Supervision” each place that term  
25 appears; and

1 (B) by inserting “and” before “Federal  
2 Deposit” each place that term appears;

3 (2) in subsection (a), by striking “Comptroller,  
4 Corporation, or Director” and inserting “Comptroller of the Currency, or Corporation”; and

5 (3) in subsection (c)(4)—

6 (A) by inserting “and” before “the Federal  
7 Deposit”; and

8 (B) by striking “, and the Director of the  
9 Office of Thrift Supervision”.

10 (cc) INTERNATIONAL LENDING SUPERVISION ACT OF  
11 1983.—Section 912 of the International Lending Super-  
12 vision Act of 1983 (12 U.S.C. 3911) is amended—

13 (1) by amending the section heading to read as  
14 follows: “**EQUAL REPRESENTATION FOR FED-**  
15 **ERAL DEPOSIT INSURANCE CORPORATION**”;

16 (2) by striking “(a) IN GENERAL.—”; and

17 (3) by striking subsection (b).

18 (dd) INTERSTATE LAND SALES FULL DISCLOSURE  
19 ACT.—The Interstate Land Sales Full Disclosure Act (15  
20 U.S.C. 1701 et seq.) is amended in each of section  
21 1411(b) (15 U.S.C. 1710(b)) and subsections (b)(4) and  
22 (d) of section 1418a (15 U.S.C. 1717a), by striking “Sec-  
23 retary’s” each place that term appears and inserting “Di-  
24 rector’s”.

1 (ee) LEGAL CERTAINTY FOR BANK PRODUCTS ACT  
 2 OF 2000.—Section 403(b)(1) of the Legal Certainty for  
 3 Bank Products Act of 2000 (7 U.S.C. 27a(b)(1)) is  
 4 amended by striking “that section” and inserting “sec-  
 5 tion”.

6 (ff) PUBLIC LAW 93–495.—Section 111 of Public  
 7 Law 93–495 (12 U.S.C. 250) is amended by striking “the  
 8 Director of the Office of Thrift Supervision,”.

9 (gg) REVISED STATUTES OF THE UNITED STATES.—  
 10 Section 5136C(i) of the Revised Statutes of the United  
 11 States (12 U.S.C. 25b(i)) is amended by striking “Pow-  
 12 ERS.—” and all that follows through “In accordance” and  
 13 inserting “POWERS.—In accordance”.

14 (hh) RIEGLE COMMUNITY DEVELOPMENT AND REG-  
 15 ULATORY IMPROVEMENT ACT OF 1994.—Section 117(e)  
 16 of the Riegle Community Development and Regulatory  
 17 Improvement Act of 1994 (12 U.S.C. 4716(e)) is amended  
 18 by striking “the Director of the Office of Thrift Super-  
 19 vision,”.

20 (ii) S.A.F.E. MORTGAGE LICENSING ACT OF 2008.—  
 21 Section 1514 of the S.A.F.E. Mortgage Licensing Act of  
 22 2008 (12 U.S.C. 5113) is amended in each of subsections  
 23 (b)(5) and (c)(4)(C), by striking “Secretary’s” each place  
 24 that term appears and inserting “Director’s”.

1       (jj) SECURITIES EXCHANGE ACT OF 1934.—The Se-  
2       curities Exchange Act of 1934 (15 U.S.C. 78a et seq.)  
3       is amended—

4               (1) in section 3C(g)(4)(B)(v) (15 U.S.C. 78c–  
5       3(g)(4)(B)(v)), by striking “of that Act” and insert-  
6       ing “of that section”;

7               (2) in section 3D(d)(10)(A) (15 U.S.C. 78c–  
8       4(d)(10)(A)), by striking “taking” and inserting  
9       “take”;

10              (3) in section 3E(b)(1) (15 U.S.C. 78c–  
11       5(b)(1)), by striking “though” and inserting  
12       “through”;

13              (4) in section 4(g)(8)(A) (15 U.S.C.  
14       78d(g)(8)(A)), by striking “(2)(A)(i)” and inserting  
15       “(2)(A)(ii)”;

16              (5) in section 15 (15 U.S.C. 78o)—

17                      (A) in each of subparagraphs (B)(ii) and  
18                      (C) of subsection (b)(4), by striking “dealer  
19                      municipal advisor,” and inserting “dealer, mu-  
20                      nicipal advisor,”;

21                      (B) by redesignating subsection (j) (relat-  
22                      ing to the authority of the Commission) as sub-  
23                      section (p) and moving that subsection to the  
24                      end;

1 (C) as amended by section 841(d), by re-  
2 designating the section subsection (k) and sec-  
3 ond subsection (l) (relating to standard of con-  
4 duct and other matters, respectively), as added  
5 by section 913(g)(1) of the Dodd-Frank Wall  
6 Street Reform and Consumer Protection Act  
7 (124 Stat. 1828), as subsections (q) and (r), re-  
8 spectively and moving those subsections to the  
9 end; and

10 (D) in subsection (m), by inserting “the”  
11 before “same extent”;

12 (6) in section 15F(h) (15 U.S.C. 78o–10(h))—

13 (A) in paragraph (2)(A), by inserting “a”  
14 after “that acts as an advisor to”;

15 (B) in paragraph (2)(B), by inserting “a”  
16 after “offers to enter into”; and

17 (C) in paragraph (5)(A)(i)—

18 (i) by inserting “(A)” after “(18)”;

19 and

20 (ii) in subclause (VII), by striking

21 “act of” and inserting “Act of”;

22 (7) in section 15G (15 U.S.C. 78o–11)—

23 (A) in subsection (b)(2), by inserting  
24 “Board of Directors of the” before “Federal  
25 Housing”;

1 (B) in subsection (e)(4)(A), by striking  
2 “subsection” and inserting “section”;

3 (C) in subsection (e)(4)(C)—

4 (i) by striking “129C(c)(2)” and in-  
5 serting “129C(b)(2)(A)”; and

6 (ii) by inserting “(15 U.S.C.  
7 1639c(b)(2)(A))” after “Lending Act”;  
8 and

9 (D) in subsection (e)(5), by striking “sub-  
10 section” and inserting “section”; and

11 (8) in section 17A (15 U.S.C. 78q–1), by redes-  
12 ignating subsection (g), as added by section 929W  
13 of the Dodd-Frank Wall Street Reform and Con-  
14 sumer Protection Act (relating to due diligence for  
15 the delivery of dividends, interest, and other valuable  
16 property rights) as subsection (n) and moving that  
17 subsection to the end.

18 (kk) TELEMARKETING AND CONSUMER FRAUD AND  
19 ABUSE PREVENTION ACT.—Section 3(b) of the Tele-  
20 marketing and Consumer Fraud and Abuse Prevention  
21 Act (15 U.S.C. 6102(b)) is amended by inserting before  
22 the period at the end the following: “, provided, however,  
23 nothing in this section shall conflict with or supersede sec-  
24 tion 6 of the Federal Trade Commission Act (15 U.S.C.  
25 46)”.

1 (ll) TITLE 5.—Title 5, United States Code, is amend-  
2 ed—

3 (1) in section 3132(a)(1)(D), as amended by  
4 section 711, by striking “the Office of Thrift Super-  
5 vision,, the Resolution Trust Corporation,”; and

6 (2) in section 5314, by striking “Director of the  
7 Office of Thrift Supervision.”.

8 (mm) TITLE 31.—

9 (1) AMENDMENTS.—Title 31, United States  
10 Code, is amended—

11 (A) by striking section 309; and

12 (B) in section 714(d)(3)(B) by striking “a  
13 audit” and inserting “an audit”.

14 (2) ANALYSIS.—The analysis for subchapter I  
15 of chapter 3 of title 31, United States Code, is  
16 amended by striking the item relating to section  
17 309.

18 (nn) TRUTH IN LENDING ACT.—The Truth in Lend-  
19 ing Act (15 U.S.C. 1601 et seq.) is amended—

20 (1) in section 105 (15 U.S.C. 1604), by insert-  
21 ing subsection (h), as added by section 1472(c) of  
22 the Dodd-Frank Wall Street Reform and Consumer  
23 Protection Act (124 Stat. 2187), before subsection  
24 (i), as added by section 1100A(7) of that Act (124  
25 Stat. 2108);

1           (2) in section 106(f)(2)(B)(i) (15 U.S.C.  
2       1605(f)(2)(B)(i)), by striking “103(w)” and insert-  
3       ing “103(x)”;

4           (3) in section 121(b) (15 U.S.C. 1631(b)), by  
5       striking “103(f)” and inserting “103(g)”;

6           (4) in section 122(d)(5) (15 U.S.C.  
7       1632(d)(5)), by striking “section 603)” and all that  
8       follows through “promulgate” and inserting “section  
9       603), may promulgate”;

10          (5) in section 125(e)(1) (15 U.S.C. 1635(e)(1)),  
11       by striking “103(w)” and inserting “103(x)”;

12          (6) in section 129 (15 U.S.C. 1639)—

13               (A) in subsection (q), by striking “(l)(2)”  
14       and inserting “(p)(2)”;

15               (B) in subsection (u)(3), by striking  
16       “Board” each place that term appears and in-  
17       serting “Agency”;

18          (7) in section 129C (15 U.S.C. 1639c)—

19               (A) in subsection (b)(2)(B), by striking the  
20       second period at the end; and

21               (B) in subsection (c)(1)(B)(ii)(I), by strik-  
22       ing “a original” and inserting “an original”;

23          (8) in section 148(d) (15 U.S.C. 1665c(d)), by  
24       striking “Bureau” and inserting “Board”;

25          (9) in section 149 (15 U.S.C. 1665d)—

1 (A) by striking “the Director of the Office  
2 of Thrift Supervision,” each place that term ap-  
3 pears;

4 (B) by striking “National Credit Union  
5 Administration Bureau” and inserting “Na-  
6 tional Credit Union Administration Board”  
7 each place that term appears; and

8 (C) by striking “Bureau of Directors of  
9 the Federal Deposit Insurance Corporation”  
10 and inserting “Board of Directors of the Fed-  
11 eral Deposit Insurance Corporation” each place  
12 that term appears; and

13 (10) in section 181(1) (15 U.S.C. 1667(1)), by  
14 striking “103(g)” and inserting “103(h)”.

15 (oo) TRUTH IN SAVINGS ACT.—The Truth in Savings  
16 Act (12 U.S.C. 4301 et seq.) is amended in each of sec-  
17 tions 269(a)(4) (12 U.S.C. 4308(a)(4)), 270(a)(2) (12  
18 U.S.C. 4309(a)(2)), and 274(6) (12 U.S.C. 4313(6)), by  
19 striking “Administration Bureau” each place that term  
20 appears and inserting “Administration Board”.

○