

115TH CONGRESS  
1ST SESSION

# H. R. 4302

To amend the Federal Reserve Act to create congressional accountability for emergency lending programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2017

Mr. TIPTON introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, 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 amend the Federal Reserve Act to create congressional accountability for emergency lending programs, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Congressional Ac-  
5 countability for Emergency Lending Programs Act of  
6 2017”.

1 **SEC. 2. CONGRESSIONAL ACCOUNTABILITY FOR EMER-**  
2 **GENCY LENDING PROGRAMS.**

3 Section 13(3) of the Federal Reserve Act (12 U.S.C.  
4 343(3)) is amended—

5 (1) in subparagraph (A)—

6 (A) by inserting “that pose a threat to the  
7 financial stability of the United States” after  
8 “unusual and exigent circumstances”; and

9 (B) by striking “the affirmative vote of not  
10 less than five members” and inserting “the  
11 prior approval of the Secretary of the Treasury  
12 and not less than  $\frac{2}{3}$  of the members of the  
13 Federal Open Market Committee”;

14 (2) in subparagraph (B)—

15 (A) in clause (i), by inserting at the end  
16 the following: “Federal reserve banks may not  
17 accept equity securities issued by the recipient  
18 of any loan or other financial assistance under  
19 this paragraph as collateral. Not later than 6  
20 months after the date of the enactment of this  
21 sentence, the Board shall, by rule, establish—

22 “(I) a method for determining  
23 the sufficiency of the collateral re-  
24 quired under this paragraph;

25 “(II) acceptable classes of collat-  
26 eral;

1                   “(III) the amount of any dis-  
2                   count on the value of the collateral  
3                   that the Federal reserve banks will  
4                   apply for purposes of calculating the  
5                   sufficiency of collateral under this  
6                   paragraph; and

7                   “(IV) a method for obtaining  
8                   independent appraisals of the value of  
9                   collateral the Federal reserve banks  
10                  receive.”;

11                 (B) in clause (ii)—

12                   (i) by striking the second sentence;  
13                   and

14                   (ii) by inserting after the first sen-  
15                   tence the following: “A borrower shall not  
16                   be eligible to borrow from any emergency  
17                   lending program or facility unless the  
18                   Board and all Federal banking regulators  
19                   with jurisdiction over the borrower certify  
20                   that, at the time the borrower initially bor-  
21                   rows under the program or facility, the  
22                   borrower is not insolvent.”; and

23                   (C) by striking clause (iv);

24                   (3) by inserting “financial institution” before  
25                   “participant” each place such term appears;

1           (4) in subparagraph (D)(i), by inserting “finan-  
2           cial institution” before “participants”; and

3           (5) by adding at the end the following new sub-  
4           paragraphs:

5                   “(G) JOINT RESOLUTION OF APPROVAL.—

6                           “(i) IN GENERAL.—A program or fa-  
7                           cility created under subparagraph (A) shall  
8                           terminate on the date that is 30 calendar  
9                           days after the date on which Congress re-  
10                          ceives a report described in subparagraph  
11                          (C) unless there is enacted into law a joint  
12                          resolution approving the program or facil-  
13                          ity not later than 30 calendar days after  
14                          the date on which the report is received.  
15                          Any loan offered through the program or  
16                          facility that is outstanding as of the date  
17                          on which the program or facility is termi-  
18                          nated shall be repaid in full not later than  
19                          30 calendar days after the date on which  
20                          the program or facility is terminated.

21                          “(ii) CONTENTS OF JOINT RESOLU-  
22                          TION.—For the purpose of this subpara-  
23                          graph, the term ‘joint resolution’ means  
24                          only a joint resolution—

1           “(I) that is introduced not later  
2 than 3 calendar days after the date on  
3 which the report described in subpara-  
4 graph (C) is received by Congress;

5           “(II) that does not have a pre-  
6 amble;

7           “(III) the title of which is as fol-  
8 lows: ‘Joint resolution relating to the  
9 approval of a program or facility cre-  
10 ated by the Board of Governors of the  
11 Federal Reserve System’; and

12           “(IV) the matter after the resolv-  
13 ing clause of which is as follows:  
14 ‘That Congress approves the program  
15 or facility created by the Board of  
16 Governors of the Federal Reserve Sys-  
17 tem on \_\_\_\_\_.’ (The  
18 blank space being appropriately filled  
19 in).

20           “(iii) FAST TRACK CONSIDERATION IN  
21 HOUSE OF REPRESENTATIVES.—

22           “(I) RECONVENING.—Upon re-  
23 ceipt of a report under subparagraph  
24 (C), the Speaker, if the House would  
25 otherwise be adjourned, shall notify

1 the Members of the House that, pur-  
2 suant to this subparagraph, the  
3 House shall convene not later than  
4 the second calendar day after receipt  
5 of such report.

6 “(II) REPORTING AND DIS-  
7 CHARGE.—Any committee of the  
8 House of Representatives to which a  
9 joint resolution is referred shall report  
10 it to the House not later than 5 cal-  
11 endar days after the date of receipt of  
12 the report described in subparagraph  
13 (C). If a committee fails to report the  
14 joint resolution within that period, the  
15 committee shall be discharged from  
16 further consideration of the joint reso-  
17 lution and the joint resolution shall be  
18 referred to the appropriate calendar.

19 “(III) PROCEEDING TO CONSID-  
20 ERATION.—After each committee au-  
21 thorized to consider a joint resolution  
22 reports it to the House or has been  
23 discharged from its consideration, it  
24 shall be in order, not later than the  
25 sixth day after Congress receives the

1 report described in subparagraph (C),  
2 to move to proceed to consider the  
3 joint resolution in the House. All  
4 points of order against the motion are  
5 waived. Such a motion shall not be in  
6 order after the House has disposed of  
7 a motion to proceed on the joint reso-  
8 lution. The previous question shall be  
9 considered as ordered on the motion  
10 to its adoption without intervening  
11 motion. The motion shall not be de-  
12 batable. A motion to reconsider the  
13 vote by which the motion is disposed  
14 of shall not be in order.

15 “(IV) CONSIDERATION.—The  
16 joint resolution shall be considered as  
17 read. All points of order against the  
18 joint resolution and against its consid-  
19 eration are waived. The previous ques-  
20 tion shall be considered as ordered on  
21 the joint resolution to its passage  
22 without intervening motion except 2  
23 hours of debate equally divided and  
24 controlled by the proponent and an  
25 opponent. A motion to reconsider the

1 vote on passage of the joint resolution  
2 shall not be in order.

3 “(iv) FAST TRACK CONSIDERATION IN  
4 SENATE.—

5 “(I) RECONVENING.—Upon re-  
6 ceipt of a report under subparagraph  
7 (C), if the Senate has adjourned or  
8 recessed for more than 2 days, the  
9 majority leader of the Senate, after  
10 consultation with the minority leader  
11 of the Senate, shall notify the Mem-  
12 bers of the Senate that, pursuant to  
13 this subparagraph, the Senate shall  
14 convene not later than the second cal-  
15 endar day after receipt of such report.

16 “(II) PLACEMENT ON CAL-  
17 ENDAR.—Upon introduction in the  
18 Senate, the joint resolution shall be  
19 placed immediately on the calendar.

20 “(III) FLOOR CONSIDERATION.—

21 “(aa) IN GENERAL.—Not-  
22 withstanding Rule XXII of the  
23 Standing Rules of the Senate, it  
24 is in order at any time during the  
25 period beginning on the fourth



1 day after the date on which Con-  
2 gress receives a report described  
3 in subparagraph (C) and ending  
4 on the sixth day after the date on  
5 which Congress receives the re-  
6 port (even though a previous mo-  
7 tion to the same effect has been  
8 disagreed to) to move to proceed  
9 to the consideration of the joint  
10 resolution, and all points of order  
11 against the joint resolution (and  
12 against consideration of the joint  
13 resolution) are waived. The mo-  
14 tion to proceed is not debatable.  
15 The motion is not subject to a  
16 motion to postpone. A motion to  
17 reconsider the vote by which the  
18 motion is agreed to or disagreed  
19 to shall not be in order. If a mo-  
20 tion to proceed to the consider-  
21 ation of the resolution is agreed  
22 to, the joint resolution shall re-  
23 main the unfinished business  
24 until disposed of.

1           “(bb) DEBATE.—Debate on  
2 the joint resolution, and on all  
3 debatable motions and appeals in  
4 connection therewith, shall be  
5 limited to not more than 10  
6 hours, which shall be divided  
7 equally between the majority and  
8 minority leaders or their des-  
9 ignees. A motion further to limit  
10 debate is in order and not debat-  
11 able. An amendment to, or a mo-  
12 tion to postpone, or a motion to  
13 proceed to the consideration of  
14 other business, or a motion to re-  
15 commit the joint resolution is not  
16 in order.

17           “(cc) VOTE ON PASSAGE.—  
18 The vote on passage shall occur  
19 immediately following the conclu-  
20 sion of the debate on a joint reso-  
21 lution, and a single quorum call  
22 at the conclusion of the debate if  
23 requested in accordance with the  
24 rules of the Senate.

1                   “(dd) RULINGS OF THE  
2 CHAIR ON PROCEDURE.—Appeals  
3 from the decisions of the Chair  
4 relating to the application of the  
5 rules of the Senate, as the case  
6 may be, to the procedure relating  
7 to a joint resolution shall be de-  
8 cided without debate.

9                   “(v) COORDINATION WITH ACTION BY  
10 OTHER HOUSE.—

11                   “(I) IN GENERAL.—If, before the  
12 passage by one House of a joint reso-  
13 lution of that House, that House re-  
14 ceives from the other House a joint  
15 resolution, then the following proce-  
16 dures shall apply:

17                   “(aa) The joint resolution of  
18 the other House shall not be re-  
19 ferred to a committee.

20                   “(bb) With respect to a joint  
21 resolution of the House receiving  
22 the resolution—

23                   “(AA) the procedure in  
24 that House shall be the  
25 same as if no joint resolu-

1                   tion had been received from  
2                   the other House; but

3                   “(BB) the vote on pas-  
4                   sage shall be on the joint  
5                   resolution of the other  
6                   House.

7                   “(II) TREATMENT OF JOINT RES-  
8                   OLUTION OF OTHER HOUSE.—If one  
9                   House fails to introduce or consider a  
10                  joint resolution under this section, the  
11                  joint resolution of the other House  
12                  shall be entitled to expedited floor  
13                  procedures under this section.

14                  “(III) CONSIDERATION AFTER  
15                  PASSAGE.—If, following passage of  
16                  the joint resolution in the Senate, the  
17                  Senate then receives the companion  
18                  measure from the House of Rep-  
19                  resentatives, the companion measure  
20                  shall not be debatable.

21                  “(IV) VETOES.—If the President  
22                  vetoes the joint resolution, the period  
23                  beginning on the date the President  
24                  vetoes the joint resolution and ending  
25                  on the date the Congress receives the

1 veto message with respect to the joint  
2 resolution shall be disregarded in com-  
3 puting the 30-calendar day period de-  
4 scribed in clause (i) and debate on a  
5 veto message in the Senate under this  
6 section shall be 1 hour equally divided  
7 between the majority and minority  
8 leaders or their designees.

9 “(V) RULES OF HOUSE OF REP-  
10 REPRESENTATIVES AND SENATE.—This  
11 subparagraph is enacted by Con-  
12 gress—

13 “(aa) as an exercise of the  
14 rulemaking power of the Senate  
15 and House of Representatives,  
16 respectively, and as such it is  
17 deemed a part of the rules of  
18 each House, respectively, but ap-  
19 plicable only with respect to the  
20 procedure to be followed in that  
21 House in the case of a joint reso-  
22 lution, and it supersedes other  
23 rules only to the extent that it is  
24 inconsistent with such rules; and

1                   “(bb) with full recognition of  
2                   the constitutional right of either  
3                   House to change the rules (so far  
4                   as relating to the procedure of  
5                   that House) at any time, in the  
6                   same manner, and to the same  
7                   extent as in the case of any other  
8                   rule of that House.

9                   “(H) PENALTY RATE.—

10                   “(i) IN GENERAL.—Not later than 6  
11                   months after the date of enactment of this  
12                   subparagraph, the Board shall, with re-  
13                   spect to a recipient of any loan or other fi-  
14                   nancial assistance under this paragraph,  
15                   establish by rule a minimum interest rate  
16                   on the principal amount of any loan or  
17                   other financial assistance.

18                   “(ii) MINIMUM INTEREST RATE DE-  
19                   FINED.—In this subparagraph, the term  
20                   ‘minimum interest rate’ shall mean the  
21                   sum of—

22                   “(I) the average of the secondary  
23                   discount rate of all Federal reserve  
24                   banks over the most recent 90-day pe-  
25                   riod; and

1                   “(II) the average of the dif-  
2                   ference between a distressed corporate  
3                   bond yield index (as defined by rule of  
4                   the Board) and a bond yield index of  
5                   debt issued by the United States (as  
6                   defined by rule of the Board) over the  
7                   most recent 90-day period.

8                   “(I) FINANCIAL INSTITUTION PARTICIPANT  
9                   DEFINED.—For purposes of this paragraph, the  
10                  term ‘financial institution participant’—

11                  “(i) means a company that is pre-  
12                  dominantly engaged in financial activities  
13                  (as defined in section 102(a) of the Finan-  
14                  cial Stability Act of 2010 (12 U.S.C.  
15                  5311(a))); and

16                  “(ii) does not include an agency de-  
17                  scribed in subparagraph (W) of section  
18                  5312(a)(2) of title 31, United States Code,  
19                  or an entity controlled or sponsored by  
20                  such an agency.”.

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