

Ms. WASSERMAN SCHULTZ. Madam Speaker, I yield myself as much time as I may consume, and first, let me thank Chairman OXLEY and Ranking Member FRANK for their stalwart leadership on this and many other issues that have come before the Financial Services Committee in the 109th Congress. Chairman OXLEY has heard us say many times, but we will truly miss him after he retires. I believe that the combined leadership that he and my good friend, Ranking Member FRANK, have displayed have set the tone for the rest of us on the Financial Services Committee, as well as the staff.

I, too, am pleased to stand here with my good friend and fellow freshman colleague, the gentleman from North Carolina (Mr. MCHENRY). I made the mistake of telling him that I was going to try to have a little bit of fun in the back and forth here, and I think I could best characterize our professional relationship as being the odd couple. So it is a great day that we have the opportunity to come together on this netting legislation.

I can tell you that we want to make sure on our side that Ranking Member FRANK has suggested that we make sure the people understand that even though we have the next generation of Members managing the time on this bill, people should understand we are not high school kids. We are actually real live Members of Congress, you and I, and came here like everybody else.

I am pleased to join Mr. MCHENRY as an original cosponsor of H.R. 5585, and I am very pleased that we were able to come together on legislation because we have talked about that for a long time.

We could not have brought this bill to the floor without the support of the House Judiciary Committee on which I also sit, and I want to especially thank Subcommittee Ranking Member MEL WATT for working with us, also a gentleman from North Carolina, and for agreeing to help us move this bill forward.

As you know, as the gentleman from North Carolina has said, netting is simply the manner in which debts and credits are calculated between parties, and it is a critically important tool to unravel complex financial transactions which have, until now, been denied to our Nation's financial institutions.

This is in spite of broad-based, bipartisan support. In fact, the origin of this legislation is grounded in the collapse of the infamous hedge fund, Long Term Capital Management, after which former Federal Reserve Board Chairman Alan Greenspan implored Congress to pass the netting provision. Netting was also supported by the former Clinton and the current Bush administrations.

The primary goal of our legislation is to minimize systemic risks in situations when the procedure for resolving a single insolvency could trigger other failures elsewhere in the market.

H.R. 5585 protects the rights of market participants to terminate complex financial agreements. It also ensures that the Federal Government, like private entity creditors, will be able to enforce and net out qualified contracts with financial institutions during insolvency proceedings.

Additionally, this bill includes a fee increase provision in order to pay bankruptcy trustees.

I want to thank my good friend and colleague Congressman WATT for working us with. At his request, this bill was modified in two respects, and as a result of those modifications, Madam Speaker, more debtors will be eligible for the fee waiver.

However, the fundamental issue before to us today is support for netting provisions in the bankruptcy settlement of major market participants.

I encourage my colleagues to support this bill, and I ask our colleagues in the Senate to act on this before the end of the 109th Congress. This bill would codify commonsense business practices. These provisions have a long bipartisan legislative history in Congress, which continues today.

It is a privilege to work with Mr. MCHENRY, and there is no reason for us to stall any further. I know you join me in urging the Senate to take action on this bill after we do.

Madam Speaker, I reserve the balance of my time.

#### GENERAL LEAVE

Mr. MCHENRY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MCHENRY. Madam Speaker, I am prepared to yield back. I have no further speakers on this side, but before I close, I simply want to commend my colleague from Florida. It has been a delight working with her and resolving some of the more technical issues in this piece of legislation that popped up late in the committee process, but she was very adept at handling those issues, and I want to thank her for her leadership.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I, too, have no further requests for time, and I want to reiterate the comments of my colleague from North Carolina. It has been a pleasure to work with him, and I look forward to this being the first of many opportunities to do that.

Mr. CANNON. Mr. Speaker, the Committee on the Judiciary recognizes that the courts, United States Trustees, and chapter 7 trustees have responsibilities in all chapter 7 cases, including cases where the filing fees are waived under 28 U.S.C. section 1930(f). The bill before the House would amend the act to permit a court to waive an additional \$40 of the filing fee designated for payment to the trustee, under specified circumstances. This would be

in addition to provisions under current law that permit a court to waive the entire filing fee for qualified low income debtors under specified circumstances. The committee is aware that such waivers could have an impact on the courts, the United States Trustees, and chapter 7 trustees. Accordingly, the courts and U.S. Trustees should closely monitor the impact of such waivers on those entities dependent on fee income and should report to the Congress.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I yield back the balance of my time.

Mr. MCHENRY. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 5585, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### COMMUNITY DEVELOPMENT INVESTMENT ENHANCEMENTS ACT OF 2006

Mr. MCHENRY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 6062) to enhance community development investments by financial institutions, and for other purposes.

The Clerk read as follows:

H.R. 6062

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Development Investment Enhancements Act of 2006".

#### SEC. 2. ENHANCING THE AUTHORITY FOR NATIONAL BANKS TO MAKE COMMUNITY DEVELOPMENT INVESTMENTS.

(a) NATIONAL BANKS.—The last sentence in the paragraph designated as the "Eleventh." of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended—

(1) by striking "10 percent" each place such term appears and inserting "15 percent"; and

(2) by adding at the end the following new sentence: "The preceding standards and limitations apply to each investment under this paragraph made by a national bank directly and by its subsidiaries."

(b) STATE MEMBER BANKS.—The last sentence of the 23rd undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended—

(1) by striking "10 percent" each place such term appears and inserting "15 percent"; and

(2) by adding at the end the following new sentence: "The preceding standards and limitations apply to each investment under this paragraph made by a State member bank directly and by its subsidiaries."

#### SEC. 3. INVESTMENTS BY FEDERAL SAVINGS ASSOCIATIONS AUTHORIZED TO PROMOTE THE PUBLIC WELFARE.

(a) IN GENERAL.—Section 5(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1464(c)) is amended by adding at the end the following new subparagraph:

"(D) DIRECT INVESTMENTS TO PROMOTE THE PUBLIC WELFARE.—

“(i) IN GENERAL.—A Federal savings association may make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families through the provision of housing, services, and jobs.

“(ii) DIRECT INVESTMENTS OR ACQUISITION OF INTEREST IN OTHER COMPANIES.—Investments under clause (i) may be made directly or by purchasing interests in an entity primarily engaged in making such investments.

“(iii) PROHIBITION ON UNLIMITED LIABILITY.—No investment may be made under this subparagraph which would subject a Federal savings association to unlimited liability to any person.

“(iv) SINGLE INVESTMENT LIMITATION TO BE ESTABLISHED BY DIRECTOR.—Subject to clauses (v) and (vi), the Director shall establish, by order or regulation, limits on—

“(I) the amount any savings association may invest in any 1 project; and

“(II) the aggregate amount of investment of any savings association under this subparagraph.

“(v) FLEXIBLE AGGREGATE INVESTMENT LIMITATION.—The aggregate amount of investments of any savings association under this subparagraph may not exceed an amount equal to the sum of 5 percent of the savings association's capital stock actually paid in and unimpaired and 5 percent of the savings association's unimpaired surplus, unless—

“(I) the Director determines that the savings association is adequately capitalized; and

“(II) the Director determines, by order, that the aggregate amount of investments in a higher amount than the limit under this clause will pose no significant risk to the affected deposit insurance fund.

“(vi) MAXIMUM AGGREGATE INVESTMENT LIMITATION.—Notwithstanding clause (v), the aggregate amount of investments of any savings association under this subparagraph may not exceed an amount equal to the sum of 15 percent of the savings association's capital stock actually paid in and unimpaired and 15 percent of the savings association's unimpaired surplus.

“(vii) INVESTMENTS NOT SUBJECT TO OTHER LIMITATION ON QUALITY OF INVESTMENTS.—No obligation a Federal savings association acquires or retains under this subparagraph shall be taken into account for purposes of the limitation contained in section 28(d) of the Federal Deposit Insurance Act on the acquisition and retention of any corporate debt security not of investment grade.

“(viii) APPLICABILITY OF STANDARDS TO EACH INVESTMENT.—The standards and limitations of this subparagraph shall apply to each investment under this subparagraph made by a savings association directly and by its subsidiaries.”

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 5(c)(3)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(3)(A)) is amended to read as follows:

“(A) [Repealed]”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. McHENRY) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

#### GENERAL LEAVE

Mr. McHENRY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McHENRY. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, today the House will consider H.R. 6062, the Community Development Investment Enhancements Act of 2006.

I first want to commend Chairman OXLEY and Ranking Member FRANK for their leadership on the Financial Services Committee for introducing this legislation.

It is comprised of two major provisions from H.R. 3505, the Financial Services Regulatory Relief Act of 2005, which the House passed last March by a vote of 415-2. H.R. 3505 provides comprehensive regulatory relief to the financial services industry and its regulators. Those two sections were not included in the Senate-passed regulatory relief bill, S. 2856.

H.R. 6062 increases the authority of banks and, for the first time, gives authority to thrifts to invest in projects that benefit low- and moderate-income communities throughout the Nation. Existing authority for banks has already resulted in banks making more than \$16 billion worth of investments since the law was enacted in 1992. Those investments provide housing, community services, as well as jobs, and many of them help banks meet their obligations under the Community Reinvestment Act.

The amount of investments that any one bank can make is limited to 5 percent of its capital and surplus, unless the Comptroller of the Currency determines that a higher amount will pose no significant risk to the deposit insurance fund and the bank is adequately capitalized.

However, in no case may OCC permit a bank's aggregate investments to exceed 10 percent. Some banks are approaching the limit. This bill raises the ceiling to 15 percent for banks. Currently, Federal thrift institutions have no such authority, but H.R. 6062 grants thrifts, overseen by the Office of Thrift Supervision, the same authority as banks.

Madam Speaker, I urge my colleagues to support passage of 6062.

Madam Speaker, I retain the balance of my time.

Mr. FRANK of Massachusetts. Madam Speaker, I yield myself 2 minutes.

The gentleman from North Carolina has more than adequately explained it. I do just want to comment on the procedure.

A version of this is included in the earlier bill we passed today providing regulatory relief. We have two versions. This is the way it should be. What we did earlier is what the Senate will accept. So it was important for us to show what it should be. The Senate will go apparently part of the way. There have been negotiations and con-

versations. There were things in there, like including thrifts, that the Senate was not willing to accept; but there will be another legislative session.

It seems to me the better part of wisdom and better part of public policy is to take what we can now, and that is what we have done. I think this will prove to be a good thing and that it will help us make the case for, in fact, doing everything that we wanted to do.

I just at this point, Madam Speaker, include into the RECORD letters in support of the original bill, but also obviously in favor of the other version that we did because that is all we could get through on the other side from the Office of Thrift Supervision and the Comptroller of the Currency.

OFFICE OF THRIFT SUPERVISION,

DEPARTMENT OF THE TREASURY,

Washington, DC, September 25, 2006.

Hon. BARNEY FRANK

Ranking Member, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR CONGRESSMAN FRANK: I want to thank you for your work on H.R. 6062, the “Community Development Investment Enhancements Act of 2006,” and offer my support for your bill. Originally included as Sections 202 and 112 of H.R. 3505, the “Financial Services Regulatory Relief Act of 2005,” which passed the full House of Representatives, this legislation is especially important to supporting important community development programs.

In particular, your bill increases the ability of federal thrifts to make investments primarily designed to promote the public welfare of low- and moderate-income communities and families through the provision of housing, services, and jobs. H.R. 6062 accomplishes this by raising the limits on the ability of federal thrifts to invest in entities primarily engaged in making these public welfare investments.

While we are encouraged that the original Regulatory Relief Act, H.R. 3505, may be enacted in the next few weeks, we strongly support passage of H.R. 6062 as a freestanding bill if it is not included in the broader package. Just as it is important to reduce burdens on financial institutions in order to remove unnecessary regulatory obstacles that hinder profitability, innovation, and competition in our financial services industry, it is equally important to remove barriers to the growth and stability of low- and moderate-income communities.

Thank you for your leadership and continued interest in this issue. We applaud your efforts and urge swift action on H.R. 6062. If you have any questions, please do not hesitate to contact me or Kevin Petrasic, Managing Director of External Affairs, at 202-906-6452.

Respectfully yours,

JOHN M. REICH,

Director.

ADMINISTRATOR OF NATIONAL BANKS,

Washington, DC, September 18, 2006.

Hon. BARNEY FRANK,

Ranking Member, Committee on Financial Services, House of Representatives, Washington, DC.

DEAR CONGRESSMAN FRANK: Thank you for joining with Financial Services Committee Chairman MICHAEL G. OXLEY to introduce H.R. 6062, which would increase the authority of banks and thrifts of all charter types to invest in projects which benefit low- and moderate-income communities. I have previously indicated my strong support for provisions like those in H.R. 6062, and I strongly support this legislation as well.

Changes in national bank investment authority provided by H.R. 6062 have the potential to support as much as \$30 billion in aggregate private investment to help revitalize local communities across the nation. The legislation offers a unique opportunity to boost community redevelopment through private sector investments. Commitments by national banks under existing authority have a proven track record of success with over \$16 billion of investments in community development in every state in the nation—without the use of *any* taxpayer funds. A list of examples of such investments by national banks is enclosed.

Increasing allowable investments by banks and thrifts from 10% of capital and surplus to 15% will enhance the flow of funds for critically needed community development initiatives that benefit our nation's economically disadvantaged communities and families. I urge prompt passage of H.R. 6062.

Sincerely,

JOHN C. DUGAN,  
*Comptroller of the Currency.*

Enclosure.

EXAMPLES OF BANK INVESTMENTS MADE UNDER THE NATIONAL BANK PUBLIC WELFARE INVESTMENT AUTHORITY (12 USC 24 (ELEVENTH))

Birmingham Community Development Corporation (Birmingham, Alabama) is a certified Community Development Financial Institution that makes loans to and investments in disadvantaged businesses.

Loussac-Sogn Apartments (Anchorage, Alaska) are operated by the Anchorage Neighborhood Housing Services (a member of NeighborWorks® America) and provide single-room occupancy (SRO) housing and support services for low-income individuals.

Arizona MultiBank Community Development Corporation (Phoenix, Arizona) provides financial and technical assistance for affordable housing, small business development, and economic development in Arizona.

Little Rock Housing Redevelopment built Madison Heights III in Little Rock, Arkansas—a 60 unit mixed income affordable housing project using Low Income Housing Tax Credits. The National Equity Fund, an affiliate of Local Initiatives Support Corporation, syndicated the tax credits through the National Equity Fund 2003.

Bay Area Smart Growth Fund (San Francisco, California) is a commercial real estate equity fund created to invest in 46 low- and moderate-income neighborhoods in the greater San Francisco Bay Area. The fund invests in retail, commercial, and industrial development as well as multi- and single-family housing.

Funding Partners for Housing Solutions (Denver, Colorado) is a certified Community Development Financial Institution which helps to provide gap financing for affordable housing development projects serving low- and moderate-income individuals in Colorado.

Community Development Trust financed the Park City Residential Care Home which provides affordable assisted living to 50 low- to moderate-income senior citizens. Development of the facility involved the rehabilitation of an historic building located on the west side of Bridgeport, Connecticut.

Delaware Community Investment Corporation (DCIC) is a multibank community development corporation that provides permanent financing and investment equity for affordable rental housing and commercial facilities. In addition, DCIC provides bridge loans and site acquisition loans for enterprises that provide services to underserved communities.

CF New Markets Advisors (Washington, DC) is a commercial real estate investment

fund using New Markets Tax Credits that will provide debt and equity financing to support the development of urban retail, office, industrial, mixed-use, for-sale housing, and community facility projects.

Black Business Investment Fund is a non-profit CDFI operating in eight Florida cities that specializes in aiding minority business owners in building their management capacity and in accessing capital.

Omni Community Development Corporation (Atlanta, GA) acquires and rehabilitates residential properties in low- and moderate-income areas.

Hale Makana o' Waiale Apartments (Maui, Hawaii)—CRA Fund Advisors purchased municipal bonds financing this rental property that will serve families earning less than 50 percent of area median income.

Tri-County Community Development Corporation (Beardstown, Illinois) is a multibank community development corporation that provides equity and debt financing to small businesses.

Great Lakes Capital Fund invests in Low Income Housing Tax Credit funded affordable housing projects in Indiana, Michigan, and Wisconsin. Building upon its initial support from the Enterprise Foundation and the Enterprise Social Investment Corporation, the Capital Fund has developed a wide array of technical and financial services including: community and project planning, predevelopment financing, construction and permanent loans, youth leadership programs, and equity investments.

Floyd County Progressive Growth Limited Partnership (Charles City, Iowa) developed a commercial industrial park in a state-sponsored Enterprise Zone to attract manufacturing facilities to this rural community.

Goodland Energy Center (Goodland, Kansas) consists of ethanol and biodiesel refineries located in a declining population area that has been plagued by drought and suffered the loss of railroad service and the closing of a sugar beet processing plant. These refineries will employ 65 people and create an additional 35 transportation and service-related jobs. The projects have the added benefit of increasing demand for locally grown corn, milo, and canola.

Houma-Terrebonne Community Development Corporation (Louisiana) is a multibank CDC formed to build or rehabilitate homes that will be sold to low- and moderate-income families.

Coastal Ventures (Wiscasset, Maine) is a financing arm of Coastal Enterprises—a CDFI that provides support in the development of job-creating small businesses, natural resource industries, community facilities, and affordable housing.

Lexington Terrace Townhomes (Baltimore, Maryland) were built on the site of a 670-unit public housing project. These 203 affordable rental townhomes utilize Low Income Housing Tax Credits and are helping to revitalize this West Baltimore community.

Parren J. Mitchell Business Center (Baltimore, Maryland) is a commercial office facility in a low-income community co-owned and co-developed by a neighborhood-based community development corporation (CDC) and a national bank-owned CDC.

Massachusetts Housing Investment Corporation (Boston, Massachusetts) provides a broad array of debt and equity financing products to nonprofit and for-profit sponsors of affordable housing and commercial real estate developments located in low-income communities.

Minnesota Investment Network Corporation is a Community Development Financial Institution organized as a community development venture capital fund to provide equity capital and expertise to companies located in Minnesota.

Southeast Mississippi Community Investment Corporation is a nonprofit organization dedicated to job creation, business creation, and expansion and support of non-traditional business loan seekers, as well as the expansion of job opportunities for low- and moderate-income individuals.

Nevada Business League Community Development Corporation (Vernon County, Missouri) invested in the renovation of a commercial building in an industrial park as part of a government sponsored economic development initiative.

Equity Fund of Nebraska provides equity for affordable housing projects located in the State of Nebraska using the Low Income Housing Tax Credit. The fund is a subsidiary of the Midwest Housing Equity Group—non-profit corporation which raises money to invest in affordable housing throughout the states of Nebraska, Iowa, Oklahoma, and Kansas.

Community Loan Fund of New Jersey provides financing for community services and businesses, including child care, health care, educational facilities, and social enterprises.

Ammonoosuc Green Limited Partnership (Littleton, New Hampshire) is an affordable housing project using Low Income Housing Tax Credits. This project was sponsored by the nonprofit group, Affordable Housing Education and Development (a member of NeighborWorks® America) and is part of this rural community's downtown revitalization initiative.

ACCION New Mexico is a small business micro-loan program which provides financing to small businesses, particularly minority-owned small businesses and businesses located in economically disadvantaged areas.

Rural Housing Action Corporation built Stanton Meadows Townhomes—a 24-unit affordable housing development in Seneca Falls, New York. The project utilized Low Income Housing Tax Credits which were syndicated by the National Equity Fund, an affiliate of Local Initiatives Support Corporation.

Community Affordable Housing Equity Corporation finances the development of affordable multifamily rental housing using Low-Income Housing Tax Credits in the states of North Carolina, South Carolina, West Virginia, Tennessee, Kentucky, Maryland, and Virginia.

Raymond James Native American Tax Credit Fund invests in Low Income Housing Tax Credit-funded affordable housing projects located on or near Native American reservations, sponsored by Native American tribes or their affiliates. (Lapwai, Idaho (Nez Perce); Browning, Montana (Blackfoot Nation); Belcourt, North Dakota (Turtle Mountain); Wagner, South Dakota (Yankton-Sioux Tribe); Keshena, Wisconsin (Menominee Indian Tribe of Wisconsin); Riverton, Wyoming (Northern Arapaho Tribe of the Wind River Indian Reservation); Bellingham, Washington (Lummi Nation); various locations in Oklahoma (Cherokee Nation)).

Longwood Plaza Shopping Center (Cleveland, Ohio) is in a low-income community and was renovated by a nonprofit community development corporation using New Markets Tax Credits.

Oregon Equity Fund provides equity for affordable housing projects located in the State of Oregon using the Low Income Housing Tax Credit.

The Reinvestment Fund (Philadelphia, Pennsylvania) provides financing primarily to community organizations for affordable housing development, community facilities, and working capital.

Omni Development Corporation built Waterview Apartments—a 100-unit affordable housing project for senior citizens in Woonsocket, Rhode Island. The project utilized Low Income Housing Tax Credits which

were syndicated by the National Equity Fund, an affiliate of Local Initiatives Support Corporation.

The Texas Mezzanine Fund is a statewide community development financial institution that provides financing for businesses located in distressed areas, minority-owned businesses, and small businesses that create jobs for low and moderate-income people.

Utah Microenterprise Loan Fund is a non-profit, multibank community development financial institution which provides financing and management support to entrepreneurs in start-up and existing firms that do not have access to traditional funding sources—in particular, those who are socially and economically disadvantaged.

Depot Square Revitalization (Barre, Vermont) used Historic Rehabilitation Tax Credits to renovate a commercial facility on the historic town square in Barre, Vermont. This investment was part of a city-driven initiative to rejuvenate its downtown area.

Madam Speaker, I yield back the balance of my time.

Mr. MCHENRY. Madam Speaker, I urge my colleagues to support this important piece of legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 6062.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### FINANCIAL SERVICES REGULATORY RELIEF AMENDMENTS ACT OF 2006

Mr. MCHENRY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 6072) to amend the Federal Deposit Insurance Act to provide further regulatory relief for depository institutions and clarify certain provisions of law applicable to such institutions, and for other purposes.

The Clerk read as follows

H.R. 6072

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the “Financial Services Regulatory Relief Amendments Act of 2006”.

#### SEC. 2. AMENDMENTS RELATING TO NONFEDERALLY INSURED CREDIT UNIONS.

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

“(3) ENFORCEMENT BY APPROPRIATE STATE SUPERVISOR.—Any appropriate State supervisor of a private deposit insurer, and any appropriate State supervisor of a depository institution which receives deposits that are insured by a private deposit insurer, may examine and enforce compliance with this subsection under the applicable regulatory authority of such supervisor.”.

(b) AMENDMENT RELATING TO DISCLOSURES REQUIRED, PERIODIC STATEMENTS AND ACCOUNT RECORDS.—Section 43(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(1)) is amended by striking “or simi-

lar instrument evidencing a deposit” and inserting “or share certificate”.

(c) AMENDMENTS RELATING TO DISCLOSURES REQUIRED, ADVERTISING, PREMISES.—Section 43(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(2)) is amended to read as follows:

“(2) ADVERTISING; PREMISES.—

“(A) IN GENERAL.—Include clearly and conspicuously in all advertising, except as provided in subparagraph (B); and at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts (excluding automated teller machines or point of sale terminals), and on its main Internet page, a notice that the institution is not federally insured.

“(B) EXCEPTIONS.—The following need not include a notice that the institution is not federally insured:

“(i) Statements or reports of financial condition of the depository institution that are required to be published or posted by State or Federal law or regulation.

“(ii) Any sign, document, or other item that contains the name of the depository institution, its logo, or its contact information, but only if the sign, document, or item does not include any information about the institution’s products or services or information otherwise promoting the institution.

“(iii) Small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.”.

(d) AMENDMENTS RELATING TO ACKNOWLEDGMENT OF DISCLOSURE.—Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is amended to read as follows:

“(3) ACKNOWLEDGMENT OF DISCLOSURE.—

“(A) NEW DEPOSITORS OBTAINED OTHER THAN THROUGH A CONVERSION OR MERGER.—With respect to any depositor who was not a depositor at the depository institution before the effective date of the Financial Services Regulatory Relief Amendments Act of 2006, and who is not a depositor as described in subparagraph (B), receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgment that—

“(i) the institution is not federally insured; and

“(ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor’s money.

“(B) NEW DEPOSITORS OBTAINED THROUGH A CONVERSION OR MERGER.—With respect to a depositor at a federally insured depository institution that converts to, or merges into, a depository institution lacking Federal insurance after the effective date of the Financial Services Regulatory Relief Amendments Act of 2006, receive any deposit for the account of such depositor only if—

“(i) the depositor has signed a written acknowledgment described in subparagraph (A); or

“(ii) the institution makes an attempt, as described in subparagraph (D) and sent by mail no later than 45 days after the effective date of the conversion or merger, to obtain the acknowledgment.

“(C) CURRENT DEPOSITORS.—Receive any deposit after the effective date of the Financial Services Regulatory Relief Amendments Act of 2006 for the account of any depositor who was a depositor on that date only if—

“(i) the depositor has signed a written acknowledgment described in subparagraph (A); or

“(ii) the institution makes an attempt, as described in subparagraph (D) and sent by mail no later than 45 days after the effective date of the Financial Services Regulatory Relief Amendments Act of 2006, to obtain the acknowledgment.

“(D) ALTERNATIVE PROVISION OF NOTICE TO CURRENT DEPOSITORS AND NEW DEPOSITORS OBTAINED THROUGH A CONVERSION OR MERGER.—

“(i) IN GENERAL.—Transmit to each depositor who has not signed a written acknowledgment described in subparagraph (A)—

“(I) a conspicuous card containing the information described in clauses (i) and (ii) of subparagraph (A), and a line for the signature of the depositor; and

“(II) accompanying materials requesting the depositor to sign the card, and return the signed card to the institution.”.

(e) REPEAL OF PROVISION PROHIBITING NON-DEPOSITORY INSTITUTIONS FROM ACCEPTING DEPOSITS.—Section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t) is amended—

(1) by striking subsection (e); and

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

(f) REPEAL OF PROVISION CONCERNING NON-DEPOSITORY INSTITUTIONS MASQUERADING AS DEPOSITORY INSTITUTIONS AND CLARIFICATION OF DEPOSITORY INSTITUTIONS COVERED BY THE STATUTE.—Subsection (e)(2) (as so redesignated by subsection (e) of this section) of section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t) is amended to read as follows:

“(2) DEPOSITORY INSTITUTION.—The term ‘depository institution’—

“(A) includes any entity described in section 19(b)(1)(A)(iv) of the Federal Reserve Act; and

“(B) does not include any national bank, State member bank, or Federal branch.”.

(g) REPEAL OF FTC AUTHORITY TO ENFORCE INDEPENDENT AUDIT REQUIREMENT; CONCURRENT STATE ENFORCEMENT.—Subsection (f) (as so redesignated by subsection (e) of this section) of section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t) is amended to read as follows:

“(f) ENFORCEMENT.—

“(1) LIMITED FTC ENFORCEMENT AUTHORITY.—Compliance with the requirements of subsections (b) and (c), and any regulation prescribed or order issued under any such subsection, shall be enforced under the Federal Trade Commission Act by the Federal Trade Commission.

“(2) BROAD STATE ENFORCEMENT AUTHORITY.—

“(A) IN GENERAL.—Subject to subparagraph (C), an appropriate State supervisor of a depository institution lacking Federal deposit insurance may examine and enforce compliance with the requirements of this section, and any regulation prescribed under this section.

“(B) STATE POWERS.—For purposes of bringing any action to enforce compliance with this section, no provision of this section shall be construed as preventing an appropriate State supervisor of a depository institution lacking Federal deposit insurance from exercising any powers conferred on such official by the laws of such State.

“(C) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission has instituted an enforcement action for a violation of this section, no appropriate State supervisor may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of this section that is alleged in that complaint.”.

#### SEC. 3. CLARIFICATION OF SCOPE OF APPLICABLE RATE PROVISION.

Section 44(f) of the Federal Deposit Insurance Act (12 U.S.C. 1831u(f)) is amended by adding at the end the following new paragraphs:

“(3) OTHER LENDERS.—In the case of any other lender doing business in the State described in paragraph (1), the maximum interest rate or amount of interest, discount