SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title; table of contents

This section provides a short title and table of contents.

Section 101. Joint rulemaking required for revised definition of broker in the Securities Exchange Act of 1934.

Prior to passage of the Gramm-Leach-Bliley Act ("GLBA"), banks were exempt from the definition of "broker" under the Securities Exchange Act of 1934 ("Exchange Act") and therefore not required to register as a broker under the Exchange Act. Section 201 of GLBA repealed the banks' blanket exemption and replaced it with a series of activity-specific statutory exceptions. Thus, as long as a bank is engaged in these "traditional banking activities," it would not be subject to broker-dealer regulation by the Securities and Exchange Commission ("SEC"). These activities would, however, continue to be supervised by the Federal bank regulators. The SEC has proposed rules to implement these exceptions, but has never finalized these rules.

Section 101(a) directs the SEC and the Board of the Federal Reserve System ("Federal Reserve") to adopt final rules implementing the exceptions to the definition of broker under Section 201 of GLBA. Section 101(a) also mandates that within 180 days, the SEC and the Federal Reserve jointly issue proposed rules. In addition, Section 101(a) provides that, (1) upon enactment, no rules previously issued by the SEC as of the date of enactment of GLBA with regard to the bank exception from the definition of "broker" under Section 3(a)(4) of the Exchange Act (whether or not issued in final form) shall have any force or effect, and (2) the final rules adopted in accordance with Section 101 shall supersede such previous rules.

Section 101(b) requires that the SEC and the Federal Reserve consult with and seek the concurrence of the other Federal banking agencies prior to adopting these final rules.

Section 101(c) defines the term "Federal banking agencies" as the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation.

Section 201. Authorization for the Federal Reserve to pay interest on reserves

This section authorizes the payment of interest on balances held by depository institutions at a Federal reserve bank.

Section 202. Increased flexibility for the Federal Reserve Board to establish reserve requirements

This section provides the Federal Reserve with greater flexibility to set the ratio of reserves a depository institution must maintain against its transaction accounts, allowing a zero reserve ratio, if appropriate.

Section 203. Effective Date

This section provides the date that amendments made by this title shall take effect.

Section 301. Voting in shareholder elections

This section permits a national bank to provide in its articles of association which method of electing its directors best suits its business goals and needs – a national bank could choose whether to allow cumulative voting, which is mandated by the current law.

Section 302. Simplifying dividend calculations for national banks

This section provides more flexibility than current law to a national bank to pay dividends as deemed appropriate by its board of directors. Consistent with safety and soundness, the amendment retains the current requirements that Office of the Comptroller of the Currency ("OCC") approval is necessary if the dividend exceeds a certain amount. These same dividend approval requirements apply to State member banks with the exception that the Federal Reserve Board is the approval authority rather than the OCC.

Section 303. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency

This section gives the OCC the same removal authority as the other banking agencies to remove an institution-affiliated party ("IAP") from the banking business.

Section 304. Repeal of obsolete provisions in the Revised Statutes

This section deletes references to two obsolete provisions regarding capital requirements, but makes no changes to the requirement that a national bank may not reduce its capital unless approved by shareholders owning two-thirds of its capital stock and by the OCC.

Section 305. Enhancing the authority for banks to make community development investments

This provision increases from 10 to 15 percent the amount of unimpaired capital and surplus that a national bank may invest, directly or indirectly, in investments designed to promote the public welfare. The provision amends section 24(Eleventh) of the National Bank Act to state that such investments are those designed primarily to benefit the welfare of low- and moderate-income communities or families. In addition, the provision requires that each investment under this paragraph by a national bank must meet the test. Aggregate investments are limited to 5 percent of a national bank's unimpaired 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 15 percent.

The provision makes conforming amendments to the Federal Reserve Act as it applies to the same type of investments by state member banks.

Section 401. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940

This section exempts Federal savings associations from the investment adviser and broker-dealer regulatory requirements to the same extent that banks are exempt under the Investment Advisers Act of 1940 and the Securities and Exchange Act of 1934.

Section 402. Repeal of overlapping rules governing purchased mortgage servicing rights

This section repeals the overlapping, obsolete requirements governing purchased mortgage servicing rights ("PMSRs") in the Home Owners' Loan Act. Section 475 of the Federal Deposit Insurance Corporation Improvement Act of 1991 will continue to govern the valuation of PMSRs for savings associations and other depository institutions. Section 475 already permits overriding the valuation limit, and repealing this provision will simply eliminate potential confusion without sacrificing safety and soundness objectives.

Section 403. Clarifying citizenship of Federal savings associations for Federal court jurisdiction

This section expressly provides that a Federal savings association is only a citizen of the State in which its home office is located for purposes of determining diversity jurisdiction.

Section 404. Repeal of limitation on loans to one borrower

This section eliminates the limitation in the loans to one borrower provision applicable to thrifts that restricts loans to develop domestic residential housing units to units with a purchase price that does not exceed $500,000. It does not alter the overall limitation of the lesser of $30 million or 30% of a savings association's unimpaired capital and unimpaired surplus for residential housing development.

Section 501. Leases of land on Federal facilities for credit unions

This section gives military and civilian authorities responsible for buildings erected on Federal property the discretion to extend to credit unions that finance the construction of credit union facilities on Federal land real estate leases at minimal charge.

Section 502. Increase in general 12-year limitation of term of Federal credit union loans to 15 years

This section increases the maturity limitation on Federal credit union loans from 12 to 15 years.

Section 503. Check cashing and money transfer services offered within the field of membership

This section amends the Federal Credit Union Act to allow Federal credit unions to sell negotiable checks, money orders, and other similar transfer instruments, including international and domestic electronic fund transfers, to anyone eligible for membership, regardless of their membership status.

Section 504. Clarification of definition of net worth under certain circumstances for purposes of prompt corrective action

This section amends the Federal Credit Union Act's prompt corrective action requirements by redefining a credit union's net worth as the retained earnings balance of the credit union (as determined under generally accepted accounting principles, as under current law), together with any amounts that were previously retained earnings of any other credit union with which the credit union has merged.

Section 505. Amendments relating to nonfederally insured credit unions

This section amends Section 43 of the Federal Deposit Insurance Act (FDIA), which contains mandatory disclosures and other requirements for depository institutions lacking federal deposit insurance (primarily state-chartered credit unions). The amendments update the section's disclosure provisions, repeal certain provisions as inappropriate and unnecessary, ensure that state supervisors of the institutions and private insurers can enforce the section, and ensure effective Federal Trade Commission (FTC) enforcement.

Section 43 of the FDIA was added in 1991 by the Federal Deposit Insurance Corporation Improvement Act (FDICIA). It was further refined in 1994 to allow alternative notifications to customers via the mail. From 1993 to 2003, federal appropriations acts barred the FTC from expending funds to enforce this section. In FY 2004, the spending restriction was lifted, allowing the FTC to enforce this provision of law.

Subsection (a) allows state supervisors of private insurers, and appropriate state supervisors of depository institutions that receive privately insured deposits in their states, to examine and enforce compliance with Section 43's requirements for private insurer audits.

Subsection (b) strikes the term `or similar instrument evidencing a deposit' and inserts `or share certificate,' clarifying that disclosures are not required on deposit slips.

Subsection (c) makes minor exemptions to the requirement that `all advertising' must conspicuously display that the institution is not federally insured. Such exemptions include (i) signs, documents or logos that do not include any information about the institution's products or services, and (ii) small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.

Subsection (d) updates the time frame and improves the disclosure requirements for depositors at privately insured institutions. First, the subsection requires that that new depositors, obtained other than through a conversion or merger, must sign an acknowledgement card that the institution is not federally insured, and that if the institution fails, the federal government does not guarantee that the depositor will get back the depositor's money. Second, the subsection requires this acknowledgement for new depositors obtained through a conversion or merger. Those depositors must sign the acknowledgement or receive a letter within 45 days of the conversion seeking to obtain the acknowledgement. NCUA regulations governing the conversion and merger process provide for extensive disclosure

to depositors before the conversion or merger. Finally, customers who are currently in a privately insured institution must receive a maximum of two new mailings seeking an acknowledgement card.

Subsection (e) directs the FTC to prescribe the manner and content of disclosures required under Section 43 to ensure that such disclosures are simple and easy to understand.

Subsection (f) repeals the provision prohibiting non-federally insured depository institutions other than banks from using instruments of interstate commerce (such as mail, telephone, or the Internet) to accept deposits unless the institution meets all requirements for federal deposit insurance. Enforcement of this provision could effectively require many privately insured credit unions to cease operations, causing disruption and depositor losses, regardless of whether the credit union's state regulator deems it financially sound.

Subsection (g) limits FTC enforcement to the disclosure requirements of Section 43 (which are particularly within its purview), and expressly authorizes examination and enforcement of Section 43 by the appropriate state supervisor of an institution's chartering state. In particular, state supervisors may be able readily to incorporate examinations for compliance into their regular examinations, thus providing efficient oversight of the requirements.

Section 601. Reporting requirements relating to insider lending

This section eliminates certain reporting requirements currently imposed on banks and their executive officers and principal shareholders related to lending by banks to insiders. This would not alter restrictions on the ability of banks to make insider loans or limit the ability of Federal banking agencies to take enforcement action against a bank or its insiders for violation of lending limits.

Section 602. Investments by insured savings associations in bank service companies authorized

This section provides investment authority for banks and thrifts to participate in bank service companies, while preserving existing activity and geographic limits and maximum investment rules, as well as the roles of the Federal regulatory agencies with respect to subsidiary activities of the institutions under their primary jurisdiction.

Section 603. Authorization for member bank to use pass-through reserve accounts

This section permits banks that are members of the Federal Reserve System to count as reserves the deposits in other banks that are "passed through" by those banks to the Federal Reserve as required reserve balances. Nonmember banks already are able to use such pass-through reserve accounts.

Section 604. Streamlining reports of condition

This section directs all Federal banking agencies to conduct a review of call report requirements every five years to determine which data requirements are no longer necessary or appropriate.

Section 605. Expansion of eligibility for 18-month examination schedule for community banks

This section amends the Federal Deposit Insurance Act to increase from $250 million to $500 million the asset size of well-capitalized, well-managed institutions eligible for the extended 18–month examination schedule.

Section 606. Streamlining depository institution merger applications requirements

This section eliminates the requirement that each federal banking agency must request a competitive factors report from the other three federal banking agencies as well as from the Attorney General. The amendment decreases the number to two, with the Attorney General continuing to be required to consider the competitive factors involved in each merger transaction and the Federal Deposit Insurance Corporation ("FDIC"), as insurer, receiving notice even where it is not the appropriate banking agency for the particular merger. Federal banking agencies are not required to request a competitive factors report if they find that they must act on a merger application immediately to prevent the probable failure of a depository institution involved in the transaction, or the transaction consists of a merger solely between an insured depository institution and one or more of its affiliates.

Section 607. Nonwaiver of privileges

This section provides that a depository institution does not waive any privilege it may claim with respect to information when it submits such

information to a Federal, State, or foreign bank regulator as part of the supervisory process.

Section 608. Clarification of application requirements for optional conversion for Federal savings associations

This section clarifies that conversions which result in more than one bank require deposit insurance applications from the resulting institutions, as well as review and approval by the appropriate Federal banking agency. In addition, the amendment clarifies that no applications under Section 18(c) of the Federal Deposit Insurance Act would be required for such conversions.

Section 609. Exemption from disclosure of privacy policy for accounting firms

This section exempts from compliance with the disclosure requirements of section 503(a) of GLBA certified public accountants that are subject to State law that prohibits the disclosure of a consumer's nonpublic personal information without the knowing and expressed consent of the consumer.

Section 610. Inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act

This section increases the small depository institution exemption limit under Depository Institution Management Interlock Act ("DIMIA") from $20 million in assets to $50 million in assets. Unless the institutions have less than $20 million in assets, DIMIA currently prohibits a management official of one institution from serving as a management official of any other nonaffiliated depository institution or depository institution holding company if the institutions or an affiliate of such institutions have offices that are located in the same metropolitan statistical area. The amendment increases this exemption threshold to $50 million in assets.

Section 611. Modification to cross marketing restrictions

This section allows depository institution subsidiaries of a financial holding company to engage in cross-marketing activities with portfolio companies that are held under GLBA merchant banking authority to the same extent as such activities are currently permissible for portfolio companies held under GLBA insurance company investment authority.

Section 701. Statute of limitations for judicial review of appointment of a receiver for depository institutions

This section provides for a 30-day period for a party to judicially challenge a determination by the OCC to appoint a receiver for a national bank. This section also amends the Bank Conservation Act and the Federal Deposit Insurance Act to provide greater consistency regarding the time an insured depository institution has to challenge the appointment of a receiver.

Section 702. Enhancing the safety and soundness of insured depository institutions

This section clarifies the discretionary authority of the Federal banking agencies to enforce (1) any condition imposed in writing in connection with any action on any application, notice, or other request, or (2) any written agreement between the agency and an IAP, particularly those in which an IAP or controlling shareholder agrees to provide capital to the depository institution, without showing unjust enrichment or limiting recovery to 5% of the institution's assets at the time it became undercapitalized. Also, this section clarifies existing FDIC authority as receiver or conservator to enforce written conditions or agreements. This section eliminates the requirement that the insured depository institution receiving the transfer be undercapitalized at the time of the transfer.

Section 703. Cross guarantee authority

This section clarifies the scope of cross guarantee liability to include all insured depository institutions commonly controlled by the same company.

Section 704. Golden parachute authority and nonbank holding companies

This section clarifies that the authority to prohibit golden parachute payments includes nonbank holding companies as well as depository institution holding companies.

Section 705. Amendments relating to change in bank control

This section amends the Change in Bank Control Act to clarify the bases for which change-in-control notices may be disapproved and to expand the bases for extensions of time for consideration of certain notices raising novel or significant issues.

Section 706. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees

This section permits the Federal Reserve Board to waive the attribution rule in section 2(g)(2) of the Bank Holding Company Act (12 U.S.C. 1841(g)(2)) in appropriate circumstances. It is expected that the Federal Reserve Board would grant such a waiver only in situations where the facts and circumstances indicate that the company does not have the ability to control the shares held on behalf of its shareholders, members or employees. This attribution rule currently provides that, for purposes of the Bank Holding Company Act, a company is deemed in all circumstances to own or control any shares that are held by a trust (such as an employee benefit plan) for the benefit of the company or its shareholders or employees.

Section 707. Interagency data sharing

GLBA gave the Federal Reserve Board authority to provide confidential supervisory information concerning an examined entity to another supervisory authority, an officer, director, or receiver of the examined entity, or any other person determined by the supervisory agency to be appropriate. This section gives the same authority to all federal banking agencies.

Section 708. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties

This section clarifies that the appropriate Federal banking agency may suspend or prohibit individuals charged with certain crimes from participation in the affairs of *any* depository institution and not solely the insured depository institution with which the institution affiliated party is or was associated. This section further clarifies that the section 8(g) remedy may be imposed even where the institution with which the individuals were associated ceases to exist. The proposed amendment also allows the appropriate Federal banking agency to suspend or remove an individual who attempts to become involved in the affairs of an insured depository institution after being charged with a crime involving dishonesty or a breach of trust and clarifies the standards and process for issuing a suspension or removal order in situations where an individual terminates his or her affiliation with one depository institution after being charged with a crime, but then becomes or seeks to become affiliated with another.

Section 709. Protection of confidential information received by Federal banking regulators from foreign banking supervisors

This section provides that a Federal banking agency may not be compelled to disclose information received from a foreign regulatory or supervisory authority if public disclosure of the information would violate the laws applicable to that authority and the agency obtained the information in connection with the administration and enforcement of Federal banking laws or under a memorandum of understanding between the authority and the agency. This section also provides that such information would be exempt under FOIA, but does not authorize an agency to withhold information from Congress or in response to a court order.

Section 710. Prohibition on participation by convicted individuals

This section would prohibit a person convicted of a criminal offense involving dishonesty, a breach of trust, or money laundering from participating in the affairs of a bank holding company or an Edge or Agreement Corporation, without the consent of the Federal Reserve Board, and from participating in the affairs of a savings and loan holding company or any of its nonthrift subsidiaries, without the consent of the Office of Thrift Supervision ("OTS"). Foreign banks and nonbank subsidiaries of a bank holding company are excluded. In addition, the Federal Reserve Board and the OTS are permitted to grant exemptions from this prohibition to bank holding companies and savings and loan holding companies, respectively.

Section 711. Coordination of State examination authority

This section is intended to improve coordination of supervision of multi-state state-chartered banks, by clarifying how state-chartered institutions with branches in more than one state are examined. While giving primacy of supervision to the chartering or home state, this section requires the home state bank supervisor to abide by any written cooperative agreement relating to coordination of exams and joint participation in exams, with the host state supervisor where an out-of-state branch is located. Unless otherwise permitted by a cooperative agreement, only the home state supervisor may charge state supervisory fees on the bank. If a branch in a host state resulted from certain interstate merger transactions, the host state supervisor may, with written notice to the home state supervisor, examine the branch for compliance with host state consumer protection laws. If permitted by a cooperative agreement or if the out-of-state bank is in a troubled condition, the host state supervisor may participate in the examination of the bank by the home state supervisor to ascertain that branch activities are not conducted in an unsafe or unsound manner. If the

host state supervisor determines that a branch is violating host state consumer protection laws, the supervisor may, with written notice to the home state supervisor, undertake enforcement actions. This section does not limit in any way the authority of federal banking regulators and does not affect state taxation authority.

Section 712. Deputy Director; succession authority for the Director of the OTS

This section authorizes the Treasury Secretary to appoint one or more individuals within the OTS to serve as Acting Director in order to promote agency continuity of leadership during a vacancy in the office of the Director of the OTS or in the absence or disability of the Director of the OTS. An Acting Director shall serve until a permanent Director is confirmed.

Section 713. OTS representation on Basel Committee on Banking Supervision

This section amends International Lending Supervision Act of 1983 to give the OTS equal representation on the Committee on Banking Regulations and Supervisory Practices of the Group of Ten Countries and Switzerland (Basel Committee).

Section 714. Federal Financial Institutions Examination Council

This section adds a representative State regulator as a full voting member on the Federal Financial Institutions Examination Council.

Section 715. Technical amendments concerning enforcement actions

This section clarifies that a Federal banking agency may take enforcement action against a person for conduct that occurred during his or her affiliation with a banking organization even if the person resigns from the organization, regardless of whether the enforcement action is initiated through a notice or an order. This section also makes a parallel amendment to the Federal Credit Union Act.

Section 716. Clarification of enforcement authority

This section amends section 8 of the Federal Deposit Insurance Act to clarify authority to enforce conditions imposed in connection with a notice, including a change-in-control notice. It also makes similar changes to Section 206 the Federal Credit Union Act.

Section 717. Federal banking agency authority to enforce deposit insurance conditions

This section amends section 8 of the Federal Deposit Insurance Act to provide each of the other three appropriate Federal banking agencies with express authority to enforce conditions imposed in writing in connection with the approval of an institution's application for deposit insurance.

Section 718. Receiver or conservator consent requirement

This section requires the consent of the receiver or conservator before a party to a contract to which a depository institution or credit union is a party could exercise any right or power to terminate, accelerate, or declare a default under any contract, or to obtain possession of or exercise control over any property of the institution or affect any contractual rights of the institution or credit union.

Section 719. Acquisition of FICO scores

This section amends the Fair Credit Reporting Act to define an FDIC or National Credit Union Administration ("NCUA") request for FICO scores as part of its preparation for a resolution as a permissible purpose, enabling the FDIC or NCUA to obtain FICO scores by contacting credit reporting agencies and to obtain current consumer credit reports.

Section 720. Elimination of criminal indictments against receiverships

This section amends the Federal Deposit Insurance Act to require that any criminal indictment against a bank be dismissed if the FDIC is appointed receiver of that bank. This section also amends the Federal Credit Union Act to require that any criminal indictment against a credit union be dismissed if the NCUA is appointed receiver of that credit union.

Section 721. Resolution of deposit insurance disputes

This section clarifies that the Administrative Procedures Act standard of review, the 60-day limitation period, and U.S. district court jurisdiction apply to the FDIC's final determination of insurance coverage whether made pursuant to procedural regulations or not. Similar clarifications are made to the Federal Credit Union Act.

Section 722. Recordkeeping

This section permits the FDIC and NCUA to destroy records that are 10 or more years old at the time of its appointment as receiver, unless directed not to do so by a court or a government agency or prohibited by law.

Section 723. Preservation of records

This section provides that the FDIC and NCUA may rely upon records preserved electronically, such as optically imaged or computer scanned images.

Section 724. Technical amendments to information sharing provisions in the Federal Deposit Insurance Act

This section amends section 11(t) of the Federal Deposit Insurance Act to clarify that the FDIC is a "covered agency" for purposes of privilege, regardless of the type of failed depository institution to which transferred information pertains.

Section 725. Technical and conforming amendments relating to banks operating under the Code of Law for the District of Columbia

This section makes technical and conforming amendments reflecting the transfer of authority for the supervision and regulation of District banks from the OCC to the FDIC.

Section 726. Technical corrections to the Federal Credit Union Act

This section makes technical corrections to the Federal Credit Union Act.

Section 727. Repeal obsolete provisions of the Bank Holding Company Act of 1956

This section eliminates certain outdated provisions of the Bank Holding Company Act that no longer have any effect.

Section 728. Development of model privacy forms

This section directs the agencies to develop jointly a model form of privacy notice to satisfy the requirements of GLBA that is succinct, comprehensible to consumers and enables consumers to compare privacy practices among financial institutions. A financial institution that elects to provide the model form developed by the agencies shall be deemed to be in compliance with the disclosures required under Section 503 of GLBA.

Section 801. Exemption for certain bad check enforcement programs

Over five hundred State or district attorneys across the country operate pre-trial diversion programs for alleged bad check offenders so that those individuals can avoid criminal prosecution if they voluntarily participate in these programs. These programs have been in operation for over twenty years. The programs typically require restitution to the harmed merchant, a class designed to discourage the writing of bad checks in the future, and the payment of a fee to cover the class and the administrative burden on the State or district attorneys.

In some instances, however, the State or District attorneys contract with private entities to help administer these programs and several lawsuits have been filed contending that the private entities are in violation of the Fair Debt Collection Practices Act ("FDCPA"). This provision amends the FDCPA to exempt those entities provided they comply with the safeguards outlined in the provision. These requirements include the following: comply with the penal laws of the state in which they operate; conform their activities to the terms of their contract and the directives of the State or district attorney; not exercise any independent prosecutorial discretion; contact alleged offenders only as a result of a determination by the State or district attorney that there is probable cause of a bad check violation under State penal law and that contact with the offender is appropriate; communicate in writing a clear and conspicuous statement that the alleged offender may dispute the validity of alleged bad check violation, and assert via a crime report that the alleged bad check was actually stolen, forged, or related to identity theft or some other fraud; and charge only fees in connection with the services that have been authorized by the contract with the State or district attorney.

If the alleged offender disputes the validity of the allegation and notifies either the private entity or State or district attorney in writing within 30 days after demand for payment has been sent, then restitution efforts have to be halted until the State or district attorney or their authorized employees determine there is probable cause to believe a crime has been committed.

Finally, this provision excludes certain types of checks from the program, such as: a postdated check presented in connection with payday loans or similar transactions where the payee knew the issuer had insufficient funds when the check was written; a stop payment order where the issuer acted in good faith and had reasonable cause to stop payment; a check dishonored because of an adjustment to the issuer's account by his or her financial institution without notice to the issuer of the adjustment; a partial payment check where the payee had accepted that form of payment previously; a check issued by a person who was incompetent or not of legal age to issue checks; or a check issued to pay an obligation arising from a transaction that was illegal in the jurisdiction of the State or district attorney.

Section 802. Other Amendments

This section makes amendments to the FDCPA. These include: (1) a clarification that formal pleadings are not initial communications; (2) an exception to the definition of initial communication for forms or notices that do not relate to the collection of a debt and are required by the Internal Revenue Code of 1986, Title V of the GLBA, or Federal or State law relating to notice of data security breach or privacy; and (3) a clarification that debt collection activities and communications may continue during the 30-day validation period as long as they do not overshadow or are inconsistent with the disclosure of the consumer's right to dispute the debt or request the name and address of the original creditor.

Section 901. Collateral modernization

This section makes changes to 31 U.S.C. 9301 and 31 U.S.C. 9303 that allow the Secretary of the Treasury to determine the types of securities that may be pledged in lieu of surety bonds and require that the securities be valued at current market rates.

Section 1001. Study and report by the Comptroller General on the currency transaction report filing system

This section requires a study by the Comptroller General on the volume of currency transaction reports filed with the Treasury, including, if appropriate, recommendations for changes to the filing system.

Section 1002. Study and report on institution diversity and consolidation

This section requires a study by the Comptroller General on the cost and overall regulatory regime of the financial services industry.