

**AMENDMENT TO THE COMMITTEE PRINT OF  
OCTOBER 29, 2009  
OFFERED BY MR. FRANK OF MASSACHUSETTS**

Page 67, strike line 3 and all that follows through  
page 68, line 20 and insert the following:

1 **SEC. 1109 EMERGENCY FINANCIAL STABILIZATION.**

2 (a) IN GENERAL.—Upon the written determination  
3 of the Financial Stability Oversight Council that a liquid-  
4 ity event exists that could destabilize the financial system  
5 (which determination shall be made upon a vote of not  
6 less than two-thirds of the members of such Council then  
7 serving) and with the written consent of the Secretary of  
8 the Treasury (after certification by the President that an  
9 emergency exists), the Corporation may create a widely-  
10 available program designed to avoid or mitigate adverse  
11 effects on systemic economic conditions or financial sta-  
12 bility by guaranteeing obligations of solvent insured depos-  
13 itory institutions or other solvent companies that are pre-  
14 dominantly engaged in activities that are financial in na-  
15 ture or are incidental thereto pursuant to section 4(k) of  
16 the Bank Holding Company Act, if necessary to prevent  
17 systemic financial instability during times of severe eco-  
18 nomic distress, except that a guarantee of obligations

1 under this section may not include provision of equity in  
2 any form.

3 (b) POLICIES AND PROCEDURES.—Prior to exercising  
4 any authority under this section, the Corporation shall es-  
5 tablish policies and procedures governing the issuance of  
6 guarantees. The terms and conditions of any guarantees  
7 issued shall be established by the Corporation with the ap-  
8 proval of the Secretary of the Treasury and the Financial  
9 Stability Oversight Council.

10 (c) FUNDING.—

11 (1) ADMINISTRATIVE EXPENSES AND COST OF  
12 GUARANTEES.—A program established pursuant to  
13 this section shall require funding only for the pur-  
14 poses of paying administrative expenses and for pay-  
15 ing a guarantee in the event that a guaranteed loan  
16 defaults.

17 (2) FEES AND OTHER CHARGES.—The Corpora-  
18 tion shall charge fees or other charges to all partici-  
19 pants in such program established pursuant to this  
20 section. To the extent that a program established  
21 pursuant to this section has expenses or losses, the  
22 program will be funded ~~primarily, if not~~ entirely,  
23 through fees or other charges assessed on partici-  
24 pants in such program.

*strike primarily if not*  
*insert "entirely"*  
*strike by us*

1           (3) EXCESS FUNDS.—If at the conclusion of  
2 such program there are any excess funds collected  
3 from the fees associated with such program, the  
4 funds will be deposited into the Systemic Resolution  
5 Fund established pursuant to section 1609(n).

6           (4) AUTHORITY OF CORPORATION.—For pur-  
7 poses of conducting a program established pursuant  
8 to this section, the Corporation—

9           (A) may borrow funds from the Secretary  
10 of the Treasury, which shall be repaid in full  
11 with interest through fees and charges paid by  
12 participants in accord with paragraph (2), and,  
13 to the extent such additional amounts are nec-  
14 essary, assessments on large financial compa-  
15 nies under paragraph (5); and there shall be  
16 available to the Corporation amounts in the  
17 Treasury not otherwise appropriated, including  
18 for the payment of reasonable administrative  
19 expenses;

20           (B) may not borrow funds from the De-  
21 posit Insurance Fund established pursuant to  
22 section 11(a)(4) of the Federal Deposit Insur-  
23 ance Act; and

1 (C) may not borrowing funds from the  
2 Systemic Resolution Fund established pursuant  
3 to section 1609(n).

4 (5) BACK-UP SPECIAL ASSESSMENT.—To the  
5 extent that the funds collected pursuant to para-  
6 graph (2) are insufficient to cover any losses or ex-  
7 penses (including monies borrowed pursuant to  
8 paragraph (4)) arising from a program established  
9 pursuant to this section, the Corporation shall im-  
10 pose a special assessment on—

11 (A) large financial companies subject to as-  
12 sessments under section 1609(n) (whether or  
13 not such company participated in such pro-  
14 gram) in the manner provided in such section  
15 1609(n); and

16 (B) participants in the program that are  
17 not large financial companies paying assess-  
18 ments pursuant to section 1609(n).

19 (d) PLAN FOR MAINTENANCE OR INCREASE OF  
20 LENDING.—In connection with any application or request  
21 to participate in such program authorized pursuant to this  
22 section, a solvent company seeking to participate in such  
23 program shall be required to submit to the Corporation  
24 a plan detailing how the use of such guaranteed funds will

- 1 facilitate the increase or maintenance of such solvent com-
- 2 pany's level of lending to consumers or small businesses.

