

**FRANK 011**

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

Page 377, strike line 2 and all that follows through page 379, line 3, and insert the following new section:

1 **SEC. 1701. ADDITIONAL IMPROVEMENTS FOR FINANCIAL**  
2 **CRISIS MANAGEMENT.**

3 Section 13 of the Federal Reserve Act (12 U.S.C.  
4 343) is amended by striking the 3rd undesignated para-  
5 graph and inserting the following new subsection:

6 “(c) FINANCIAL CRISIS MANAGEMENT.—

7 “(1) IN GENERAL.—In unusual and exigent cir-  
8 cumstances, the Board of Governors of the Federal  
9 Reserve System, upon the written determination,  
10 pursuant to section 1109 of the Financial Stability  
11 Improvement Act of 2009, of the Financial Stability  
12 Oversight Council, that a liquidity event exists that  
13 could destabilize the financial system (which deter-  
14 mination shall be made upon a vote of not less than  
15 two-thirds of the members of such Council then serv-  
16 ing), and with the written consent of the Secretary  
17 of the Treasury (after certification by the President  
18 that an emergency exists), may authorize any Fed-

1       eral reserve bank, during such periods as the Board  
2       may determine and at rates established in accord-  
3       ance with the provision designated as (d) of section  
4       14, to discount for an individual, partnership, or  
5       corporation, notes, drafts, and bills of exchange  
6       when such notes, drafts, and bills of exchange are  
7       indorsed or otherwise secured to the satisfaction of  
8       the Federal reserve bank and in conformance with  
9       regulations or guidelines issued by the Board of  
10      Governors regarding the quality of notes, drafts, and  
11      bills of exchange available for discount and of the se-  
12      curity for those notes, drafts and bills of exchange,  
13      unless a joint resolution (as defined in paragraph  
14      (5)) is adopted. Upon making any determination  
15      under this paragraph, with the consent of the Sec-  
16      retary of the Treasury, the Financial Stability Over-  
17      sight Council shall promptly submit a notice of such  
18      determination to the Congress.

19           “(2) LOW QUALITY ASSETS EXCLUDED.—The  
20      notes, drafts, and bills of exchange available for dis-  
21      count for purposes of paragraph (1), and the secu-  
22      rity for those notes, drafts and bills of exchange may  
23      only include any of the following assets if such asset  
24      is used to further enhance the security for those  
25      notes, drafts and bills of exchange which shall be

1 fully secured with assets that are not any of the fol-  
2 lowing assets:

3 “(A) An asset (including a security) that  
4 would be classified as “substandard,” “doubt-  
5 ful,” or “loss,” or treated as “special mention”  
6 or “other transfer risk problems,” in a report  
7 of examination or inspection of bank or an affil-  
8 iate of a bank prepared by either a Federal or  
9 State supervisory agency or in any internal  
10 classification system used by such individual,  
11 partnership or corporation.

12 “(B) An asset in a nonaccrual status.

13 “(C) An asset on which principal or inter-  
14 est payments are more than 30 days past due.

15 “(D) An asset whose terms have been re-  
16 negotiated or compromised due to the deterio-  
17 rating financial condition of the obligor unless  
18 such asset has been performing for at least 6  
19 months since the renegotiation.

20 “(3) NO SINGLE OR SPECIFIC BENE-  
21 FICIARIES.—The Board of Governors of the Federal  
22 Reserve System may authorize a Federal reserve  
23 bank to discount notes, drafts, or bills of exchange  
24 under this section only as part of a broadly available  
25 credit or other facility and may not authorize a Fed-

1 eral Reserve bank to discount notes, drafts, or bills  
2 of exchange for only a single and specific individual,  
3 partnership, or corporation.

4 “(4) EVIDENCE OF UNAVAILABILITY OF CRED-  
5 IT.—Before discounting any note, draft, or bill of ex-  
6 change under this subsection for an individual, a  
7 partnership or corporation as part of a broadly  
8 available credit or other facility the Federal reserve  
9 bank shall obtain evidence that such individual, part-  
10 nership, or corporation is unable to secure adequate  
11 credit accommodations from other banking institu-  
12 tions. All discounts under this subsection for individ-  
13 uals, partnerships, or corporations shall be subject  
14 to such limitations, restrictions, and regulations as  
15 the Board of Governors of the Federal Reserve Sys-  
16 tem may prescribe.

17 “(5) CONGRESSIONAL DISAPPROVAL OF ADDI-  
18 TIONAL BORROWING AUTHORITY.—

19 “(A) INTRODUCTION.—*within 90 days* ~~On~~ the day on  
20 which notice from the Financial Stability Over-  
21 sight Council is received by the House of Rep-  
22 resentatives and the Senate under paragraph  
23 (1), a joint resolution specified in subparagraph  
24 (E) *may* shall be introduced in the House by the ma-  
25 jority leader and minority leader of the House

1 and in the Senate by the majority leader and  
2 minority leader of the Senate. ~~If either House~~  
3 ~~is not in session on the day on which such a re-~~  
4 ~~quest is received, the joint resolution with re-~~  
5 ~~spect to such request shall be introduced in that~~  
6 ~~House, as provided in the preceding sentence,~~  
7 ~~on the first day thereafter on which that House~~  
8 ~~is in session.~~

9 “(B) CONSIDERATION IN THE HOUSE OF  
10 REPRESENTATIVES.—

11 “(i) REPORTING AND DISCHARGE.—

12 Any committee of the House of Represent-  
13 atives to which a joint resolution intro-  
14 duced under subparagraph (A) is referred  
15 shall report such joint resolution to the  
16 House not later than 5 calendar days after  
17 the applicable date of introduction of the  
18 joint resolution. If a committee fails to re-  
19 port such joint resolution within that pe-  
20 riod, the committee shall be discharged  
21 from further consideration of the joint res-  
22 olution and the joint resolution shall be re-  
23 ferred to the appropriate calendar.

24 “(ii) PROCEEDING TO CONSIDER-  
25 ATION.—After each committee authorized

1 to consider a joint resolution reports such  
2 joint resolution to the House or has been  
3 discharged from its consideration, it shall  
4 be in order, not later than the sixth day  
5 after the ~~House and Senate receive the no-~~  
6 ~~tice of the Board regarding the exercises of~~  
7 ~~authority under this subsection~~, to move to  
8 proceed to consider the joint resolution in  
9 the House. Such a motion shall not be in  
10 order after the House has disposed of a  
11 motion to proceed on the joint resolution  
12 and shall not be in order if the House has  
13 received a message from the Senate under  
14 subparagraph (D)(iii)(I). The previous  
15 question shall be considered as ordered on  
16 the motion to its adoption without inter-  
17 vening motion. A motion to reconsider the  
18 vote by which the motion is disposed of  
19 shall not be in order.

20 “(iii) CONSIDERATION.—The joint  
21 resolution shall be considered in the House  
22 and shall be considered as read. All points  
23 of order against a joint resolution and  
24 against its consideration are waived. The  
25 previous question shall be considered as or-

*the  
applicable  
date  
of  
introduction  
of  
the  
joint  
resolution*

1           dered on the joint resolution to its passage  
 2           without intervening motion except two  
 3           hours of debate equally divided and con-  
 4           trolled by the proponent and an opponent.  
 5           A motion to reconsider the vote on passage  
 6           of a joint resolution shall not be in order.

7           “(C) CONSIDERATION IN THE SENATE.—

8                   “(i) PLACEMENT ON CALENDAR.—  
 9           Upon introduction in the Senate, the joint  
 10          resolution shall be placed immediately on  
 11          the calendar.

12                   “(ii) FLOOR CONSIDERATION.—

13                   “(I) IN GENERAL.—Notwith-  
 14          standing rule XXII of the Standing  
 15          Rules of the Senate, it is in order at  
 16          any time during the period beginning  
 17          on the 4th day after the date ~~on~~  
 18          which the Senate receives a notice  
 19          from the Board under this paragraph  
 20          and ending on the 6th day after the  
 21          date ~~on which the Senate receives a~~  
 22          notice from the Board under this  
 23          paragraph (even though a previous  
 24          motion to the same effect has been  
 25          disagreed to) to move to proceed to

*applicable*  
*of introduction*  
*of introduction*

1 the consideration of the joint resolu-  
2 tion, and all points of order against  
3 the joint resolution (and against con-  
4 sideration of the joint resolution) are  
5 waived. The motion to proceed is not  
6 debatable. The motion is not subject  
7 to a motion to postpone. A motion to  
8 reconsider the vote by which the mo-  
9 tion is agreed to or disagreed to shall  
10 not be in order. If a motion to proceed  
11 to the consideration of the resolution  
12 is agreed to, the joint resolution shall  
13 remain the unfinished business until  
14 disposed of.

15 “(II) DEBATE.—Debate on the  
16 joint resolution, and on all debatable  
17 motions and appeals in connection  
18 therewith, shall be limited to not more  
19 than 10 hours, which shall be divided  
20 equally between the majority and mi-  
21 nority leaders or their designees. A  
22 motion further to limit debate is in  
23 order and not debatable. An amend-  
24 ment to, or a motion to postpone, or  
25 a motion to proceed to the consider-



1                    ation of other business, or a motion to  
2                    recommit the joint resolution is not in  
3                    order.

4                    “(III) VOTE ON PASSAGE.—The  
5                    vote on passage shall occur imme-  
6                    diately following the conclusion of the  
7                    debate on a joint resolution, and a  
8                    single quorum call at the conclusion of  
9                    the debate if requested in accordance  
10                   with the rules of the Senate.

11                   “(IV) RULINGS OF THE CHAIR  
12                   ON PROCEDURE.—Appeals from the  
13                   decisions of the Chair relating to the  
14                   application of the rules of the Senate,  
15                   as the case may be, to the procedure  
16                   relating to a joint resolution shall be  
17                   decided without debate.

18                   “(D) RULES RELATING TO SENATE AND  
19                   HOUSE OF REPRESENTATIVES.—

20                   “(i) COORDINATION WITH ACTION BY  
21                   OTHER HOUSE.—If, before the passage by  
22                   one House of a joint resolution of that  
23                   House, that House receives from the other  
24                   House a joint resolution, then the following  
25                   procedures shall apply:

1                   “(I) The joint resolution of the  
2                   other House shall not be referred to a  
3                   committee.

4                   “(II) With respect to the joint  
5                   resolution of the House receiving the  
6                   resolution, the procedure in that  
7                   House shall be the same as if no such  
8                   joint resolution had been received  
9                   from the other House; but the vote on  
10                  passage shall be on the joint resolu-  
11                  tion of the other House.

12                  “(ii) TREATMENT OF COMPANION  
13                  MEASURES.—If, following passage of a  
14                  joint resolution in the Senate, the Senate  
15                  then receives the companion measure from  
16                  the House of Representatives, the com-  
17                  panion measure shall not be debatable.

18                  “(iii) FAILURE OF JOINT RESOLUTION  
19                  IN THE SENATE.—

20                  “(I) If, in the Senate, the motion  
21                  to proceed to the consideration of the  
22                  joint resolution fails, the Secretary of  
23                  the Senate shall transmit a message  
24                  to that effect to the House of Rep-  
25                  resentatives.

1                   “(II) If, in the Senate, the joint  
2 resolution fails on passage, the Sec-  
3 retary of the Senate shall transmit a  
4 message to that effect to the House of  
5 Representatives.

6                   “(iv) RULES OF HOUSE OF REP-  
7 RESENTATIVES AND SENATE.—This para-  
8 graph and the preceding paragraphs are  
9 enacted by Congress—

10                   “(I) as an exercise of the rule-  
11 making power of the Senate and  
12 House of Representatives, respec-  
13 tively, and as such it is deemed a part  
14 of the rules of each House, respec-  
15 tively, but applicable only with respect  
16 to the procedure to be followed in that  
17 House in the case of a joint resolu-  
18 tion, and it supersedes other rules  
19 only to the extent that it is incon-  
20 sistent with such rules; and

21                   “(II) with full recognition of the  
22 constitutional right of either House to  
23 change the rules (so far as relating to  
24 the procedure of that House) at any  
25 time, in the same manner, and to the

1 same extent as in the case of any  
2 other rule of that House.

3 “(E) DEFINITION.—In this paragraph, the  
4 term ‘joint resolution’ means only a joint reso-  
5 lution—

6 “(i) which does not have a preamble;

7 “(ii) the title of which is as follows:

8 ‘Joint resolution relating to the use of au-  
9 thority relevant to section 13(c) of the  
10 Federal Reserve Act under the Financial  
11 Stability Improvement Act of 2009.’; and

12 “(iii) the sole matter after the resolv-  
13 ing clause of which is as follows: ‘That the  
14 Congress disapproves the use of authority  
15 pursuant to use of authority relevant to  
16 section 13(c) of the Federal Reserve Act  
17 transmitted to the Congress on \_\_\_\_\_ by  
18 the Board of Governors of the Federal Re-  
19 serve System’, the blank space being filled  
20 with the appropriate date.

21 “(F) NONSCORING OF JOINT RESOLUTIONS  
22 OF DISAPPROVAL.—A joint resolution of dis-  
23 approval shall be treated as having no budg-  
24 etary effect by the Congressional Budget Office  
25 and the Office of Management and Budget for

1 any purpose under the Rules of the House of  
2 Representatives, the Standing Rules of the Sen-  
3 ate, the Congressional Budget Act of 1974, or  
4 any statutory pay-as-you-go requirement.”.



