

6/16/10

## HOUSE PROPOSED AMENDMENTS TO TITLE XI

[Page and line #s refer to Base text of proposed conference report]

Page 1724, line 16, strike “and”.

Page 1724, line 18, strike “losses and” and insert “losses,”.

Page 1724, line 19, strike “orderly fashion.” and insert “orderly fashion, and that the Board and the Secretary of the Treasury would have reasonable cause to believe that the security or other collateral policies for any emergency lending program or facility provide 99 percent confidence that funds disbursed under the facility or program will be fully repaid, and interest thereon will be paid, to the Federal Reserve System”.

Page 1730, strike line 7 and insert the following:

- 1           (1) DEFINITIONS.—For purposes of this sub-
- 2           section, the following definitions shall apply:
- 3           (A) CREDIT FACILITY.—The term

Page 1730, after line 15, insert the following new subparagraph:

1 (B) COVERED TRANSACTION.—The term  
2 “covered transaction” means any open market  
3 transaction or discount window advance that  
4 meets the definition of “covered transaction” in  
5 section 11(s) of the Federal Reserve Act .

Page 1731, line 2, insert “or a covered transaction”  
after “credit facility”.

Page 1731, line 4, strike “of” and insert “gov-  
erning”.

Page 1731, line 5, insert “or covered transaction”  
after “credit facility”.

Page 1731, line 7, insert “or covered transaction”  
after “the facility”.

Page 1731, line 10, insert “or the conduct of a cov-  
ered transaction” after “credit facility”.

Page 1731, line 16, insert “or to conduct any cov-  
ered transaction” after “credit facility”.

Page 1732, line 15, insert “or covered transaction”  
after “credit facility”.

Page 1732, line 16, insert “or transferred by or to”  
after “by”.

Page 1732, line 17, insert “or covered transaction” after “facility”.

Page 1732, line 18, insert “or transferred” after “held”.

Page 1732, line 19, insert “or covered transaction” after “credit facility”.

Page 1733, line 5, strike “assets or collateral” and insert “assets, collateral, or transaction”.

Page 1733, line 22, strike the closing quotation marks and the 2nd period.

Page 1733, after line 22, insert the following new clause:

1                   “(v) RELEASE OF COVERED TRANS-  
2                   ACTION INFORMATION.—The Comptroller  
3                   General shall release a nonredacted version  
4                   of any report regarding covered trans-  
5                   actions upon the release of the information  
6                   regarding such covered transactions by the  
7                   Board of Governors of the Federal Reserve  
8                   System as provided in section 11(s) of the  
9                   Federal Reserve Act.”.

Page 1734, strike line 19, and insert the following:

1 (a) IN GENERAL.—Section 2B of the Federal Reserve  
2 Act (12 U.S.C.

Page 1735, after line 17 insert the following new  
subsection:

3 (b) FEDERAL RESERVE TRANSPARENCY AND RE-  
4 LEASE OF INFORMATION.—Section 11 of the Federal Re-  
5 serve Act (12 U.S.C. 248) the following new subsection:

6 “(s) FEDERAL RESERVE TRANSPARENCY AND RE-  
7 LEASE OF INFORMATION.—

8 “(1) IN GENERAL.—In order to ensure the dis-  
9 closure in a timely manner consistent with the pur-  
10 poses of this Act of information concerning the bor-  
11 rowers and counterparties participating in emer-  
12 gency credit facilities, discount window lending pro-  
13 grams and open market operations authorized or  
14 conducted by the Board or a Federal reserve bank,  
15 the Board of Governors of the Federal Reserve Sys-  
16 tem shall disclose, as provided in paragraph (2)—

17 “(A) the names and identifying details of  
18 each borrower, participant or counterparty in  
19 any credit facility or covered transaction;

20 “(B) the amount borrowed by or trans-  
21 ferred by or to a specific borrower, participant  
22 or counterparty in any credit facility or covered  
23 transaction;

1           “(C) the interest rate or discount paid by  
2 each borrower, participant or counterparty in  
3 any credit facility or covered transaction; and

4           “(D) information identifying the types and  
5 amounts of collateral pledged or assets trans-  
6 ferred in connection with participation in any  
7 credit facility or covered transaction.

8           “(2) MANDATORY RELEASE DATE.—In the case  
9 of—

10           “(A) a credit facility, the Board shall dis-  
11 close the information described in paragraph  
12 (1) on the date that is 1 year after the effective  
13 date of the termination by the Board of the au-  
14 thorization of the credit facility; and

15           “(B) a covered transaction, the Board  
16 shall disclose the information described in para-  
17 graph (1) on the last day of the eighth calendar  
18 quarter following the calendar quarter in which  
19 the covered transaction was conducted.

20           “(3) EARLIER RELEASE DATE AUTHORIZED.—  
21 The Chairman of the Board may publicly release the  
22 information described in paragraph (1) before the  
23 relevant date specified in paragraph (2) if the Chair-  
24 man determines that such disclosure would be in the  
25 public interest and would not harm the effectiveness

1 of the relevant credit facility or the purpose or con-  
2 duct of covered transactions.

3 “(4) DEFINITIONS.—For purposes of this sub-  
4 section, the following definitions shall apply:

5 “(A) CREDIT FACILITY.—The term ‘credit  
6 facility’ has the same meaning as in section  
7 714(f)(1)(A) of title 31, United States Code.

8 “(B) COVERED TRANSACTION.—The term  
9 ‘covered transaction’ means—

10 “(i) any open market transaction with  
11 a nongovernmental third party conducted  
12 under the first undesignated paragraph of  
13 section 14 or subparagraph (a), (b), or (c)  
14 of the 2nd undesignated paragraph of such  
15 section, after the date of the enactment of  
16 the Restoring American Financial Stability  
17 Act of 2010; and

18 “(ii) any advance made under section  
19 10B after the date of the enactment of  
20 such Act.

21 “(5) TERMINATION OF CREDIT FACILITY BY OP-  
22 ERATION OF LAW.—A credit facility shall be deemed  
23 to have terminated as of the end of the 24-month  
24 period beginning on the date on which the credit fa-  
25 cility ceases to make extensions of credit and loans,

1 unless the credit facility is otherwise terminated by  
2 the Board before such date.

3 “(6) CONSISTENT TREATMENT OF INFORMA-  
4 TION.—Except as provided in this subsection or sec-  
5 tion 13(3)(D), or in section 714(f)(3)(C) of title 31,  
6 United States Code, the information described in  
7 paragraph (1) and information concerning the trans-  
8 actions described in section 714(f) of such title, shall  
9 be confidential, including for purposes of section  
10 552(b)(3) of title 5 of such Code, unless the Board  
11 determines that disclosure of such information would  
12 be in the public interest and would not harm the ef-  
13 fectiveness of the relevant credit facility or the pur-  
14 pose of conduct of the relevant transactions.

15 “(7) PROTECTION OF PERSONAL PRIVACY.—  
16 This subsection and section 13(3)(C), section  
17 714(f)(3)(C) of title 31, United States Code, and  
18 section 1109(a) or (c) of the Restoring American Fi-  
19 nancial Stability Act of 2010 shall not be construed  
20 as requiring any disclosure of nonpublic personal in-  
21 formation (as defined for purposes of section 502 of  
22 the Gramm-Leach-Bliley Act (12 U.S.C. 6802)) con-  
23 cerning any individual who is referenced in collateral  
24 pledged or assets transferred in connection with a  
25 credit facility or covered transaction unless the per-

1 son is a borrower, participant, or counterparty under  
2 the credit facility or covered transaction.”

Page 1735, strike line 18 and all that follows  
through page 1751, line 7, and insert the following new  
sections:

*Insert  
Frank*

3 **SEC. 1104. EMERGENCY FINANCIAL STABILIZATION.**

4 (a) IN GENERAL.—Upon the written determination  
5 of the Council that a liquidity event exists that could de-  
6 stabilize the financial system (which determination shall  
7 be made upon a vote of not less than two-thirds of the  
8 members of the Council then serving) and with the written  
9 consent of the Secretary of the Treasury (after certifi-  
10 cation by the President that an emergency exists), the  
11 Corporation may create a widely-available program de-  
12 signed to avoid or mitigate adverse effects on systemic eco-  
13 nomic conditions or financial stability by guaranteeing ob-  
14 ligations of solvent insured depository institutions or sol-  
15 vent depository institution holding companies (including  
16 any affiliates thereof), if necessary to prevent systemic fi-  
17 nancial instability during times of severe economic dis-  
18 tress, except that a guarantee of obligations under this  
19 section may not include provision of equity in any form.

20 (b) POLICIES AND PROCEDURES.—Prior to exercising  
21 any authority under this section, the Corporation shall es-  
22 tablish policies and procedures governing the issuance of

*+  
Strike  
pages  
9-18  
of  
the*



**AMENDMENT TO THE HOUSE PROPOSED  
AMENDMENTS TO TITLE XI  
OFFERED BY MR. FRANK OF MASSACHUSETTS**

Page 8 of the proposal, line 2, strike the quotation marks and the final period and insert the following after such line:

1           “(8) RULE OF CONSTRUCTION.—Nothing in  
2           this section is meant to affect any pending litigation  
3           or lawsuits filed under section 552 of title 5, United  
4           States Code (popularly known as the Freedom of In-  
5           formation Act ), on or before the date of the enact-  
6           ment of the Restoring American Financial Stability  
7           Act of 2010.”.



1 shareholder vote to authorize the necessary addi-  
2 tional shares cannot be obtained.

3 (c) EXCEPTIONS.—The Corporation shall establish  
4 an exception to the requirements of this section and appro-  
5 priate alternative requirements for any participating fi-  
6 nancial company that is legally prohibited from issuing se-  
7 curities and debt instruments, so as not to allow cir-  
8 cumvention of the requirements of this section.

Page 1751, line 10, strike “The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended in section 4” and all that follows through page 1752, line 6, and insert “The 5th subparagraph of the 4th undesignated paragraph of section 4 of the Federal Reserve Act (12 U.S.C. 341) is amended by striking the 2nd sentence and inserting ‘The president shall be the chief executive officer of the bank and shall be appointed by the Class B and Class C directors of the bank, with the approval of the Board of Governors of the Federal Reserve System, for a term of 5 years; and all other executive officers and all employees of the bank shall be directly responsible to the President.’”.

Page 1754, after line 17, insert the following new subsection:

9 (e) EXERCISE OF FEDERAL RESERVE AUTHORITY.—

1           (1) NO DECISIONS BY FEDERAL RESERVE BANK  
2           PRESIDENTS.—No provision of title I relating to the  
3           authority of the Board of Governors shall be con-  
4           strued as conferring any decision-making authority  
5           on presidents of Federal reserve banks.

6           (2) VOTING DECISIONS BY BOARD.—The Board  
7           of Governors shall not delegate the authority to  
8           make any voting decision that the Board of Gov-  
9           ernors is authorized or required to make under this  
10          title I in contravention of section 11(k) of the Fed-  
11          eral Reserve Act.

Page 1761, after line 14, insert the following new  
section:

12   **SEC. 1110. CERTAIN RESTRICTIONS RELATED TO FOREIGN**  
13                   **CURRENCY SWAP AUTHORITY.**

14          Section 14 of the Federal Reserve Act is amended  
15   by adding at the end the following new subsection:

16          “(h) CERTAIN RESTRICTIONS RELATED TO FOREIGN  
17   CURRENCY SWAP AUTHORITY.—A Federal reserve bank  
18   may not take any action pursuant to the authority pro-  
19   vided under this section with respect to foreign currency  
20   swaps unless—

21               “(1) such action is approved in advance by the  
22               affirmative vote of not less than five members of the

1 Board of Governors of the Federal Reserve System;  
2 and  
3 “(2) such action is taken with the written con-  
4 currence of the Secretary of the Treasury.”.

