

**AMENDMENT TO THE COMMITTEE PRINT OF  
OCTOBER 29, 2009  
OFFERED BY MR. KANJORSKI OF PENNSYLVANIA**

Page 18, after line 14, insert the following new paragraph (and redesignate subsequent paragraphs accordingly):

1           (3) details the size, scale, scope, concentration,  
2           activities, and interconnectedness of the 50 largest  
3           financial institutions, by total assets, in the United  
4           States;

Page 22, line 18, after “scope,” insert “size, scale, concentration, and interconnectedness”.

Page 30, strike line 17 and all that follows through page 31, line 5.

Page 59, after line 15, insert the following new section (and redesignate subsequent section and cross references and conform the table of contents accordingly):

**5 SEC. 1105. MITIGATION OF SYSTEMIC RISK.**

6           (a) COUNCIL AUTHORITY TO RESTRICT OPERATIONS  
7           AND ACTIVITIES.—If the Council determines, after notice  
8           and an opportunity for hearing, that despite the higher

1 prudential standards imposed pursuant to section  
2 1104(a)(2), the size of a financial company subject to  
3 stricter prudential standards or the scope, nature, scale,  
4 concentration, interconnectedness, or mix of activities di-  
5 rectly or indirectly conducted by a financial company sub-  
6 ject to stricter prudential standards poses a grave threat  
7 to the financial stability or economy of the United States,  
8 the Council shall require the company to undertake 1 or  
9 more mitigatory actions described in subsection (d).

10 (b) CONSULTATION WITH FEDERAL FINANCIAL  
11 REGULATORY AGENCIES.—The Council, in determining  
12 whether to impose any requirement under this section that  
13 is likely to have a significant impact on a functionally reg-  
14 ulated subsidiary, or a subsidiary depository institution,  
15 of a financial company subjected to stricter prudential  
16 standards under this Act, shall consult with the Federal  
17 financial regulatory agency for any such subsidiary.

18 (c) FACTORS FOR CONSIDERATION.— In reaching a  
19 determination described in subsection (a), the Council  
20 shall take into consideration the following factors, as ap-  
21 propriate—

22 (1) the amount and nature of the company's fi-  
23 nancial assets;

1           (2) the amount and nature of the company’s li-  
2           abilities, including the degree of reliance on short-  
3           term funding;

4           (3) the extent and nature of the company’s off-  
5           balance sheet exposures;

6           (4) the company’s reliance on leverage;

7           (5) the extent and nature of the company’s  
8           transactions, relationships, and interconnectedness  
9           with other financial and non-financial companies;

10          (6) the company’s importance as a source of  
11          credit for households, businesses, and State and  
12          local governments and as a source of liquidity for  
13          the financial system;

14          (7) the scope, nature, size, scale, concentration,  
15          interconnectedness and mix of the company’s activi-  
16          ties;

17          (8) the extent to which prudential regulations  
18          mitigate the risk posed; or

19          (9) any other factors identified that the Council  
20          determines appropriate.

21          (d) MITIGATORY ACTIONS.—

22                 (1) IN GENERAL.—Mitigatory action may in-  
23                 clude—

24                         (A) modifying the prudential standards im-  
25                         posed pursuant to section 1104(a);

1 (B) terminating 1 or more activities;

2 (C) imposing conditions on the manner in  
3 which a financial company subject to stricter  
4 prudential standards conducts 1 or more activi-  
5 ties;

6 (D) limiting the ability to merge with, ac-  
7 quire, consolidate with, or otherwise become af-  
8 filiated with another company;

9 (E) restricting the ability to offer a finan-  
10 cial product or products; and

11 (F) selling, divesting, or otherwise trans-  
12 ferring business units, branches, assets, or off-  
13 balance sheet items to unaffiliated companies.

14 (2) INTERNATIONAL COMPETITIVENESS CON-  
15 siderations.—In making any decision pursuant to  
16 paragraph (1), the Council shall consider—

17 (A) the need to maintain the international  
18 competitiveness of the United States financial  
19 services industry; and

20 (B) the extent to which other countries  
21 with a significant financial services industry  
22 have established corresponding regimes to miti-  
23 gate threats to financial stability or the econ-  
24 omy posed by financial companies.

25 (e) DUE PROCESS.—

1           (1) NOTICE AND HEARING.—The Council shall  
2           give notice to a financial company subject to stricter  
3           prudential standards, and opportunity for hearing if  
4           requested, that the financial company is being con-  
5           sidered for mitigatory action pursuant to subsection  
6           (a). The hearing shall occur no later than 30 days  
7           after the financial company receives notice of the  
8           proposed action from the Council.

9           (2) NOTICE.—The Council shall notify the fi-  
10          nancial company subject to stricter prudential stand-  
11          ards of the Council's determination, and, if the  
12          Council determines that mitigatory action is appro-  
13          priate, require the company to submit a plan to the  
14          Council to implement the required mitigatory action.

15          (3) SUBMISSION OF PLAN.—The financial com-  
16          pany subject to stricter prudential standards shall  
17          submit its proposed plan to implement the required  
18          mitigatory action or actions to the Council within 60  
19          days from the date it receives notice under para-  
20          graph (2) or such shorter timeframe if the Council  
21          determines an emergency situation merits expedi-  
22          tious implementation.

23          (4) APPROVAL OR AMENDMENT OF THE  
24          PLAN.—The Council shall review the plan submitted  
25          pursuant to paragraph (3) and determine whether

1 the plan achieves the goal of mitigating a grave  
2 threat to the financial stability or the economy of  
3 the United States. The Council may approve or dis-  
4 approve the plan with or without amendment.

5 (5) EFFECT OF PLAN APPROVAL.—The Council  
6 shall—

7 (A) notify a financial company subject to  
8 stricter prudential standards by order, which  
9 shall be public, that the Council has approved  
10 the plan with or without amendment; and

11 (B) direct the Board to require a financial  
12 company subject to stricter prudential stand-  
13 ards to comply with the plan to implement miti-  
14 gatory action or actions within a reasonable  
15 timeframe after the Council's approval and in  
16 accordance with such deadlines established in  
17 the plan.

18 (f) TREASURY SECRETARY CONCURRENCE.—Mitiga-  
19 tory action imposed by the Council involving the sale, di-  
20 vestiture, or transfer of more than \$10,000,000,000 in  
21 total assets by a financial company subject to stricter pru-  
22 dential standards shall require the Treasury Secretary's  
23 concurrence before the issuance of the notice in subsection  
24 (e)(5)(A). If the sale, divestiture, or transfer of total as-  
25 sets by a financial company subject to stricter prudential

1 standards exceeds \$100,000,000,000, the Treasury Sec-  
2 retary shall consult with the President before concurrence.

3 (g) FAILURE TO IMPLEMENT THE PLAN.—If a finan-  
4 cial company subject to stricter prudential standards fails  
5 to implement a plan for mitigatory action imposed pursu-  
6 ant to subsection (e)(5) within a reasonable timeframe,  
7 the Council shall direct the Board to take such actions  
8 as necessary to ensure compliance with the plan.

9 (h) JUDICIAL REVIEW.—For any plan required under  
10 this section, a financial company subject to stricter pru-  
11 dential standards may, not later than 30 days after receipt  
12 of the Council’s notice under subsection (e)(5), bring an  
13 action in the United States district court for the judicial  
14 district in which the home office of such company is lo-  
15 cated, or in the United States District Court for the Dis-  
16 trict of Columbia, for an order requiring that the require-  
17 ment for a mitigatory action be rescinded. Judicial review  
18 under this section shall be limited to the imposition of a  
19 mitigatory action. In reviewing the Council’s imposition of  
20 a mitigatory action, the court shall rescind or dismiss only  
21 those mitigatory actions it finds to be imposed in an arbi-  
22 trary and capricious manner.

Page 60, line 17, after “conduct” insert “, scope,  
nature, size, scale, concentration, or interconnectedness”.

Page 60, line 21, insert “or economy” before the period.

Page 64, line 6, after “scope,” insert “nature, size, scale, concentration, or interconnectedness,”.

Page 182, strike line 9, and insert the following:

1           “(7) FINANCIAL STABILITY.—

2           “(A) IN GENERAL.—In every case, the

Page 182, line 14, before the period insert “, including the resulting scope, nature, size, scale, concentration, or interconnectedness of activities that are financial in nature”.

Page 182, after line 14, insert the following new subparagraph:

3           (B) STANDARDS FOR APPROVAL.—The  
4           Board may in its sole discretion disapprove any  
5           acquisition, merger, or consolidation of, or by,  
6           a financial company subject to stricter pruden-  
7           tial standards if the Board determines that the  
8           resulting concentration of liabilities on a con-  
9           solidated basis could pose a greater threat to fi-  
10          nancial stability during times of severe eco-  
11          nomic distress.



Page 183, line 22, after “United States” insert “based on, among other things, the scope, nature, size, scale, concentration or interconnectedness of activities that are financial in nature”.

Page 379, after line 3, insert the following new subtitle:

1       **Subtitle I—International Policy**  
2                               **Coordination**

3       **SEC. 1801. INTERNATIONAL POLICY COORDINATION.**

4               The President of the United States, or a designee of  
5 the President, shall coordinate through all available inter-  
6 national policy channels similar policies as found in United  
7 States law related to limiting the scope, nature, size, scale,  
8 concentration, and interconnectedness of financial compa-  
9 nies in order to protect financial stability and the global  
10 economy.

