COMPARISON OF

S. 900, FINANCIAL SERVICES MODERNIZATION ACT OF 1999

AND

H.R. 10, FINANCIAL SERVICES ACT OF 1999

September 1, 1999

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COMPARISON OF H.R. 10 AND S. 900

September 1, 1999

	H.R. 10	S. 900
1. Title	"Financial Services Act of 1999" (p.1)	"Financial Services Modernization Act of 1999" (p.1)
2. Statement of purpose	Purposes of this Act are: (1) to enhance competition in the financial services industry, in order to foster innovation and efficiency; (2) to ensure the continued safety and soundness of depository institutions; (3) to provide necessary and appropriate protections for investors and ensure fair and honest markets in the delivery of financial services; (4) to avoid duplicative, potentially conflicting, and overly burdensome regulatory requirements through creation of a regulatory framework for financial holding companies that respects the divergent requirements of each of the component businesses of the holding company, and that is based upon principles of strong functional regulation and enhanced regulatory coordination; (5) to reduce and, to the maximum extent practicable, to eliminate the legal barriers preventing affiliation among depository institutions, securities firms, insurance companies, and other financial service providers and to provide a prudential framework for achieving that result; (6) to enhance the availability of financial services to citizens of all economic circumstances and in all geographic areas; (7) to enhance the competitiveness of US financial services providers internationally; and, (8) to ensure compliance by depository institutions with the provisions of the CRA of	No provision.

	H.R. 10	S. 900
	1977 and enhance the ability of depository institutions to meet the capital and credit needs of all citizens and communities, including underserved communities and populations. (p.2)	
3. Glass-Steagall Act restrictions on affiliations (§§ 20 and 32)	Repealed (§101) (p.8)	Same (§101) (p.4)
4. Holding company structure	Creates new category of bank holding company called "financial holding company." (§103(a)) (p. 9)	Utilizes existing bank holding company structure.
5. Conditions for engaging in activities that are financial or incidental to such activities Foreign banks	Permits financial holding companies to engage in activities that are "financial in nature or incidental to such financial activities" provided all subsidiary depository institutions are well capitalized, well managed, and have a satisfactory CRA rating and the bank holding company has filed with Federal Reserve Board a notice that it elects to be a financial holding company and meets the above requirements. (§103;*§6(b)*) (p. 10) The Federal Reserve Board shall establish and apply comparable capital and operating standards to a foreign bank that operates a branch/agency/bank/commercial lending company in US and any parent company of such foreign bank, giving due regard to national	Permits bank holding companies to engage in activities that are financial in nature or incidental thereto provided all insured depository institution subsidiaries are well capitalized and well managed. *The CRA rating of subsidiary insured depository institutions is not a factor in determining whether a bank holding company may engage in authorized activities.* The bank holding company must have filed with the Federal Reserve Board a notice that it elects *to engage in activities that were not permissible for a bank holding company prior to enactment of this Act and a certification that it meets the above requirements.* No creation of financial holding companies. (§102;*§4(l)*) (pp. 14-17) The Federal Reserve Board shall apply comparable capital *and management standards* to a foreign bank that *operates a branch/agency/commercial lending company in US giving due regard to national treatment/equality of competitive opportunity.* (§102(a))

	H.R. 10	S. 900
	treatment/equality of competitive opportunity. (§103(a)) (p. 11)	(p. 15)
Limited CRA exclusion for newly acquired institutions	Provides an exception from CRA requirement for banks acquired during 12 months preceding a bank holding company's election to become a financial holding company and for a bank acquired after election during 12 months beginning on date of acquisition, if the bank holding company has submitted an affirmative plan to the appropriate Federal banking agency to take such action to achieve a "satisfactory" rating at next exam and plan has been accepted by the agency. (§103(a)) (pp.11-12)	No provision.
6. Engaging in financial activities	Financial holding companies, which are BHCs that meet conditions specified above may engage in activities and acquire and retain shares of any company engaged in activities that the Federal Reserve Board (subject to Treasury coordination requirements outlined below) determines to be financial in nature, incidental to such financial activities, or complementary to activities that are authorized under subsection 6(c) of the Bank Holding Company Act to the extent the amount of such complementary activities remains small. (§103) (pp. 9-37)	Bank holding companies may engage in any activity, and retain shares of any company engaged in any activity, that the Federal Reserve Board (subject to Treasury coordination requirements outlined below) determines (by regulation or order) to be financial in nature or incidental to such financial activities. (§102(a)) (p.4)
Notification/consultation with Treasury	For FHCs, Federal Reserve Board must notify and consult with Treasury concerning any request under subsec. 6(c) for a determination that an activity is financial in nature/incidental to financial. (§103) (pp. 12-16)	The Federal Reserve Board must notify and consult with Treasury concerning any request under Section 4(k) of the Bank Holding Company Act for a determination that an activity is financial in nature/incidental to financial

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		(§102(a)) (pp. 5-6)
Treasury veto authority	The Federal Reserve Board shall not determine that any activity is financial in nature/incidental thereto under sec. 6, if Treasury provides written notification to the Federal Reserve Board within 30 days of Federal Reserve Board notice (or longer period as permitted by Federal Reserve Board) that it believes activity is not financial/incidental. (§103) (pp.13-14)	Same. (§102(a)) (pp.5-6)
Treasury right to make recommendations	Treasury may make written proposals to Federal Reserve Board that an activity is financial/incidental. Within 30 days after receipt (or longer as Treasury/Federal Reserve Board determine), Federal Reserve Board must determine whether to initiate a rulemaking regarding whether the proposed activity is financial/incidental and notify Treasury in writing of its determination, including the reasons for not seeking public comment. (§103; *§6(c)(1)(B)*) (pp.14-15)	Same. (§102(a)) (p. 6)
Factors in determining financial	Federal Reserve Board is to take into account: 1) purposes of the Bank Holding Company Act and the Financial Services Act of 1999; 2) changes or reasonably expected changes in marketplace in which bank holding companies compete; 3) changes or reasonably expected changes in technology for delivering financial services; and, 4) whether such activity is necessary or appropriate to allow a bank holding company and affiliates to compete effectively with any company seeking to provide financial services in US; use any available or emerging	Federal Reserve Board *must find that such activity is consistent with: 1)* purposes of the Bank Holding Company Act and the Financial Services *Modernization* Act of 1999; 2) changes or reasonably expected changes in marketplace in which bank holding companies compete; 3) changes or reasonably expected changes in technology for delivering financial services; and 4) whether the activity *fosters effective competition* with any company seeking to provide financial services in US, *the efficient delivery of information and services*

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	technological means, including applications necessary to protect security or efficacy of systems for transmission of data or financial transactions, in providing financial services; and offer customers any available/emerging technological means for using financial services. (§103) (pp.15-16)	*that are financial in nature through the use of technological means, including any* application necessary to protect security or efficacy of systems for transmission of data or financial transactions, *provision to customers of* any available/emerging technological means for using financial services. (§102(a)) (pp.7-8)
7. Activities that are financial in nature - Preapproved list	Contains list of activities deemed to be financial in nature including: (§103) (pp.16-21) 1. lending, exchanging, transferring, investing for others, or safeguarding money or securities; 2. insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, providing and issuing annuities, and acting as principal, agent for such products; 3. providing financial, investment, or economic advisory services, including advising an investment company; 4. issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly; 5. underwriting, dealing in, or making a market in securities; 6. engaging in any activity that Fed has determined as of the date of enactment to be closely related to banking; 7. engaging in the US in any activity that a bank holding company may engage in outside the US and Fed has determined under sec. 4(c)(13) (as of date of enactment) to be usual in connection with the transaction of banking or other financial	Contains list of activities deemed to be financial in nature including: (§102(a)) (pp.8-12) 1. Same. 2. Same *except adds at the end that insurance activity be conducted in full compliance with the laws and regulations of that State that apply to each type of insurance license or authorization in that State."* 3. Same. 4. Same. 5. Same. 6. Same. 7. Same.

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	operations abroad; 8. directly or indirectly acquiring/controlling, whether as principal, (including on behalf of entities other than a depository institution that the bank holding company controls) shares or other ownership interests (*without limitation*) of a company engaged in any activity if the shares are not acquired or held by a depository institution; are acquired or held by an affiliate of bank holding company that is a registered broker or dealer engaged in securities underwriting or another affiliate, as part of a bona fide underwriting or investment banking activity, including investment activities for appreciation and ultimate resale; *are held only for such period as will permit the sale/disposition on a reasonable basis consistent with underwriting/investment activities; and during the period the shares are held, bank holding company does not actively participate in day to day management or operation of the company, except as necessary to achieve specified objectives;*	8. directly or indirectly acquiring/controlling, whether as principal, (including on behalf of entities other than a depository institution *or a subsidiary of a depository institution that the bank holding company controls*) shares or other ownership interests of a company engaged in any activity if the shares are not acquired or held by a depository institution *or a subsidiary of a depository institution* ; are acquired or held by a *securities affiliate or an affiliate thereof or an affiliate of an insurance company predominantly involved in insurance underwriting that provides investment advice to an insurance company and is registered pursuant to the Investment Advisers Act, or an affiliate of such investment adviser, as part of* a bona fide underwriting or *merchant* banking activity, including investment activities engaged in for appreciation and ultimate resale or disposition.
	9. directly or indirectly acquiring/controlling, whether as principal, (including on behalf of entities other than a depository institution or subsidiary of a depository institution) shares or other ownership interests *(without limitation)* of a company engaged in any activity if the shares are not acquired/held by a depository institution or subsidiary of a depository institution; shares are	9. directly or indirectly acquiring/controlling, whether as principal, (including on behalf of entities other than a depository institution or subsidiary of a depository institution that the bank holding company controls) shares or other ownership interests of a company engaged in any activity if the shares are not acquired/held by a depository institution or subsidiary of a depository institution; shares are acquired/held by an

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	acquired/held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related) or providing/issuing annuities; shares represent an investment made in the ordinary course of business of insurance company in accordance with relevant State law; *during the period of ownership, the bank holding company does not directly/indirectly participate in the day-to-day management or operation of the company except as necessary to achieve specified objectives*. 10. None. *(Complementary not included in list)* (§103; *§6(c)(3)*)	insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing/issuing annuities; and the shares or ownership interest represent, *as determined by the insurance authority of the State of domicile of the insurance company,* an investment made in the ordinary course of business of insurance company in accordance with relevant State law. 10. *Activities that the Federal Reserve Board determines (by regulation or order) are complementary to financial activities, or any other service that Federal Reserve Board determines (by regulation or order) not to pose a substantial risk to safety and soundness of depository institutions or financial system generally.* (§102(a); *§4(k)(4)*)

	H.R. 10	S. 900
8. Financial Activities - Subject to definition by Federal Reserve Board	Federal Reserve Board, subject to Treasury coordination, shall define consistent with the Act, the following activities are financial/incidental thereto: 1. lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities. 2. providing any device or other instrumentality for transferring money or other financial assets. 3. arranging, effecting, or facilitating financial transactions for account of third parties. (§103;*§6(c)(4)*) (p. 21)	Federal Reserve Board shall (by regulation or order) define consistent with the Act the following activities as financial in nature: 1. Same. 2. Same. 3. Same. *4. activities that are complementary to financial activities, or any other service that Federal Reserve Board determines not to pose a substantial risk to safety and soundness of depository institutions or financial system generally.* (§102(a); *§4(k)(5)*) (pp.12-13)
9. Complementary activities	Permits activities that are complementary to those that are financial in nature or incidental thereto provided that the activities remain small. Requires case-by-case Federal Reserve Board approval. (§103) (p. 12)	Permits activities that are complementary to financial activities, or any other service that the Federal Reserve Board determines not to pose a substantial risk to safety and soundness of depository institutions or to the financial system generally. (§102(a)) (pp. 12, 13)
10. Developing activities	Permits activities that Federal Reserve Board has not determined to be financial/incidental if: the financial holding company reasonably concludes that the activity is financial/incidental; gross revenues from developing activities represent less than 5% of consolidated gross	No provision.

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	revenues of the financial holding company; aggregate total assets of companies engaged in developing activities does not exceed 5% of the financial holding company's consolidated total assets; total capital invested in developing activities represents less than 5% of consolidated total capital of the financial holding company; neither the Federal Reserve Board/Treasury has determined activity is not financial/incidental; prior notice is not required under megamerger provision; and, the financial holding company provides written notice to the Federal Reserve Board describing activity within 10 business days of commencement/consummation of acquisition. (§103;*§6(g)*) (pp. 33-34)	
11. Required notification	Same, except does not include the term "as applicable." (§103(a)) (pp. 21-22)	A bank holding company is not required to obtain prior authorization from the Federal Reserve Board to engage in activities that are financial in nature/incidental to financial activities. The bank holding company must file notice with the Federal Reserve Board within 30 days after the acquisition of a company engaged in activities that are financial in nature/incidental to financial activities, or within 30 days after the commencement of such activities, as applicable. Prior Federal Reserve Board approval, however, is required for the proposed acquisition of a savings association. (§102(a)) (pp.13-14)
12. Failure to comply with conditions to engage in financial activities	If the Federal Reserve Board finds, after notice/consultation with the appropriate Federal banking agency, that a financial holding company is not in compliance with requirements the Federal Reserve Board	Similar. There is no requirement for the Federal Reserve Board to consult with the appropriate Federal banking agency and only the Federal Reserve Board may impose restrictions and limitations pursuant to this provision.

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	shall give notice to company. Within 45 days of notice, financial holding company must execute agreement acceptable to the Federal Reserve Board to comply. Until conditions corrected, the Federal Reserve Board may impose limitations on conduct/activities of company or any affiliate and appropriate Federal banking agency may impose limitation on conduct or activities of affiliated insured depository institution, as appropriate. If the financial holding company does not execute/implement agreement, comply with any limitations, restore depository institution capital before end of 180-day period, or restore compliance with well managed and satisfactory CRA rating before next exam or other period as the Federal Reserve Board determines, the Federal Reserve Board may require, under terms and conditions and extensions of time as the Federal Reserve Board determines, divestiture of any depository institution or cessation of any financial activity, at the election of the financial holding company. Requires the Federal Reserve Board to consult with relevant Federal/State agencies on actions. (§103;*§6(d)*) (pp.26-28)	Procedures do not apply to a bank holding company engaged solely in activities permissible under subsec. 4(c)(8) of the Bank Holding Company Act. Provides that if conditions are not corrected within 180 days, the Federal Reserve Board may (under terms, conditions, and extensions of time as granted by the Federal Reserve Board) require either divestiture of any insured depository institution or cessation of any activity conducted by the bank holding company or subsidiary (other than a depository institution or subsidiary of a depository institution). (§102(b);*§4(m))* (pp. 17-18)
13. Megamergers	Prohibits the acquisition of companies engaged in financial/developing activities with over $40 billion in assets unless 60-days prior notice given to the Federal Reserve Board and the Federal Reserve Board has not disapproved in that time. The Federal Reserve Board may extend time for one additional 60-day period. The Federal Reserve Board must consider whether company is in compliance with requirements to become a financial holding company and whether transaction: represents an	No provision.

	H.R. 10	S. 900
	undue aggregation of resources; poses a risk to deposit insurance system or State insurance guaranty funds; can reasonably be expected to be in best interests of depositors or policyholders of respective entities or further purposes of this Act and produce public benefits; and whether, and the extent to which, proposed combination poses an undue risk to stability of U.S. financial system. The Federal Reserve Board may disapprove any prior notice if company fails to furnish relevant information. The Federal Reserve Board must give notice to appropriate Federal banking agency, functional regulator, Attorney General, and FTC and those agencies must provide views within 30 calendar days unless the Federal Reserve Board determines shorter time is appropriate. (§103;*§6(c)(6)*) (pp.22-25)	
14. Safeguards for bank subsidiaries	A financial holding company must assure that holding company procedures for identifying/managing financial/operational risks to adequately protect insured depository institutions or wholesale financial institutions from risk and financial holding company has reasonable policies to preserve separate corporate identity/limited liability of the company and subsidiary of company for protection of insured depository institutions and wholesale financial institutions and the financial holding company complies with section 6 of the Bank Holding Company Act, as added by this Act. (§103;*§6(e)*) (pp.28-29)	No provision. However, exception for national banks (total assets under $1 billion and not affiliated with a bank holding company) to engage in activities through operating subsidiaries includes similar requirement that a national bank have policies and procedures for identifying and managing risks to the bank from a financial subsidiary and to preserve the separate corporate identity and limited liability of the national bank and its financial subsidiaries. *(See §122)* (p. 69)

	H.R. 10	S. 900
15. Authority to retain limited nonfinancial activities	Grandfather for nonfinancial activities with 10-year sunset **-** A company that is not a bank holding company or a foreign bank and becomes a financial holding company after date of enactment may retain ownership of a company engaged in any activity if the financial holding company held the shares as of 9/30/97; the financial holding company is predominantly engaged in financial activities; and the company engaged in such activity continues to engage only in the same activities as conducted on 9/30/97 and activities permissible under this Act. "Predominantly financial" means that the annual gross revenues derived by the financial holding company and all subsidiaries (excluding revenues derived from subsidiary depository institutions), on a consolidated basis, from financial/incidental activities represent at least 85% of consolidated annual gross revenues of the financial holding company. A financial holding company may not acquire in a merger, consolidation, or other type of business combination assets of any other company engaged in activities which the Federal Reserve Board has not determined to be financial/incidental except with respect to any company that owns a broadcasting station (Jefferson-Pilot of North Carolina) licensed under the Communications Act of 1934 and the shares of which have been controlled by an insurance company since 1/1/98. A financial holding company may continue to engage in activities pursuant to this subsection only to the extent that the aggregate annual gross revenues derived from all such activities does not exceed 15% of consolidated annual gross revenues of the financial	No provision.

	H.R. 10	S. 900
	holding company (excluding revenues derived from subsidiary depository institutions.) A depository institution controlled by a financial holding company may not offer/market, directly or through any arrangement, any product/service of a company whose activities are conducted pursuant to this subsection or section 6(c)(3)(H)&(I) concerning merchant banking and insurance company portfolio investments and a depository institution may not permit its products/services to be marketed/offered through such companies. A depository institution controlled by a financial holding company may not engage in a "covered transaction" (as defined in section 23A of the Federal Reserve Act) with any affiliate controlled under this section, section 10(c) (nonfinancial activities and investments of wholesale financial holding companies), or under section 6(c)(3)(H) (merchant banking) or section 6(c)(3)(I) (insurance company portfolio investments). Companies controlled under this subsection must be divested within 10 years of the date of enactment. 10 year period maybe extended for an additional 5 years by the Federal Reserve Board if extension would not be detrimental to public interest. (§103;*§6(f)*) (pp. 29-33)	

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16. Authority to retain commodity activities and affiliations	No similar provision allowing financial holding companies to continue to engage in or own a company engaged in commodity activities. However, wholesale financial holding companies are allowed similar treatment for their commodity activities. See Item #57 .	Grandfather for commodities activities and affiliations. A company that is not a bank holding company or a foreign bank and becomes a bank holding company after enactment may continue to engage in or own a company engaged in activities related to trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies in the US as of 9/30/97 if: the bank holding company or any subsidiary was lawfully engaged in any such activities as of 9/30/97 in US; attributed aggregate consolidated assets held under this subsection are equal to not more than 5% of total consolidated assets of the bank holding company except that the Federal Reserve Board may increase the percentage as appropriate; and no cross-marketing occurs with affiliated insured depository institutions. (§102(a)*; §4(n)*) (pp. 19-20)
17. Financial activities of bank holding companies ineligible for new activities	Permits bank holding companies to continue to engage in activities that were determined by the Federal Reserve Board as of the date of enactment to be so closely related to banking as to be a proper incident thereto (subject to terms and conditions in regulations/order, unless modified by the Federal Reserve Board). Conforming amendments to §105 of the Bank Holding Company Act Amendments of 1970 and Bank Service Company Act. (§102) (pp.8-9)	Similar. The terms and conditions imposed on an activity as of the date of enactment continue to be applicable only to those activities approved by regulation of the Federal Reserve Board (unless modified by the Federal Reserve Board). Contains same conforming amendments. (§102(b)) (pp.20-21)

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18. Conforming Changes	No provision.	Authorizes multiple thrift holding companies to engage in activities permissible for bank holding companies under section 4(c) or 4(k) of the Bank Holding Company Act. (§103) (pp. 21-22)
19. Acquisition of banks "Too big to fail factor"	Requires the Federal Reserve Board, in considering applications by a bank holding company/financial holding company to acquire a bank, to take into consideration whether and the extent to which the proposed acquisition poses an undue risk to the stability of the US financial system. (§103(a)) (pp.34-35).	No provision.
20. Technical and conforming amendments	Defines "insurance company" to include "any person engaged in the business of insurance to the extent of such activities." Requires a bank holding company to file with the Federal Reserve Board at least 60 days prior to engaging in complementary activities. (§103(c)) (pp.35-36).	No provision.
21. Report on financial activities	Requires the Federal Reserve Board and Treasury at the end of the 4-year period beginning on date of enactment and every 4 years thereafter to submit a joint report containing a summary of new activities which are financial, incidental, and complementary, grandfathered commercial activities, a discussion of the risks posed by commercial activities to the safety and soundness of affiliated depository institutions, an analysis of effect of new financial affiliations on market concentration in financial services industry, and an analysis of the impact of this Act on the extent of meeting community needs and capital availability under CRA	No provision.

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	(§103(d)) (pp. 36-37).	
22. State regulation of business of insurance	Same. See Item #137. (§301) (p. 318)	McCarran-Ferguson remains the law of the land. (§104(a)) (p. 22)
23. Mandatory insurance licensing requirements	Similar. See Item #138. (§302) (p. 318)	Specifies that no person *or entity* shall *provide* insurance in a State as principal or agent; unless appropriately licensed under relevant State law, subject to subsection (c), (d), and (e) of Section 104. (p. 22)
24. Preemption of State anti-affiliation laws	Preempts state laws which prevent or restrict banks from affiliating with any person as authorized *by this Act or any other provision of Federal law*. (§104(a)(1)) (pp.37-38) Section 104(a) doesn't prohibit states from: 1) requiring persons to provide certain information outlined in 13 clauses; 2) (in this instance, limited to the state of domicile) "reviewing or taking action" (including approval or disapproval) with regard to an insurance acquisition if action is completed within 60-day time period, doesn't discriminate against banks or their affiliates and is based on solvency or management fitness requirements; 3) requiring the maintenance or restoration of capital of an insurance entity; 4) placing an insurance entity in conservatorship or receivership; 5) restricting change in stock ownership for up to three years with regard to conversion of mutuals; 6) requiring a blue cross blue shield organization to meet certain conditions required by a state law enacted on May 22, 1998. (§104(a)(2)) (pp. 38-46)	Preempts state laws which prevent or restrict affiliations that are authorized *by this Act and the amendments made by this Act.* (§104(c)(1)) (pp. 22-23) Section 104(c) does not prohibit the state of domicile from collecting, reviewing or taking action on applications concerning acquisitions, changes, or continuations of control of insurance entities by banks or companies affiliated with banks so long as actions do not have the practical effect of discriminating against banks or their subsidiaries or affiliates, or against any other person based upon affiliation with an insured depository institution. (§104(c)(2)) (pp. 22-23)

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	Section 104(a) doesn't preempt state corporate governance or antitrust laws that do not discriminate against banks. (§104(a)(3)) (p. 46)	Subsection preempting state anti-affiliation laws (section 104(c)) and subsection preempting state laws preventing or restricting banks from engaging in authorized activities (section 104(d)) do not apply to state corporate governance or antitrust laws so long as state actions are not inconsistent with the purposes of this Act to permit certain affiliations. (§104(f)(2))(p. 37) Also see Item #30.
25. Preemption of State law (non-insurance activities)	Preempts state laws which prevent or restrict the ability of a bank, wholesale financial institution, subsidiary or affiliate to engage in certain non-insurance activities *authorized or permitted under this Act.* (§104(b)(1))(p.47)	Similar. Applies to certain non-insurance activities *authorized or permitted by this Act and the amendments made by this Act.* (§104(d)(1)) (pp.23-24)
26. Preemption of State law (insurance sales)	Preempts state laws that prevent or significantly interfere with the ability of a bank, wholesale financial institution, subsidiary or affiliate to engage in any insurance sales, solicitation, or cross-marketing activity. (§104(b)(2)(A)) (pp.47-48) Preserves 13 kinds of state laws from preemption. (§104(b)(2)(B)) (pp. 48-56) Provides that the expedited dispute resolution process (i.e., OCC deference provision in Sec. 306) for disputes concerning the preemption of state laws described in	Similar. No reference to wholesale financial institutions. (§104(d)(2)(A)) (p.24) Similar except for item (x), which allows states to mandate clear and conspicuous disclosure, in writing where practicable. (Item (x) of HR 10 also includes a comma after the word "writing".) (§104(d)(2)(B)) (pp.24-35) Same. (Expedited resolution process contained at section 203(e)) (§104(d)(2)(C)(i)) (pp.32-33)

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	subparagraph (A) does not apply to those laws enacted before September 3, 1998. (§104(b)(2)(C)(i)) (p.56) Provides that the anti-discrimination provision in subsection (c) does not apply to state insurance sales laws described in subparagraph (A) that were enacted before September 3, 1998. (§104(b)(2)(C)(ii)) (p. 57) Provides that nothing in this paragraph shall be construed as limiting the applicability of the Barnett case with respect to laws not listed in the 13 safe harbors (subparagraph B). (§104 (b)(2)(C)(iii)) (p. 57) Provides that this paragraph shall not be construed to create any inference with respect to any state law not described in this paragraph. (§104(b)(2)(C)(iv)) (p. 57)	 Same. (§104(d)(2)(C)(ii)) (p. 33) Same. (§104(d)(2)(C)(iii)(I)) (p. 33) Same. (§104(d)(2)(C)(iii)(II)) (pp.33-34)
27. Preemption of State law (insurance activities other than insurance sales)	Preserves state insurance laws, other than laws relating to insurance sales, solicitations, or cross-marketing activities, that apply to nonbank entities and that do not discriminate against bank-affiliated entities. (§104(b)(3)) (57-58)	Similar. No reference to wholesale financial institutions. (§104(d)(3)) (p. 34)

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28. Protection of State laws not related to insurance or certain securities laws	Protects state laws not governing insurance or securities investigations or enforcement actions that do not 1) discriminate against banks; 2) have an adverse impact against banks; 3) prevent a bank from engaging in activities authorized or permitted by this Act or any other provision of Federal law; and 4) does not conflict with the intent of this Act to allow affiliations that are authorized or permitted by Federal law. See also Item #24 regarding state anti-trust and corporate governance laws. (§104(b)(4)) (pp.58-60)	State laws not relating to insurance or that do relate to securities investigations or enforcement actions are not preempted provided they are not discriminatory against insured depository institutions or their subsidiaries or affiliates. (§104(d)(4)) (pp.34-35)

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29. Nondiscrimination	Except for state laws regarding sales, solicitations, or cross-marketing activities passed before September 3, 1998, and the 13 safe harbors provided for in section 104(b)(2)(B), preempts a state law that: (i) distinguishes on its terms in any way adverse to insured depository institutions, wholesale financial institutions, subsidiaries or affiliates; (ii) has an impact on depository institutions or wholesale financial institutions, or subsidiaries or affiliates that is substantially more adverse than on nonbanks; (iii) effectively prevents a depository institution or wholesale financial institution, or subsidiary or affiliate thereof, from engaging in activities authorized or permitted by this Act or any other provision of Federal law; (iv) or conflicts with the intent of this Act *to permit affiliations authorized or permitted by Federal law between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and insurance entities*. (§104(b)(2)(C)(ii)) (p. 57) and (§104(c)) (pp.61-62)	Same, except with respect to item (iv) (and omits references to wholesale financial institutions) (iv) or that conflict with the intent of this Act *generally to permit affiliations that are authorized or permitted by Federal law*. (§104(d)) (p. 33)
30. Limitations on preemption	Preemption provisions do not apply to certain state securities laws concerning investigation and enforcement actions with respect to fraud and to state laws requiring the registration of securities or licensing of brokers, dealers, or investment advisers. (§104(d)) (pp.62-63)	Similar. Does not expressly exempt Federal and state laws requiring securities registration or broker-dealer registration. Protects from preemption state corporate governance and anti-trust laws. Also see Item #24. (§104(f)) (p.37)

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31. Certain state affiliation laws preempted for insurance companies and affiliates	Similar. See §308, discussed at Item #145. (pp. 338-339)	With certain exceptions, provides that no State may, among other things, 1) "prevent or restrict" the ability of an insurer or its affiliate to become a bank holding company where the practical effect is to discriminate against an insurer based on affiliation with a bank, or 2) limit the amount of the insurer's assets that may be invested in the stock of a bank or bank holding company, except the state of domicile can limit to 5% of assets, or 3) prevent, restrict, or have the authority to review, approve or disapprove an insurer's reorganization from mutual to stock form, unless the state is the insurer's domiciliary state; and the domiciliary state is required to consult with appropriate regulatory authorities in any State in which insurer conducts business, regarding issues affecting that interest of policy holders. (§104(g)) (pp.37-39)
32. Definitions for preemption section	Defines "insured depository institution" to include foreign banks that maintain a branch agency or commercial lending company in the U.S. and defines "state." Does not define "antitrust laws" here, but in §104(a)(3)(B). (§104(e)) (p. 63)	Defines "insured depository institution" consistent with Federal Deposit Insurance Act, which includes the insured branches of foreign banks. Also defines "antitrust laws" and "State". (§104(i)) (pp.40-41)
33. Mutual bank holding companies authorized	Provides that a bank holding company organized as a mutual holding company will be regulated on terms, and subject to limitations, comparable to any other bank holding company. (§105) (p. 63)	No provision.

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34. Public meetings	Amends the Bank Holding Company Act, the Federal Deposit Insurance Act, National Bank Consolidation and Merger Act, and Home Owners' Loan Act to provide that in depository institution acquisition/merger case in which the insured depository institutions involved have total assets of $1 billion or more, the appropriate Federal banking agency shall, as necessary and on a timely basis, conduct public meetings in 1 or more areas where the agency believes, in its sole discretion, there will be a substantial public impact. (§105A) (pp.64-66)	No provision.
35. Prohibition on deposit production offices	Applies prohibition on out-of-state banks using interstate branching authority to establish deposit production offices to any interstate branch established/acquired pursuant to this Act. Broadens definition of interstate branch for purposes of deposit production prohibitions to include all bank branches controlled by an out-of-state bank holding company. (§106) (p. 66)	No provision.
36. Clarification of branch closure requirements	Clarifies that requirements regarding branch closures apply to all banks controlled by an out-of-state bank holding company. (§107) (pp.66-67)	No provision.

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37. Nonbank banks	Permits nonbank bank holding company to acquire assets derived from or incidental to consumer lending activities of credit card banks/industrial loan companies. Nonbank banks may engage in all lawful banking activities (but may not both accept demand deposits and make commercial loans) if the bank is *well managed and well capitalized and does not incur certain types of overdrafts.* Eliminates cross-marketing restrictions; clarifies that loans in the ordinary course of credit card operations are not commercial loans; permits overdrafts to be incurred on behalf of an affiliate solely in connection with an activity that is closely related to banking to the extent that the bank incurring the overdraft and the affiliate on whose behalf the overdraft is incurred each document that the overdraft is incurred for such purpose; requires a company to divest control of a nonbank bank before end of 180-day period beginning on receipt of Federal Reserve Board notice that company is out of compliance unless before end of the period company comes into compliance and implements procedures to avoid reoccurrence. Also provides that any notice of failure to comply shall not be construed as affecting authority of bank to continue to engage in activities until end of 180-day period. Permits industrial loan companies to incur daylight overdrafts to the same extent as nonbank banks. (§108) (pp.67-71)	Nonbank banks may engage in all lawful banking activities, but may not both accept demand deposits and engage in the business of commercial lending or incur certain types of overdrafts. Clarifies that loans made in the ordinary course of a credit card operation are not treated as commercial loans. Cross-marketing restrictions between the nonbank bank and its affiliates are repealed. Adds to permissible overdrafts those incurred by or on behalf of an affiliate which engages in activities closely related to banking. Also, permits industrial loan companies to incur daylight overdrafts to the same extent as nonbank banks. Allows nonbank banks to acquire assets derived from, or incidental to, activities of credit card and industrial loan companies. Allows nonbank bank owner to avoid divestiture by curing violations within the 180-day period beginning on receipt of Federal Reserve Board notice of noncompliance. Alternatively, divestiture may be avoided if the nonbank bank owner submits to the Federal Reserve Board (within the 180-day period) a plan for achieving compliance within a period not to exceed one year. (§305) (pp.113-118)

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38. GAO study of economic impact on community banks, other small financial institutions, insurance agents, and consumers	Requires GAO to submit 2 interim reports and one final report regarding the projected economic impact and actual economic impact that this Act will have on financial institutions, community banks, broker-dealers, and insurance companies (with $100 million in assets or less), insurance agents and consumers. (§109) (pp.71-72)	No provision.
39. Responsiveness to community needs for financial services	Requires Treasury, in consultation with Federal banking agencies, to submit a report, within 2 years of enactment, on the extent to which adequate services are being provided as intended by the CRA, including services in low- and moderate-income neighborhoods and for persons of modest means as a result of this Act. (§110) (p. 73)	No provision.
40. Study of financial modernization's affect on the accessibility of small business and farm loans	Requires Treasury, in consultation with Federal banking agencies, to submit a report, within 5 years of enactment, on the extent to which credit is being provided to and for small business and farms, as a result of this Act. (§110A) (pp.73-74)	No provision.
41. Effective date	Title I generally becomes effective 180 days after the date of enactment of the Act. (§199) (p. 250)	Title I is effective upon enactment of the Act.
STREAMLINING SUPERVISION OF FINANCIAL HOLDING COMPANIES		
42. Streamlining holding company supervision	**Reports:** The Federal Reserve Board may require a bank holding company and any subsidiary to submit reports on financial condition, systems for monitoring/controlling financial/operating risks, transactions with depository	**Reports:** The Federal Reserve Board may require a bank holding company and any susidiary to submit reports on financial condition, systems for monitoring/controlling financial/operating risks,

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	institution subsidiaries of the holding company, and compliance with the Bank Holding Company Act. The Federal Reserve Board shall to fullest extent possible accept:(1) reports provided to other Federal/State supervisors or appropriate self-regulatory organizations ("SROs") *and bank holding company or subsidiary must provide such report to the Federal Reserve Board at its request*; (2) information required to be reported publicly; and (3) externally audited financial statements. If the Federal Reserve Board requires a report from a functionally regulated *nondepository* institution subsidiary of a bank holding company that is not required by another regulator, the Federal Reserve Board must request that appropriate regulator or SRO obtain report. If the report is not made available and is necessary to assess material risk to the bank holding company or depository institution subsidiaries or compliance with the Bank Holding Company Act, the Federal Reserve Board may require the report. *Functionally regulated nondepository institution is an SEC-registered broker or dealer, an SEC or state registered investment adviser (with respect to investment advisory activities or activities incidental to the advisory activities), insurance company, and an entity subject to CFTC (with respect to commodities activities or incidental activities).* (§111) (pp.74-77)	transactions with depository institution subsidiaries of the holding company, and compliance with the Bank Holding Company Act. The Federal Reserve Board shall, to fullest extent possible, accept:(1) reports provided to other Federal/State supervisors or appropriate self-regulatory organizations ("SROs"); (2) information required to be reported publicly; and (3) externally audited financial statements. If the Federal Reserve Board requires a report from a functionally regulated subsidiary of a bank holding company that is not required by another regulator, the Federal Reserve Board must request that appropriate regulator or SRO obtain the report. If the report is not made available and is necessary to assess material risk to the bank holding company or depository institution subsidiaries, or compliance with the Bank Holidng Company Act, the Federal Reserve Board may require the report. *Functionally regulated subsidiary is any company that is not a bank holding company and is a SEC-registered broker or dealer, an SEC or state registered investment adviser (with respect to investment advisory activities or incidental to the advisory activities), an SEC-registered investment company, an insurance company or agency, and an entity subject to CFTC (with respect to commodities activities or incidental activities).* (§111) (pp.42-43)

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	Examinations: The Federal Reserve Board may examine each bank holding company and each subsidiary in order to inform itself of: (i) the nature of operations/financial condition of the bank holding company or its subsidiaries; (ii) financial/operational risks within the bank holding company system that may pose a safety and soundness threat to any subsidiary depository institution; (iii) systems for monitoring and controlling risk; and (iv) compliance with the provisions of the Bank Holding Company Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates. The Federal Reserve Board shall, to fullest extent possible, limit focus/scope of any exam of a bank holding company to: (i) the bank holding company and (ii) any subsidiary because of the size, condition, or activities of the subsidiary or nature/size of transactions between such subsidiary and an affiliated depository institution could have a materially adverse effect on safety and soundness of any depository institution affiliate of the bank holding company. Functionally regulated nondepository institution subsidiaries may be examined only if the Federal Reserve Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution or based on reports and other available information, the Federal Reserve Board reasonable cause to believe a subsidiary is not in compliance with the Bank Holding Company Act or with provisions relating to transactions with affiliated	**Examinations:** The Federal Reserve Board may examine each bank holding company and each subsidiary in order to inform itself of: (i) the nature of operations/financial condition of the bank holding company or its subsidiaries; (ii) financial/operational risks within the bank holding company system that may pose a safety and soundness threat to any subsidiary depository institution; (iii) systems for monitoring and controlling risk; and (iv) compliance with the provisions of the Bank Holding Company Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates. The Federal Reserve Board shall, to fullest extent possible, limit the focus/scope of any exam of a bank holding company to: (i) the bank holding company and (ii) any subsidiary that could have a materially adverse effect on the safety and soundness of any depository institution subsidiary of the bank holding company because of the (A) the size, condition, or activities of the subsidiary or (B) the nature/size of transactions between such subsidiary and an affiliated depository institution. The Federal Reserve Board may examine functionally regulated subsidiaries of a bank holding company only if the Federal Reserve Board has reasonable cause to believe that the subsidiary is engaged in activities that pose a material risk to an affiliated depository institution, or based on reports and other available information the Federal Reserve Board has reasonable cause to believe that a subsidiary is not in compliance with the Bank Holding

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	depository institutions and the Federal Reserve Board cannot make determination through exam of the depository institution or bank holding company. The Federal Reserve Board shall, to fullest extent possible, use exams of depository institutions by appropriate Federal/State regulator. With respect to broker, dealers, investment advisers, insurance companies, and other subsidiaries that the Federal Reserve Board finds are comprehensively supervised, the Federal Reserve Board shall, to fullest extent possible, review reports of exams before conducting exam. (§111) (pp.77-81)	Company Act, and the Federal Reserve Board cannot make such determination through examination of the affiliated depository institution or the bank holding company. The Federal Reserve Board shall, to fullest extent possible, use exams of depository institutions by the appropriate Federal/State regulator. With respect to broker-dealers, investment advisers, insurance companies, insurance agents, and other subsidiaries that the Federal Reserve Board finds are comprehensively supervised, the Federal Reserve Board shall, to fullest extent possible, make use of reports of exams by the appropriate functional regulator. (§111) (pp. 43-47)
	Capital - Prohibits the Federal Reserve Board from imposing any capital requirements on a nondepository institution subsidiary of a financial holding company that is in compliance with applicable capital requirements of another Federal regulator or State insurance authority, is a registered investment adviser, or is a licensed insurance agent. Does not prevent the Federal Reserve Board from imposing capital requirements on activities of a registered investment adviser other than advisory activities or incidental to advisory and activities of a licensed insurance agent other than insurance agency activities or incidental activities. (§111) (pp. 81-83)	**Capital** – The Federal Reserve Board is prohibited from imposing capital requirements on bank holding company subsidiaries that are not insured depository institutions which are in compliance with capital requirements of another Federal regulatory authority or State insurance authority, or is properly registered as an investment advisor under the Investment Advisors Act of 1940, or with any State. The provision does not prevent the Federal Reserve Board from imposing capital requirements on the non-advisory or financial/incidental to financial activities of a registered investment advisor. (§111) (pp.47-49)
	In developing holding company capital or capital adequacy requirements under this provision, the Federal Reserve Board shall not take into account activities, operations, or investments of an affiliated registered	Same. (§111) (pp.48-49)

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	investment company unless the company is a bank holding company or controlled by a bank holding company by reason of ownership of 25% or more of shares of the investment company and shares have a market value of more than $1 million. (§111) (pp.81-83)	
	Transfer of Federal Reserve Board authority to appropriate Federal banking agency - For a bank holding company not significantly engaged in nonbanking activities, the Federal Reserve Board may designate the appropriate Federal banking agency of the lead insured depository institution as the regulator of the bank holding company with regard to: examination, reporting, approval/disapproval of applications, [enforcement actions], actions regarding the bank holding company, any affiliate (other than a depository institution), or institution-affiliated party under the Federal Deposit Insurance Act or other statute, the Federal Reserve Board may designate. Section 9 of the Bank Holding Company Act and Section 105 of the Bank Holding Company Act Amendments of 1970 apply to order issued by an agency under this section as if the order were issued by the Federal Reserve Board.	**Transfer of Federal Reserve Board authority to appropriate Federal banking agency** - Same. (§111) (pp.49-50)
	Functional regulation of securities and insurance - The Federal Reserve Board shall defer to the SEC regarding interpretations/enforcement of Federal securities laws, and relevant State securities regulators regarding State securities laws, relating to registered brokers, dealers, investment advisers, and investment companies and to	**Functional regulation of securities and insurance** - Securities activities conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by the SEC and relevant State securities authorities, subject to §104 of this Act, to the same extent as if they were conducted in a nondepository

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	relevant State insurance authorities regarding interpretations/enforcement of applicable State insurance laws relating to insurance companies and agents. (§111) (pp.85-86)	institution subsidiary of a bank holding company. Subject to §104, insurance agency and brokerage activities, and activities as principal conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by a State insurance authority to the same extent as if conducted by a nondepository institution subsidiary of a bank holding company. (§111) (pp.50-51)
43. Elimination of application requirement for financial holding companies	Provides that the filing of a declaration to become a financial holding company under newly created §6 of the Bank Holding Company Act will satisfy the registration requirements under §5 for bank holding companies. A declaration filed under §6 does not satisfy the requirement to file an application to acquire a bank under §3. (§112(a)) (p. 86)	No provision. Financial holding companies are not created.
44. Divestiture	Amends the Bank Holding Company Act to permit the Federal Reserve Board to order the divestiture of either a nonbank subsidiary or a bank subsidiary of a bank holding company at the election of the company. (§112(b)) (pp.86-87)	No provision.
45. Authority of state insurance regulator and Securities and Exchange Commission	Provides that any Federal Reserve Board action requiring a bank holding company to provide funds to a subsidiary insured depository institution shall not be effective if the funds are to be provided by a bank holding company or an affiliate that is an insurance company, broker or dealer, investment company, or investment adviser and where the	Similar. Does not apply to investment companies and investment advisers, and does not require the Federal Reserve Board to give notice to State securities regulator of a requirement for a bank holding company, or affiliate, that is a broker or dealer, to provide funds or assets to an insured depository institution subsidiary of

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	State insurance authority or SEC determines in writing sent to the bank holding company and the Federal Reserve Board that the action would have a material adverse effect on financial condition of that regulated entity. Requires Federal Reserve Board notice to State insurance and securities regulators/SEC as appropriate. If the Federal Reserve Board receives notice objecting, the Federal Reserve Board may order bank holding company to divest the insured depository institution within 180 days of that notice (or longer as the Federal Reserve Board determines). During 180-day period, the Federal Reserve Board may impose restrictions on the bank holding company's ownership/operation of an insured depository institution, including on transactions with affiliates. Contains a provision relating to an appropriate Federal banking agency requiring a subsidiary of an insured depository institution that is a regulated entity, as described above, except during 180-day divestiture period agency may only impose restrictions on an insured depository institution's ownership of the subsidiary and on transactions between an insured depository institution and subsidiary. (§113) (pp. 87-93)	the bank holding company. Also contains a "Rule of Construction" that this subsection may not be construed to limit or affect the regulatory authority of any Federal agency with regard to any entity within its jurisdiction. (§112) (53-56) Similar provision made applicable in §115, "Equivalent Regulation and Supervision". (pp. 60-62)
46. Prudential safeguards	Provides that the OCC and FDIC may impose requirements on relationships/transactions between the banks they regulate and subsidiaries of those banks to avoid significant risk to safety and soundness, enhance financial stability, avoid conflicts of interest, enhance customer privacy, and promote national treatment. The Federal Reserve Board may impose similar requirements	No provision.

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	on relationships/transactions between State member banks and their subsidiaries or between a depository institution subsidiary of a bank holding company and an affiliate. The Federal Reserve Board may also impose requirements on relationships/transactions between a branch/agency/commercial lending company of a foreign bank in US and any affiliate in US. If the Federal Reserve Board determines there may be circumstances for evasion, the Federal Reserve Board may also impose requirements on relationship/transactions between a foreign bank outside US and any US affiliate. (§114) (pp. 93-100)	
47. Examination of investment companies	Provides that SEC shall be the *sole* Federal agency with authority to examine a registered investment company that is not a bank holding company or savings and loan holding company. Federal banking agencies may not examine a registered investment company except that the FDIC may do so if necessary to determine the condition of an insured depository institution for insurance purposes and to disclose fully the relationship between the depository institution and affiliate and the effect of the relationship on the depository institution. The SEC must provide to Federal banking agencies results of any exam to the extent necessary for agency to carry out its responsibilities. (§115) (pp. 100-102)	Provides that a *Federal banking agency* may not examine a registered investment company that is not a bank holding company or a savings and loan holding company. Similar to HR 10, this restriction does not limit the FDIC's examination authority under certain circumstances. The SEC is to provide copies of exam reports to the Federal banking agencies upon request. (§114) (pp. 58-60)
48. Limitation on rulemaking, prudential, supervisory, and enforcement authority of the Federal Reserve Board	Provides that the Federal Reserve Board may not take any action with respect to a regulated subsidiary of a bank holding company unless action is necessary to prevent/redress an unsafe or unsound practice or breach of	Similar. The Federal Reserve Board's action with respect to a functionally regulated subsidiary of a bank holding company must be premised not only on material risk to financial safety, soundness, or stability of an

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	fiduciary duty by a subsidiary that poses a material risk to financial safety, soundness, or stability of an affiliated depository institution or domestic/international payment system. The Federal Reserve Board must find that it is not reasonably possible to effectively protect against material risk at issue through action directly against an affiliated depository institution or depository institutions generally. The Federal Reserve Board may not take any action with respect to a financial holding company where the effect would be to take action indirectly against a regulated subsidiary that could not be taken in accordance with above standards. The Federal Reserve Board may take action against a regulated subsidiary to enforce compliance with Federal law where the Federal Reserve Board has specific jurisdiction. Regulated subsidiary means a company that is not a bank holding company and is a broker or dealer, investment adviser, investment company, insurance company, or entity subject to CFTC's jurisdiction. (§116) (pp. 102-105)	affiliated insured depository institution, or the domestic or international payment system, but on the Federal Reserve Board's determination that it is not reasonably possible to protect effectively against the material risk at issue through action directed at or against the affiliated insured depository institution or against insured depository institutions generally. (§113) (pp.56-58)

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49. Equivalent regulation and supervision	Applies limitations on the Federal Reserve Board regarding: 1) imposition of reporting, examination, and capital requirements on the bank holding company and nonbank subsidiaries; 2) deference to other regulators; and 3) limitations on enforcement actions against bank holding companies and nonbank subsidiaries to the other Federal banking agencies with respect to bank holding companies and nonbank subsidiaries (including nonbank subsidiaries of depository institutions) subject to same standards. Contains FDIC exemption for examining an affiliate of an insured depository institution to determine condition of an insured depository institution for insurance purposes to the extent necessary to disclose fully the relationship between the depository institution and affiliate and effect of relationship on depository institutions. (§117) (pp.105-106) The equivalent regulation and supervision provisions of HR 10 do not restrict the ability of the OCC, the OTS, or the FDIC to examine, require reports from, or impose capital requirements on the nonbank subsidiaries of depository institutions not in a holding company structure. Similarly, these provisions do not restrict the ability of the Federal Reserve Board to examine, require reports from, or impose capital requirements on nonbank subsidiaries of state member banks not affiliated with a holding company. In addition, the equivalent regulation and supervision provisions of HR 10 do not restrict the authority of the OTS with respect to thrift holding	Similar. Applies to the other Federal banking agencies those limitations on the Federal Reserve Board regarding: 1) imposition or reporting, examinations, capital requirements on bank holding companies and their functionally regulated subsidiaries; 2) deference to other regulators; 3) divestiture of an insured depository institution; and 4) limitation on enforcement activities against bank holding companies and functionally regulated subsidiaries. The "functionally regulated subsidiary" represents a defined category of subsidiaries, as opposed to HR 10's "nonbank subsidiary," which is not defined. (§115) (pp. 60-62) To the extent the insured depository institution primarily regulated by the OCC, OTS or FDIC is part of a holding company family, the equivalent regulation and supervision provisions of S. 900 do not restrict whatever authority such agencies currently have to examine, require reports from, or impose capital requirements on holding companies and their affiliates.

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	companies, affiliates, or thrift institutions and their subsidiaries.	
50. Prohibition on FDIC assistance to affiliates and subsidiaries	Prohibits the use of the Bank Insurance Fund and the Savings Association Insurance Fund to benefit any shareholder, affiliate (other than an insured depository institution), or subsidiary of any insured depository institution. (§118) (p. 106)	Same. (§117) (pp.65-66)
51. Repeal of savings bank provisions in the Bank Holding Company Act of 1956	Repeals §3(f) of the Bank Holding Company Act to conform regulation of savings bank life insurance with regulations governing all other financial institutions in the bank holding company structure. (§119) (p. 107)	No provision.
SUBSIDIARIES OF NATIONAL BANKS		
52. Authorization for national bank operating subsidiaries	Permits securities underwriting and merchant banking (subject to exclusive Federal Reserve Board rulemaking) but no insurance underwriting in operating subsidiaries. (§121) (pp. 107-123) **Exclusive authority**: Prohibits national bank operating subsidiaries from engaging in activities not permissible for the bank directly or conducted under terms and conditions other than those that govern the conduct of such activity by the bank, unless the operating subsidiary engages in the activity pursuant to express terms of a Federal statute (such as HR 10) or section 25A of the Federal Reserve Act (Edge Act). (§121(a)) (pp.107-108)	Permits securities and insurance underwriting in operating subsidiaries of national banks with assets less than $1 billion and that are not part of a bank holding company. (§122) (pp. 67-76) **Additional authority**: A national bank may own shares of any company engaged only in activities that are permissible for a national bank to engage in directly if such activities are engaged in under the same terms/conditions that would apply if conducted by a national bank directly. (§122(a)) (p.70-71)

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	Specific authorization to conduct activities which are financial in nature: Authorizes a national bank to control a financial subsidiary or hold an interest in a financial subsidiary that is controlled by insured depository institutions or insured depository institution subsidiaries. (§121) (p. 108)	
	Eligibility requirements: A national bank may control or hold an interest in a financial subsidiary only if: 1) national bank and sister depository institutions are well capitalized, 2) well managed, and 3) have a satisfactory CRA rating; and 4) bank has received OCC approval. Provides exception from CRA requirement for depository institutions acquired during 12 months preceding OCC approval and for a depository institution after approval 12 months beginning on the date that the depository institution becomes an affiliate, if the national bank/depository institution has submitted an affirmative plan to the appropriate Federal banking agency to take such action to achieve a "satisfactory" rating at next exam and plan has been accepted. (§121) (pp.108-109)	**Eligibility requirements**: In addition to meeting the asset and structure test, a national bank and each insured depository institution affiliate is 1) well capitalized and 2) well managed; and 3) the OCC has approved the bank's engaging in proposed activities through the financial subsidiary. A national bank that establishes or maintains a financial subsidiary must assure that certain safeguards are in place, such as having procedures for identifying and managing financial and operational risks, policies and procedures to preserve the separate corporate identity of the financial subsidiary and limited liability of the bank; and maintaining compliance with the requirements of §5136A (i.e., total asset restriction and non-affiliation with a bank holding company.) As noted in "Implementing Regulations" below, the OCC must prescribe regulations for the enforcement of a national bank's authorization to conduct activities through a financial subsidiary. (§122(a)) (pp.67-69)
		Implementing regulations: The OCC must prescribe regulations for the enforcement of this section. (§122(a)) (p. 68)

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	Activity limitations: Subsidiary of a national bank may not, pursuant to the authorization to engage in financial activities, engage in insurance underwriting or real estate investment or development, or insurance company portfolio investments. (§121) (pp. 109-110) **Requirement to have a holding company**: A national bank with total assets of $10 billion or more may not control a financial subsidiary unless the bank is a subsidiary of a bank holding company. (§121) (p. 110) **Financial subsidiary**: Means a company which is a subsidiary of an insured bank and is engaged in activities that are financial/incidental or developing activities, other than activities permitted for a national bank to engage in directly as expressly authorized under the Federal statutes, including the Bank Service Company Act and Sections 25 and 25A of the Federal Reserve Act. (§121) (pp. 111-112) **Financial activities**: Activity shall be considered to be financial in nature/incidental to financial only if: the activity is permitted for a financial holding company pursuant to newly created §6(c)(3) of the Bank Holding Company Act (if not otherwise prohibited) or Treasury determines the activity is financial. (§121) (pp.113-114)	**Prohibited activities**: a financial subsidiary cannot engage in real estate development or real estate investment activities. (§122(a)) (p. 67) **Financial subsidiary defined**: A financial subsidiary is a subsidiary of a national bank that engages as principal in any activity permissible under new Section 4(k) of the Bank Holding Company Act and is not permissible for national banks to engage in directly. (§122(a))(p. 71)

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	Treasury/Federal Reserve Board coordination: Treasury must notify and consult with the Federal Reserve Board concerning any request for a determination that an activity is financial/incidental. Treasury shall not determine that any activity is financial/ incidental, if the Federal Reserve Board provides written notification to Treasury within 30 days of notice (or longer period as permitted by Treasury) that it believes activity is not financial/incidental. The Federal Reserve Board may make written proposals to Treasury that an activity is financial/incidental. Within 30 days after receipt (or longer as Treasury/Federal Reserve Board determine), Treasury must determine whether to initiate a rulemaking regarding whether the proposed activity is financial/incidental and notify the Federal Reserve Board in writing regarding its determination including the reasons for not seeking public comment. (§121) (pp.114-117) **Factors for determination of financial/incidental activities**: Treasury must take into account: 1) purposes of National Bank Act and this Act; 2) changes or reasonably expected changes in marketplace in which banks compete or in technology of delivering financial services; and 3) whether activity is necessary/appropriate to allow a bank and sub to compete effectively in providing financial services in US; use any available/emerging technological means, including application for protecting security or efficiency of systems for transmissions of data/financial transactions, in providing financial services; and offer	

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	customers any available/emerging technological means for using financial services. **Authorization of new financial activities**: Treasury shall define following activities as, and extent to which such activities are, financial/incidental: 1) lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities; 2) providing any device or other instrument for transferring money or other financial assets; and 3) arranging, effecting, or facilitating financial transactions for third parties. **Developing activities**: A financial sub may engage in any activity that Treasury has not determined to be financial/incidental if: 1) sub reasonably concludes activity is financial/incidental; 2) gross revenues from all developing activities in subs represent less than 5% of consolidated gross revenues of bank; 3) aggregate total assets of all subs engaged in this activity do not exceed 5% of bank's consolidated total assets; 4) total capital investment in these activities represents less than 5% of consolidated total capital of bank; 5) neither Treasury/Fed has determined activity is not financial/incidental; and 6) bank provides written notice to Treasury describing activity no later than 10 days after commencement. **Merchant banking**: The Federal Reserve Board has sole authority to prescribe regulations/issue interpretations regarding merchant banking activities for financial subsidiaries and financial holding companies.	

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	Failure to meet requirements: If a national bank/depository institution affiliate is not in compliance with capital, management, CRA requirements, the appropriate Federal banking agency shall notify OCC which will notify national bank. Within 45 days after receipt of the OCC notice, the national bank and any relevant affiliated depository institution shall execute an agreement acceptable to OCC/appropriate banking agency to comply with requirements. Until conditions are corrected, OCC may impose limitations on conduct/activities of national bank or any subsidiary of bank as appropriate and appropriate banking agency may impose limitations on conduct/activities of affiliated depository institution or any subsidiary of a depository institution, as appropriate. If national bank and other affiliated depository institution do not execute/implement agreement, comply with any limitations, restore capital before end of 180-day period (or other period as OCC determines); restore compliance with well managed and satisfactory CRA rating before next exam (or other period as OCC determines), OCC may require, on term and conditions and extensions of time as OCC determines, divestiture of any financial sub or cessation of any financial activity, at election of national bank. Requires OCC to consult with relevant Federal/State agencies on actions. (§121) (pp.120-123)	
53. Safety and soundness firewalls between banks and their financial subsidiaries	**Capital**: Similar. Requires that in determining applicable regulatory capital standards, all insured banks must: (i) deduct from their assets and tangible equity the aggregate amount of equity investment in a financial subsidiary; and	**Capital:** Requires that a national bank be well capitalized after deducting the aggregate amount of outstanding equity investments by the bank in a financial subsidiary from the bank's assets and tangible

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	(ii) not consolidate the assets and liabilities of such financial subsidiaries with those of the bank. (§122) (pp. 124-125) **Equity investment**: An insured bank may not, without prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary if that investment would, when made, exceed amount that the bank could pay as a dividend. (§122) (p.125) **Retained earnings**: The amount of net earnings retained by a financial subsidiary of an insured depository institution shall be treated as an outstanding equity investment of the bank in the subsidiary. (§122) (p.125) **Safeguards for the bank**: With respect to procedures for identifying and managing any financial and operational risks, the provision only applies to risks posed by financial subsidiary. With regard to maintenance of separate corporate identity and legal status, the provision refers to the "separate corporate identity and legal status of the bank" and any affiliate as well as financial subsidiary. Requires the appropriate Federal banking agency, as part of each exam, to review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates. (§122) (pp.125-126)	equity and the assets and liabilities of the financial subsidiary must not be consolidated with those of the bank. (§122(a)) (pp.67-76) **Equity investment:** Similar, refers only to national banks. (§122(a)) (pp.68-69) **Retained earnings**: No provision. **Safeguards for the bank:** Requires a national bank that has a financial subsidiary to assure that the procedures of the bank for identifying and managing financial and operational risks within the bank adequately protect the bank from such risks; and that the bank has reasonable policies and procedures to preserve the separate corporate identity and limited liability of the bank and the financial subsidiaries. (§122(a)) (p.69) **Streamlining regulation and supervision and encouraging consultation among Federal/State**

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		regulators: Regulation and supervision by the OCC of a functionally regulated financial subsidiary, including the ability of the OCC to require a capital/asset contribution from such a subsidiary to the bank will be limited by §115. Interagency consultation provisions at §116 apply to the OCC and appropriate State regulators of functionally-regulated financial subsidiaries. (§122(a)) (pp.69-70)
	No provision.	**Preservation of existing operating subsidiary authority (grandfather):** A national bank may retain control of a company and conduct through such company any activities lawfully conducted as of date of enactment. (§122(a)) (pp.70-71) **Functionally regulated** means a financial subsidiary that is a broker, dealer, investment adviser, insurance company, or an entity subject to CFTC. (§122(a)) (pp.71-72)
	Transactions between financial subsidiaries and other affiliates - Similar. (§122) (pp. 127-129)	**Limiting credit exposure of a national bank to a financial subsidiary to the amount of permissible credit exposure to an affiliate** - Applies sections 23A and 23B to transactions between a financial subsidiary and its parent national bank and any other subsidiary of the bank that is not a financial subsidiary. Also exempts from the definition of "covered transaction" purchase of or investment in equity securities issued by financial subsidiary. Generally, transactions between financial subsidiaries and their affiliates which are not

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	Anti-Tying: Same. (§122) (129)	subsidiaries of a national bank, would not be deemed to be affiliate transactions under sections 23A or 23B. (§122(b)) (pp.73-75) Anti-Tying: Amends anti-tying provisions to treat financial subsidiaries as if they were bank holding company subsidiaries, thereby limiting the ability of a national bank to tie products with those of financial subsidiary. (§122 (c)) (pp.75-76)
54. Agency activities	See Item #52. (§121) (pp.107-123)	Permits a national bank to control a company or hold an interest in a company that engages in agency activities that have been determined by OCC to be permissible for national banks, or to be financial in nature or incidental to such financial activities (as determined pursuant to new section 4(k) of the Bank Holding Company Act) if the company engages in activities solely as agent and not directly/indirectly as principal. (§123) (p. 76)

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55. Misrepresentations regarding depository institution liability for obligations of affiliates	Makes it a criminal offense punishable by fine or imprisonment of not more than 5 years (or both) for an institution-affiliated party of an insured depository institution, a subsidiary, or an affiliate of an insured depository institution to fraudulently misrepresent that the institution is or will be liable for any obligation of a subsidiary or affiliate. *Appears to be problem with definition of institution-affiliated party which incorporates the meaning in §3 of FDIA and "any reference in that section shall also be deemed to refer to a subsidiary or affiliate of an insured depository institution."* (§123) (pp.129-130)	Similar. Imprisonment is for no more than 1 year. *Definition of institution-affiliated party also refers to section 3 of FDIA but provides that "...references to an insured depository institution shall be deemed to include references to a subsidiary or affiliate of an insured depository institution."* (§124) (pp.76-77)

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56. Repeal of stock loan limit in Federal Reserve Act	Repeals restriction in §11(m) of Federal Reserve Act that a loan made by a Federal Reserve member bank which is secured by stock or bond collateral cannot exceed more than 15% of unimpaired capital and surplus of the bank. (§124) (p. 130)	No provision.

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WHOLESALE FINANCIAL HOLDING COMPANIES; WHOLESALE FINANCIAL INSTITUTIONS		
57. Wholesale financial holding companies established	Establishes wholesale financial holding companies ("WFHC") as a bank holding company that is predominantly financial, controls one or more wholesale financial institutions ("WFI"s), and is not affiliated with an insured depository institution. WFHCs are subject to Federal Reserve Board supervision. Permanent grandfather for commercial activities of WFHCs. Allows WFHCs predominantly engaged as of January 1, 1997 in financial activities to engage directly or indirectly, or own or control shares of a company engaged in activities related to the trading, sale or investment in commodities and underlying physical properties that were not permissible for bank holding companies in the US as of January 1, 1997, if such WFHC or any subsidiary was lawfully engaged in such activities as of January 1, 1997 in the US. The attributed aggregate consolidated assets of a WFHC held under the commodities grandfather may not exceed 5% of the total consolidated assets of the WFHC. The Federal Reserve Board may increase the percentage as appropriate. Cross-marketing restrictions apply among affiliates. (§131) (pp. 131-150)	No provision.

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58. Authorization to release reports	Permits the Federal Reserve Board, at its discretion, to furnish exam reports and other confidential supervisory information concerning State member banks or other entities it examines to any Federal/State authorities with supervisory authority over examined entity, to officers, directors, or receivers of the entity, or any other person that the Federal Reserve Board determines is proper. Includes CFTC under definitions in Right to Financial Privacy Act. (§132) (pp.150-151)	No provision.
59. Wholesale financial institutions	Authorizes the establishment of wholesale financial institutions ("WFIs") which can be either national/state banks. WFIs are uninsured banks which may not receive deposits of less than $100,000 (other than on an incidental and occasional basis). WFIs are required to become members of the Federal Reserve System. Formation of a national WFIs must be approved by OCC; state WFIs by the Federal Reserve Board. A national/state WFI may only terminate Federal Reserve membership with Federal Reserve approval. All WFIs must be well capitalized and well managed and are subject to CRA. State WFIs have all the powers and privileges of national banks. (§136) (pp. 153-182)	No provision.

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PRESERVATION OF FTC AUTHORITY		
60. Amendment to the Bank Holding Company Act to modify notification and post-approval waiting period for section 3 transactions	Requires the Federal Reserve Board to give notice to FTC of the approval of any transactions involving an acquisition under §4 or §6 of the Bank Holding Company Act. (§141) (p. 182)	No provision.
61. Interagency data sharing	Requires OCC, OTS, FDIC, and Federal Reserve Board, to the extent not prohibited by other law, to make available to the Attorney General and FTC any data in possession of the banking agency that the antitrust agency deems necessary for antitrust review of any transaction requiring notice to any such antitrust agency or approval of such agency under sections 3,4,or 6 of the Bank Holding Company Act, sec. 18(c) of the Federal Deposit Insurance Act, the National Bank Consolidation and Merger Act, and section 10 of the Home Owners' Loan Act, or the antitrust laws. (§142) (pp. 182-183)	No provision.

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62. Clarification of status of subsidiaries and affiliates	Provides that any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank/savings association and is not itself a bank/savings association shall not be deemed a bank/savings association for purposes of the Federal Trade Commission Act or any other law enforced by FTC. Contains a savings provision that this section shall not be construed as restricting the authority of any banking agency under any Federal bank law including sec. 8 of the Federal Deposit Insurance Act. Amends the Hart-Scott-Rodino Act to clarify that the exemptions from review under that Act do not apply to a portion of a transaction subject to sec. 6 of the Bank Holding Company Act, which does not require agency approval under sections 3 or 4 of the Bank Holding Company Act. (§143) (pp. 183-184)	No provision.

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63. Annual GAO report	Requires an annual GAO report on market concentration in the financial services industry and its impact on consumers including the positive/negative effects of affiliations under this Act including:(1) the positive/negative effects on consumers, area markets, and submarkets or on broker-dealers which have been purchased by depository institutions or depository institution holding companies; (2) changes in business practices and the effect of any such changes on the availability of venture capital, consumer credit, and other financial services/products and the availability of capital/credit for small businesses, and (3) acquisition patterns among depository institutions, depository institution holding companies, securities firms, and insurance companies including acquisitions among largest 20% of firms and acquisitions within regions or other limited geographical areas. Reporting requirement sunsets after 5-year period beginning on enactment. (§144) (pp. 184-185)	No provision.

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NATIONAL TREATMENT		
64. Foreign banks that are financial holding companies	Permits termination of the financial grandfathering authority granted by the International Banking Act and other statutes to foreign banks to engage in certain financial activities. Foreign banks with financial grandfathered affiliates would be permitted to retain these grandfathered companies on the same terms that domestic banking organizations are permitted to establish. (§151) (p. 186) Foreign banks should no longer be entitled to financial grandfathered rights authorized under new section 6 of the Bank Holding Company Act after the bank has filed a declaration under section 6(b)(1)(D) of the Bank Holding Company Act or receives a Federal Reserve Board determination under section 10(d)(1) of the Bank Holding Company Act (other grandfathered rights would not be affected). The foreign bank is granted two years in which to have an application approved under section 6. Failing such approval, the Federal Reserve Board may impose restrictions and requirements comparable to those on financial holding companies. (§151) (pp.186-187)	Similar. However, no reference to financial holding companies which are not created under S. 900. (§151) (pp. 81-83) Similar. However references to Bank Holding Company Act are to newly created subsections of section 4, as opposed to the newly created section 6 of the Bank Holding Company Act under HR 10. (§151) (pp. 81-83)
65. Foreign banks and foreign financial institutions that are wholesale financial institutions	Allows an insured branch of a foreign bank to terminate voluntarily its deposit insurance under the same conditions and extent as insured state and national banks. (§152) (pp. 187-188)	No provision.

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66. Representative offices	Requires prior approval by the Federal Reserve Board for the establishment of representative offices that are subsidiaries of a foreign bank. (§153) (p. 188)	Same. (§152) (p. 83)
67. Reciprocity	Requires Secretary of Commerce, with respect to insurance companies, and Treasury, with respect to banks, securities underwriters, brokers, dealers, or investment advisers, to report to Congress within the earlier of 6 months from either the announcement or acquisition by a foreign person of a US company of the type described above that ranks within the top 50 companies in that business in the US on whether a US person could make an equivalent acquisition in the country in which the foreign person is located. Also requires a report by Commerce/Treasury not less than 6 months before the WTO regarding an assessment of the 30 largest financial services markets with regard to whether reciprocal access is available to US financial services providers. (§154) (pp.188-192)	No provision.
FEDERAL HOME LOAN BANK SYSTEM MODERNIZATION		
68. Definitions	Creates a new class of "community financial institutions" that are FDIC-insured depository institutions with less than $500 million in assets averaged over 3 years, and adjusted annually based on the CPI. (§162) (pp.192-194)	Same. (§402) (pp. 160-162)

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69. Savings association membership	Allows voluntary membership in FHLBanks for Federal savings associations, beginning on 1/1/99. (§163) (p. 194)	Similar, beginning on 6/1/2000. (§403(a)) (p. 162) Allows any FHLBank member to withdraw if the Federal Housing Finance Board ("FHFB") certifies that its withdrawal will not cause the FHLBank System to fail to meet its Resolution Funding Corp. ("REFCORP") obligation. (§403(b)) (p. 162)
70. Advances to members; collateral	A community financial institution may receive a long-term FHLBank advance for small business, agricultural, rural development, or low-income community development (all as defined by the Federal Housing Finance Board) lending (§164(a)(3)). Eligible collateral for community financial institutions receiving any advances may include secured loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such loans. (§164(a)(5)(C)) (pp. 194-197) Non-qualified thrift lender community financial institutions may use advances for small business, agriculture, rural development, or low-income community development. Such loans, and securities representing a whole interest in such loans, shall be treated as qualified thrift investments in determining required FHLBank stock purchases. (§164(c)) (p. 197)	Provides for advances to a community financial institution to be used for small businesses, small farms, and small agri-businesses (as defined by the Federal Housing Finance Board) (§404(a)(3)). Eligible collateral for community financial institutions could include secured loans for small business, agriculture, or securities representing a whole interest in such loans (§404(a)(5)) (pp. 162-165) No provision.
71. Eligibility criteria	Waives the 10% residential mortgage asset test to become FHLBank members for community financial institutions. (§165) (p. 198)	Same. (§405) (pp. 165-166)

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72. Management of FHLBanks	Makes the term of office for both FHLBank elected and appointed directors four years (§166(a)). Transfers from the FHFB to the individual FHLBanks authority over a number of operational areas, including director (§166(b)) and employee (§166(d)(1)(B)) compensation and eligibility to secure advances (§166(f)). Gives the FHFB enforcement powers over FHLBank officers and directors, power to address capital insufficiencies resulting from voluntary FHLBank membership, and independent litigating authority. (§166(e)(1)) Eliminates the 20:1 advances to stock ratio limit for a FHLBank member. Expands the Affordable Housing Program to permit additional subsidies beyond existing law interest rate subsidies on advances. (§166(f)(2)(A)(ii) and (C)) (pp. 198-204)	Similar. The power to address capital insufficiencies resulting from voluntary FHLB membership is addressed in section 403(b). Does not eliminate the 20:1 advances to stock ratio limit for a FHLBank member. (§ 406) (pp. 166-171)
73. Resolution Funding Corporation	The funding formula for REFCORP obligations of the FHLBanks is changed to 20.75% of annual net earnings, effective January 1, 1999. (§167) (pp. 204-206)	Similar. Effective date is June 1, 2000. (§ 407) (pp. 171-173)
74. Capital structure of Federal Home Loan Banks	Establishes a new capital structure for the FHLBanks. (§168) (pp. 206-224)	Directs GAO to study possible revisions to the FHLBanks' capital structure and the impact on their operations, including the REFCORP obligation. GAO must submit a report to Congress within one year. (§408) (p. 174)

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75. Eligibility of Community Development Financial Institution to borrow from the Federal Home Loan Bank System	No provision.	Makes certified non-depository CDFIs eligible to borrow as nonmembers from FHLBanks. (§319) (pp. 159-160)
ATM FEE REFORM		
76. Electronic fund transfer fee disclosures at any host ATM	Requires ATM operators who impose a fee for use of an ATM by a noncustomer to post a notice on the machine that a fee will be charged and on the screen that a fee will be charged and the amount of the fee after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction. A paper notice issued from the machine may be used in lieu of a posting on the screen. No surcharge may be imposed unless the notices are made and consumer elects to proceed with transaction. (§172) (pp. 225-228)	Same. (§702) (pp. 204-207)
77. Disclosure of possible fees to consumers when ATM card is issued	Requires a notice when ATM cards are issued that surcharges may be imposed by other parties when transactions are initiated from ATMs not operated by card issuer. (§173) (pp. 228-229)	Same. (§703) (pp. 207-208)

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78. Feasibility study	Requires GAO to report within 6 months after enactment on the feasibility, costs, benefits to consumers, and competitive impact of requiring ATM operators to disclose the surcharge imposed at the machine as well as any fees imposed by the consumer's own bank, any network fees, and any fees imposed by any other party involved in the transfer. (§174) (pp. 229-231)	Same. (§704) (pp. 208-210)

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79. No liability if posted notices are damaged	Exempts ATM operators from liability if properly placed notices on machines are subsequently removed, damaged, or altered by anyone other than the ATM operator. (§175) (p. 231)	Same. (§705) (pp. 210-211)

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AUTHORITY OF NATIONAL BANKS TO UNDERWRITE CERTAIN MUNICIPAL BONDS		
80. Municipal revenue bond underwriting	Authorizes well-capitalized national banks to underwrite, deal in, and purchase obligations issued by or on behalf of any State or political subdivision of a State, including any municipal corporate instrumentality of one or more States, or any public agency/authority of any State/political subdivision. (§181) (p. 232)	Same. States that the limitations and restrictions of existing law at 12 U.S.C. 24(7) as to dealing in, underwriting, and purchasing investment securities for the national bank's own account do not apply to municipal revenue bonds. (§121) (p. 66)
DEPOSIT INSURANCE FUNDS		
81. Study of safety and soundness of funds	Requires the FDIC to study the following aspects of the SAIF and BIF: their safety and soundness and adequacy of reserves, in light of the size of newly merged institutions and affiliations with other financial institutions; their geographic concentration levels; and issues relating to a possible merger of the funds. A report to Congress on the study, along with a description of the plans for merging the funds and recommendations for any needed legislative and administrative action, is required within nine months of the Act's date of enactment. (§186) (pp. 233-235)	No provision.

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82. Elimination of SAIF and DIF special reserves	Eliminates SAIF special reserve and a special reserve that would be established if the SAIF and BIF were merged to the extent SAIF exceeded the reserve ratio at the time of the merger. (§187) (p. 236)	Similar. *Includes an immediate effective date.* (§301) (pp. 96-97)
COMMUNITY REINVESTMENT ACT		
83. Meaningful CRA examinations	No provision.	An insured depository institution rated "satisfactory" in its most recent exam and for the past 3 years shall be deemed to be in compliance until next exam unless substantial verifiable information arising since last exam demonstrating noncompliance is filed with the appropriate Federal banking agency. That agency shall determine on a timely basis whether the information filed provides sufficient proof that the insured depository institution is no longer in compliance with CRA. The person filing the information has the burden of proving to the satisfaction of the agency the substantial verifiable nature of the information. (§303) (pp. 98-99)
84. Community Reinvestment Act Exemption	No provision.	Exempts from the CRA "community financial institutions" which are insured depository institutions with aggregate assets of not more than $100 million and that are located in non-metropolitan areas. (§308) (p. 120)

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85. CRA sunshine requirements	No provision.	Requires any CRA agreement between a nongovernmental person/entity and an insured depository institution or affiliate involving funds or other insured depository institution resources to be fully disclosed to the appropriate Federal banking agency and the public. An agreement is defined as a written contract or understanding, or a group of substantively related contracts, with a value in excess of $10,000 annually, but does not include any specific contract for credit to individuals, businesses, etc., where the purpose of the credit does not include re-lending. Also requires each party to an agreement to report annually to the appropriate Federal banking agency regarding payments, fees, loans to, or from, any party to the agreement, and their terms and conditions; aggregate data on loans, investment, and services provided by each party in its community under agreement, and other information as the appropriate Federal banking agency may require. Applies to agreements made on or after 5/5/99. If a party to the agreement does not comply with these requirements, the agreement shall not be enforceable after the non-complying party is given notice and reasonable period to comply. Secondary agreements made on or after 5/5/99 pursuant to a CRA related agreement described above are also subject to the disclosure requirements of this section. The Federal banking agencies are not authorized to enforce the provisions of agreements subject to the requirements of this section. (§312) (pp. 125-129)

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MISCELLANEOUS PROVISIONS		
86. Termination of "know your customer" regulations	Prohibits the publication in final form of any of the proposed "Know Your Customer" regulations published in the Federal Register by the Federal banking agencies on December 7, 1998. To the extent any such regulation has become effective prior to the date of enactment of the Act, such regulation shall cease to be effective. (§191)(pp. 236-237)	No provision.
87. Study and report on Federal electronic fund transfers	Requires the Treasury to report to Congress no later than October 1, 2000 on the subject of Federal electronic fund transfers. The Treasury shall conduct a feasibility study to determine whether all electronic payments issued by Federal agencies could be routed through Treasury Regional Finance Centers for verification and reconciliation, whether all electronic payments made by the Federal government could be subjected to the same level of reconciliation as Treasury checks, and whether appropriate computer security controls are in place. (§192) (pp.238-239)	No provision.
88. GAO study of conflicts of interest	Requires GAO to study the conflict of interest faced by the Federal Reserve between its role as primary regulator of the banking industry and its role as a vendor of services. Specifically, the GAO should address the conflict between the Fed's role as a regulator of the payment system and its role as a competitor with private sector providers of payment services, and how best to resolve that conflict. The study is due one year after enactment of the Act. (§193) (pp. 239-240)	No provision.

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89. Federal Reserve Audits	See Item #88.	Requires annual outside independent accounting firm audits of the Federal Reserve Banks and the Federal Reserve Board, and changes in definitions and rules that apply to financial services that are priced under the terms of the Monetary Control Act. (§317) (pp. 143-158)
90. Study of cost of all Federal banking regulations	Mandates the Federal Reserve, in consultation with the other Federal banking agencies, to study the total annual costs and benefits of all Federal financial regulations and regulatory requirements applicable to banks. The report, along with any such recommendations for legislative and administrative actions as deemed appropriate, is due before the end of the 2-year period on the date of enactment of the Act. (§194) (pp. 240-241)	No provision.
91. Study and report on adapting existing legislative requirements to online banking and lending	Requires the Federal banking agencies to conduct a study of banking regulations regarding the delivery of financial services, including those regulations that may assume that there will be face-to-face contact, and report their recommendations on adapting those existing requirements to online banking and lending. The report, with any recommended legislative or regulatory action, is due one year after the date of enactment of this Act. (§195) (pp. 241-242)	No provision.
92. Regulation of uninsured State member banks	Clarifies the Federal Reserve Board's enforcement authority with regard to uninsured State member banks. (§196) (p. 242)	No provision.

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93. Clarification of source of strength doctrine	Provides that notwithstanding any other provision of law (other than described below in this section), no person shall have any claim for monetary damages or return of assets or other property against any Federal banking agency (including in its capacity as conservator/receiver) relating to the transfer of money, assets, or other property to increase the capital of an insured depository institution by any depository institution holding company or controlling shareholder for such depository institution, or any affiliate or subsidiary of such depository institution, if at the time of transfer:(1) the insured depository institution is subject to any direction issued in writing by a Federal banking agency to increase its capital; (2) depository institution is undercapitalized, significantly undercapitalized, or critically undercapitalized; (3) for that portion of the transfer that is covered by the procedure in section 5(g) of Bank Holding Company Act or section 45 of the Federal Deposit Insurance Act, the Federal banking agency has followed the procedure. This subsection shall not be construed as limiting the right of an insured depository institution, a depository institution holding company, or any other agency/person to seek direct review of an order/directive issued by a Federal banking agency under this Act, the Bank Holding Company Act, National Bank Receivership Act, the Bank Conservation Act, or the Home Owners' Loan Act; the rights of any party to a contract under sec. 11(e) of the Federal Deposit Insurance Act, or the rights of any party to a contract with a depository institution holding company or sub of such a holding company (other than an	No provision.

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	a depository institution holding company or subsidiary of such a holding company (other than an insured depository institution). (§197) (pp. 242-244)	
94. Interest rates and other charges at interstate branches	Provides loan pricing parity among interstate banks. Specifically, if an interstate bank can charge a particular interest rate, than a local bank in the state into which the interstate bank has branched, may charge a comparable rate. (§198) (pp. 244-246)	No provision.
95. Interstate branches and agencies of foreign banks	Allows a Federal/State agency of a foreign bank to upgrade to a branch with the approval of the appropriate chartering authority (OCC/State) and the Federal Reserve Board. The agency would have to meet time periods required under Riegle-Neal and the requirements for home country supervision. (§198A) (pp. 246-248)	Same. (§313) (pp. 129-130)
96. Fair treatment of women by financial advisors	Establishes the sense of the Congress that estate planners, trust officers, investment advisers, and other financial planners and advisors should eliminate examples in their training materials which portray women as incapable and foolish, and develop fairer and more balanced presentations that eliminate outmoded and stereotypical examples which lead clients to take actions that are financially detrimental to their wives and daughters. (§198B) (pp. 248-250)	No provision.
97. Expanded small bank access to S corporation treatment	No provision.	Requires GAO to report within 6 months of enactment on possible revisions to rules governing S corporations. (§302) (pp. 97-98)

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98. Control of bankers' banks	No provision.	Allows one or more thrift institutions to own a bankers' bank. (§310) (p. 122)
99. "Plain Language" requirement	No provision.	Directs Federal banking agencies to use plain language in all proposed and final rulemakings published in the Federal Register after January 1, 2000, and to report to Congress by no later than March 1, 2001 on how they have complied with the plain language requirement. (§ 306) (pp. 118-119)
100. Retention of "Federal" in name of converted Federal savings association	Allows a depository institution to convert its Federal savings association charter to a state charter and retain the term "Federal" in its name. (§402) (p. 397)	Following the date of enactment, a Federal savings association converting to a national bank or a state bank is permitted to retain in its name the word "Federal." (§307) (p. 119)
101. Public utility officer and directors	No provision.	Amends § 305(b) of the Federal Power Act to permit generally officers or directors of public utilities to serve as officers or directors of banks, trust companies, or securities firms, if certain safeguards against conflicts of interest are complied with. (§ 309) (pp. 120-122)

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102. Technical assistance to microenterprises	No provision.	Establishes a grant program to fund nonprofit microenterprise development organizations, programs, collaboratives, or intermediaries engaged in (1) providing training and technical assistance to low-income and disadvantaged entrepreneurs interested in starting or expanding their own businesses; (2) building the capacity of organizations that serve low-income and disadvantaged entrepreneurs; and (3) supporting research and development aimed at identifying and promoting training and technical assistance programs that effectively serve low-income and disadvantaged entrepreneurs. (§ 316) (pp. 134-143)
103. Multi-state licensing and interstate insurance sales activities	See Item #148. (§321-336) (pp. 356-388)	Expresses a sense of the Congress that States should implement uniform insurance agent and broker licensing requirements; eliminate requirements having the practical effect of discriminating against nonresident insurance agents or brokers; and to take such actions within 36 months of the date of enactment. (§311) (pp. 123-125)
104. Disclosures to consumers under the Truth in Lending Act	No provision.	Requires certain disclosures to consumers regarding late fees and introductory interest rates. Required disclosures must be stated prominently in a conspicuous location on the billing statement. (§314) (pp. 131-134)

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105. Approval for purchases of securities	No provision.	Authorizes a majority of the entire board of directors of a bank to vote on the purchase of securities from an affiliate, based on a determination that the purchase is a sound investment for the bank. This revises existing law, which requires the vote to be taken by a majority of independent directors. (§315) (p. 134)
106. Study of application of Federal banking regulations to on-line banking and lending	Provision mandating a study of on-line banking and lending appears at §195. (pp. 241-242)	No provision.
107. Study of on-line brokerage advertising practices	No provision.	Directs the SEC, in consultation with the National Association of Securities Dealers and other interested parties, to study and report to Congress on the advertising practices of on-line brokerage services, and to recommend any steps necessary to protect investors or potential investors from improper or deceptive advertising. (§ 318) (pp. 158-159)
FUNCTIONAL REGULATION		
108. Definition of broker	Eliminates bank exemption from definition of broker and replaces with following exemptions: **Third party brokerage arrangements** - Exempts transactions pursuant to contractual or other written arrangement with a registered broker/dealer under which broker/dealer offers brokerage services on or off premises of bank if broker/dealer clearly identified as person performing brokerage services, services are performed in area clearly marked, and to extent practicable, physically separate from routine deposit-taking; advertising materials	Eliminates bank exemption from definition of broker and replaces with following exemptions. Also includes general endorsement of functional regulation. **Third party brokerage arrangements** Similar. There is no requirement for a written contractual arrangement. (§501) (pp.174-188)

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	clearly indicated that brokerage performed by broker/dealer and are in compliance with Federal securities laws, bank employees (other than associated persons) perform only clerical/ministerial functions in connection with transactions including scheduling appointments, except that bank employees may forward customer funds/securities and may describe in general terms the types of investment vehicles available from bank and broker/dealer, bank employees do not receive incentive compensation for any brokerage transaction unless employee are associated persons, except bank employees may receive compensation for referral of customers if it is nominal one-time cash fee of a fixed amount and payment is not contingent on whether referral results in a transaction, customers are fully disclosed to broker/dealer, bank does not carry a securities account of customer except under pursuant to trust or custodian exceptions, bank, broker, dealer inform each customer that brokerage is provided by broker/dealer and securities are not deposits, not guaranteed by bank, or insured by FDIC. (§201) (pp.251-254)	Generally prohibits bank employees from *directly* receiving incentive compensation for brokerage transactions. (§501) (p. 177)
	Trust activities - Exempts transactions in a trustee or fiduciary capacity in its trust department, or another department where trust/fiduciary activity is regularly examined under same standards and in same way as trust department and the bank is chiefly compensated for transactions, consistent with fiduciary principles on basis of an administration or annual fee, a percentage of assets under management, or a flat or capped per order	**Trust activities** - Similar. No restriction on compensation; allows trust activities outside trust department if regularly examined for compliance with fiduciary principles and standards. (§501) (pp. 178-179)

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	processing fee equal to not more than cost incurred in executing transaction or any combination of fees and bank does not solicit brokerage other than by advertising that it effects transactions in conjunction with advertising other trust activities. (§201) (pp.254-255) **Permissible securities transactions** - Exempts transactions in commercial paper, bankers acceptances, commercial bills, exempted securities, qualified Canadian government obligations, any standardized credit enhanced debt security issued by a foreign government pursuant to Brady plan. (§201) (p. 255) **Certain stock purchase plans** *Employee benefit plans* - Exempts transactions, as a registered transfer agent in securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar plan for employees of issuer or its affiliates if bank does not solicit transactions or provide investment advice and bank's compensation for plan consists chiefly of administration fees or flat/capped per order fees, or both; (§201) (pp. 256-257) *Dividend reinvestment plans* - Exempts transactions, as a registered transfer agent in securities of an issuer as part of that issuer's dividend reinvestment plan if bank does not solicit transactions or provide investment advice and bank's compensation for plan consists chiefly of administration fees or flat/capped per order fees, or both; *Issuer plans* - Exempts transactions, as a registered transfer agent in securities of an issuer as part of that	**Permissible securities transactions** - Same. (§501) (pp. 179-180) **Certain stock purchase plans** - Similar, but no restriction on compensation. (§501) (pp.180-182)

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	issuer's plan for the purchase/sale of that issuer's securities if bank does not solicit transactions or provide investment advice; the bank does not net shareholders' buy and sell orders other than for programs for odd-lot holders or plans registered with SEC, and bank's compensation for plan consists chiefly of administration fees or flat/capped per order fees, or both. (§201) (pp. 257-258) These exemptions will not be affected by bank's delivery of written/electronic plan materials to employees, shareholders, or members of affinity groups of issuer so long as materials are comparable in scope or nature to that permitted by SEC. (§201) (258-259) **Sweep accounts** - Exempts transactions as part of investment of deposit funds in money market funds. (§201) (p.259) **Affiliate transactions** - Exempts transactions for account of any affiliate other than a broker/dealer or an affiliate that is engaged in merchant banking under newly created section 6 of the Bank Holding Company Act. (§201) (pp.259-260) **Private placements** - Exempts sales as part of a private placement to only qualified investors if bank is not at any time after 1 year from enactment affiliated with a broker/dealer engaged in dealing, market making, or underwriting securities (other than exempted securities). (§201) (pp.260-261)	**Sweep accounts** - Similar, except refers to "bank deposit funds" as opposed to "deposit funds." (§501) (pp.182-183) **Affiliate transactions** - Same. (§501) (p. 183) **Private placements** - Allows sales effected by a bank as part of a primary offering of securities not involving a public offering pursuant to applicable SEC rules and regulations. (§501) (p. 183)

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	Safekeeping and custody: Exempts transactions in connection with providing safekeeping or custody services with respect to securities; facilitates the transfer of funds or securities, as a custodian or clearing agency, in connection with clearance and settlement of customers' securities transactions; effects securities lending or borrowing transactions with or on behalf of customers as part of custody services described before or invests cash collateral pledged in connection with such transaction; or hold securities pledged by a customer or another person or securities subject to repo agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or otherwise if bank maintains records separately identifying securities and customer. These exceptions will not apply if the bank in connection with the activities acts as a carrying broker in US unless such carrying broker activities are with respect to government securities. (§201) (pp.261-262)	**Safekeeping and custody**: Similar. (§501) (pp. 183-185)
	Excepted banking products - Exempts transactions in excepted banking products. (§201) (p. 263)	**Traditional banking products** - The broker-dealer exemption remains in tact for transactions in traditional banking products as defined in section 503(a). (§501) (pp. 185-186)
	Municipal securities - Exempts transactions in municipal securities. (§201) (p. 263)	**Municipal securities** - No provision.
	De minimis exception - Exempts 500 transactions a year other than those within these exceptions and transactions are not effected by dual employee. (§201) (p. 263)	**De minimis exception -** Same. (§501) (p. 186)

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	Execution by broker or dealer - Trust, stock purchase, and safekeeping and custody exemptions shall not apply unless bank directs trades to a broker/dealer for execution, the trade is a cross trade or similar trade of a security that is made by the bank or between the bank and an affiliated fiduciary and is not in contravention of fiduciary principles, or the trade is conducted under SEC rules. (§201) (pp.263-264) **Fiduciary capacity -** means in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under uniform gift to minor act, or as investment adviser if the bank receives fee for investment advice, in any capacity in which bank possesses investment discretion on behalf of another, or other similar capacity. Contains exception for entities under §15(e) of Securities Exchange Act. (§201) (pp. 264-265)	**Execution by broker or dealer** - Same. (§501) (pp. 186-187) **Fiduciary capacity -** also includes the bank acting as custodian either under a uniform gift to minor act or for an IRA, and as a service provider to any pension, retirement, profit sharing, bonus, thrift, savings, incentive, or other similar benefit plans. (§501) (pp.187-188)
109. Definition of dealer	Eliminates bank exemption from definition of dealer and replaces with following exemptions: **Own/Fiduciary account** - Exempts transactions for bank's own account, either individually or in a fiduciary capacity, but not as part of a regular business. (§202) (p. 265)	**Own/Fiduciary account** - Same. (§502) (p.189)

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	Permissible securities - Exempts transactions in certain permissible securities. (§202) (p. 266) **Investment, trustee, and fiduciary** - Exempts transactions for investment purposes for bank or for accounts for which the bank acts as a trustee/fiduciary. (§202) (pp. 266-267) **Asset-backed transactions** - Exempts the issuance or sale to qualified investors through a grantor trust (or separate entity) securities backed by notes, drafts, acceptances, loans, leases, receivables, other obligations (other than securities of which the bank is not the issuer), or pools of any such obligations predominantly originated by bank, an affiliate(other than a broker/dealer), or a syndicate of banks of which the bank is a member, if the obligations or pool consists of mortgage obligations or consumer-related receivables. (§202) (pp. 267-268) **Excepted banking products -** Exempts transactions by the bank involving excepted banking products. (§202) (p. 268) **Derivative instruments -** Exempts transactions involving the issuance or purchase or sale of any derivative to which bank is a party; 1) to or from a qualified investor, except if instrument provides for the delivery of a security (other than a derivative or government security), the transaction must be effected with or through a	**Permissible securities** - Same. (§502) (pp.189-190) **Investment, trustee, and fiduciary** - Same. (§502) (pp. 190-191) **Asset-backed transactions** - issuance or sale to qualified investors, through a grantor trust or otherwise, of securities backed by notes, drafts, acceptances, loans, leases, receivables, other obligations, or pools of any such obligations predominantly originated by the bank, or a syndicate of banks of which the bank is a member, or an affiliate of any such bank other than a broker or dealer. (§502) (pp. 190-191) **Banking products** - The requirement for the bank to register as a dealer is not effective for those transactions by the bank involving traditional banking products. (§502) (p. 191) **Derivative** – No restriction on bank swap activities (defined as traditional banking product).

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	broker/dealer; 2) to or from others except if derivative provide for delivery of securities (other than a derivative or government security) or is a security (other than a government security), the transactions must be effected with or through a broker/dealer; or, 3) to or from any person if the instrument is neither a security nor provides for the delivery of one or more securities (other than a derivative). (§202) (pp. 268-269)	
110. Registration for sales of private securities offerings	Creates a limited qualification category of NASD registration for bank employees engaged in private placements. (§203) (pp.269-270)	No provision.
111. Information sharing	Requires Federal banking agencies, in consultation with the SEC, to establish record-keeping requirements for banks relying on the bank exceptions. (§204) (p.270)	No provision.

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112. Treatment of new hybrid products	In an amendment to the Securities Exchange Act of 1934, provides that the SEC may not require a bank to register because the bank engages in transactions in a new hybrid product or bring an enforcement action against a bank for failing to register unless the SEC has imposed the requirement by rule. (§205) (pp.271-273) **Rulemaking** - the SEC must determine that the new hyrbid product is a security and that imposing the requirement is necessary or appropriate in the public interest and for protection of investors. The SEC must also consider the nature of the new hybrid product and the history, purpose, extent, and appropriateness of regulation of the product under the securities and banking laws and must consult with the Federal Reserve Board regarding these considerations. (§205) (pp. 271-272) **New hybrid product defined** - means a product that was not subject to regulation by SEC as a security prior to enactment and is not an excepted banking product. (§205) (pp. 272-273)	In a free-standing provision of the FSMA, provides that SEC, with the concurrence of the Federal Reserve Board, may determine by regulation that a bank that effects transactions in a new product should be subject to registration as a broker/dealer. SEC may not impose registration requirements unless it determines, with the concurrence of the Federal Reserve Board, that the subject product is a new product, the subject product is a security, and imposing the registration requirements is necessary or appropriate in the public interest and for the protection of investors. (§503(b)) (pp. 192-193) **New product defined** - Similar. Means a product that was not subject to regulation by SEC as a security prior to enactment and is not a traditional banking product. (§503(e)) (p. 195)
113. Challenges to product classifications	No provision.	Provides that nothing in this section limits the authority of the Federal Reserve Board, an appropriate Federal banking agency, or any other party to seek judicial review of whether a product is appropriately classified as a traditional banking product. (§503(d)) (p. 194)

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114. Definition of excepted banking product	Definition of excepted banking product means a deposit account, savings account, cd, or other deposit instrument issued by a bank, a banker's acceptance, a letter of credit or loan made by a bank, a debit account at a bank arising from a credit card or similar arrangement, a loan participation which the bank, or an affiliate, funds, participates in, or owns that is sold to qualified investors, or others that have the opportunity to review and assess any material information (including borrower's creditworthiness) and based on such factors as financial sophistication, net worth, etc. has the capability to evaluate the information as determined under generally applicable banking standards/guidelines; a derivative instrument that involves currencies (except option on currencies traded on a national exchange), interest rate (except interest rate derivative instruments that are based on a security or a group or index of securities other than government securities, provide for delivery of securities (other than government securities), or trade on a national exchange, or commodities, other rates, indices, or other assets except derivatives with same exception described for interest rate instruments. Classification of a particular product as an excepted banking product shall not be construed as finding or implying that such product is or is not a security for any purpose under the securities laws, or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act. (§206) (pp.273-277)	Does not use the term "excepted banking product." For purposes of Title V and paragraphs (4) and (5) of section 3(a) of the 1934 Act, the term "traditional banking product" is defined to mean those products also listed in HR 10, except that a "traditional banking product" includes a swap agreement, as defined in the Federal Deposit Insurance Act. A swap agreement includes all credit and equity swaps, unless the appropriate Federal banking agency determines that credit and equity swaps shall not be included in the definition of the term. Classification of a particular product as a traditional banking product shall not be construed as finding or implying that such product or instrument is or is not a security for any purpose under the securities laws, or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act. (§503(a) and (c)) (pp. 191-194)

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115. Additional definitions	**Derivative instrument** - any individually negotiated contract, agreement, warrant, note, or option based , in whole or in part, on the value of, any interest in, or any quantitative measure or occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets but does not include excepted banking products (other than derivative instruments). (§207) (pp. 276-277) **Qualified investor** - means any registered investment company, any issuer eligible for an exclusion from definition of investment company, any bank, savings association, broker, dealer, insurance company, business development company, small business investment company licensed by SBA, any State sponsored employee benefit plan, or other employee benefit plan (other than an IRA), if the investment decisions are made by a plan fiduciary, trust if investments are directed by entity described above, any market intermediary, any associated person of a broker/dealer (other than a natural person), any foreign, foreign government, corporation with investments of $10 million, natural person with investments of $10 million, government with $50 million in investment, or multinational agency. (§207) (pp. 277-280) **Government securities** - the term "government securities" as used in section 206 defining excepted banking products, has the meaning given in section 3(a)(42 3(a)(42)	No provision. **Qualified investor -** Same. (§504) (pp. 195-198) **Government securities** - same. (§503(e)) (pp. 194-195)

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	3(a)(42) of the Securities Exchange Act of 1934, and for purposes of section 206 commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities. (§206) (p. 276)	
116. Government securities defined	Amends the Securities Exchange Act to provide that for purposes of sections 15, 15C, and 17A of that Act, as applied to a bank, government securities shall include a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes. (§208) (p. 280)	Expands the definition of government securities for purposes of bank transactions subject to section 15(C) [government securities dealers] of the Securities Exchange Act. (§505) (pp. 198-199)
117. Effective date	Subtitle takes effect 270 days after enactment. (§209) (p.280)	One year after date of enactment. (§506) (p. 199)
118. Rule of construction	Nothing in this Act shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act. (§210) (p. 281)	Nothing in the securities title shall supercede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act. (§507) (p. 199)
BANK INVESTMENT COMPANY ACTIVITIES		
119. Custody of investment company assets by affiliated bank	Authorizes SEC to write rules prescribing conditions under which a bank/affiliate, when either of them are affiliated with an investment company or with a unit investment trust, may serve as a custodian to such entity. Authorizes SEC to bring an action for breach of fiduciary duty against a custodian of an investment company. (§211) (pp.281-283)	No provision.
120. Lending to an affiliated investment company	Makes it unlawful for an affiliated person, promoter, or principal underwriter of an investment company to lend to the company in contravention of SEC rules. (§212) (p. 283)	No provision.

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121. Independent directors	Amends definition of independent director to reflect new affiliations under this bill. (§213) (pp.283-288)	No provision.
122. Additional SEC disclosure authority	Makes it unlawful for any person issuing or selling investment company securities to represent that the US or an agency stands behind the securities or that the securities are an obligation of a bank. Also requires additional disclosure when fund is sold or advised by a bank. (§214) (pp. 288-289)	No provision.
123. Definition of broker under the Investment Company Act of 1940	Conforms definition to Securities Exchange Act of 1934. (§215) (pp.289-290)	No provision.
124. Definition of dealer under the Investment Company Act of 1940	Conforms definition to Securities Exchange Act of 1934 except for purpose of the Investment Company Act, it does not include any insurance company. (§216) (p. 290)	No. provision.
125. Removal of the exclusion from the definition of investment adviser for banks that advise investment companies	Eliminates exemption for banks and bank holding companies from regulation as an investment adviser to the extent they act as an adviser to an investment company. If services performed by a "separately identifiable department" then the department, not the bank, will be deemed to be the investment adviser. (§217) (pp.290-292)	No provision.
126. Definition of broker under the Investment Advisers Act of 1940	Conforms definition to Securities Exchange Act of 1934. (§218) (p. 292)	No provision.
127. Definition of dealer under the Investment Advisers Act of 1940	Conforms definition to Securities Exchange Act of 1934, except for purpose of the Investment Advisers Act, it does not include an insurance company. (§219) (p. 292)	No provision.

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128. Interagency consultation	Authorizes the SEC to receive from a Federal banking agency the results of any examination or other information regarding the investment advisory activities of any bank holding company, bank, or separately identifiable department that is a registered as an investment adviser or that has a subsidiary that is registered. Also authorizes the Federal banking agencies to receive information from the SEC regarding banking organizations that are registered investment advisers. (§220) (pp. 292-294)	No provision.
129. Treatment of bank common trust funds	Amends exemption from Investment Company Act for bank common trust funds to incorporate SEC interpretations. As amended, a bank common trust fund is exempt if the fund is employed by the bank solely as an aid to the administration of trusts, estates, or other fiduciary accounts; interests in the fund are not advertised or offered for sale to the public except in connection with advertising fiduciary services; and fees and expenses charged the fund are consistent with fiduciary principles. (§221) (pp.294-295)	No provision.

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130. Investment advisers prohibited from having controlling interest in registered investment company	Generally requires that if an investment adviser, or an affiliated person of that adviser, hold a controlling interest in an investment company in a trustee or fiduciary capacity, he or she must transfer the power to vote those shares. If the shares are held in a trustee or fiduciary capacity under ERISA, the power to vote must be transferred to another plan fiduciary. In other circumstances, the power to vote must be transferred to the beneficial owners, another fiduciary who is unaffiliated with the adviser, or person authorized to receive statements for the trust who is not affiliated. In the alternative, the shares may be voted by an adviser or an affiliate in the same proportion as the shares held by all other shareholders or may be voted as permitted by the SEC. (§222) (pp. 296-298)	No provision.
131. Statutory disqualification for bank wrongdoing	Extends statutory disqualification from serving as an employee, officer, director, member of an advisory board, investment adviser, or principal underwriter for an open-end company, unit investment trust, face-amount certificate company to a bank in addition to others if convicted of a felony or misdemeanor or has been enjoined because of their conduct with respect to securities activities. (§223) (p. 298)	No provision.

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132. Church plan exclusion	Amends the Investment Company Act of 1940 to permit church plans to have their fiduciaries vote the shares of those plans, rather than having to pass through voting rights to plan beneficiaries, notwithstanding the commingling of church plan assets with certain other assets of church plans. (§226) (pp. 299-300)	No provision.
133. Effective date	Subtitle takes effect 90 days after enactment. (§227) (p. 300)	No provision.

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SECURITIES AND EXCHANGE COMMISSION SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES		
134. Investment bank holding companies	Establishes a supervised investment bank holding company ("IBHC") as an alternative to a financial holding company ("FHC"). An IBHC must register with, and is supervised by, the SEC. This alternative is made available to any company that controls two or more broker-dealers and is not affiliated with a WFI, an insured bank or savings association, or certain foreign banks and companies. An IBHC may affiliate with uninsured trust companies, credit card banks, Edge Act companies, CEBA institutions, and foreign branches of national banks. Outlined are registration, discontinuation, and recordkeeping requirements for IBHCs. The SEC is provided with examination authority and the power to regulate the IBHC's capital if necessary. The SEC is required to defer to the appropriate regulator regarding the interpretation of banking or insurance law with respect to the banking and insurance activities of the IBHC. (§231) (pp. 301-315)	No provision.

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DISCLOSURE OF CUSTOMER COSTS OF ACQUIRING FINANCIAL PRODUCTS		
135. Federal regulation	Requires each Federal financial regulatory authority within one year from the date of enactment of the Act to prescribe rules or revisions to rules to improve the accuracy, simplicity, and completeness, and to make more consistent, the disclosure of information by persons subject to the jurisdiction of such regulatory authority concerning any commissions, fees, or other costs incurred by customers in the acquisition of financial products. The sufficiency and appropriateness of existing laws and rules shall be considered, and appropriate State financial regulatory authorities shall be consulted. Any rule prescribed shall be enforced as a rule prescribed by the regulatory authority pursuant to the statute establishing such regulatory authority's jurisdiction over the person to whom such rule applies. (§241) (pp. 316-317)	No provision.
BANKS AND BANK HOLDING COMPANIES		
136. Required SEC consultation and coordination with Federal banking agencies	The SEC shall consult and coordinate comments with the appropriate Federal banking agency before taking any action or rendering any opinion with respect to the manner in which any insured depository institution or holding company reports loan loss reserves in its financial statements, including the amount of such reserves. (§251) (pp. 317-318)	No provision.

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INSURANCE		
137. State regulation of the business of insurance	Restates McCarran-Ferguson as the law of the land. (§301) (p. 318)	Same. (§104(a)) (p. 22) See also 104(d)(3)(A) (p. 34)
138. Mandatory insurance licensing requirements	Persons engaging in insurance activities must be licensed. (§302) (p. 318)	Similar. Specifies that no person *or entity* shall *provide* insurance in a State as principal or agent, unless appropriately licensed under relevant State law, subject to subsection (c), (d), and (e) of Section 104. (§104(b)) (p. 22)
139. Functional regulation of insurance	Insurance activities of persons, including national banks in places of 5,000, must be functionally regulated. (§303) (p. 319)	Provides that the insurance activity of a person or entity shall be functionally regulated by the State, subject to subsections (c), (d), and (e) of section 104. (§201) (p. 83)
140. Insurance underwriting in national banks	Provides that national banks and their subsidiaries cannot underwrite insurance, except for "authorized insurance products." (§304) (pp. 319-322)	National banks may only provide insurance as principal in accordance with the authorization to control or hold an interest in a financial subsidiary, as added by section 122. However, there is an exception permitting all national banks and their subsidiaries to provide "authorized insurance products" as principal. The definition of "authorized insurance products" does not include restrictions on title insurance activities. (§125) (pp. 78-81)

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141. Title insurance	Allows financial holding company affiliates to underwrite and sell title insurance. (§103) (p. 16) Prohibits national banks or subsidiaries of national banks from underwriting or selling title insurance except for the following: 1) Grandfathers national banks engaging in such activities as of date of enactment, except that underwriting must be done in an affiliate or subsidiary to the extent such a structure is present. 2) Allows national banks to sell title insurance in states where state banks are authorized to sell title insurance. General statutes permitting a state bank to engage in any activity authorized for a national bank shall not qualify as authorizing title insurance sales in that state. Provides that state laws which generally prohibit the sale or underwriting of title insurance by any person are not preempted (only applicable to one State). (§305) (pp. 322-324)	Bank holding company affiliates are permitted to engage in insurance sales and underwriting, including title insurance. (§102) (p. 8) No specific provision. But note the following: National banks can, through an operating subsidiary, underwrite title insurance in certain circumstances, such as in connection with their own loans (an activity currently approved for national bank subsidiaries). National banks, if qualifying to do so under section 122, are permitted to engage in title insurance underwriting through operating subsidiaries. National banks may directly, or through operating subsidiaries, underwrite "authorized insurance products" under section 125 (which may include title insurance). In addition, all national banks and their subsidiaries may sell title insurance (currently permitted). (§§123 & 125) (pp. 78-81)
142. Expedited dispute resolution	Establishes an expedited and equalized judicial review process for disputes between state insurance regulators and Federal regulators concerning the definition of insurance under section 304 and whether state laws governing insurance sales or solicitations are preempted. Provides that the court shall review such disputes "without unequal deference." (§306) (pp. 324-326)	Establishes a similar expedited dispute resolution system, except 1) the expedited review applies to disputes between a State insurance regulator and a Federal regulator on insurance issues and 2) the standard of review is "with equal deference to the Federal regulator and State insurance regulator." (§203) (pp. 94-96)

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143. Consumer protection regulations	Amends the Federal Deposit Insurance Act to require Federal banking agencies to prescribe joint customer protection regulations (after consulting with the state insurance regulators, as appropriate) that apply to retail sales and advertising of any insurance product, by, or on behalf of, an insured depository institution, a wholesale financial institution, or any person engaged in such activities at an office of the institution. Regulators may apply the regulations to subsidiaries to ensure consumer protection. The regulations must require, among other things, the following: (1) a prohibition on coercion; (2) disclosure requirements to inform the consumer that the product is not insured, not guaranteed, may go down in value and is subject to anti-coercion rules; (3) a prohibition on misrepresentation; (4) requirements that insurance transaction activities be physically separated ("to the extent practicable") from areas where retail deposits are routinely accepted; (5) a limit on compensation paid to a person accepting deposits from the public in an area where such transactions are routinely conducted for referring a customer seeking to purchase any insurance product; (6) requirements that insurance sales agents/employees be appropriately qualified and licensed; and (7) a jointly established consumer complaint mechanism for receiving and addressing consumer complaints alleging violations of the regulations. Establishes a preemption standard which directs that any state law that is "inconsistent with" or "contrary" to the Federal consumer protection regulations is not preempted unless the Federal banking agencies jointly determine, with regard to any provision of the Feregulators to	Similar. Disclosures and advertising in connection with initial purchase of an insurance product must include the following: 1) that a loan application will not be expedited or delayed based on whether a customer purchases insurance; 2) that disclosures do not have to be included in ads of a general nature; 3) that disclosures have to be meaningfully made; and 4) that disclosures cannot mislead consumers about anti-tying rules. Requires Federal banking regulators to establish a consumer grievance process. (§304(d)) (pp. 112-113) Allows Federal banking agencies to jointly determine that provisions of their joint regulations provide greater protections as compared to State laws or regulations. Such state laws or regulations will be preempted unless the state adopts legislation, within 3 years, to override Federal preemption. Requires the Federal banking agencies to ensure that their insurance protection rules shall not have the practical effect of discriminating against insurance entities not affiliated with an insured depository institution. (§202) (pp.84-94)

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	Federal consumer protection regulations, that the protection afforded consumers is greater under the Federal regulation than under a comparable provision of state law.	
144. Domestic violence	Except as required or expressly permitted by state law, prohibits using the status of an applicant for insurance or insured, as a victim of domestic violence, as a factor in the underwriting, pricing, renewal, or scope of coverage of insurance policies, or payment of insurance claims with regard to any insurance product which is sold or offered for sale, as principal, agent, or broker by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of such institution or on behalf of such institution. (§307) (pp. 333-335)	No provision.
145. Preemption of State laws for insurance companies and affiliates	Preempts state laws that prevent or significantly interfere with the ability of insurers to affiliate with a bank; limit an insurer's investments in a bank; or prevent or significantly interfere with a mutual converting to a stock form of ownership. (§308) (pp.338-339)	Similar. See discussion at Item #31.
146. Interagency consultation	Allows Federal banking agencies and state insurance regulators to share exam results and other information with each other. (§309) (pp.339-344)	Same, except Senate does not contain prefatory statement of purpose. (§116) (pp. 62-65)
147. Redomestication	Provides that mutual insurers in states which do not have laws allowing reorganization into mutual holding companies can redomesticate with the approval of the state insurance regulator of the new domicile, under certain minimum policyholder protections. Takes effect on date of enactment. (Title III, Subtitle C, §§ 311 – 316) (pp.344-356)	No provision.

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148. National Association of Registered Agents and Brokers (NARAB)	Establishes upon date of enactment NARAB in order to provide uniform licensing on a multistate basis for insurance producers, unless not later than 3 years after enactment, at least a majority of states (1) have enacted uniform laws and regulations governing insurance licensing or (2) have enacted reciprocal licensing laws. If noncompliance with the uniformity or reciprocity requirements occurs, compliance must be achieved within a two-year period. NAIC is to supervise NARAB under certain circumstances. (Title III, Subtitle C, §§321-336) (pp.356-388)	Expresses a sense of Congress that states should within three years provide for a uniform insurance agent and broker licensing system. (§311) (pp. 123-125)
149. Rental car agency insurance activities	Provides for a presumption for three years that no state law imposes a licensing requirement on persons who solicit the purchase of or sell insurance in connection with short-term rental or lease of a motor vehicle (i.e., not to exceed 90 days). (Title III, Subtitle D, §341) (pp. 388-390)	Provides that section 104's requirement that all persons providing insurance be licensed does not apply to persons who offer or provide insurance for the short-term rental or lease of a motor vehicle (i.e., not to exceed 60 days) (so long as the state does not require such licensing of such persons). Takes effect on date of enactment of this Act and sunsets 5 years after that date. (§104(h)) (pp. 39-40)

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150. Confidentiality of health and medical information	Requires insurance companies and their affiliates to "maintain a practice of protecting the confidentiality of individually identifiable customer health and medical and genetic information." Such companies may disclose such information only with the consent of the customer or for statutorily specified purposes, such as for "insurance underwriting," "participating in research projects," "preventing fraud," "risk control," and "reporting to consumer reporting agencies," among others. (Terms not defined in section). Silent on use or disclosure by third parties and affiliates that receive customer health and medical information pursuant to the statutorily specified purposes. Silent on the preemption of state laws. The provision is effective on February 2, 2000. Also, this provision shall not take effect or shall cease to be effective when and if legislation is enacted that satisfies the requirements of the Health Insurance Portability and Accountability Act. (Title III, subtitle D, §351) (pp. 390-392)	No provision.

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UNITARY SAVINGS AND LOAN HOLDING COMPANIES		
151. Prohibitions on new unitary savings and loan holding companies	Prohibits new unitary thrift holding companies after the grandfather date of March 4, 1999, from engaging in nonfinancial activities or from affiliating with a nonfinancial entity. Allows a nonfinancial company to purchase a grandfathered unitary thrift holding company upon approval of an application filed with the OTS and approval or no objection to a notice filed with the Federal Reserve Board. (§401(a)) (pp. 393-396)	Similar termination of de novo unitary authority, except grandfather date is May 4, 1999. Would prevent the creation of new savings and loan holding companies with commercial (nonfinancial) affiliates. As a result, companies that acquire a grandfathered unitary thrift holding company may not continue or originate new nonfinancial activities or affiliations that are authorized under existing law. (§601) (pp. 199-203)
152. Multiple savings and loan holding companies	No provision.	Allows multiple savings and loan holding companies to engage in financial activities authorized under the Act. (§103) (pp. 21-22)
153. Mutual savings and loan holding companies	Allows a mutual holding company to do what a multiple stock holding company can do today, and allows unitary mutual savings and loan holding companies to engage in the new financial activities authorized under the Act. (§401(c)) (p. 396)	Allows mutual savings and loan holding companies to engage in new financial activities authorized under the Act. (§601(b)) (p. 203)

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154. Optional conversion of Federal savings association	No provision.	Allows a Federal savings association chartered prior to the date of enactment to convert into one or more National banks, subject to the approval of the Comptroller, each of which may encompass one or more of the branches of the Federal savings association in one or more states. (§602) (pp. 203-204)
PRIVACY		
155. Additional authority to regulate privacy	Grants the OCC, the Federal Reserve Board, and the FDIC authority to issue regulations "to enhance the privacy of customers" of the depository institutions they oversee and any subsidiaries of such institutions. (§114) (pp. 93-100)	No provision.
156. Protection of nonpublic personal information	Directs Federal functional regulators and state insurance authorities to establish standards for ensuring the security and confidentiality of customers' nonpublic personal information maintained by financial institutions. (§ 501) (p. 398)	No provision.

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157. Obligations with respect to disclosures of personal information	Generally requires notice to consumers of the right to direct their financial institution not to share nonpublic personal information with an unaffiliated third party, and prohibits disclosure by a financial institution of customer account numbers or access codes to an unaffiliated third party for marketing purposes. Requires that a non-affiliated third party may not redisclose the information to other unaffiliated third parties unless such disclosure would be unlawful if made directly by the financial institution. Provides that these prohibitions on disclosure to non-affiliated third parties do not apply under various exceptions. Such exceptions include disclosures in connection with a proposed or actual securitization; for resolving customer disputes or inquiries; or to persons holding a beneficial interest relating to the consumer; or to comply with a "properly authorized" civil, criminal, or regulatory investigation or subpoena by Federal, state, or local authorities. (§ 502) (pp. 399-403)	No provision.
158. Disclosure of institution privacy policy	Mandates on an annual basis, clear and conspicuous disclosure to consumers of a financial institution's policies and practices regarding the disclosure of nonpublic personal information to nonaffiliated third parties, and any disclosures of non-transactional or experience information to affiliates as required by the Fair Credit Reporting Act. (§ 503) (pp. 404-405)	No provision.

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159. Rulemaking	Requires the Federal banking agencies, NCUA, Treasury and SEC (after consultation with the FTC and representatives of state insurance authorities designated by the NAIC) to "jointly prescribe" regulations to carry out the purposes of these privacy provisions. Such regulations may include exceptions that are deemed consistent with the purposes of these privacy provisions and must be issued in final form within 6 months of enactment. (§ 504) (pp. 405-406)	No provision.
160. Enforcement	Mandates enforcement of subtitle's provisions by the Federal functional regulators, State insurance authorities, and the Federal Trade Commission, according to their respective jurisdictions. (§ 505) (pp. 406-409)	No provision.
161. Fair Credit Reporting Act amendment	Authorizes Federal regulators to examine financial institutions for violations of the Fair Credit Reporting Act in the absence of a specific complaint. Requires Federal banking agencies to prescribe regulations implementing the Fair Credit Reporting Act. Eliminates the prohibition on the Federal Trade Commission prescribing regulations relating to the Fair Credit Reporting Act. (§ 506) (p. 410)	No provision.
162. Relation to other provisions	Clarifies that subtitle's provisions do not apply to health and medical information covered by Title III. (§ 507) (p. 410)	No provision.

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163. Study of information sharing among financial affiliates	Directs Treasury, in conjunction with Federal functional regulators and the FTC, to conduct a study of information-sharing practices among financial institutions and their affiliates, and report findings to Congress within six months of enactment of the legislation. (§508) (pp. 411-412)	No provision.
164. Definitions	Defines relevant terms, including "financial institution," "nonpublic personal information," "nonaffiliated third parties," "consumer," and "state insurance authority." (§509) (pp. 412-417)	No provision.

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165. Effective date	Provides for an effective date of six months after the rules required by section 503 are promulgated (however, the rules are required under section 504 as opposed to section 503), unless a later date is specified by such rules. Provides that section 506 is effective upon enactment. (§510) (p. 418)	No provision.

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FRAUDULENT ACCESS TO FINANCIAL INFORMATION		
166. "Pre-text" calling	Subtitle B, Title V. (p. 418)	Creates the "Financial Information Anti-Fraud Act of 1999." (§304(a); *§1001*) (p. 100)
167. Privacy protection for customer information of financial institutions	Prohibits the obtaining of customer information from a financial institution or its customer by false pretenses. (§521) (pp. 418-421)	Similar. Requires a "knowingly" standard for determining whether a false statement is a violation. Does not include special exceptions for "Insurance Institution" fraud investigations, and collection of child support judgements. (§304(a);*§1003)* (pp. 99-113)

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168. Administrative enforcement	Authorizes the Federal Trade Commission to enforce the provisions of the subtitle, and to notify the appropriate Federal or State regulatory agency whenever it initiates an investigation of an entity subject to that agency's jurisdiction. (§522) (pp. 421-422)	Assigns administrative enforcement authority to the Federal Trade Commission and the Federal banking agencies according to their respective jurisdictions. (§304(a);*§1004*) (pp. 104-109)
State action for violations	No provision.	Provides that states may bring actions to enjoin violations of this title, bring actions on behalf of the residents of the state to recover damages of not more than $1,000 for each violation, and may be awarded costs and reasonable attorney fees as determined by the courts. States generally are required to provide prior written notice of any such action to the FTC or the applicable financial regulators. The FTC or the applicable financial regulators have the right to intervene and remove the action to the appropriate US District Court. If the FTC or other applicable financial regulators have instituted a civil action for a violation, no state may bring an action under this section against any defendant listed in the complaint. State remedies and investigative powers provided for under applicable state law are unaffected by this provision. (pp. 107-109)
169. Civil liability	No provision.	Provides that any person which is not a financial institution may be held civilly liable for violating this title by a financial institution or a customer whose financial information was obtained unlawfully. (§304(a);*§1005*) (pp. 109-110)

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170. Criminal penalty	Imposes criminal penalties for violations of the subtitle, including up to five years in prison and up to $250,000 in fines for individuals and $500,000 in fines for corporations, with penalties doubled for aggravated offenses. (§523) (pp. 422-423)	Same. (§304(a);§*1006*) (p. 110)
171. Relation to State laws	Provides that the subtitle does not supersede any State laws or regulations, except to the extent that those laws or regulations are inconsistent with the provisions of the subtitle, and then only to the extent of the inconsistency. (§524) (p. 423)	Same. (§304(a);§*1007*) (pp. 110-111)
172. Agency guidance	Directs the Federal banking agencies and the SEC to review regulations and guidelines applicable to financial institutions under their respective jurisdictions and prescribe any revisions necessary to ensure that such financial institutions have policies, procedures, and controls in place to prevent the unauthorized disclosure of customer financial information and deter and detect activities proscribed by the subtitle. (§525) (pp. 423-424)	Directs the Federal banking agencies to issue advisories to financial institutions under their respective jurisdictions to assist them in detecting and deterring activities proscribed by this title. (§304(a);§*1008*) (pp. 111-113)

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173. Reports	Directs the General Accounting Office, in consultation with the FTC, SEC, Federal banking agencies, and appropriate law enforcement agencies and state insurance regulators, to report to Congress on the adequacy of this legislation in addressing attempts to obtain financial information by false pretenses, and recommend any additional legislation or regulations necessary to address threats to financial privacy; directs FTC and the Attorney General to report to Congress on the number and disposition of enforcement actions taken pursuant to the subtitle. (§526) (pp. 424-425)	Directs GAO, in consultation with FTC, Federal banking agencies, and appropriate Federal law enforcement agencies, to report to Congress on the adequacy of this legislation in addressing attempts to obtain financial information by false pretenses and on any recommendations for additional legislation or regulations necessary to address threats to financial privacy; directs the FTC to submit to Congress interim reports on its multistage study of consumer privacy issues at the conclusion of each stage of the study; directs the Federal banking agencies to establish a mechanism for receiving and expeditiously addressing consumer complaints regarding sales of insurance products by insured depository institutions (§ 304(b) and (c)) (pp. 111-112)
174. Definitions	Defines relevant terms. (§ 527) (pp. 425-427)	Defines relevant terms. (§304(a), *§1002*) (pp. 100-102