

**HOUSE COUNTER OFFER TO SENATE COUNTER
OFFER TO HOUSE OFFER TO TITLE VI**

**[Page and Line numbers refer to the Base Text of the
Conference Report]**

In lieu of the amendments proposed by the Senate, include the following amendment in the appropriate place in the House Offer:

Page 551, strike line 11 and all that follows through line 23 and insert the following new section:

1 **SEC. 611 CONSISTENT TREATMENT OF DERIVATIVE TRANS-**
2 **ACTIONS IN LENDING LIMITS.**

3 (a) IN GENERAL.—Section 18 of the Federal Deposit
4 Insurance Act (12 U.S.C. 1828) is amended by adding at
5 the end the following new subsection:

6 “(y) STATE LENDING LIMIT TREATMENT OF DERIV-
7 ATIVE TRANSACTIONS.—An insured State bank may en-
8 gage in a derivative transaction, as defined in section
9 5200(b)(3) of the Revised Statutes of the United States
10 (12 U.S.C. 84(b)(3)), only if the law with respect to lend-
11 ing limits of the State in which the insured State bank
12 is chartered takes into consideration credit exposure to de-
13 rivative transactions.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall take effect 18 months after the transfer
3 date.



Insert House Rider

3
Page 520, line 4, strike "The" and insert "Subject to subtitle B of the Consumer Financial Protection Act of 2010, the".

Page 521, strike lines 3 through 6 and insert the following:

- 1 (ii) monitor the compliance of the
- 2 bank holding company and the subsidiary
- 3 with—
- 4 (I) this Act;
- 5 (II) Federal laws that the Board
- 6 has specific jurisdiction to enforce
- 7 against the company or subsidiary;
- 8 and
- 9 (III) other than in the case of an
- 10 insured depository institution or func-
- 11 tionally regulated subsidiary, any
- 12 other applicable provisions of Federal
- 13 law.

Page 521, line 22, after "banking agency" insert ", the Securities Exchange Commission, the Commodity Futures Trading Commission,".

Page 522, strike lines 11 through 13, and insert the following:

Rider A

House Rider 1 to Title VI counter to Senate counter offer

On page 518, after line 23, insert the following new paragraph and redesignate the following paragraphs.

“(1) by striking subclause (A)(ii) and inserting the following:

“(ii) compliance by the bank holding company and the subsidiary with –

“(I) this Act;

“(II) Federal laws that the Board has specific jurisdiction to enforce against the company or subsidiary; and

“(III) other than in the case of an insured depository institution or functionally regulated subsidiary, any other applicable provisions of Federal law.

House adds (non)

1 against the nondepository institution subsidiary or
 2 provide a plan for supervisory or enforcement action
 3 that is acceptable to the appropriate Federal bank-
 4 ing agency that made the recommendation pursuant
 5 to paragraph (1), such agency may take the rec-
 6 ommended enforcement action, *against the depository institution subsidiary* in the same manner
 7 as if the nondepository institution subsidiary were
 8 an insured depository institution for which the agen-
 9 cy was the appropriate Federal banking agency.

10 "(f) COORDINATION AMONG APPROPRIATE FEDERAL
 11 BANKING AGENCIES.—Each Federal banking agency,
 12 prior to or when exercising authority under subsection (d)
 13 or (e) shall—

14 "(1) coordinate the examination of depository
 15 institution holding companies and insured depository
 16 institutions with the appropriate Federal banking
 17 agency of such companies or institutions;

18 "(2) provide reasonable notice to, and consult
 19 with, the appropriate Federal banking agency or
 20 State regulatory agency of a depository institution
 21 holding company or any subsidiary of such company
 22 *described in (b)* before commencing any examination of the company
 23 or subsidiary ~~under any provision of Federal law;~~

24 "(3) to the fullest extent possible—

House replaces with (d)

House
Changes

Rider E

(4) in the case of a final enforcement action by a State Attorney General, approval of the conversion is conditioned on compliance by the insured depository institution with the terms of such final action.

(e) Notification of pending enforcement actions.—~~Prior to a conversion of any type referenced in the amendments made by subsections (a), (b) and (c),~~ the appropriate Federal banking agency for the insured depository institution proposing the conversion shall—

insert
house
rider
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"(1) notify the Federal banking agency that would be the appropriate Federal banking agency for the institution after the proposed conversion in writing of any ongoing supervisory or investigative proceedings that the ~~appropriate Federal banking agency for the institution~~ proposing to convert believes ~~may~~ result, in the near term and absent the proposed conversion, in a cease and desist order (or other formal enforcement order) or memorandum of understanding with respect to a significant supervisory matter; and

is
likely
to

"(2) provide the Federal banking agency that would be the appropriate Federal banking agency for the institution after the proposed conversion access to all investigative and supervisory information relating to the proceedings described in paragraph (1).

House Rider 2 to Title VI counter to Senate counter offer

“—

(1) At the time that it files a conversion application, the insured depository institution must send a copy of the conversion application both to the appropriate Federal banking agency that is the current regulator of the institution and the appropriate Federal banking agency that would be the regulator of the institution after conversion; and

(2) Upon receipt of a copy of the application referenced in paragraph (1),”

**AMENDMENT TO THE HOUSE PROPOSAL TO TITLE
VI
OFFERED BY MRS. BIGGERT OF ILLINOIS AND
MR. ISSA OF CALIFORNIA**

At the appropriate place in the proposal, insert the following new instruction:

Add at the end of title VI the following new section:

1 **SEC. 627. INVESTIGATION AND REPORT ON POLITICAL IN-**
2 **FLUENCE RELATED TO PRIVATE SECTOR AS-**
3 **SISTANCE FOR FAILING FINANCIAL INSTITU-**
4 **TIONS.**

5 (a) INVESTIGATION.—The Inspector General of the
6 Federal Deposit Insurance Corporation (in this section re-
7 ferred to as the “Inspector General”) shall, upon receipt
8 of a written allegation, investigate the influence of political
9 pressure asserted by any Executive Branch employee or
10 appointee (other than any appropriate Federal banking
11 agency employee or appointee) related to assistance pro-
12 vided by private sector institutions or individuals to pre-
13 vent the failure of a financial institution. All investigations
14 conducted under this section shall be conducted in regard

1 to private sector assistance provided to financial institu-
2 tions that—

3 (1) have received an order from the Federal
4 Deposit Insurance Corporation to cease and desist
5 unsafe and unsound banking practices on or after
6 January 1, 2009; and

7 (2) are community development financial insti-
8 tutions that have received funds from the Commu-
9 nity Development Financial Institutions Fund dur-
10 ing at least one of fiscal years 2008 or 2009.

11 (b) REPORT TO CONGRESS.—The Inspector General
12 shall submit a report to the Congress on the results of
13 the investigation required under subsection (a) no later
14 than October 1, 2010.



**FINANCIAL REFORM CONFERENCE:
SENATE COUNTEROFFER FOR TITLE VI**

[Page and line numbers refer to Conference Base Text]

1 Strike section 619 and insert the following:

2 **SEC. 619. PROHIBITIONS ON PROPRIETARY TRADING AND**
3 **CERTAIN RELATIONSHIPS WITH HEDGE**
4 **FUNDS AND PRIVATE EQUITY FUNDS.**

5 The Bank Holding Company Act of 1956 (12 U.S.C.
6 1841 et seq.) is amended by adding at the end the fol-
7 lowing:

8 **"SEC. 13. PROHIBITIONS ON PROPRIETARY TRADING AND**
9 **CERTAIN RELATIONSHIPS WITH HEDGE**
10 **FUNDS AND PRIVATE EQUITY FUNDS.**

11 **"(a) IN GENERAL.—**

12 **"(1) PROHIBITION.—**Unless otherwise provided
13 in this section, a banking entity shall not—

14 **"(A) engage in proprietary trading; or**

15 **"(B) acquire or retain any equity, partner-**

16 ship, or other ownership interest in or sponsor
17 a hedge fund or a private equity fund.

18 **"(2) NONBANK FINANCIAL COMPANIES SUPER-**
19 **VISIONED BY THE BOARD.—**Any nonbank financial com-
20 pany supervised by the Board that engages in pro-

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pany is affiliated and of the United States financial system; and

“(G) appropriately time the divestiture of illiquid assets that are affected by the implementation of the prohibitions under subsection

(a) and (H) Assume that the interests of consumers are not adversely impacted

“(A) IN GENERAL.—Unless otherwise provided in this section, not later than 9 months after the completion of the study under paragraph (1), the appropriate Federal banking agencies, the Securities and Exchange Commission, and the Commodity Futures Trading Commission, shall consider the findings of the study under paragraph (1) and adopt rules to carry out this section, as provided in subparagraph (B).

“(B) COORDINATED RULEMAKING.—

“(i) REGULATORY AUTHORITY.—The regulations issued under this paragraph shall be issued by—

“(I) the appropriate Federal banking agencies, jointly, with respect to insured depository institutions;

§ 619

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defined in section 2 of the Restoring American Financial Stability Act of 2010.

“(ii) COORDINATION, CONSISTENCY, AND COMPARABILITY.—In developing and issuing regulations pursuant to this section, the ~~appropriate Federal banking agencies, the Securities and Exchange Commission, and the Commodity Futures Trading Commission~~ ^{members of the Council} shall consult and coordinate with each other, as appropriate, for the purposes of assuring, to the extent possible, that such regulations are comparable and provide for consistent application and implementation of the applicable provisions of this section to avoid providing advantages or imposing disadvantages to the companies affected by this subsection, and to protect the safety and soundness of banking entities and nonbank financial

companies supervised by the Board ^{and assure that the interests of consumers are not adversely affected thereby}
“(iii) COUNCIL ROLE.—The Chairperson of the Financial Stability Oversight Council shall be responsible for coordina-