

6/24/10  
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**\*\* House Counter to Senate Counter Offer \*\***

**Title: Title VI**

**Matter: Improvements to Regulation of Bank and Savings Association Holding Companies and Depository Institutions**

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The Senate accepted the following House proposals for amendments to the Base text:

1. **Amend Senate Provision** regarding moratorium on applications for credit card banks, industrial loan companies, and certain other depository institutions to allow for limited investments in the parent company. (Senate bill, § 603, page 514, after line 4).

**Agreed to**

2. **Amend Senate Provision** on banking agency authority over holding company subsidiaries to require the Federal Reserve to examine nonbank subsidiaries that engage in bank-permissible activities. With modifications. (Senate bill § 605, page 530).

**House accepts with modifications.**

3. **Amend Senate Provision** on requirements for bank holding companies to remain well capitalized and well managed to engage in expanded activities so that it applies to savings & loan holding companies as well. (Senate bill § 606, page 538, after line 24).

**Agreed to**

4. **Amend Senate Provision** restricting charter conversions of banks and savings associations subject to an enforcement order, to allow for charter conversions not opposed by both the old and new federal banking agency. With modifications. (Senate bill § 612, pages 552-553).

**House accepts with modifications.**

5. **Strike Senate Provision** applying national bank lending to state-chartered banks. Proposed alternative. (Senate bill § 611, Page 551, lines 11-23).

**House rejects the Senate's proposed alternative and counters with its own proposed alternative.**

6. **Amend Senate Provision** on regulations regarding capital levels at holding companies to incorporate House provision on countercyclical capital. With modifications. (Senate bill § 616, page 557, lines 1-14; House bill § 1255).

**House accepts.**

7. **Amend House Provision** on treatment of dividends by certain mutual holding companies to clarify universe of applicable companies who have relied on OTS rules in this regard. (Base text § 623, pages 595-598; House bill § 1219).

**Agreed to**

8. **Add Portions of House Provision** requiring use of intermediate holding companies by commercial firms that control grandfathered unitary thrift holding companies. With modifications. (House bill § 1103).

**House accepts.**

9. **Add House provision** on repeal of prohibition of banks paying interest on demand deposits. (House bill § 11001).

**Agreed to.**

10. **Add House Provision** permitting credit card banks to issue credit cards to small businesses. (House bill §1301(a)(4)(B)).

**Agreed to.**

The Senate did not accept the following House proposals for amendments to the Base text:

1. **Amend Senate Provision** regarding functionally regulated subsidiaries to delete insurance companies from the definition because there is no federal regulation of insurance companies, and other technical and conforming changes to the section on holding company reports and the definition of functionally regulated subsidiary. (Senate bill § 604, page 521, line 4 – page 529, line 20).

**House recedes**

2. **Amend Senate Provision** on securities holding companies to better reflect House position by limiting eligibility to register as a securities holding company. (Senate bill, §618, page 559, line 16 – 570, line 2; House bill, § 1961, pages 533 – 541).

**House recedes**

3. **Amend Senate Provision** on concentration limits on large financial firms to amend the definition of financial company to more closely conform to other portions of the bill. (Senate bill § 620, page 583, lines 11-23).

**House recedes.**

#### **Additional items**

**The Senate proposes the following amendment to the Base text:**

An amendment to Section 619, which strengthens limits placed on proprietary trading by banks and bank holding companies, reduces the likelihood of conflicts of interest on the part of underwriters and sponsors of asset-backed securities, and provides other improvements to the section.

**House Accepts with modifications.**

**The Senate rejects the Biggert/Issa Amendment**

**The House proposes an alternative**

The House also offers the attached technical and conforming amendments to the Title VI base text or Senate counteroffer.