

**** House Offer ****

Title: Title II
Matter: Orderly Liquidation Authority

The House proposes to accept Title II of the Base Text with the following amendments:

1. **Strike Senate provision** containing the definition of “financial company” and related text **and replace with House provision** (replace Senate bill § 201(a)(11), Page 130, line 19 – Page 132, line 8, with House bill § 1602(9), Page 328, line 7 – Page 330, line 3, and strike Senate bill §§ 201(a)(14)-(15), Page 132, line 21 – Page 133, line 3, and 201(b), Page 133, lines 6-20)).
2. **Amend Senate provision** regarding invoking the Orderly Liquidation Authority to provide for involvement of the relevant state insurance commissioner in connection with a decision to liquidate an insurance company, and to clarify that assets of the insurance company are used for the protection of policy holders (Senate bill § 203(a), Page 150 after line 10 and § 203(e), Page 159, line 15 – Page 160, line 2).
3. **Strike Senate provisions** regarding an ex post funding mechanism for orderly liquidations (except for the provision requiring an orderly liquidation plan to be in place prior to use of the fund, which plan must seek to mitigate potential adverse impacts on low-income, minority, or underserved communities, which is relocated) and replace with House provisions that provide for an ex ante funding mechanism (replace Senate bill § 210(n)-(o), Page 307, line 1 - Page 320, line 21, with House bill § 210(n)-(s), Page 460, line 3 – Page 488, line 2, and relocate Senate bill § 210(n)(9), Page 312, line 17 – Page 313, line 11).
4. **Add House provision** that requires the FDIC to establish a separate subcorporation to handle orderly liquidations under title II (House bill, § 1613, Page 498, line 14 – Page 501, line 6.)
5. **Add provision** that requires the FDIC to study the impact of secured creditor haircuts (new text offered in lieu of House bill § 1609(a)(4)(D)(iv).)