AMENDMENT NO. ________  Calendar No. ________

Purpose: To improve the bill.

IN THE SENATE OF THE UNITED STATES—111th Cong., 2d Sess.

S. ________

To promote the financial stability of the United States by improving accountability and transparency in the financial system, to end “too big to fail”, to protect the American taxpayer by ending bailouts, to protect consumers from abusive financial services practices, and for other purposes.

Referred to the Committee on ________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. DODD

Viz:

1 On page 4, strike the item relating to section 407

2 and insert the following:

Sec. 407. Exemption of venture capital fund advisors.

3 On page 8, before the item relating to subtitle G insert the following:

Subtitle E—Accountability and Executive Compensation

Sec. 951. Shareholder vote on executive compensation disclosures.

Sec. 952. Compensation committee independence.

Sec. 953. Executive compensation disclosures.
Sec. 954. Recovery of erroneously awarded compensation.
Sec. 955. Disclosure regarding employee and director hedging.
Sec. 956. Excessive compensation by holding companies of depository institutions.

Subtitle F—Improvements to the Management of the Securities and Exchange Commission

Sec. 961. Report and certification of internal supervisory controls.
Sec. 962. Triennial report on personnel management.
Sec. 963. Annual financial controls audit.
Sec. 964. Report on oversight of national securities associations.
Sec. 965. Compliance examiners.
Sec. 966. Suggestion program for employees of the commission.

1 On page 9, after the item relating to section 1034,
2 insert the following:

Sec. 1035 Effective date.

3 On page 10, strike the item following the item relating to section 1098 and insert the following:

Sec. 1099. Amendments to the Truth in Lending Act.

4 On page 10, strike the item following the item relating to section 1152 and all that follows through the end
5 of page 10 and insert the following:

Sec. 1153. Public access to information.
Sec. 1154. Liquidity event determination.
Sec. 1155. Emergency financial stabilization.
Sec. 1156. Additional related amendments.
Sec. 1157. Federal Reserve Act amendments on Federal reserve bank governance.
Sec. 1158. Amendments to the Federal Reserve Act relating to supervision and regulation policy.

8 On page 11, line 12, strike “(q)” and insert “(q)”).
On page 13, line 3, strike “3(q )” and insert “3(q)”.

On page 13, line 18, insert “and” after “activities;”.

On page 13, strike lines 19 through 21.

On page 13, line 22, strike “(v)” and insert “(iv)”.

On page 14, line 9, strike “and” at the end.

On page 14, line 16, strike the period at the end and insert “; and”.

On page 14, between lines 16 and 17, insert the following:

“(E) the Federal Housing Finance Agency, with respect to Federal Home Loan Banks or the Federal Home Loan Bank System, and with respect to the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.”.

On page 15, line 6, strike “80b-2” and insert “80b–2”.
On page 18, lines 12 and 13, strike “United States, as” and insert “United States as,”.

On page 19, between lines 13 and 14, insert the following:

“(D) **Nonbank financial company supervised by the Board of Governors.**—The term ‘nonbank financial company supervised by the Board of Governors’ means a nonbank financial company that the Council has determined shall be supervised by the Board of Governors under section 113.”.

On page 27, between lines 14 and 15, insert the following:

(K) make determinations regarding exemptions in Title VII, where necessary;

On page 27, line 15, strike “(K)” and insert “(L)”.

On page, 27, line 22, strike “(L)” and insert “(M)”.

On page 31, line 17, insert “the” before “members”.

On page 33, line 11, insert “the” before “members”.
On page 35, line 10, insert “the” before “members”.

On page 37, line 7, insert “the” before “members”.

On page 67, line 4, insert “the” before “Research”.

On page 41, line 18, strike “risk management” and insert “risk-management”.

On page 47, line 4, strike “risk management” and insert “risk-management”.

On page 51, line 2, strike “hold” and insert “holds”.

On page 54, strike lines 5 through 7, and insert the following:

(1) NOTICE AND OPPORTUNITY FOR COMMENT.—The Council shall con-

On page 56, line 10, strike “implementation or failure to implement” and insert “implementation, or failure to implement”.
On page 57, lines 6 and 7, strike “this title should remain in effect” and insert “this section should remain in effect. Each primary financial regulatory agency that has imposed standards under this section shall promulgate regulations to establish a procedure under which entities under its jurisdiction may appeal a determination by such agency under this paragraph that standards imposed under this section should remain in effect.”

On page 57, line 24, insert “to” before “sell”.

On page 61, line 5, strike “DUTIES” and insert “DUTIES,”.

On page 61, line 8, strike “exercise” and insert “exercises”.

On page 62, line 3, strike the second comma.

On page 68, line 5, strike “that”.

On page 88, line 22, strike “risk management” and insert “risk-management”.
On page 93, line 6, strike “time frame” and insert “time-frame”.

On page 96, line 2, strike “agreement” and insert “agreements”.

On page 99, lines 13 and 14, strike “risk management” and insert “risk-management”.

On page 99, line 18, strike “risk management” and insert “risk-management”.

On page 108, line 10, strike “(12)” and insert “(11)”. 

On page 110, lines 5 and 6, strike “under this title”.

On page 111, between lines 6 and 7, insert the following:

“(14) NONBANK FINANCIAL COMPANY.—The term ‘nonbank financial company’ has the same meaning as in section 102(a)(3)(C).

“(15) NONBANK FINANCIAL COMPANY SUPERVISED BY THE BOARD OF GOVERNORS.—The term ‘nonbank financial company supervised by the Board
of Governors’ has the same meaning as in section 102(a)(3)(D).”.

3 On page 111, line 7, strike “(14)” and insert “(16)”.

4 On page 111, line 7, strike “Panel’means” and insert “‘Panel’ means”.

5 On page 111, line 10, strike “(15)” and insert “(17)”.

6 On page 111, line 23, strike “Each” and insert “The”.

7 On page 112, line 6, strike “A”.

8 On page 113, lines 16 and 17, strike “the determination of the Secretary that”.

9 On page 114, line 8, strike“(3)” and insert“(2)”.

10 On page 115, line 2, strike “JURISDICTION” and insert “IN GENERAL”.
On page 115, line 13, strike “JURISDICTION” and insert “EXCEPTIONS”.

On page 115, line 16, strike “company,” and insert “company”.

On page 117, line 3, strike “graph,” and insert “graph”.

On page 120, line 11, strike “separate,” and insert “separate”.

On page 122, line 10, strike “two-thirds” and insert “\( \frac{2}{3} \)”.

On page 122, line 14, strike “covered a” and insert “covered”.

On page 124, line 5, strike “in subsection” and insert “subsection”.

On page 124, line 16, strike “counterparties” and insert “counterparties,”.
On page 124, lines 19 and 20, strike “or assistance”.

On page 125, line 7, strike “regulator” and insert “regulatory”.

On page 129, line 7, strike “GAO” and insert “GAO”.

On page 129, line 21, strike “counterparties” and insert “counterparties,“.

On page 131, lines 6 and 7, strike “Federal”.

On page 133, line 2, strike “(K)” and insert “(L)”.

On page 135, line 1, strike “et.” and insert “et”.

On page 136, line 3, strike “contrary,” and insert “contrary”.

On page 140, line 13, strike “claim” and insert “claims”.

On page 146, line 3, strike “dealer” and insert “dealer,”.
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On page 149, line 20, strike “NON-INSOLVENCY” and insert “NONINSOLVENCY”.

On page 150, line 23, insert “or” after “(i)”.

On page 152, lines 11 and 12, strike “claim provision” and insert “claims provisions”.

On page 170, line 18, strike “groups” and insert “group”.

On page 175, line 24, strike “(B)” and insert “(B),”.

On page 189, line 3, strike “subsection (o)(1)(E)(i)” and insert “subsection (o)(1)(E)(ii)”.

On page 225, line 12, strike “(8)(F)” and insert“(8)(F)(i)”.

On page 225, line 17, strike “(8)(F)” and insert“(8)(F)(ii)”.

On page 225, line 18, strike “defaults on” and insert “fails to satisfy”.
On page 241, line 15, strike “(o)(4)” and insert “(o)(1)(E)(ii)’’.

On page 241, lines 15 and 16, strike “as receiver for a covered financial company and”.

On page 255, line 7, insert “, subject to subsection (o)(1)(E)(ii)” after “payments”.

On page 255, line 17, insert “or” after “company;”.

On page 255, line 21, strike “or” and insert “and”.

On page 255, strike lines 22 through 24.

On page 281, line 12, insert “, taking into account the considerations set forth in paragraph (4),” after “shall”.

On page 281, lines 20 and 22, strike “, taking into account the considerations set forth in paragraph (4)”.

On page 281, line 24, strike “, taking into” and all that follows through “paragraph (4),” on page 282, line 1.

On page 282, line 3, strike “(b)(4) or (d)(4)” and insert “(b)(4), (d)(4), or (h)(5)(E)”.

On page 293, line 2, insert “Chairman of the” before “Board”.

On page 293, line 2, insert “Chairperson of the” before “Corporation”.

On page 296, line 13, insert “and the Director of the Office of Thrift Supervision” after “Supervision”.

On page 297, line 25, strike “paragraph (1)” and insert “subparagraph (A)”.

On page 298, strike lines 1 through 8, and insert “transferred to the Comptroller of the Currency all functions of the Office of”.
On page 298, line 13, strike “and subparagraph (B)(i),”.

On page 298, between lines 17 and 18, insert the following:

“(D) COMPTROLLER OF THE CURRENCY AND THE CORPORATION.—All rulemaking authority (including the authority to issue orders) of the Office of Thrift Supervision and the Director of the Office of Thrift Supervision relating to savings associations is transferred to, and shall be exercised jointly by, the Comptroller of the Currency and the Corporation.”.

On page 313, line 11, insert “Office of the” before “Comptroller”.

On page 315, line 16, strike “, by” and insert “by,”.

On page 321, line 13, insert “Office of the” before “Comptroller”.

On page 324, line 21, strike “Comptroller” and insert “Office of the Comptroller of the Currency”.
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On page 326, line 18, insert “Office of the” before “Comptroller”.

On page 329, between lines 12 and 13, insert the following:

(c) CORPORATION EXAMINATION FEES.—Section 10(e) of the Federal Deposit Insurance Act (12 U.S.C. 1820(e)) is amended by striking paragraph (1) and inserting the following:

“(1) REGULAR AND SPECIAL EXAMINATIONS OF DEPOSITORY INSTITUTIONS.—The cost of conducting any regular examination or special examination of any depository institution under subsection (b)(2), (b)(3), or (d) or of any entity described in section 3(q)(2) may be assessed by the Corporation against the institution or entity to meet the expenses of the Corporation in carrying out such examinations, or as the Corporation determines is necessary or appropriate to carry out the responsibilities of the Corporation. The Corporation also may collect an assessment, fee, or other charge from any entity, the activities of which are supervised by the Corporation under section 6 of the Bank Holding Company Act of 1956, as the Corporation determines is necessary
or appropriate to carry out the responsibilities of the Corporation in connection with such activities.”.

On page 329, line 13, strike “(c)” and insert “(d)”.

On page 332, line 2, insert “Office of the” before “Comptroller”.

On page 332, line 9, insert “Office of the” before “Comptroller”.

On page 332, line 19, insert “Office of the” before “Comptroller”.

On page 347, line 13, insert “Office of the” before “Comptroller”.

On page 347, line 21, insert “Office of the” before “Comptroller”.

On page 348, line 20, insert “Office of the” before “Comptroller”.
On page 349, line 20, insert “Office of the” before “Comptroller”.

On page 350, line 2, insert “Office of the” before “Comptroller”.

On page 350, line 5, insert “Office of the” before “Comptroller”.

On page 351, line 8, insert “Office of the” before “Comptroller”.

On page 351, line 22, insert “Office of the” before “Comptroller”.

On page 353, strike lines 14 through 19, and insert the following:

“(j) INCORPORATION INTO AGENCY PAY SYSTEM.—Not later than 2 years after the transfer date, the Comptroller of the Currency and the Chairperson of the Corporation shall place each transferred employee into the established pay system and structure of the appropriate employing agency.”.
On page 353, line 25, strike “transferred employee” and insert “employee of the Office of the Comptroller of the Currency or the Corporation”.

On page 366, line 12, insert “, in total,” after “has”.

On page 366, line 14, insert “aggregate” after “has”.

On page 366, lines 15 and 16, strike “who are domiciled or residents of the United States” and insert “in the United States and investors in the United States in private funds advised by the investment adviser”.

On page 376, line 18, insert “, except the Commission shall not define the term ‘client’ for the purposes of sections 206(1) and 206(2) to include an investor in a private fund managed by an investment advisor, if such private fund has entered into an advisory contract with such adviser” after “title”.

On page 377, line 6, strike “EXEMPTIONS” and insert “EXEMPTION”.
On page 379, lines 12 and 13, strike “structures and management arrangements” and insert “management, and employment structures and arrangements”.

On page 381, lines 24 and 25, strike “private equity funds, and venture capital funds,”.

On page 382, line 8, strike “Office” and insert “Division”.

On page 382, line 18, strike “Office” and insert “Division”.

On page 382, line 19, insert “with any recommendations for market improvements, including consideration of real time reporting of short sale positions,” after “report”.

On page 431, line 25, insert “and” after the semi-colon.

On page 431, line 4, strike “that the” and insert “that such”.

On page 436, line 19, strike “(g)” and insert “(h)”. 
On page 436, between lines 18 and 19, insert the following:

(g) REPORTS BY SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(b)(2) of the Home Owners’ Loan Act (12 U.S.C. 1467a(b) is amended—

(1) by striking “Each savings” and inserting the following:

“(A) IN GENERAL.—Each savings”; and

(2) by adding at the end the following:

“(B) USE OF EXISTING REPORTS AND OTHER SUPERVISORY INFORMATION.—The appropriate Federal banking agency for a savings and loan holding company shall, to the fullest extent possible, use—

“(i) reports and other supervisory information that the savings and loan holding company or any subsidiary thereof has been required to provide to other Federal or State regulatory agencies;

“(ii) externally audited financial statements of the savings and loan holding company or subsidiary;

“(iii) information that is otherwise available from Federal or State regulatory agencies; and
“(iv) information that is otherwise required to be reported publicly.

“(C) AVAILABILITY.—Upon the request of the appropriate Federal banking agency for a savings and loan holding company, the savings and loan holding company or a subsidiary of the savings and loan holding company shall promptly provide to the appropriate Federal banking agency any information described in clauses (i) through (iii) of subparagraph (B).”.

On page 439, line 3, strike “(h)” and insert “(i)”.

On page 438, beginning on line 6, strike “that is a depository institution or a functionally regulated subsidiary”.

On page 438, line 9, insert “and other information” after “reports”.

On page 438, line 15, strike “the Federal” and insert “provide reasonable notice to, and consult with, the appropriate Federal banking agency”.

On page 438, line 18, strike “with reasonable notice”.
On page 438, beginning on line 1, strike “with respect to a subsidiary described in clause (i)”.

On page 461, line 19, strike “on the” and insert “1 year after the”.

On page 474, line 18, strike “(e)” and insert “(f)”.

On page 474, between lines 17 and 18, insert the following:

(e) EXCEPTION FOR BANKS.—No bank shall be subject to any of the requirements set forth in subsections (e) and (d).

On page 484, line 13, strike “(b)” and insert “(a)”.


On page 524, strike lines 1 through 14, and insert the following:

“(B) PERMISSIVE EXEMPTION.—The Commission by rule or order, as the Commission deems consistent with the public interest, may
conditionally or unconditionally exempt a swap from the requirements of paragraphs (1) and (8), and any rules issued under this subsection, if 1 of the counterparties to the swap—

“(i) is not a swap dealer or major swap participant; and

“(ii) does not meet the eligibility requirements of any derivatives clearing organization that clears the swap.

“(C) Determination of the Financial Stability Oversight Council.—The Commission may act by rule or order to exempt a swap from any requirement or rule under this subsection only if—

“(i) the Commission has provided a written notice to the Financial Stability Oversight Council describing the proposed exemption; and

“(ii) the Financial Stability Oversight Council has not made a determination and notified the Commission within 60 days of receipt of such notice that such exemption would pose a threat to the stability of the United States financial system.
On page 524, line 15, strike “(C)” and insert “(D)”.

On page 562, lines 16 and 17, strike “in consultation with the Financial Stability Oversight Council and”.

On page 563, between lines 12 and 13, insert the following:

“(iii) Determination of the Financial Stability Oversight Council.—The primary financial regulatory agency may act by rule or order to exempt a swap dealer or major swap participant for which it is the primary financial regulatory agency from any requirement or rule under this subsection only if—

“(I) the primary financial regulatory agency has provided a written notice to the Financial Stability Oversight Council describing the proposed exemption; and

“(II) the Financial Stability Oversight Council has not made a determination and notified the primary financial regulatory agency within 60 days of receipt of such notice that
such exemption would pose a threat to the stability of the United States financial system.

On page 564, lines 5 and 6, strike “in consultation with the Financial Stability Oversight Council and”.

On page 565, between lines 2 and 3, insert the following:

“(C) Determination of the Financial Stability Oversight Council.—The Commission may act by rule or order to exempt a nonbank swap dealer or major swap participant from any requirement or rule under this subsection only if—

“(i) the Commission has provided a written notice to the Financial Stability Oversight Council describing the proposed exemption; and

“(ii) the Financial Stability Oversight Council has not made a determination and notified the Commission within 60 days of receipt of such notice that such exemption would pose a threat to the stability of the United States financial system.
On page 646, lines 11 and 12, strike “in consultation with the Financial Stability Oversight Council and”.

On page 646, after line 24, insert the following:

“(C) DETERMINATION OF THE FINANCIAL STABILITY OVERSIGHT COUNCIL.—The Commission may act by rule or order to exempt a security-based swap from any requirement or rule under this subsection only if—

“(i) the Commission has provided a written notice to the Financial Stability Oversight Council describing the proposed exemption; and

“(ii) the Financial Stability Oversight Council has not made a determination and notified the Commission within 60 days of receipt of such notice that such exemption would pose a threat to the stability of the United States financial system.

On page 671, lines 3 and 4, strike “in consultation with the Financial Stability Oversight Council and”.

On page 671, after line 24, insert the following:
“(C) **Determination of the Financial Stability Oversight Council.**—The primary financial regulatory agency may act by rule or order to exempt a bank security-based swap dealer or major security-based swap participant for which it is the primary financial regulatory agency from any requirement or rule under this subsection only if—

“(i) the primary financial regulatory agency has provided a written notice to the Financial Stability Oversight Council describing the proposed exemption; and

“(ii) the Financial Stability Oversight Council has not made a determination and notified the primary financial regulatory agency within 60 days of receipt of such notice that such exemption would pose a threat to the stability of the United States financial system.

On page 672, lines 15 and 16, strike “in consultation with the Financial Stability Oversight Council and”.

On page 673, between lines 12 and 13, insert the following:
“(C) Determination of the Financial Stability Oversight Council.—The Commission may act by rule or order to exempt a nonbank security-based swap dealer or major security-based swap participant from any requirement or rule under this subsection only if—

“(i) the Commission has provided a written notice to the Financial Stability Oversight Council describing the proposed exemption; and

“(ii) the Financial Stability Oversight Council has not made a determination and notified the Commission within 60 days of receipt of such notice that such exemption would pose a threat to the stability of the United States financial system.

On page 763, line 14, strike “Commission” and insert “Committee”.

On page 767, line 11, strike the quotation marks and the second period.
On page 767, between lines 11 and 12, insert the following:

“(f) RULE OF CONSTRUCTION.—For purposes of the
Paperwork Reduction Act (44 U.S.C. 3501 et seq.), any
action taken under subsection (e) shall not be construed
to be a collection of information.”.

On page 786, strike line 24 and all that follows
through page 787, line 10, and insert the following:

“(E) PUBLICATION DATE BASED ON FEDERAL REGISTER PUBLICATION.—For purposes
of this paragraph, if, after filing a proposed
rule change with the Commission pursuant to
paragraph (1), a self-regulatory organization
publishes a notice of the filing of such proposed
rule change, together with the substantive
terms of such proposed rule change, on a pub-
licly accessible website, the Commission shall
thereafter send the notice to the Federal Reg-
ister for publication thereof under paragraph
(1) within 15 days of the date on which such
website publication is made. If the Commission
fails to send the notice for publication thereof
within such 15 day period, then the date of
publication shall be deemed to be the date on
which such website publication was made.”.

On page 795, line 11, strike “broker, dealer, or mu-
unicipal securities dealer” and insert “investment adviser”.

On page 800, line 13, strike “or”.

On page 800, between lines 13 and 14, insert the fol-
lowing:

“(C) to any whistleblower who gains the
information through the performance of an
audit of financial statements required under the
securities laws and for whom such submission
would be contrary to the requirements of sec-
tion 10A of the Securities Exchange Act of
1934 (15 U.S.C. 78j–1); or”.

On page 800, line 14, strike “(C)” and insert “(D)”.

On page 816, line 20, strike the quotation marks and
the second period.

On page 816, between lines 20 and 21, insert the fol-
lowing:
“(v) Not later than 360 days after the date of enactment of the Restoring American Financial Stability Act of 2010, the Commission shall conduct a rulemaking to determine whether to designate a class of securities that the Commission deems not to be covered securities because the offering of such securities is not of sufficient size or scope.”.

On page 817, lines 22 and 23, strike “a State securities commissioner (or equivalent State officer)” and insert “the Commission, not later than 120 days of the filing with the Commission,”.

On page 818, lines 5 and 6, strike “the State securities commissioner (or equivalent State officer)” and insert “the Commission, not later than 120 days of the filing with the Commission,”.

On page 819, line 4, strike the quotation marks and the second period.

On page 819, between lines 4 and 5, insert the following:
“(E) Offerings Affected.—The requirements of this section shall apply to offerings filed after the date of enactment of the Restoring American Financial Stability Act of 2010.”.

On page 825, line 16, strike “that are accurate” and insert “with integrity”.

On page 825, line 24, strike “with integrity” and insert “that are accurate”.

On page 858, line 23, strike “material”.

On page 860, line 7, strike “or” and insert “and”.

On page 874, lines 8 and 9, strike “committee” and insert “consultant”.

On page 877, line 3, strike “the annual proxy statement of the issuer” and insert “any proxy or consent solicitation material for an annual meeting of the shareholders of the issuer”.

On page 877, strike lines 16 through 20, and insert the following:

The Securities Exchange Act of 1934 (15 U.S.C. 78 et seq.) is amended by inserting after section 10C, as added by section 952, the following:

"SEC. 10D. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION."

On page 877, line 21, strike "(1)" and insert "(a)" and adjust the margins accordingly.

On page 878, lines 1 and 2, strike "subsection" and insert "section".

On page 878, line 3, strike "(2)" and insert "(b)" and adjust the margins accordingly.

On page 878, line 4, strike "paragraph (1)" and insert "subsection (a)".

On page 878, line 6, strike "(A)" and insert "(1)" and adjust the margins accordingly.

On page 878, line 10, strike "(B)" and insert "(2)" and adjust the margins accordingly.
On page 879, lines 8 and 9, strike “the annual proxy statement of the issuer” and insert “any proxy or consent solicitation material for an annual meeting of the shareholders of the issuer”.

On page 880, line 5, insert “, in consultation with the Comptroller of the Currency and the Federal Deposit Insurance Corporation,” after “Governors”.

On page 880, line 20, insert “and the views and recommendations of the Comptroller of the Currency and the Federal Deposit Insurance Corporation” after “(c))”.

On page 891, line 2, strike “on—” and all that follows through line 10 and insert the following: “on the effectiveness of such national securities associations in performing their mission and in dealing fairly with investors and members.”.

On page 941, line 1, strike “1 year” and insert “2 years”.

On page 1009, line 16, insert “and any company that has elected to be regulated as a business development company under such Act” after “1940”.

On page 1009, beginning on line 25, strike “and” at the end and insert the following:

“(G) any self-regulatory organization that is required to be registered with the Securities and Exchange Commission;

“(H) any nationally recognized statistical rating organization that is required to be registered with the Securities and Exchange Commission;

“(I) any securities information processor that is required to be registered with the Securities and Exchange Commission;

“(J) any municipal securities dealer that is required to be registered with the Securities and Exchange Commission;

“(K) any other person that is required to be registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934; and”.

On page 1010, line 1, strike “(G)” and insert “(L)”.

On page 1033, lines 6 and 7, strike “combined expenditures” and insert “expenses”.
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1 On page 1033, lines 8 and 9, strike “combined expenditures” and insert “expenses”.

2 On page 1033, lines 10 and 11, strike “combined expenditures” and insert “expenses”.

3 On page 1033, line 15, insert “(iii)” after “(A)”.

4 On page 1036, line 24, strike “Comptroller General’s right of access” and insert “right of access of the Comptroller General”.

5 On page 1043, line 25, insert “the purposes and objectives of” after “carry out”.

6 On page 1044, line 11, insert “appropriate” after “with the”.

7 On page 1044, line 12, strike both commas.

8 On page 1044, lines 12 and 13, strike “as appropriate,”.
On page 1052, line 22, strike “sector” and insert “system”.

On page 1058, line 17, strike “date of enactment of this Act” and insert “designated transfer date”.

On page 1063, line 13, strike “PRIMARY” and insert “EXCLUSIVE”.

On page 1063, line 14, strike “PRIMARY” and insert “EXCLUSIVE”.

On page 1063, line 15, strike “a Federal” and insert “Federal”.

On page 1065, line 24, strike “a provision of”.

On page 1066, line 3, strike “that provision of” and insert “such”.

On page 1079, lines 20 and 21, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1083, line 22, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1084, line 22, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1086, line 5, strike “advisory,” and insert “advisory, or”.

On page 1087, line 22, after “(1)(A)(i)” insert “or (1)(A)(ii)”.

On page 1088, line 6, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1088, line 18, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.
On page 1089, line 11, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1089, line 24, insert “CONSUMER” after “ANY”.

On page 1090, line 13, insert “products or” after “respect to”.

On page 1091, line 9, insert “PRODUCTS OR” after “DESCRIPTION OF”.

On page 1091, line 10, insert “products or” after “providing”.

On page 1091, lines 12 and 13, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1091, line 14, strike “Federal consumer financial” and insert “the”.
On page 1092, line 20, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1093, line 8, after “coordinate” insert “, where feasible”.

On page 1093, line 15, insert after “law.” the following: “In carrying out this paragraph, the agencies shall negotiate an agreement to establish procedures for such coordination, including procedures for providing advance notice to the Bureau when the Commission is initiating a rulemaking.”.

On page 1095, line 6, insert “are” after “service, or”.

On page 1095, lines 7 and 8, strike “Federal consumer financial law” and insert “enumerated consumer law or any law for which authorities are transferred under subtitle F or H”.

On page 1095, lines 9 and 10, strike “Except with respect to insurance activities described in section 1002, the” and insert “The”.

On page 1096, line 3, after “title” insert “, including section 1024(c)(1),”.

On page 1105, strike lines 9 through 18, and insert the following:
“(1)(A) to advertise, market, offer, or sell a consumer financial product or service not in conformity with this title or applicable rules or orders issued by the Bureau;
“(B) to enforce, or attempt to enforce, any agreement with a consumer (including any term or change in terms in respect of such agreement), or impose, or attempt to impose, any fee or charge on a consumer in connection with a consumer financial product or service that is not in conformity with this title or applicable rules or orders issued by the Bureau; or
“(C) to engage in any unfair, deceptive, or abusive act or practice, except that no person shall be held to have violated this subsection solely by virtue of providing or selling time or space to a person placing an advertisement;”.

On page 1106, between lines 10 and 11, insert the following:
“SEC. 1035. EFFECTIVE DATE.

“This subtitle shall take effect on the date of enactment of this Act.”.

On page 1116, lines 3 and 4, strike “a determination regarding preemption of a” and insert “the”.

On page 1116, line 7, strike “, and such determination” and insert “, and a preemption determination under this subparagraph”.

On page 1118, line 23, strike “that” and all that follows through page 1119, line 2, and insert “regarding the preemption of such provision in accordance with the legal standard of the decision of the Supreme Court of the United States in Barnett Bank of Marion County, N.A. v. Nelson, Florida Insurance Commissioner, et al., 517 U.S. 25 (1996).”.

On page 1124, lines 14 and 15, strike “and recover damages”.

On page 1161, line 8, strike “enumerated consumer law or any provision of”.
On page 1177, lines 11 and 12, strike “DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT’S AUTHORITY” and insert “AUTHORITY OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT”.

On page 1178, strike lines 3 through 9.

On page 1178, line 10, strike “(e)” and insert “(d)”.

On page 1192, between lines 20 and 21, insert the following:

(4) CERTAIN OFFICE OF THE COMPTROLLER OF THE CURRENCY EMPLOYEES TRANSFERRED.—

(A) IDENTIFYING EMPLOYEES FOR TRANSFER.—The Bureau and the Comptroller shall—

(i) jointly determine the number of employees of the Office of the Comptroller of the Currency necessary to perform or support the consumer financial protection functions of the Office of the Comptroller of the Currency that are transferred to the Bureau by this title; and

(ii) consistent with the number determined under clause (i), jointly identify em-

ployees of the Office of the Comptroller of
the Currency for transfer to the Bureau, in
a manner that the Bureau and the Office
of the Comptroller of the Currency, in
their sole discretion, determine equitable.

(B) IDENTIFIED EMPLOYEES TRANSFERRED.—All employees of the Office of the
Comptroller of the Currency identified under
subparagraph (A)(ii) shall be transferred to the
Bureau for employment.

(5) CERTAIN OFFICE OF THRIFT SUPERVISION
EMPLOYEES TRANSFERRED.—

(A) IDENTIFYING EMPLOYEES FOR TRANSFER.—The Bureau and the Director of the Of-

(i) jointly determine the number of

employees of the Office of Thrift Super-

(ii) consistent with the number deter-

vices to perform or support the

sion necessary to perform or support the

functions of

transferred to the Bureau by this title; and

employees of the Office of Thrift Supervision

for transfer to the Bureau, in a manner

that the Bureau and the Office of Thrift
Supervision, in their sole discretion, determine equitable.

(B) IDENTIFIED EMPLOYEES TRANSFERRED.—All employees of the Office of Thrift Supervision identified under subparagraph (A)(ii) shall be transferred to the Bureau for employment.

On page 1192, line 21, strike “(4)” and insert “(6)”.

On page 1193, line 22, strike “(5)” and insert “(7)”.

On page 1212, strike line 19 and all that follows through page 1213, line 5.

On page 1232, line 16, strike “Federal Banking Agencies” and insert “Bureau”.

On page 1236, lines 10 and 11, strike “Federal banking agencies” and insert “Bureau”.

On page 1236, line 11, strike “jointly”.
On page 1236, lines 14 and 15, strike “Federal banking agencies may jointly” and insert “Bureau may”.

On page 1237, lines 2 and 3, strike “Federal banking agencies” and insert “Bureau”.

On page 1239, line 17, strike “in” the first place that term appears.

On page 1265, line 13, strike “2 U.S.C. 1831t” and insert “12 U.S.C. 1831t”.

On page 1281, line 23, insert “and a violation of a rule under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) regarding unfair or deceptive acts or practices” after “2010”.

On page 1282, line 18, strike “a practices that violates” and insert “practices that violate”.

On page 1301, line 14, strike “financial market” and all that follows through “important, or” on line 17.
On page 1302, line 13 strike “1103” and insert “1102”.

On page 1302, line 25, strike “financial market” and all that follows through page 1303, line 2.

On page 1303, line 8, strike “such financial” and all that follows through “important, or” on line 11.

On page 1307, lines 1 through 3, strike “after the date of enactment of the Restoring American Financial Stability Act of 2010”.

On page 1307, line 16, insert “assistance” before “under”.

On page 1312, line 18, strike “Maiden Lane I, and Maiden Lane II” and insert “Maiden Lane II, and Maiden Lane III”.

On page 1314, line 17, strike “Council” and insert “Corporation”.

On page 1315, line 12, strike “Council” and insert “Corporation”.

On page 1315, line 13, strike “Council” and insert “Corporation”.

On page 1316, line 2, strike “Council” and insert “Corporation”.

On page 1316, line 8, strike “Council” and insert “Corporation”.

On page 1316, line 17, strike “Council” and insert “Corporation”.

On page 1316, line 24, strike “Council” and insert “Corporation”.

On page 1317, line 11, strike “with the concurrence of” and insert “in consultation with”.

On page 1319, line 25, strike “1205(a)” and insert “1155(c)”.

1. On page 1327, strike line 11 and all that follows through page 1328, line 11.

2. On page 1328, line 12, strike ``(2)'' and insert ``(1)''.

3. On page 1328, line 18, strike ``(4)'' and insert ``(3)''.

4. On page 1328, line 20, strike ``(3)'' and insert ``(2)''.

5. On page 1329, line 1, strike ``(4)'' and insert ``(3)''.

6. On page 1329, line 13, strike ``(2)'' and insert ``(1)''.

7. On page 1329, line 14, strike ``(5)'' and insert ``(4)''.

8. On page 1329, line 19, strike ``(5)'' and insert ``(4)''.

9. On page 1329, line 21, strike ``(2)'' and insert ``(1)''.

10. On page 1329, line 23, strike ``(4)'' and insert ``(3)''.

11. On page 1330, line 4, strike ``(6)'' and insert ``(5)''.

12. On page 1330, line 6, strike ``(4)'' and insert ``(3)''.
On page 1334, line 10, strike “Reserve” and insert “reserve”.

On page 1334, line 11, strike “Band no” and insert “bank, and no”.

On page 1334, line 14, strike “Reserve Bank” and insert “reserve bank”.

On page 17, line 9, strike “on” and insert “1 day after”.

On page 19, line 1, insert before the end parenthetical the following: “or a Farm Credit System institution chartered and subject to the provisions of the Farm Credit Act of 1971 (12 U.S.C. 2001 et. seq.)”.

On page 60, line 5, strike “and” at the end.

On page 60, line 8, strike the period at the end and insert a semicolon.

On page 60, between lines 8 and 9, insert the following:
(5) the term “financial transaction data” means
the structure and legal description of a financial
contract, with sufficient detail to describe the rights
and obligations between counterparties and make
possible an independent valuation;

(6) the term “position data”—

(A) means data on financial assets or li-
abilities held on the balance sheet of a financial
company, where positions are created or
changed by the execution of a financial trans-
action; and

(B) includes information that identifies
counterparties, the valuation by the financial
company of the position, and information that
makes possible an independent valuation of the
position;

(7) the term “‘financial contract’” means a le-
gally binding agreement between 2 or more counter-
parties, describing rights and obligations relating to
the future delivery of items of intrinsic or extrinsic
value among the counterparties; and

(8) the term “financial instrument” means a fi-
nancial contract in which the terms and conditions
are publicly available, and the roles of one or more
of the counterparties are assignable without the con-
sent of any of the other counterparties (including common stock of a publicly traded company, government bonds, or exchange traded futures and options contracts).

On page 65, line 10, strike “and” at the end.

On page 65, line 12, strike the period at the end and insert “; and”.

On page 65, between lines 12 and 13, insert the following:

(7) assisting member agencies in determining the types and formats of data where member agencies are authorized by this Act to collect data.

On page 66, beginning on line 8, strike “and (2)” and insert “, (2), and (7)”.

On page 69, beginning on line 11, strike “on behalf of the Council” and insert “as determined by the Council or by the Director in consultation with the Council”.

On page 70, line 5, insert “, 153(a)(2), 153(a)(7),” after “153(a)(1)”. 
On page 83, strike lines 14 through 22 and insert the following:

(2) **Back-up Authority of the Board of Governors.**—If, during the 60-day period beginning on the date on which the primary financial regulatory agency receives a recommendation under paragraph (1), the primary financial regulatory agency does not take supervisory or enforcement action against a subsidiary that is acceptable to the Board of Governors, the Board of Governors (upon a vote of its members) may take the recommended supervisory or enforcement action, as if the subsidiary were a bank holding company subject to supervision by the Board of Governors.

On page 109, line 22, strike “and” at the end.

On page 110, line 19, strike the period at the end and insert the following: “; and

“(C) is not a Farm Credit System institution chartered under and subject to the provisions of the Farm Credit Act of 1971, as amended (12 U.S.C. 2001 et seq.).”.

On page 125, line 17, strike “48” and insert “24”.
On page 125, beginning on line 20, strike “determination of the Secretary under subsection (a)” and insert “recommendations and determinations reached in accordance with subsections (a) and (b)”. 

On page 128, line 23, insert “or” at the end.

On page 129, line 2, strike “; or” and all that follows through line 6 and insert a period.

On page 140, line 14, strike “and” at the end.

On page 140, line 19, strike the period at the end and insert “; and”.

On page 140, between lines 19 and 20, insert the following:

(5) not take an equity interest in or become a shareholder of any covered financial company or any covered subsidiary.

On page 145, line 4, strike “may” and insert “shall”.

On page 155, line 1, strike “may” and insert “shall”.
On page 181, line 21, strike “and” and insert “or”.

On page 185, beginning on line 23, strike “as the” and all that follows through line 25 and insert “as are necessary to maintain the documents and records of the Corporation generated in exercising the authorities of this title and”.

On page 186, strike lines 4 through 6 and redesignate subsequent clauses accordingly.

On page 186, beginning on line 14, strike “Notwithstanding clause (i), and, unless” and insert “Unless”.

On page 186, line 17, insert “not” after “may”.

On page 186, line 18, following “records” insert “subject to clause (i)”.

On page 186, beginning on line 18, strike “of a covered financial company” and all that follows through line 22 and insert a period.
On page 298, strike the matter proposed to be inserted between lines 17 and 18, and insert the following:

(D) COMPTROLLER OF THE CURRENCY AND THE CORPORATION.—All rulemaking authority of the Office of Thrift Supervision and the Director of the Office of Thrift Supervision relating to savings associations is transferred to, and shall be exercised jointly by, the Comptroller of the Currency and the Corporation.

On page 386, line 8, insert before the period at the end: “, and crop insurance, as established by the Federal Crop Insurance Act (7 U.S.C. 1501 et seq)”.

On page 386, strike line 22 and all that follows through page 387, line 3, and insert the following:

“(2) COLLECTION OF INFORMATION FROM INSURERS AND AFFILIATES.—

“(A) IN GENERAL.—Except as provided in paragraph (3), the Office may require an insurer, or any affiliate of an insurer, to submit such data or information as the Office may reasonably require in carrying out the functions described under subsection (c).
'(B) Rule of Construction.—Notwithstanding any other provision of this section, for purposes of subparagraph (A), the term 'insurer' means any person that is authorized to write insurance or reinsure risks and issue contracts or policies in 1 or more States.

On page 476, line 15, strike “and” and insert “or”.

On page 476, line 18, insert “, directly or indirectly,” after “controls”.

On page 476, line 23, insert “(or such other portfolio as the Federal banking agencies may determine)” after “trading book”.

On page 477, line 1, insert “subject to such restrictions as the Federal banking agencies may determine,” before “does not”.

On page 477, line 2, strike “and” and insert “or”.

On page 477, line 7, insert “risk-mitigating” before “hedging”.
On page 478, line 4, insert “, directly or indirectly,” after “controls”.

On page 480, line 5, insert “, directly or indirectly,” after “controls”.

On page 481, line 19, insert “, directly or indirectly,” after “controls”.

On page 482, line 6, insert “, directly or indirectly,” after “controls”.

On page 485, line 17, strike “and” at the end.

On page 485, line 25, insert “and” at the end.

On page 485, after line 25, insert the following:

(vii) appropriately accommodates the business of insurance within an insurance company subject to regulation in accordance with State insurance company investment laws;
On page 487, line 12, insert “, directly or indirectly,” after “controls”.

On page 763, line 3, strike “12” and insert “10”.

On page 763, line 4, strike “22” and insert “20”.

On page 763, line 7, insert before the semicolon “, including investors in mutual funds”.

On page 763, line 10, insert before the semicolon “and registered investment companies”.

On page 794, line 5, after the first period, insert the following:

“(3) Form and Contents of Documents and Information.—Any documents or information designated under a rule promulgated under paragraph (1) shall—

“(A) be in a summary format; and

“(B) contain clear and concise information about—

“(i) investment objectives, strategies, costs, and risks; and
“(ii) any compensation or other financial incentive received by a broker, dealer, or other intermediary in connection with the purchase of retail investment products.

On page 794, between lines 5 and 6, insert the following:

SEC. 919. STUDY ON CONFLICTS OF INTEREST.

(a) In General.—The Comptroller General of the United States shall conduct a study—

(1) to identify and examine potential conflicts of interest that exist between the staffs of the securities underwriting and securities analyst functions within the same firm; and

(2) to make recommendations to Congress designed to protect investors in light of such conflicts.

(b) Considerations.—In conducting the study under subsection (a), the Comptroller General shall—

(1) consider—

(A) the potential for investor harm resulting from conflicts, including consideration of the forms of misconduct engaged in by the several securities firms and individuals that entered into the Global Analyst Research Settle-
ments in 2003 (also known as the “Global Settlement’’); (B) the nature and benefits of the undertakings to which those firms agreed in enforcement proceedings, including firewalls between research and investment banking, separate reporting lines, dedicated legal and compliance staffs, allocation of budget, physical separation, compensation, employee performance evaluations, coverage decisions, limitations on soliciting investment banking business, disclosures, transparency, and other measures; (C) whether any such undertakings should be codified and applied permanently to securities firms; and (D) whether to recommend regulatory or legislative measures designed to mitigate possible adverse consequences to investors arising from the conflicts of interest or to enhance investor protection or confidence in the integrity of the securities markets; and (2) consult with State attorneys general, State securities officials, the Commission, the Financial Industry Regulatory Authority (“FINRA”), investor
advocates, brokers, dealers, retail investors, institutional investors, and academics. 

(c) REPORT.—The Comptroller General shall submit a report on the results of the study required by this section to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not later than 18 months after the date of enactment of this Act.

SEC. 920. STUDY ON IMPROVED INVESTOR ACCESS TO INFORMATION ON INVESTMENT ADVISERS AND BROKER-DEALERS.

(a) Study.—

(1) In General.—Not later than 6 months after the date of enactment of this Act, the Commission shall complete a study, including recommendations, of ways to improve the access of investors to registration information (including disciplinary actions, regulatory, judicial, and arbitration proceedings, and other information) about registered and previously registered investment advisers, associated persons of investment advisers, brokers and dealers and their associated persons on the existing Central Registration Depository and Investment Adviser Registration Depository systems, as well as
identify additional information that should be made publicly available.

(2) CONTENTS.—The study required by subsection (a) shall include an analysis of the advantages and disadvantages of further centralizing access to the information contained in the 2 systems, including—

(A) identification of those data pertinent to investors; and

(B) the identification of the method and format for displaying and publishing such data to enhance accessibility by and utility to investors.

(b) IMPLEMENTATION.—Not later than 18 months after the date of completion of the study required by subsection (a), the Commission shall implement any recommendations of the study.

SEC. 921. STUDY ON FINANCIAL PLANNERS AND THE USE OF FINANCIAL DESIGNATIONS.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to evaluate—

(1) the effectiveness of State and Federal regulations to protect consumers from misleading financial advisor designations;
(2) current State and Federal oversight structure and regulations for financial planners; and

(3) legal or regulatory gaps in the regulation of financial planners and other individuals who provide or offer to provide financial planning services to consumers.

(b) CONSIDERATIONS.—In conducting the study required under subsection (a), the Comptroller General shall consider—

(1) the role of financial planners in providing advice regarding the management of financial resources, including investment planning, income tax planning, education planning, retirement planning, estate planning, and risk management;

(2) whether current regulations at the State and Federal level provide adequate ethical and professional standards for financial planners;

(3) the use of the designation “financial planner” in connection with sale of other financial products, including insurance and securities;

(4) the possible risk posed to consumers by use of certain financial advisor designations, including “financial planner” and “financial consultant”;

(5) the ability of consumers to distinguish between certain financial advisor designations and the
different registration, licensing, and duty of care provided by a financial advisor;

(6) the possible benefits to consumers of professional oversight of financial planners; and

(7) any other consideration that the Comptroller General deems necessary or appropriate to effectively execute the study required under subsection (a).

(e) RECOMMENDATIONS.—In providing recommendations for the appropriate regulation of financial planners and other individuals who provide or offer to provide financial planning services, in order to protect consumers of financial planning services, the Comptroller General shall consider—

(1) the appropriate structure for regulation of financial planners and individuals providing financial planning services; and

(2) the appropriate scope of the regulations needed to protect consumers, including but not limited to the need to establish competency standards, practice standards, ethical guidelines, disciplinary authority, and transparency to consumers.

(d) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Comp-
troller General shall submit a report on the study re-
quired under subsection (a) to—

(A) the Committee on Banking, Housing, 
and Urban Affairs of the Senate;

(B) the Special Committee on Aging of the 
Senate; and

(C) the Committee on Financial Services of 
the House of Representatives.

(2) CONTENT REQUIREMENTS.—The report re-
quired under paragraph (1) shall describe the find-
ings and determinations made by the Comptroller 
General in carrying out the study required under 
subsection (a), including a description of the consid-
erations, analysis, and government, public, industry, 
nonprofit and consumer input that the Comptroller 
General considered to make such findings, conclu-
sions, and legislative, regulatory, or other rec-
ommendations.

On page 820, between lines 12 and 13, insert the fol-
lowing:

SEC. 929B. FAIR FUND AMENDMENTS.

Section 308 of the Sarbanes-Oxley Act of 2002 (15 
U.S.C. 7246(a)) is amended—
(1) by striking subsection (a) and inserting the following:

“(a) CIVIL PENALTIES TO BE USED FOR THE RELIEF OF VICTIMS.—If, in any judicial or administrative action brought by the Commission under the securities laws, the Commission obtains a civil penalty against any person for a violation of such laws, or such person agrees, in settlement of any such action, to such civil penalty, the amount of such civil penalty shall, on the motion or at the direction of the Commission, be added to and become part of a disgorgement fund or other fund established for the benefit of the victims of such violation.”;

(2) in subsection (b)—

(A) by striking “for a disgorgement fund described in subsection (a)” and inserting “for a disgorgement fund or other fund described in subsection (a)”; and

(B) by striking “in the disgorgement fund” and inserting “in such fund”; and

(3) by striking subsection (e).

SEC. 929C. INCREASING THE BORROWING LIMIT ON TREASURY LOANS.

Section 4(h) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78ddd(h)) is amended in the first sen-
tence, by striking “$1,000,000,000” and inserting “$2,500,000,000”.

On page 822, strike lines 17 through 19 and insert the following:

(A) in paragraph (2), in the second sentence—

(i) by inserting “any other provision of this section, or” after “Notwith- standing”; and

(ii) by inserting after the period at the end the following: “Nothing in this paragraph may be construed to afford a defense against any action or proceeding brought by the Commission to enforce the antifraud provisions of the securities laws.”; and

On page 843, between lines 21 and 22, insert the following:

“(t) CORPORATE GOVERNANCE, ORGANIZATION, AND MANAGEMENT OF CONFLICTS OF INTEREST.—

“(1) BOARD OF DIRECTORS.—Each nationally recognized statistical rating organization shall have a board of directors.
“(2) INDEPENDENT DIRECTORS.—

“(A) IN GENERAL.—At least \( \frac{1}{2} \) of the board of directors, but not fewer than 2 of the members thereof, shall be independent of the nationally recognized statistical rating agency. A portion of the independent directors shall include users of ratings from a nationally recognized statistical rating organization.

“(B) INDEPENDENCE DETERMINATION.—

In order to be considered independent for purposes of this subsection, a member of the board of directors of a nationally recognized statistical rating organization—

“(i) may not, other than in his or her capacity as a member of the board of directors or any committee thereof—

“(I) accept any consulting, advisory, or other compensatory fee from the nationally recognized statistical rating organization; or

“(II) be a person associated with the nationally recognized statistical rating organization or with any affiliated company thereof; and
“(ii) shall be disqualified from any de-
liberation involving a specific rating in
which the independent board member has
a financial interest in the outcome of the
rating.

“(C) Compensation and Term.—The
compensation of the independent members of
the board of directors of a nationally recognized
statistical rating organization shall not be
linked to the business performance of the na-
tionally recognized statistical rating organiza-
tion, and shall be arranged so as to ensure the
independence of their judgment. The term of
office of the independent directors shall be for
a pre-agreed fixed period, not to exceed 5 years,
and shall not be renewable.

“(3) Duties of Board of Directors.—In
addition to the overall responsibilities of the board of
directors, the board shall oversee—

“(A) the establishment, maintenance, and
enforcement of policies and procedures for de-
termining credit ratings;

“(B) the establishment, maintenance, and
enforcement of policies and procedures to ad-
dress, manage, and disclose any conflicts of interest;

“(C) the effectiveness of the internal control system with respect to policies and procedures for determining credit ratings; and

“(D) the compensation and promotion policies and practices of the nationally recognized statistical rating organization.

“(4) Treatment of NRSRO Subsidiaries.—If a nationally recognized statistical rating organization is a subsidiary of a parent entity, the board of the directors of the parent entity may satisfy the requirements of this subsection by assigning to a committee of such board of directors the duties under paragraph (3), if—

“(A) at least 1⁄2 of the members of the committee (including the chairperson of the committee) are independent, as defined in this section; and

“(B) at least 1 member of the committee is a user of ratings from a nationally recognized statistical rating organization.

“(5) Exception Authority.—If the Commission finds that compliance with the provisions of this subsection present an unreasonable burden on a
small nationally recognized statistical rating organization, the Commission may permit the nationally recognized statistical rating organization to delegate such responsibilities to a committee that includes at least one individual who is a user of ratings of a nationally recognized statistical rating organization.”.

On page 845, line 22, strike “(t)” and insert “(u)”.

On page 846, line 20, strike “(u)” and insert “(v)”.

On page 858, strike lines 17 and 18 and insert the following:

“(4) the term ‘originator’ means a person who—

“(A) through the extension of credit or otherwise, creates a financial asset that collateralizes an asset-backed security; and

“(B) sells an asset to a securitizer.

On page 861, line 24, insert before the period “,which may not include the transfer of credit risk to a third party”. 
On page 862, line 20, insert “and businesses” after “consumers”.

On page 862, between lines 23 and 24, insert the following:

“(3) Farm Credit System Institutions.—A Farm Credit System institution, including the Federal Agricultural Mortgage Corporation, that is chartered and subject to the provisions of the Farm Credit Act of 1971, as amended (12 U.S.C. 2001 et seq.), shall be exempt from the risk retention provisions of this subsection.

On page 876, line 23, strike “Section 14” and insert the following:

“(a) Disclosure of Pay Versus Performance.— Section 14”.

On page 877, between lines 13 and 14, insert the following:

(b) Additional Disclosure Requirements.—

(1) In general.—The Commission shall amend section 229.402 of title 17, Code of Federal Regulations, to require each issuer to disclose in any filing of the issuer described in section 229.10(a) of
title 17, Code of Federal Regulations (or any successor thereto)—

(A) the median of the annual total compensation of all employees of the issuer, except the chief executive officer (or any equivalent position) of the issuer;

(B) the annual total compensation of the chief executive officer (or any equivalent position) of the issuer; and

(C) the ratio of the amount described in paragraph (1) to the amount described in paragraph (2).

(2) TOTAL COMPENSATION.—For purposes of this subsection, the total compensation of an employee of an issuer shall be determined in accordance with section 229.402(c)(2)(x) of title 17, Code of Federal Regulations, as in effect on the day before the date of enactment of this Act.

On page 880, after line 20, insert the following:

SEC. 957. VOTING BY BROKERS.

Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended—

(1) in paragraph (9)—
(A) in subparagraph (A), by redesignating clauses (i) through (v) as subclauses (I) through (V), respectively, and adjusting the margins accordingly;

(B) by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and adjusting the margins accordingly;

(C) by inserting “(A)” after “(9)”; and

(D) in the matter immediately following clause (iv), as so redesignated, by striking “As used” and inserting the following:

“(B) As used”; and

(2) by adding at the end the following:

“(10) (A) The rules of the exchange prohibit any member that is not the beneficial owner of a security registered under section 12 from granting a proxy to vote the security in connection with a shareholder vote described in subparagraph (B), unless the beneficial owner of the security has instructed the member to vote the proxy in accordance with the voting instructions of the beneficial owner.

“(B) A shareholder vote described in this subparagraph is a shareholder vote with respect to the election of a member of the board of directors of an issuer, executive compensation, or any other signifi-
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cant matter, as determined by the Commission, by
rule.
“(C) Nothing in this paragraph shall be con-
strued to prohibit a national securities exchange
from prohibiting a member that is not the beneficial
owner of a security registered under section 12 from
granting a proxy to vote the security in connection
with a shareholder vote not described in subpara-
graph (A).”.

On page 900, line 16, insert “or obligated person”
after “municipal entity”.

On page 900, line 19, insert “or obligated person”
after “municipal entity”.

909, line 6, insert “provide” before “professional
standards”.

On page 909, strike lines 7 and 8 and insert the fol-
lowing:
“(N) not impose a regulatory burden on
small municipal advisors that is not necessary
or appropriate in the public interest and for the
protection of investors, municipal entities and obligated persons.”;

On page 911, line 1, insert “or obligated person” after “municipal entity”.

On page 911, line 11, insert “or obligated person” after “municipal entity”.

On page 911, line 23, insert “or obligated person” after “municipal entity”.

On page 913, strike line 16 and all that follows through page 914, line 9 and insert the following:

(4) the term “municipal advisor”—

(A) means a person (who is not a municipal entity or an employee of a municipal entity) that—

(i) provides advice to or on behalf of a municipal entity with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues;
(ii) participates in the issuance of municipal securities;

(iii) undertakes a solicitation of a municipal entity; or

(iv) financial advisors, guaranteed investment contract brokers, third-party marketers, placement agents, solicitors, finders, and swap advisors, if such persons are described in any of clauses (i) through (iii); and

(B) does not include a broker, dealer, or municipal securities dealer serving as an underwriter (as defined in section 2(a)(11) of the Securities Act of 1933) (15 U.S.C. 77b(a)(11)), any investment adviser registered under the Investment Advisers Act of 1940, or persons associated with such investment advisers who are providing investment advice, attorneys offering legal advice or providing services that are of a traditional legal nature, or engineers providing engineering advice;

On page 913, line 20, insert “or obligated person” after “municipal entity”.
On page 914, line 11, insert “or” before “contract”.

On page 914, line 15, insert “, guaranteed investment contracts,” after “municipal derivatives”.

On page 919, line 23, strike “and” at the end.

On page 919, between lines 23 and 24, insert the following:

“(4) evaluate the potential benefit to investors from additional financial disclosures by issuers of municipal bonds; and”.

On page 919, line 24, strike “(4)” and insert “(5)”.

On page 994, strike lines 18 through 24.

On page 995, line 1, strike “(f)” and insert “(e)”.

On page 1066, between lines 20 and 21, insert the following:

(f) PRESERVATION OF FARM CREDIT ADMINISTRATION AUTHORITY.—No provision of this title may be con-
1 strued as modifying, limiting, or otherwise affecting the
2 authority of the Farm Credit Administration.

On page 1094, between lines 12 and 13, insert the following:

(k) EXCLUSION FOR PERSONS REGULATED BY THE
FARM CREDIT ADMINISTRATION.—

(1) IN GENERAL.—No provision of this title
shall be construed as altering amending, or affecting
the authority of the Farm Credit Administration to
adopt rules, initiate enforcement proceedings, or
take any other action with respect to a person regu-
lated by the Farm Credit Administration. The Bu-
reau shall have no authority to exercise any power
to enforce this title with respect to a person regu-
lated by the Farm Credit Administration.

(2) DEFINITION.—For purposes of this sub-
section, the term “person regulated by the Farm
Credit Administration” means any Farm Credit Sys-
tem institution that is chartered and subject to the
provisions of the Farm Credit Act of 1971 (12
U.S.C. 2001 et seq.).

On page 1105, between lines 6 and 7, insert the fol-
lowing:
SEC. 1034. RESPONSE TO CONSUMER COMPLAINTS AND INQUIRIES.

(a) Timely Regulator Response to Consumers.—The Bureau shall establish, in consultation with the appropriate Federal regulatory agencies, reasonable procedures to provide a timely response to consumers, in writing where appropriate, to complaints against, or inquiries concerning, a covered person, including—

(1) all steps that have been taken by the regulator in response to the consumer’s complaint or inquiry;

(2) any responses received by the regulator from the bank; and

(3) any follow-up actions or planned follow-up actions by the regulator in response to the complaint or inquiry of the consumer.

(b) Timely Company Response to Regulator.—A covered person subject to supervision and primary enforcement by the Bureau pursuant to section 1025 shall provide a timely response, in writing where appropriate, to the Bureau, the prudential regulators, and any other agency having jurisdiction over such covered person concerning a consumer complaint or inquiry, including—

(1) steps that have been taken by the covered person to respond to the complaint or inquiry of the consumer;
(2) responses received by the covered person from the consumer; and

(3) follow-up actions or planned follow-up actions by the covered person to respond to the consumer’s complaint or inquiry.

(c) Provision of Information to Consumers.—

(1) In general.—A covered person subject to supervision and primary enforcement by the Bureau pursuant to section 1025 shall, in a timely manner, comply with a consumer request for information in the control or possession of such covered person concerning the consumer financial product or service that the consumer obtained from such covered person, including supporting written documentation, concerning the account of the consumer.

(2) Exceptions.—A covered person subject to supervision and primary enforcement by the Bureau pursuant to section 1025, a prudential regulator, and any other agency having jurisdiction over a covered person subject to supervision and primary enforcement by the Bureau pursuant to section 1025 may not be required by this section to make available to the consumer—
(A) any confidential commercial information, including an algorithm used to derive credit scores or other risk scores or predictors;

(B) any information collected by the covered person for the purpose of preventing fraud or money laundering, or detecting, or making any report regarding other unlawful or potentially unlawful conduct;

(C) any information required to be kept confidential by any other provision of law; or

(D) any nonpublic or confidential information, including confidential bank supervisory information.

(d) REGULATIONS.—The Bureau shall enter into a memorandum of understanding with any affected Federal regulatory agency to establish procedures by which any covered person, and the prudential regulators, and any other agency having jurisdiction over a covered person, including the Secretary of the Department of Housing and Urban Development and the Secretary of Education, shall comply with this section.

SEC. 1035. PRIVATE EDUCATION LOAN OMBUDSMAN.

(a) ESTABLISHMENT.—The Secretary, in consultation with the Director, shall designate a Private Education Loan Ombudsman (in this section referred to as the “Om-
budsman”) within the Bureau, to provide timely assistance to borrowers of private education loans.

(b) **PUBLIC INFORMATION.**—The Secretary and the Director shall disseminate information about the availability and functions of the Ombudsman to borrowers and potential borrowers, as well as institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in private education student loan programs.

(c) **FUNCTIONS OF OMBUDSMAN.**—The Ombudsman designated under this subsection shall—

(1) in accordance with regulations of the Director, receive, review, and attempt to resolve informally complaints from borrowers of loans described in subsection (a), including, as appropriate, attempts to resolve such complaints in collaboration with the Department of Education and with institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in private education loan programs;

(2) not later than 90 days after the designated transfer date, establish a memorandum of understanding with the student loan ombudsman established under section 141(f) of the Higher Education Act of 1965 (20 U.S.C. 1018(f)), to ensure coordi-
nation in providing assistance to serving borrowers seeking to resolve complaints related to their private education or Federal student loans;

(3) compile and analyze data on borrower complaints regarding private education loans; and

(4) make appropriate recommendations to the Director, the Secretary of the Treasury, the Secretary of Education, the Committee on Banking, Housing, and Urban Affairs and the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Financial Services and the Committee on Education and Labor of the House of Representatives.

(d) ANNUAL REPORTS.—

(1) IN GENERAL.—The Ombudsman shall prepare an annual report that describes the activities, and evaluates the effectiveness of the Ombudsman during the preceding year.

(2) SUBMISSION.—The report required by subparagraph (A) shall be submitted on the same date annually to the Secretary of the Treasury, the Secretary of Education, the Committee on Banking, Housing, and Urban Affairs and the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Financial Services and
the Committee on Education and Labor of the House of Representatives.

(c) DEFINITIONS.—For purposes of this section, the terms “private education loan” and “institution of higher education” have the same meanings as in section 140 of the Truth in Lending Act (15 U.S.C. 1650).

On page strike 1105, line 7, strike “Sec. 1034 ” and insert “Sec. 1036 ”.

On page 1302, strike line 11 and insert the following:

SEC. 1103. ADJUSTMENTS FOR INFLATION IN THE TRUTH IN LENDING ACT.

(a) CAPS.—

(1) CREDIT TRANSACTIONS.—Section 104(3) of the Truth in Lending Act (15 U.S.C. 1603(3)) is amended by striking “$25,000” and inserting “$50,000”.

(2) CONSUMER LEASES.—Section 181(1) of the Truth in Lending Act (15 U.S.C. 1667(1)) is amended by striking “$25,000” and inserting “$50,000”.

(b) ADJUSTMENTS FOR INFLATION.—On and after December 31, 2011, the Bureau may adjust annually the dollar amounts described in sections 104(3) and 181(1)
of the Truth in Lending Act (as amended by this section),
by the annual percentage increase in the Consumer Price
Index for Urban Wage Earners and Clerical Workers, as
published by the Bureau of Labor Statistics, rounded to
the nearest multiple of $100, or $1,000, as applicable.

**SEC. 1104. EFFECTIVE DATE.**

On page 1124, line 13, insert “nonpreempted” before
“State”.

On page 1125, line 17, insert “nonpreempted” before
“State”.

On page 1238, between lines 17 and 18, insert the
following:

**SEC. 1075. ASSISTANCE FOR ECONOMICALLY VULNERABLE
INDIVIDUALS AND FAMILIES.**

(a) HERA AMENDMENTS.—Section 1132 of the
1701x note) is amended—

(1) in subsection (a), by inserting in each of
paragraphs (1), (2), (3), and (4) “or economically
vulnerable individuals and families” after “home-
buyers”;
(2) in subsection (b)(1), by inserting “or economically vulnerable individuals and families” after “homebuyers”;

(3) in subsection (c)(1)—

(A) in subparagraph (A), by striking “or” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(C) a nonprofit corporation that—

“(i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986; and

“(ii) specializes or has expertise in working with economically vulnerable individuals and families, but whose primary purpose is not provision of credit counseling services.”; and

(4) in subsection (d)(1), by striking “not more than 5”.

(b) APPLICABILITY.—Amendments made under subsection (a) shall not apply to programs authorized by section 1132 of the Housing and Economic Recovery Act of 2008 (12 U.S.C. 1701x note) that are funded with appropriations prior to fiscal year 2011.
SEC. 1076. REMITTANCE TRANSFERS.

(a) TREATMENT OF REMITTANCE TRANSFERS.—The Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.) is amended—

(1) in section 902(b) (15 U.S.C. 1693(b)), by inserting “and remittance” after “electronic fund”;

(2) by redesignating sections 919, 920, 921, and 922 as sections 920, 921, 922, and 923, respectively; and

(3) by inserting after section 918 the following:

“SEC. 919. REMITTANCE TRANSFERS.

“(a) DISCLOSURES REQUIRED FOR REMITTANCE TRANSFERS.—

“(1) IN GENERAL.—Each remittance transfer provider shall make disclosures as required under this section and in accordance with rules prescribed by the Board.

“(2) STOREFRONT DISCLOSURES.—

“(A) IN GENERAL.—At every physical storefront location owned or controlled by a remittance transfer provider (with respect to remittance transfer activities), the remittance transfer provider shall prominently post, and update daily, a notice describing a model transfer for the amounts of $100 and $200 (in United States dollars) showing the amount of
currency that will be received by the designated recipient, using the values of the currency into which the funds will be exchanged for the 3 currencies to which that particular storefront sends the greatest number of remittance transfer payments, measured irrespective of the value of such payments. The values shall include all fees charged by the remittance transfer provider, taken out of the $100 and $200 amounts.

“(B) ELECTRONIC DISCLOSURE.—Subject to the rules prescribed by the Board, a remittance transfer provider shall prominently post, and update daily, a notice describing a model transfer, as described in subparagraph (A), on the Internet site owned or controlled by the remittance transfer provider which senders use to electronically conduct remittance transfer transactions.

“(3) SPECIFIC DISCLOSURES.—In addition to any other disclosures applicable under this title and subject to paragraph (4), a remittance transfer provider shall provide, in writing and in a form that the sender may keep, to each sender requesting a remittance transfer, as applicable to the transaction—
“(A) at the time at which the sender requests a remittance transfer to be initiated, and prior to the sender making any payment in connection with the remittance transfer, a disclosure describing the amount of currency that will be sent to the designated recipient, using the values of the currency into which the funds will be exchanged; and

“(B) at the time at which the sender makes payment in connection with the remittance transfer—

“(i) a receipt showing—

“(I) the information described in subparagraph (A);

“(II) the promised date of delivery to the designated recipient; and

“(III) the name and either the telephone number or the address of the designated recipient; and

“(ii) a statement containing—

“(I) information about the rights of the sender under this section regarding the resolution of errors; and

“(II) appropriate contact information for—
“(aa) the remittance transfer provider; and

“(bb) each State or Federal agency supervising the remittance transfer provider, including its State licensing authority or Federal regulator, as applicable.

“(4) REQUIREMENTS RELATING TO DISCLOSURES.—With respect to each disclosure required to be provided under paragraph (3), and subject to paragraph (5), a remittance transfer provider shall—

“(A) provide an initial notice and receipt, as required by subparagraphs (A) and (B) of paragraph (3), and an error resolution statement, as required by subsection (c), that clearly and conspicuously describe the information required to be disclosed therein; and

“(B) with respect to any transaction that a sender conducts electronically, comply with the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001(c)).

“(5) EXEMPTION AUTHORITY.—The Board may, by rule, permit a remittance transfer provider to satisfy the requirements of—
“(A) paragraph (3)(A) orally, if the trans-
action is conducted entirely by telephone;

“(B) paragraph (3)(B) by mailing the doc-
uments required under such subparagraph to
the sender, not later than 1 business day after
the date on which the transaction is conducted,
if the transaction is conducted entirely by tele-
phone;

“(C) subparagraphs (A) and (B) of para-
graph (3) together in one written disclosure,
but only to the extent that the information pro-
vided in accordance with paragraph (3)(A) is
accurate at the time at which payment is made
in connection with the subject remittance trans-
fer;

“(D) paragraph (3)(A), if a sender initi-
ates a transaction to one of those countries dis-
played, in the exact amount of the transfers
displayed pursuant to paragraph (2), if the
Board finds it to be appropriate; and

“(E) paragraph (3)(A), without compliance
with section 101(c) of the Electronic Signatures
in Global Commerce Act, if a sender initiates
the transaction electronically and the informa-
tion is displayed electronically in a manner that
the sender can keep.

“(b) FOREIGN LANGUAGE DISCLOSURES.—

“(1) IN GENERAL.—The disclosures required
under this section shall be made in English and in
each of the same foreign languages principally used
by the remittance transfer provider, or any of its
agents, to advertise, solicit, or market, either orally
or in writing, at that office.

“(2) ACCOUNTS.—In the case of a sender who
holds a demand deposit, savings deposit, or other
asset account with the remittance transfer provider
(other than an occasional or incidental credit bal-
ance under an open end credit plan, as defined in
section 103(i) of the Truth in Lending Act), the dis-
closures required under this section shall be made in
the language or languages principally used by the re-
mittance transfer provider to communicate to the
sender with respect to the account.

“(c) REMITTANCE TRANSFER ERRORS.—

“(1) ERROR RESOLUTION.—

“(A) IN GENERAL.—If a remittance trans-
fer provider receives oral or written notice from
the sender within 180 days of the promised
date of delivery that an error occurred with re-
spect to a remittance transfer, including the amount of currency designated in subsection (a)(3)(A) that was to be sent to the designated recipient of the remittance transfer, using the values of the currency into which the funds should have been exchanged but was not made available to the designated recipient in the foreign country, the remittance transfer provider shall resolve the error pursuant to this subsection and investigate the reason for the error.

“(B) Remedies.—Not later than 90 days after the date of receipt of a notice from the sender pursuant to subparagraph (A), the remittance transfer provider shall, as applicable to the error and as designated by the sender—

“(i) refund to the sender the total amount of funds tendered by the sender in connection with the remittance transfer which was not properly transmitted;

“(ii) make available to the designated recipient, without additional cost to the designated recipient or to the sender, the amount appropriate to resolve the error;
“(iii) provide such other remedy, as
determined appropriate by rule of the
Board for the protection of senders; or

“(iv) provide written notice to the
sender that there was no error with an ex-
planation responding to the specific com-
plaint of the sender.

“(2) RULES.—The Board shall establish, by
rule issued not later than 1 calendar year after the
date of enactment of the Restoring American Finan-
cial Stability of 2010, clear and appropriate stand-
dards for remittance transfer providers with respect
to error resolution relating to remittance transfers,
to protect senders from such errors. Standards pre-
scribed under this paragraph shall include appro-
priate standards regarding record keeping, as re-
quired, including documentation—

“(A) of the sender’s complaint;

“(B) that the sender provides the remit-
tance transfer provider with respect to the al-
leged error; and

“(C) of the remittance transfer provider’s
findings regarding the investigation of the al-
leged error the sender brought to their atten-
tion.
“(d) Applicability of This Title.—

“(1) In General.—A remittance transfer that is not an electronic fund transfer, as defined in section 903, shall not be subject to any of the provisions of sections 905 through 913. A remittance transfer that is an electronic fund transfer, as defined in section 903, shall be subject to all provisions of this title, except for section 908, that are otherwise applicable to electronic fund transfers under this title.

“(2) Rule of Construction.—Nothing in this section shall be construed—

“(A) to affect the application to any transaction, to any remittance provider, or to any other person of any of the provisions of subchapter II of chapter 53 of title 31, United States Code, section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b), or chapter 2 of title I of Public Law 91–508 (12 U.S.C. 1951–1959), or any regulations promulgated thereunder; or

“(B) to cause any fund transfer that would not otherwise be treated as such under paragraph (2) to be treated as an electronic fund transfer, or as otherwise subject to this title, for
the purposes of any of the provisions referred to
in subparagraph (A) or any regulations promul-
gated thereunder.

“(e) ACTS OF AGENTS.—A remittance transfer pro-
vider shall be liable for any violation of this section by
any agent, authorized delegate, or person affiliated with
such provider, when such agent, authorized delegate, or
affiliate acts for that remittance transfer provider.

“(f) DEFINITIONS.—As used in this section—

“(1) the term ‘designated recipient’ means any
person located in a foreign country and identified by
the sender as the authorized recipient of a remit-
tance transfer to be made by a remittance transfer
provider, except that a designated recipient shall not
be deemed to be a consumer for purposes of this
Act;

“(2) the term ‘remittance transfer’ means the
electronic (as defined in section 106(2) of the Elec-
tronic Signatures in Global and National Commerce
Act (15 U.S.C. 7006(2))) transfer of funds re-
quested by a sender located in any State to a des-
ignated recipient that is initiated by a remittance
transfer provider, whether or not the sender holds
an account with the remittance transfer provider or
whether or not the remittance transfer is also an electronic fund transfer, as defined in section 903;

“(3) the term ‘remittance transfer provider’ means any person or financial institution that provides remittance transfers for a consumer in the normal course of its business, whether or not the consumer holds an account with such person or financial institution; and

“(4) the term ‘sender’ means a consumer who requests a remittance provider to send a remittance transfer for the consumer to a designated recipient.”.

(b) AUTOMATED CLEARINGHOUSE SYSTEM.—

(1) Expansion of system.—The Board of Governors shall work with the Federal reserve banks to expand the use of the automated clearinghouse system for remittance transfers to foreign countries, with a focus on countries that receive significant remittance transfers from the United States, based on—

(A) the number, volume, and size of such transfers;

(B) the significance of the volume of such transfers relative to the external financial flows of the receiving country, including—
(i) the total amount transferred; and
(ii) the total volume of payments
made by United States Government agen-
cies to beneficiaries and retirees living
abroad;
(C) the feasibility of such an expansion;
and
(D) the ability of the Federal Reserve Sys-
tem to establish payment gateways in different
geographic regions and currency zones to re-
cieve remittance transfers and route them
through the payments systems in the destina-
tion countries.

(2) REPORT TO CONGRESS.—Not later than one
calendar year after the date of enactment of this
Act, and on April 30 biennially thereafter during the
10-year period beginning on that date of enactment,
the Board of Governors shall submit a report to the
Committee on Banking, Housing, and Urban Affairs
of the Senate and the Committee on Financial Serv-
ices of the House of Representatives on the status
of the automated clearinghouse system and its
progress in complying with the requirements of this
subsection. The report shall also include an analysis
of adoption rates of International ACH Transactions
rules and formats, the efficacy of increasing adoption rates and potential recommendations to increase adoption.

(e) EXPANSION OF FINANCIAL INSTITUTION PROVISION OF REMITTANCE TRANSFERS.—

(1) PROVISION OF GUIDELINES TO INSTITUTIONS.—Each of the Federal banking agencies and the National Credit Union Administration shall provide guidelines to financial institutions under the jurisdiction of the agency regarding the offering of low-cost remittance transfers and no-cost or low-cost basic consumer accounts, as well as agency services to remittance transfer providers.

(2) ASSISTANCE TO FINANCIAL LITERACY COMMISSION.—As part of their duties as members of the Financial Literacy and Education Commission, the CFPA, Federal banking agencies and NCUA shall assist the Commission in executing the SAFE Strategy as it relates to remittances.

(d) FEDERAL CREDIT UNION ACT AMENDMENT.—Paragraph (12) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757(12)) is amended to read as follows:

“(12) in accordance with regulations prescribed by the Board—
“(A) to sell, to persons in the field of membership, negotiable checks (including travelers checks), money orders, and other similar money transfer instruments (including international and domestic electronic fund transfers);

“(B) to provide remittance transfers, as defined in section 919 of the Electronic Fund Transfer Act, to persons in the field of membership; and

“(C) to cash checks and money orders for persons in the field of membership for a fee;”.

On page 1250, between lines 2 and 3, insert the following:

(c) EXPEDITED FUNDS AVAILABILITY IMPROVEMENTS.—Section 603 of the Expedited Funds Availability Act (12 U.S.C. 4002) is amended—

(1) in subsection (a)(2)(D), by striking “$100” and inserting “$200”; and

(2) in subsection (b)(3)(C), in the subparagraph heading, by striking “$100” and inserting “$200”; and

(3) in subsection (c)(1)(B)(iii), in the clause heading, by striking “$100” and inserting “$200”.
(f) REGULAR ADJUSTMENTS FOR INFLATION.—Section 607 of the Expedited Funds Availability Act (12 U.S.C. 4006) is amended by adding at the end the following:

“(f) ADJUSTMENTS TO DOLLAR AMOUNTS FOR INFLATION.—The dollar amounts under this title shall be adjusted every 5 years after December 31, 2011, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, as published by the Bureau of Labor Statistics, rounded to the nearest multiple of $25.”.


On page 1312, line 14, insert after the period the following: “For purposes of this clause, a credit facility shall be deemed to have terminated 24 months after the date on which the credit facility ceases to make extensions of credit and loans, unless the credit facility is otherwise terminated by the Board of Governors.”.

At the end of the bill, add the following:
TITLE XII—IMPROVING ACCESS TO MAINSTREAM FINANCIAL INSTITUTIONS

SECTION 1201. SHORT TITLE.

This title may be cited as the “Improving Access to Mainstream Financial Institutions Act of 2009”.

SECTION 1202. PURPOSE.

The purpose of this title is to encourage initiatives for financial products and services that are appropriate and accessible for millions of Americans who are not fully incorporated into the financial mainstream.

SECTION 1203. DEFINITIONS.

In this title, the following definitions shall apply:

(1) ACCOUNT.—The term “account” means an agreement between an individual and an eligible entity under which the individual obtains from or through the entity 1 or more banking products and services, and includes a deposit account, a savings account (including a money market savings account), an account for a closed-end loan, and other products or services the Secretary deems appropriate.

(2) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term “community development financial institution” has the same meaning as in see-
(3) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, and exempt from tax under section 501(a) of such Code;

(B) a federally insured depository institution;

(C) a community development financial institution;

(D) a State, local, or tribal government entity; or

(E) a partnership or other joint venture comprised of 1 or more of the entities described in subparagraphs (A) through (D), in accordance with regulations prescribed by the Secretary under this title.

(4) FEDERALLY INSURED DEPOSITORY INSTITUTION.—The term “federally insured depository institution” means any insured depository institution (as that term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) and any
insured credit union (as that term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(5) PAYDAY LOAN.—The term “payday loan” means any transaction in which a small cash advance is made to a consumer in exchange for—

(A) the personal check or share draft of the consumer, in the amount of the advance plus a fee, where presentment or negotiation of such check or share draft is deferred by agreement of the parties until a designated future date; or

(B) the authorization of the consumer to debit the transaction account or share draft account of the consumer, in the amount of the advance plus a fee, where such account will be debited on or after a designated future date.

SEC. 1204. EXPANDED ACCESS TO MAINSTREAM FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—The Secretary is authorized to establish a multiyear program of grants, cooperative agreements, financial agency agreements, and similar contracts or undertakings to promote initiatives designed—

(1) to enable low- and moderate-income individuals to establish one or more accounts in a federally
insured depository institution that are appropriate to
meet the financial needs of such individuals; and

(2) to improve access to the provision of ac-
counts, on reasonable terms, for low- and moderate-
income individuals.

(b) PROGRAM ELIGIBILITY AND ACTIVITIES.—

(1) IN GENERAL.—The Secretary shall restrict
participation in any program established under sub-
section (a) to an eligible entity. Subject to regula-
tions prescribed by the Secretary under this title, 1
or more eligible entities may participate in 1 or sev-
eral programs established under subsection (a).

(2) ACCOUNT ACTIVITIES.—Subject to regula-
tions prescribed by the Secretary, an eligible entity
may, in participating in a program established under
subsection (a), offer or provide to low- and mod-
erate-income individuals products and services relat-
ing to accounts, including—

(A) small-dollar value loans; and

(B) financial education and counseling re-
lating to conducting transactions in and man-
aging accounts.

SEC. 1205. LOW-COST ALTERNATIVES TO PAYDAY LOANS.

(a) GRANTS AUTHORIZED.—The Secretary is author-
ized to establish multiyear demonstration programs by
means of grants, cooperative agreements, financial agency agreements, and similar contracts or undertakings, with eligible entities to provide low-cost, small loans to consumers that will provide alternatives to more costly payday loans.

(b) Terms and Conditions.—

(1) In general.—Loans under this section shall be made on terms and conditions, and pursuant to lending practices, that are reasonable for consumers.

(2) Financial literacy and education opportunities.—

(A) In general.—Each eligible entity awarded a grant under this section shall promote and take appropriate steps to ensure the provision of financial literacy and education opportunities, such as relevant counseling services, educational courses, or wealth building programs, to each consumer provided with a loan pursuant to this section.

(B) Authority to expand access.—As part of the grants, agreements, and undertakings established under this section, the Secretary may implement reasonable measures or programs designed to expand access to financial
literacy and education opportunities, including relevant counseling services, educational courses, or wealth building programs to be provided to individuals who obtain loans from eligible entities under this section.

SEC. 1206. GRANTS TO ESTABLISH LOAN-LOSS RESERVE FUNDS.

The Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following:

“SEC. 122. GRANTS TO ESTABLISH LOAN-LOSS RESERVE FUNDS.

“(a) PURPOSES.—The purposes of this section are—

“(1) to make financial assistance available from the Fund in order to help community development financial institutions defray the costs of operating small dollar loan programs, by providing the amounts necessary for such institutions to establish their own loan loss reserve funds to mitigate some of the losses on such small dollar loan programs; and

“(2) to encourage community development financial institutions to establish and maintain small dollar loan programs that would help give consumers
access to mainstream financial institutions and combat payday lending.

“(b) GRANTS.—

“(1) LOAN-LOSS RESERVE FUND GRANTS.—The Fund shall make grants to community development financial institutions or to any partnership between such community development financial institutions and any other federally insured depository institution with a primary mission to serve targeted investment areas, as such areas are defined under section 103(16), to enable such institutions or any partnership of such institutions to establish a loan-loss reserve fund in order to defray the costs of a small dollar loan program established or maintained by such institution.

“(2) MATCHING REQUIREMENT.—A community development financial institution or any partnership of institutions established pursuant to paragraph (1) shall provide non-Federal matching funds in an amount equal to 50 percent of the amount of any grant received under this section.

“(3) USE OF FUNDS.—Any grant amounts received by a community development financial institution or any partnership between or among such institutions under paragraph (1)—
“(A) may not be used by such institution
to provide direct loans to consumers;
“(B) may be used by such institution to
help recapture a portion or all of a defaulted
loan made under the small dollar loan program
of such institution; and
“(C) may be used to designate and utilize
a fiscal agent for services normally provided by
such an agent.

“(4) TECHNICAL ASSISTANCE GRANTS.—The
Fund shall make technical assistance grants to com-
munity development financial institutions or any
partnership between or among such institutions to
support and maintain a small dollar loan program.
Any grant amounts received under this paragraph
may be used for technology, staff support, and other
costs associated with establishing a small dollar loan
program.

“(c) DEFINITIONS.—For purposes of this section—
“(1) the term ‘consumer reporting agency that
compiles and maintains files on consumers on a na-
tionwide basis’ has the same meaning given such
term in section 603(p) of the Fair Credit Reporting
Act (15 U.S.C. 1681a(p)); and
“(2) the term ‘small dollar loan program’ means a loan program wherein a community development financial institution or any partnership between or among such institutions offers loans to consumers that—

“(A) are made in amounts not exceeding $2,500;

“(B) must be repaid in installments;

“(C) have no pre-payment penalty;

“(D) the institution has to report payments regarding the loan to at least 1 of the consumer reporting agencies that compiles and maintains files on consumers on a nationwide basis; and

“(E) meet any other affordability requirements as may be established by the Administrator.”.

SEC. 1207. PROCEDURAL PROVISIONS.

An eligible entity desiring to participate in a program or obtain a grant under this title shall submit an application to the Secretary, in such form and containing such information as the Secretary may require.

SEC. 1208. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION TO THE SECRETARY.—There are authorized to be appropriated to the Secretary, such
smts as are necessary to both administer and fund the
programs and projects authorized by this title, to remain
available until expended.

(b) AUTHORIZATION TO THE FUND.—There is au-

thorized to be appropriated to the Fund for each fiscal
year beginning in fiscal year 2010, an amount equal to
the amount of the administrative costs of the Fund for
the operation of the grant program established under this
title.

SEC. 1209. REGULATIONS.

(a) IN GENERAL.—The Secretary is authorized to
promulgate regulations to implement and administer the
grant programs and undertakings authorized by this title.

(b) REGULATORY AUTHORITY.—Regulations pre-
scribed under this section may contain such classifications,
differentiations, or other provisions, and may provide for
such adjustments and exceptions for any class of grant
programs, undertakings, or eligible entities, as, in the
judgment of the Secretary, are necessary or proper to ef-
fectuate the purposes of this title, to prevent circumven-
tion or evasion of this title, or to facilitate compliance with
this title.

SEC. 1210. EVALUATION AND REPORTS TO CONGRESS.

For each fiscal year in which a program or project
is carried out under this Title, the Secretary shall submit
1 a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives containing a description of the activities funded, amounts distributed, and measurable results, as appropriate and available.