

109TH CONGRESS
2^D SESSION

H. R. 5585

AN ACT

To improve the netting process for financial contracts, and
for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Financial Netting Im-
3 provements Act of 2006”.

4 **SEC. 2. TREATMENT OF CERTAIN AGREEMENTS BY CON-**
5 **SERVATORS OR RECEIVERS OF DEPOSITORY**
6 **INSTITUTIONS.**

7 (a) DEFINITION OF SECURITIES CONTRACT.—

8 (1) FDIC-INSURED DEPOSITORY INSTITU-
9 TIONS.—Section 11(e)(8)(D)(ii) of the Federal De-
10 posit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is
11 amended—

12 (A) in subclause (I)—

13 (i) by striking “mortgage loan, or”
14 and inserting “mortgage loan,”; and

15 (ii) by inserting before the semicolon
16 “(whether or not such repurchase or re-
17 verse repurchase transaction is a ‘repur-
18 chase agreement’, as defined in clause
19 (v))”;

20 (B) in subclause (IV)—

21 (i) by inserting “(including by nova-
22 tion)” after “the guarantee”; and

23 (ii) by inserting before the semicolon
24 “(whether or not such settlement is in con-
25 nection with any agreement or transaction

1 referred to in subclauses (I) through (XII)
2 (other than subclause (II))”;

3 (C) in subclause (IX), by striking “or
4 (VIII)” each place such term appears and in-
5 serting “(VIII), (IX), or (X)”;

6 (D) by redesignating subclauses (VI),
7 (VII), (VIII), (IX), and (X) as subclauses
8 (VIII), (IX), (X), (XI), and (XII), respectively;
9 and

10 (E) by inserting after subclause (V) the
11 following new subparagraphs:

12 “(VI) means any extension of
13 credit for the clearance or settlement
14 of securities transactions;

15 “(VII) means any loan trans-
16 action coupled with a securities collar
17 transaction, any prepaid securities
18 forward transaction, or any total re-
19 turn swap transaction coupled with a
20 securities sale transaction;”.

21 (2) INSURED CREDIT UNIONS.—Section
22 207(c)(8)(D)(ii) of the Federal Credit Union Act
23 (12 U.S.C. 1787(c)(8)(D)(ii)) is amended—

24 (A) in subclause (I)—

1 (i) by striking “mortgage loan, or”
2 and inserting “mortgage loan,”; and

3 (ii) by inserting before the semicolon
4 “(whether or not such repurchase or re-
5 verse repurchase transaction is a ‘repur-
6 chase agreement’, as defined in clause
7 (v))”;

8 (B) in subclause (IV)—

9 (i) by inserting “(including by nova-
10 tion)” after “the guarantee”; and

11 (ii) by inserting before the semicolon
12 “(whether or not such settlement is in con-
13 nection with any agreement or transaction
14 referred to in subclauses (I) through (XII)
15 (other than subclause (II))”;

16 (C) in subclause (IX), by striking “or
17 (VIII)” each place such term appears and in-
18 serting “(VIII), (IX), or (X)”;

19 (D) by redesignating subclauses (VI),
20 (VII), (VIII), (IX), and (X) as subclauses
21 (VIII), (IX), (X), (XI), and (XII), respectively;
22 and

23 (E) by inserting after subclause (V) the
24 following new subparagraphs:

1 “(VI) means any extension of
2 credit for the clearance or settlement
3 of securities transactions;

4 “(VII) means any loan trans-
5 action coupled with a securities collar
6 transaction, any prepaid securities
7 forward transaction, or any total re-
8 turn swap transaction coupled with a
9 securities sale transaction;”.

10 (b) DEFINITION OF FORWARD CONTRACT.—

11 (1) FDIC-INSURED DEPOSITORY INSTITU-
12 TIONS.—Section 11(e)(8)(D)(iv)(I) of the Federal
13 Deposit Insurance Act (12 U.S.C.
14 1821(e)(8)(D)(iv)(I)) is amended by striking “trans-
15 action, reverse repurchase transaction” and inserting
16 “or reverse repurchase transaction (whether or not
17 such repurchase or reverse repurchase transaction is
18 a ‘repurchase agreement’, as defined in clause (v))”.

19 (2) INSURED CREDIT UNIONS.—Section
20 207(c)(8)(D)(iv)(I) of the Federal Credit Union Act
21 (12 U.S.C. 1787(c)(8)(D)(iv)(I)) is amended by
22 striking “transaction, reverse repurchase trans-
23 action” and inserting “or reverse repurchase trans-
24 action (whether or not such repurchase or reverse

1 repurchase transaction is a ‘repurchase agreement’,
2 as defined in clause (v)’”.

3 (c) DEFINITION OF SWAP AGREEMENT.—

4 (1) FDIC-INSURED DEPOSITORY INSTITU-
5 TIONS.—Section 11(e)(8)(D)(vi) of the Federal De-
6 posit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is
7 amended—

8 (A) in subclause (I)—

9 (i) by striking “or precious metals”
10 and inserting “, precious metals, or other
11 commodity”; and

12 (ii) by striking “or a weather swap,
13 weather derivative, or weather option” and
14 inserting “weather swap, option, future, or
15 forward agreement; an emissions swap, op-
16 tion, future, or forward agreement; or an
17 inflation swap, option, future, or forward
18 agreement”;

19 (B) in subclause (II)—

20 (i) by inserting “or other derivatives”
21 after “dealings in the swap”; and

22 (ii) by striking “future, or option”
23 and inserting “future, option, or spot
24 transaction”; and

1 (C) by striking “the Securities Act of
2 1933, the Securities Exchange Act of 1934, the
3 Public Utility Holding Company Act of 1935,
4 the Trust Indenture Act of 1939, the Invest-
5 ment Company Act of 1940, the Investment
6 Advisers Act of 1940, the Securities Investor
7 Protection Act of 1970, the Commodity Ex-
8 change Act, the Gramm-Leach-Bliley Act, and
9 the Legal Certainty for Bank Products Act of
10 2000” and inserting “the Gramm-Leach-Bliley
11 Act, the Legal Certainty for Bank Products Act
12 of 2000, the securities laws (as such term is de-
13 fined in section 3(a)(47) of the Securities Ex-
14 change Act of 1934) and the Commodity Ex-
15 change Act”.

16 (2) INSURED CREDIT UNIONS.—Section
17 207(c)(8)(D)(vi) of the Federal Credit Union Act
18 (12 U.S.C. 1787(c)(8)(D)(vi)) is amended—

19 (A) in subclause (I)—

20 (i) by striking “or precious metals”
21 and inserting “, precious metals, or other
22 commodity”; and

23 (ii) by striking “or a weather swap,
24 weather derivative, or weather option” and
25 inserting “weather swap, option, future, or

1 forward agreement; an emissions swap, op-
2 tion, future, or forward agreement; or an
3 inflation swap, option, future, or forward
4 agreement”;

5 (B) in subclause (II)—

6 (i) by inserting “or other derivatives”
7 after “dealings in the swap”; and

8 (ii) by striking “future, or option”
9 and inserting “future, option, or spot
10 transaction”; and

11 (C) by striking “the Securities Act of
12 1933, the Securities Exchange Act of 1934, the
13 Public Utility Holding Company Act of 1935,
14 the Trust Indenture Act of 1939, the Invest-
15 ment Company Act of 1940, the Investment
16 Advisers Act of 1940, the Securities Investor
17 Protection Act of 1970, the Commodity Ex-
18 change Act, the Gramm-Leach-Bliley Act, and
19 the Legal Certainty for Bank Products Act of
20 2000” and inserting “the Gramm-Leach-Bliley
21 Act, the Legal Certainty for Bank Products Act
22 of 2000, the securities laws (as such term is de-
23 fined in section 3(a)(47) of the Securities Ex-
24 change Act of 1934) and the Commodity Ex-
25 change Act”.

1 **SEC. 3. CLARIFYING AMENDMENTS RELATING TO DEFINI-**
2 **TION OF PERSON.**

3 (a) **FDIC-INSURED DEPOSITORY INSTITUTIONS**
4 **DEFINITION OF PERSON.**—Section 11(e)(8)(D) of the
5 Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D))
6 is amended by adding at the end the following:

7 “(ix) **PERSON.**—The term ‘person’ includes
8 any governmental entity in addition to any enti-
9 ty included in the definition of such term in
10 section 1 of title 1, United States Code.”.

11 (b) **INSURED CREDIT UNIONS DEFINITION OF PER-**
12 **SON.**—Section 207(c)(8)(D) of the Federal Credit Union
13 Act (12 U.S.C. 1787(c)(8)(D)) is amended by adding at
14 the end the following:

15 “(ix) **PERSON.**—The term ‘person’ in-
16 cludes any governmental entity in addition
17 to any entity included in the definition of
18 such term in section 1 of title 1, United
19 States Code.”.

20 **SEC. 4. FEDERAL DEPOSIT INSURANCE CORPORATION IM-**
21 **PROVEMENT ACT OF 1991.**

22 (a) **ENFORCEABILITY OF BILATERAL NETTING CON-**
23 **TRACTS.**—Section 403 of the Federal Deposit Insurance
24 Corporation Improvement Act of 1991 (12 U.S.C. 4403)
25 is amended—

1 (1) in each of subsections (a) and (f), by strik-
2 ing “paragraphs (8)(E), (8)(F), and (10)(B) of”
3 each place such term appears; and

4 (2) in subsection (a), by inserting “terminated,
5 liquidated, accelerated, and” after “institutions shall
6 be”.

7 (b) ENFORCEABILITY OF CLEARING ORGANIZATION
8 NETTING CONTRACTS.—Section 404 of the Federal De-
9 posit Insurance Corporation Improvement Act of 1991 (12
10 U.S.C. 4404) is amended—

11 (1) in each of subsections (a) and (h), by strik-
12 ing “paragraphs (8)(E), (8)(F), and (10)(B) of”
13 each place such term appears; and

14 (2) in subsection (a), by inserting “terminated,
15 liquidated, accelerated, and” after “organization
16 shall be”.

17 **SEC. 5. CONFORMING AMENDMENTS.**

18 (a) CLARIFYING DEFINITIONS.—Title 11, United
19 States Code, is amended—

20 (1) in section 101—

21 (A) in paragraph (22)(A)—

22 (i) by striking “(domestic or foreign)”
23 after “an entity”; and

1 (ii) by inserting “(whether or not a
2 ‘customer’, as defined in section 741)”
3 after “custodian for a customer”;

4 (B) in paragraph (22A)—

5 (i) by striking “on any day during the
6 previous 15-month period” each place it
7 appears and inserting “at such time or on
8 any day during the 15-month period pre-
9 ceding the date of the filing of the peti-
10 tion”; and

11 (ii) by inserting “(aggregated across
12 counterparties)” after “principal amount
13 outstanding”;

14 (C) in paragraph (25)(A)—

15 (i) by inserting “, as defined in sec-
16 tion 761” after “commodity contract”; and

17 (ii) by striking “repurchase trans-
18 action, reverse repurchase transaction,”
19 and inserting “repurchase or reverse re-
20 purchase transaction (whether or not such
21 repurchase or reverse repurchase trans-
22 action is a ‘repurchase agreement’, as de-
23 fined in this section)”;

24 (D) in paragraph (53B)(A)—

25 (i) in clause (i)—

1 (I) in subclause (II), by striking
2 “or precious metals” and inserting “,
3 precious metals, or other commodity”;

4 (II) in subclause (VII), by strik-
5 ing “or” at the end;

6 (III) in subclause (VIII), by
7 striking “weather derivative, or weath-
8 er option” and inserting “option, fu-
9 ture, or forward agreement”; and

10 (IV) by adding at the end the fol-
11 lowing:

12 “(IX) an emissions swap, option,
13 future, or forward agreement; or

14 “(X) an inflation swap, option,
15 future, or forward agreement;”; and

16 (ii) in clause (ii)—

17 (I) in subclause (I), by inserting
18 “or other derivatives” after “dealings
19 in the swap”; and

20 (II) in subclause (II), by striking
21 “future, or option” and inserting “fu-
22 ture, option, or spot transaction”; and

23 (E) in paragraph (53B)(B), by striking
24 “the Securities Act of 1933, the Securities Ex-
25 change Act of 1934, the Public Utility Holding

1 Company Act of 1935, the Trust Indenture Act
2 of 1939, the Investment Company Act of 1940,
3 the Investment Advisers Act of 1940, the Secu-
4 rities Investor Protection Act of 1970, the Com-
5 modity Exchange Act, the Gramm-Leach-Bliley
6 Act, and the Legal Certainty for Bank Products
7 Act of 2000” and inserting “the Gramm-Leach-
8 Bliley Act, the Legal Certainty for Bank Prod-
9 ucts Act of 2000, the securities laws (as such
10 term is defined in section 3(a)(47) of the Secu-
11 rities Exchange Act of 1934) and the Com-
12 modity Exchange Act”;

13 (2) in section 362(b)—

14 (A) by striking paragraphs (6) and (7) and
15 inserting the following:

16 “(6) under subsection (a) of this section, of the
17 exercise by a commodity broker, forward contract
18 merchant, stockbroker, financial institution, finan-
19 cial participant, or securities clearing agency of any
20 contractual right (as defined in section 555 or 556)
21 under any security agreement or arrangement or
22 other credit enhancement forming a part of or re-
23 lated to any commodity contract, forward contract
24 or securities contract, or of any contractual right (as
25 defined in section 555 or 556) to offset or net out

1 any termination value, payment amount, or other
2 transfer obligation arising under or in connection
3 with 1 or more such contracts, including any master
4 agreement for such contracts;

5 “(7) under subsection (a) of this section, of the
6 exercise by a repo participant or financial partici-
7 pant of any contractual right (as defined in section
8 559) under any security agreement or arrangement
9 or other credit enhancement forming a part of or re-
10 lated to any repurchase agreement, or of any con-
11 tractual right (as defined in section 559) to offset or
12 net out any termination value, payment amount, or
13 other transfer obligation arising under or in connec-
14 tion with 1 or more such agreements, including any
15 master agreement for such agreements;”;

16 (B) by striking paragraph (17) and insert-
17 ing the following:

18 “(17) under subsection (a) of this section, of
19 the exercise by a swap participant or financial par-
20 ticipant of any contractual right (as defined in sec-
21 tion 560) under any security agreement or arrange-
22 ment or other credit enhancement forming a part of
23 or related to any swap agreement, or of any contrac-
24 tual right (as defined in section 560) to offset or net
25 out any termination value, payment amount, or

1 other transfer obligation arising under or in connec-
2 tion with 1 or more such agreements, including any
3 master agreement for such agreements;” and

4 (C) by striking paragraph (27) and insert-
5 ing the following:

6 “(27) under subsection (a) of this section, of
7 the exercise by a master netting agreement partici-
8 pant of any contractual right (as defined in section
9 555, 556, 559, or 560) under any security agree-
10 ment or arrangement or other credit enhancement
11 forming a part of or related to any master netting
12 agreement, or of any contractual right (as defined in
13 section 555, 556, 559, or 560) to offset or net out
14 any termination value, payment amount, or other
15 transfer obligation arising under or in connection
16 with 1 or more such master netting agreements to
17 the extent that such participant is eligible to exercise
18 such rights under paragraph (6), (7), or (17) for
19 each individual contract covered by the master net-
20 ting agreement in issue; and” and

21 (3) in section 741(7)(A)—

22 (A) in clause (i)—

23 (i) by striking “mortgage loan or”
24 and inserting “mortgage loan,”; and

1 (ii) by inserting before the semicolon
2 “(whether or not such repurchase or re-
3 verse repurchase transaction is a ‘repur-
4 chase agreement’, as defined in section
5 101)”;

6 (B) in clause (iii)—

7 (i) by inserting “(including by nova-
8 tion)” after “the guarantee”; and

9 (ii) by inserting before the semicolon
10 “(whether or not such settlement is in con-
11 nection with any agreement or transaction
12 referred to in clauses (i) through (xi))”;

13 (C) in clause (viii), by striking “or (vii)”
14 each place it appears and inserting “(vii), (viii),
15 or (ix)”;

16 (D) by redesignating clauses (v) through
17 (ix) as clauses (vii) through (xi), respectively;
18 and

19 (E) by inserting after clause (iv) the fol-
20 lowing:

21 “(v) any extension of credit for
22 the clearance or settlement of securi-
23 ties transactions;

24 “(vi) any loan transaction cou-
25 pled with a securities collar trans-

1 action, any prepaid forward securities
2 transaction, or any total return swap
3 transaction coupled with a securities
4 sale transaction;”.

5 (b) LIMITATION OF AVOIDANCE POWERS UNDER
6 MASTER NETTING AGREEMENT.—Section 546 of title 11,
7 United States Code, is amended—

8 (1) in subsection (e)—

9 (A) by inserting “(or for the benefit of)”
10 before “a commodity broker”; and

11 (B) by inserting “or that is a transfer
12 made by or to (or for the benefit of) a com-
13 modity broker, forward contract merchant,
14 stockbroker, financial institution, financial par-
15 ticipant, or securities clearing agency, in con-
16 nection with a securities contract, as defined in
17 section 741(7), commodity contract, as defined
18 in section 761(4), or forward contract,” after
19 “securities clearing agency,”;

20 (2) in subsection (f)—

21 (A) by striking “that is a margin payment,
22 as defined in section 741 or 761 of this title,
23 or settlement payment, as defined in section
24 741 of this title,”; and

1 (B) by inserting “(or for the benefit of)”
2 before “a repo participant”;

3 (3) in subsection (g), by inserting “(or for the
4 benefit of)” before “a swap participant”; and

5 (4) in subsection (j), by inserting “(or for the
6 benefit of)” after “made by or to”.

7 (c) SIPC STAY.—Section 5(b)(2)(C)(iii) of the Secu-
8 rities Investor Protection Act of 1970 (15 U.S.C.
9 78eee(b)(2)(C)(iii)) is amended—

10 (1) by inserting “a derivatives clearing organi-
11 zation (as defined in the Commodity Exchange Act),
12 a multilateral clearing organization (as defined in
13 the Federal Deposit Insurance Corporation Improve-
14 ment Act of 1991),” after “rule or bylaw of”; and

15 (2) by striking “or a securities clearance agen-
16 cy, a right set forth in a bylaw of a clearing organi-
17 zation or contract market” and inserting “a securi-
18 ties clearing agency, a contract market designated
19 under the Commodity Exchange Act, a derivatives
20 transaction execution facility registered under the
21 Commodity Exchange Act, or a board of trade (as
22 defined in the Commodity Exchange Act),”.

23 (d) SAVINGS CLAUSE.—Title IX of the Bankruptcy
24 Abuse Prevention and Consumer Protection Act of 2005

1 (Public Law 109–8, 119 Stat. 146) is amended by adding
2 at the end the following:

3 **“SEC. 912. SAVINGS CLAUSE.**

4 “The meanings of terms used in this title are applica-
5 ble for the purposes of this title only, and shall not be
6 construed or applied so as to challenge or affect the char-
7 acterization, definition, or treatment of any similar terms
8 under any other statute, regulation, or rule, including the
9 Gramm-Leach-Bliley Act, the Legal Certainty for Bank
10 Products Act of 2000, the securities laws (as such term
11 is defined in section 3(a)(47) of the Securities Exchange
12 Act of 1934), and the Commodity Exchange Act.”.

13 **SEC. 6. WALKAWAY CLAUSES.**

14 (a) **FDIC-INSURED DEPOSITORY INSTITUTIONS.—**
15 Section 11(e)(8)(G) of the Federal Deposit Insurance Act
16 (12 U.S.C. 1821(e)(8)(G)) is amended by striking clause
17 (ii) and inserting the following new clauses:

18 “(ii) **LIMITED SUSPENSION OF CER-**
19 **TAIN OBLIGATIONS.—**In the case of a
20 qualified financial contract referred to in
21 clause (i), any payment or delivery obliga-
22 tions otherwise due from a party pursuant
23 to the qualified financial contract shall be
24 suspended from the time the receiver is ap-
25 pointed until the earlier of—

1 “(I) the time such party receives
2 notice that such contract has been
3 transferred pursuant to subparagraph
4 (A); or

5 “(II) 5:00 p.m. (eastern time) on
6 the business day following the date of
7 the appointment of the receiver.

8 “(iii) WALKAWAY CLAUSE DE-
9 FINED.—For purposes of this subpara-
10 graph, the term ‘walkaway clause’ means
11 any provision in a qualified financial con-
12 tract that suspends, conditions, or extin-
13 guishes a payment obligation of a party, in
14 whole or in part, or does not create a pay-
15 ment obligation of a party that would oth-
16 erwise exist, solely because of such party’s
17 status as a nondefaulting party in connec-
18 tion with the insolvency of an insured de-
19 pository institution that is a party to the
20 contract or the appointment of or the exer-
21 cise of rights or powers by a conservator or
22 receiver of such depository institution, and
23 not as a result of a party’s exercise of any
24 right to offset, setoff, or net obligations
25 that exist under the contract, any other

1 contract between those parties, or applica-
2 ble law.”.

3 (b) INSURED CREDIT UNIONS.—Section
4 207(c)(8)(G) of the Federal Credit Union Act 12 U.S.C.
5 1787(c)(8)(G)) is amended by striking clause (ii) and in-
6 serting the following new clauses:

7 “(ii) LIMITED SUSPENSION OF CER-
8 TAIN OBLIGATIONS.—In the case of a
9 qualified financial contract referred to in
10 clause (i), any payment or delivery obliga-
11 tions otherwise due from a party pursuant
12 to the qualified financial contract shall be
13 suspended from the time the liquidating
14 agent is appointed until the earlier of—

15 “(I) the time such party receives
16 notice that such contract has been
17 transferred pursuant to subparagraph
18 (A); or

19 “(II) 5:00 p.m. (eastern time) on
20 the business day following the date of
21 the appointment of the liquidating
22 agent.

23 “(iii) WALKAWAY CLAUSE DE-
24 FINED.—For purposes of this subpara-
25 graph, the term ‘walkaway clause’ means

1 any provision in a qualified financial con-
2 tract that suspends, conditions, or extin-
3 guishes a payment obligation of a party, in
4 whole or in part, or does not create a pay-
5 ment obligation of a party that would oth-
6 erwise exist, solely because of such party's
7 status as a nondefaulting party in connec-
8 tion with the insolvency of an insured cred-
9 it union or the appointment of or the exer-
10 cise of rights or powers by a conservator or
11 liquidating agent of such credit union, and
12 not as a result of a party's exercise of any
13 right to offset, setoff, or net obligations
14 that exist under the contract, any other
15 contract between those parties, or applica-
16 ble law.”.

17 **SEC. 7. COMPENSATION OF CHAPTER 7 TRUSTEES; CHAP-**
18 **TER 7 FILING FEES.**

19 (a) AMENDMENTS TO TITLE 11 OF THE UNITED
20 STATES CODE.—

21 (1) COMPENSATION OF CHAPTER 7 TRUST-
22 EES.—Section 330(b)(1) of title 11, United States
23 Code, is amended—

24 (A) by striking “\$45” and inserting
25 “\$100”, and

1 (B) by inserting before the period at the
2 end the following:

3 “, except that such amount shall be adjusted by the
4 amount (if any) of such filing fee waived under the 2d
5 sentence of section 1930(f)(1) of title 28”.

6 (2) RELATED AMENDMENTS.—Section 330(b)
7 of title 11, United States Code, is amended—

8 (A) by striking “(1)”, and

9 (B) by striking paragraph (2).

10 (b) AMENDMENTS TO TITLE 28 OF THE UNITED
11 STATES CODE.—

12 (1) CHAPTER 7 FILING FEE.—Section 1930 of
13 title 28 of the United States Code, as amended by
14 section 10101 of Public Law 109-171, is amended—

15 (A) in subsection (a)(1)(A) by striking
16 “\$245” and inserting “\$300”, and

17 (B) in subsection (f)(1) by inserting after
18 the 1st sentence the following:

19 “Under the procedures prescribed by the Judicial Con-
20 ference of the United States, the district court or the
21 bankruptcy court shall waive \$40 of the filing fee required
22 by subsection (a) in a case under chapter 7 of title 11
23 for an individual if the court determines that such indi-
24 vidual has income not less than 150 percent, and not more
25 than 175 percent, of the income official poverty line (as

1 defined by the Office of Management and Budget, and re-
2 vised annually in accordance with section 673(2) of the
3 Omnibus Budget Reconciliation Act of 1981) applicable
4 to a family of the size involved.”.

5 (2) UNITED STATES TRUSTEE FUND.—Section
6 589a(b)(1)(A) of title 28, United States Code, is
7 amended by striking “40.46 percent of the fees col-
8 lected under section 1930(a)(1)(A)” and inserting
9 “29.67 percent of the sum of the amount of fees col-
10 lected under section 1930(a)(1)(A) and the amount
11 of fees waived under the 2d sentence of section
12 1930(f)(1)”.

13 (c) RELATED AMENDMENT REGARDING COLLEC-
14 TIONS AND DEPOSITS OF MISCELLANEOUS BANKRUPTCY
15 FEES.—Section 406(b) of the Judiciary Appropriations
16 Act, 1990 (28 U.S.C. 1931 note) is amended by striking
17 “28.87 percent of the fees collected under section
18 1930(a)(1)(A) of that title” and inserting “21.17 percent
19 of the sum of the amount of fees collected under section
20 1930(a)(1)(A) of that title and the amount of fees waived
21 under the 2d sentence of section 1930(f)(1)) of that title”.

22 (d) CONFORMING AMENDMENT.—Section 10101(a)
23 of Public Law 109–171 is amended by striking paragraph
24 (2).

1 (e) EFFECTIVE DATE; APPLICATION OF AMEND-
2 MENTS.—The amendments made by this section shall take
3 effect 120 days after the date of the enactment of this
4 Act and shall not apply with respect to cases commenced
5 under title 11 of the United States Code before the date
6 such amendments take effect.

7 **SEC. 8. SCOPE OF APPLICATION.**

8 Subject to section 7(e), the amendments made by this
9 Act shall not apply to any cases commenced under title
10 11, United States Code, or appointments made under any
11 Federal or State law, before the date of the enactment
12 of this Act.

 Passed the House of Representatives September 27,
2006.

Attest:

Clerk.

109TH CONGRESS
2^D SESSION

H. R. 5585

AN ACT

To improve the netting process for financial contracts, and for other purposes.