

# ***In the House of Representatives, U. S.,***

*September 27, 2006.*

*Resolved*, That the bill from the Senate (S. 2856) entitled “An Act to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes”, do pass with the following

## **AMENDMENT:**

Strike out all after the enacting clause and insert:

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2       (a) *SHORT TITLE.*—*This Act may be cited as the “Financial Services Regulatory Relief Act of 2006”.*

4       (b) *TABLE OF CONTENTS.*—*The table of contents for this Act is as follows:*

*Sec. 1. Short title; table of contents.*

### ***TITLE I—BROKER RELIEF***

*Sec. 101. Joint rulemaking required for revised definition of broker in the Securities Exchange Act of 1934.*

### ***TITLE II—MONETARY POLICY PROVISIONS***

*Sec. 201. Authorization for the Federal reserve to pay interest on reserves.*

*Sec. 202. Increased flexibility for the Federal Reserve Board to establish reserve requirements.*

*Sec. 203. Effective date.*

### ***TITLE III—NATIONAL BANK PROVISIONS***

*Sec. 301. Voting in shareholder elections.*

*Sec. 302. Simplifying dividend calculations for national banks.*

*Sec. 303. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.*

*Sec. 304. Repeal of obsolete provision in the Revised Statutes.*

Sec. 305. *Enhancing the authority for banks to make community development investments.*

#### **TITLE IV—SAVINGS ASSOCIATION PROVISIONS**

- Sec. 401. *Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.*
- Sec. 402. *Repeal of overlapping rules governing purchased mortgage servicing rights.*
- Sec. 403. *Clarifying citizenship of Federal savings associations for Federal court jurisdiction.*
- Sec. 404. *Repeal of limitation on loans to one borrower.*

#### **TITLE V—CREDIT UNION PROVISIONS**

- Sec. 501. *Leases of land on Federal facilities for credit unions.*
- Sec. 502. *Increase in general 12-year limitation of term of Federal credit union loans to 15 years.*
- Sec. 503. *Check cashing and money transfer services offered within the field of membership.*
- Sec. 504. *Clarification of definition of net worth under certain circumstances for purposes of prompt corrective action.*
- Sec. 505. *Amendments relating to nonfederally insured credit unions.*

#### **TITLE VI—DEPOSITORY INSTITUTION PROVISIONS**

- Sec. 601. *Reporting requirements relating to insider lending.*
- Sec. 602. *Investments by insured savings associations in bank service companies authorized.*
- Sec. 603. *Authorization for member bank to use pass-through reserve accounts.*
- Sec. 604. *Streamlining reports of condition.*
- Sec. 605. *Expansion of eligibility for 18-month examination schedule for community banks.*
- Sec. 606. *Streamlining depository institution merger application requirements.*
- Sec. 607. *Nonwaiver of privileges.*
- Sec. 608. *Clarification of application requirements for optional conversion for Federal savings associations.*
- Sec. 609. *Exemption from disclosure of privacy policy for accounting firms.*
- Sec. 610. *Inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.*
- Sec. 611. *Modification to cross marketing restrictions.*

#### **TITLE VII—BANKING AGENCY PROVISIONS**

- Sec. 701. *Statute of limitations for judicial review of appointment of a receiver for depository institutions.*
- Sec. 702. *Enhancing the safety and soundness of insured depository institutions.*
- Sec. 703. *Cross guarantee authority.*
- Sec. 704. *Golden parachute authority and nonbank holding companies.*
- Sec. 705. *Amendments relating to change in bank control.*
- Sec. 706. *Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.*
- Sec. 707. *Interagency data sharing.*
- Sec. 708. *Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.*

- Sec. 709. *Protection of confidential information received by Federal banking regulators from foreign banking supervisors.*
- Sec. 710. *Prohibition on participation by convicted individuals.*
- Sec. 711. *Coordination of State examination authority.*
- Sec. 712. *Deputy Director; succession authority for Director of the Office of Thrift Supervision.*
- Sec. 713. *Office of Thrift Supervision representation on Basel Committee on Banking Supervision.*
- Sec. 714. *Federal Financial Institutions Examination Council.*
- Sec. 715. *Technical amendments relating to insured institutions.*
- Sec. 716. *Clarification of enforcement authority.*
- Sec. 717. *Federal banking agency authority to enforce deposit insurance conditions.*
- Sec. 718. *Receiver or conservator consent requirement.*
- Sec. 719. *Acquisition of FICO scores.*
- Sec. 720. *Elimination of criminal indictments against receiverships.*
- Sec. 721. *Resolution of deposit insurance disputes.*
- Sec. 722. *Recordkeeping.*
- Sec. 723. *Preservation of records.*
- Sec. 724. *Technical amendments to information sharing provision in the Federal Deposit Insurance Act.*
- Sec. 725. *Technical and conforming amendments relating to banks operating under the Code of Law for the District of Columbia.*
- Sec. 726. *Technical corrections to the Federal Credit Union Act.*
- Sec. 727. *Repeal of obsolete provisions of the Bank Holding Company Act of 1956.*
- Sec. 728. *Development of model privacy forms.*

**TITLE VIII—FAIR DEBT COLLECTION PRACTICES ACT  
AMENDMENTS**

- Sec. 801. *Exception for certain bad check enforcement programs.*
- Sec. 802. *Other amendments.*

**TITLE IX—CASH MANAGEMENT MODERNIZATION**

- Sec. 901. *Collateral modernization.*

**TITLE X—STUDIES AND REPORTS**

- Sec. 1001. *Study and report by the Comptroller General on the currency transaction report filing system.*
- Sec. 1002. *Study and report on institution diversity and consolidation.*

**1           TITLE I—BROKER RELIEF**

**2    SEC. 101. JOINT RULEMAKING REQUIRED FOR REVISED**

**3           DEFINITION OF BROKER IN THE SECURITIES**

**4           EXCHANGE ACT OF 1934.**

**5           (a) FINAL RULES REQUIRED.—**



1        *gard to the exceptions to the definition of a broker*  
2        *under section 3(a)(4)(B) of the Securities Exchange*  
3        *Act of 1934. No such other rule, whether or not issued*  
4        *in final form, shall have any force or effect on or after*  
5        *that date of enactment.*

6        *(b) CONSULTATION.—Prior to jointly adopting the sin-*  
7        *gle set of final rules or regulations required by this section,*  
8        *the Commission and the Board shall consult with and seek*  
9        *the concurrence of the Federal banking agencies concerning*  
10       *the content of such rulemaking in implementing section*  
11       *3(a)(4)(B) of the Securities Exchange Act of 1934, as*  
12       *amended by this section and section 201 of the Gramm-*  
13       *Leach-Bliley Act.*

14       *(c) DEFINITION.—For purposes of this section, the*  
15       *term “Federal banking agencies” means the Office of the*  
16       *Comptroller of the Currency, the Office of Thrift Super-*  
17       *vision, and the Federal Deposit Insurance Corporation.*

18       **TITLE II—MONETARY POLICY  
19       PROVISIONS**

20       **SEC. 201. AUTHORIZATION FOR THE FEDERAL RESERVE TO  
21       PAY INTEREST ON RESERVES.**

22       *(a) IN GENERAL.—Section 19(b) of the Federal Re-*  
23       *serve Act (12 U.S.C. 461(b)) is amended by adding at the*  
24       *end the following:*

25       *“(12) EARNINGS ON BALANCES.—*

1                   “(A) *IN GENERAL.*—Balances maintained  
2                   at a Federal Reserve bank by or on behalf of a  
3                   depository institution may receive earnings to be  
4                   paid by the Federal Reserve bank at least once  
5                   each calendar quarter, at a rate or rates not to  
6                   exceed the general level of short-term interest  
7                   rates.

8                   “(B) *REGULATIONS RELATING TO PAY-  
9                   MENTS AND DISTRIBUTIONS.*—The Board may  
10                  prescribe regulations concerning—

11                  “(i) the payment of earnings in ac-  
12                  cordance with this paragraph;

13                  “(ii) the distribution of such earnings  
14                  to the depository institutions which main-  
15                  tain balances at such banks, or on whose be-  
16                  half such balances are maintained; and

17                  “(iii) the responsibilities of depository  
18                  institutions, Federal Home Loan Banks,  
19                  and the National Credit Union Administra-  
20                  tion Central Liquidity Facility with respect  
21                  to the crediting and distribution of earnings  
22                  attributable to balances maintained, in ac-  
23                  cordance with subsection (c)(1)(A), in a  
24                  Federal Reserve bank by any such entity on  
25                  behalf of depository institutions.

1                   “(C) *DEPOSITORY INSTITUTIONS DE-*  
2                   *FINED.*—*For purposes of this paragraph, the*  
3                   *term ‘depository institution’, in addition to the*  
4                   *institutions described in paragraph (1)(A), in-*  
5                   *cludes any trust company, corporation organized*  
6                   *under section 25A or having an agreement with*  
7                   *the Board under section 25, or any branch or*  
8                   *agency of a foreign bank (as defined in section*  
9                   *1(b) of the International Banking Act of 1978).*”.

10                (b) *CONFORMING AMENDMENT.*—*Section 19 of the Fed-*  
11                *eral Reserve Act (12 U.S.C. 461) is amended—*

12                (1) *in subsection (b)(4)—*  
13                   (A) *by striking subparagraph (C); and*  
14                   (B) *by redesignating subparagraphs (D)*  
15                   *and (E) as subparagraphs (C) and (D), respec-*  
16                   *tively; and*  
17                (2) *in subsection (c)(1)(A), by striking “sub-*  
18                *section (b)(4)(C)” and inserting “subsection (b)”.*

19                **SEC. 202. INCREASED FLEXIBILITY FOR THE FEDERAL RE-**  
20                **SERVE BOARD TO ESTABLISH RESERVE RE-**  
21                **QUIREMENTS.**

22                *Section 19(b)(2)(A) of the Federal Reserve Act (12*  
23                *U.S.C. 461(b)(2)(A)) is amended—*

- 1                   (1) in clause (i), by striking “the ratio of 3 per  
2                   centum” and inserting “a ratio of not greater than 3  
3                   percent (and which may be zero)”; and  
4                   (2) in clause (ii), by striking “and not less than  
5                   8 per centum,” and inserting “(and which may be  
6                   zero),”.

7   **SEC. 203. EFFECTIVE DATE.**

8                   The amendments made by this title shall take effect  
9                   October 1, 2011.

10                  **TITLE III—NATIONAL BANK  
11                   PROVISIONS**

12   **SEC. 301. VOTING IN SHAREHOLDER ELECTIONS.**

13                  Section 5144 of the Revised Statutes of the United  
14                  States (12 U.S.C. 61) is amended—

15                  (1) by striking “or to cumulate” and inserting  
16                  “or, if so provided by the articles of association of the  
17                  national bank, to cumulate”; and

18                  (2) by striking the comma after “his shares shall  
19                  equal”.

20   **SEC. 302. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-  
21                   TIONAL BANKS.**

22                  (a) *IN GENERAL.*—Section 5199 of the Revised Stat-  
23                  utes of the United States (12 U.S.C. 60) is amended to read  
24                  as follows:

1   **“SEC. 5199. NATIONAL BANK DIVIDENDS.**

2       “(a) *IN GENERAL.*—Subject to subsection (b), the di-  
3   rectors of any national bank may declare a dividend of so  
4   much of the undivided profits of the bank as the directors  
5   judge to be expedient.

6       “(b) *APPROVAL REQUIRED UNDER CERTAIN CIR-*  
7   *CUMSTANCES.*—A national bank may not declare and pay  
8   dividends in any year in excess of an amount equal to the  
9   sum of the total of the net income of the bank for that year  
10   and the retained net income of the bank for the preceding  
11   2 years, minus the sum of any transfers required by the  
12   Comptroller of the Currency and any transfers required to  
13   be made to a fund for the retirement of any preferred stock,  
14   unless the Comptroller of the Currency approves the dec-  
15   laration and payment of dividends in excess of such  
16   amount.”.

17       (b) *CLERICAL AMENDMENT.*—The table of sections for  
18   chapter three of title LXII of the Revised Statutes of the  
19   United States is amended by striking the item relating to  
20   section 5199 and inserting the following:

“5199. National bank dividends.”.

1 **SEC. 303. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**2 **AUTHORITY OF THE COMPTROLLER OF THE**  
3 **CURRENCY.**4 *Section 8(e)(4) of the Federal Deposit Insurance Act*  
5 *(12 U.S.C. 1818(e)(4)) is amended by striking the 5th sen-*  
6 *tence.*7 **SEC. 304. REPEAL OF OBSOLETE PROVISION IN THE RE-**  
8 **VISED STATUTES.**9 *Section 5143 of the Revised Statutes of the United*  
10 *States (12 U.S.C. 59) is amended to read as follows:*11 **“SEC. 5143. REDUCTION OF CAPITAL.**12 *“(a) IN GENERAL.—Subject to the approval of the*  
13 *Comptroller of the Currency, a national banking associa-*  
14 *tion may, by a vote of shareholders owning, in the aggre-*  
15 *gate, two-thirds of its capital stock, reduce its capital.*16 *“(b) SHAREHOLDER DISTRIBUTIONS AUTHORIZED.—*  
17 *As part of its capital reduction plan approved in accord-*  
18 *ance with subsection (a), and with the affirmative vote of*  
19 *shareholders owning at least two thirds of the shares of each*  
20 *class of its stock outstanding (each voting as a class), a na-*  
21 *tional banking association may distribute cash or other as-*  
22 *sets to its shareholders.”.*

1   **SEC. 305. ENHANCING THE AUTHORITY FOR BANKS TO**  
2                   **MAKE COMMUNITY DEVELOPMENT INVEST-**  
3                   **MENTS.**

4       (a) *NATIONAL BANKS.*—*The paragraph designated as*  
5   *the “Eleventh.” of section 5136 of the Revised Statutes of*  
6   *the United States (12 U.S.C. 24) is amended to read as*  
7   *follows:*

8           *“Eleventh. To make investments directly or indirectly,*  
9   *each of which promotes the public welfare by benefiting pri-*  
10   *marily low- and moderate-income communities or families*  
11   *(such as by providing housing, services, or jobs). An associa-*  
12   *tion shall not make any such investment if the investment*  
13   *would expose the association to unlimited liability. The*  
14   *Comptroller of the Currency shall limit an association’s in-*  
15   *vestments in any 1 project and an association’s aggregate*  
16   *investments under this paragraph. An association’s aggre-*  
17   *gate investments under this paragraph shall not exceed an*  
18   *amount equal to the sum of 5 percent of the association’s*  
19   *capital stock actually paid in and unimpaired and 5 per-*  
20   *cent of the association’s unimpaired surplus fund, unless*  
21   *the Comptroller determines by order that the higher amount*  
22   *will pose no significant risk to the affected deposit insur-*  
23   *ance fund, and the association is adequately capitalized.*  
24   *In no case shall an association’s aggregate investments*  
25   *under this paragraph exceed an amount equal to the sum*  
26   *of 15 percent of the association’s capital stock actually paid*

1 *in and unimpaired and 15 percent of the association's*  
2 *unimpaired surplus fund. The foregoing standards and lim-*  
3 *itations apply to investments under this paragraph made*  
4 *by a national bank directly and by its subsidiaries.”.*

5       (b) *CONFORMING AMENDMENTS FOR STATE MEMBER*  
6 *BANKS.*—*The 23rd undesignated paragraph of section 9 of*  
7 *the Federal Reserve Act (12 U.S.C. 338a) is amended to*  
8 *read as follows:*

9           “(23) A State member bank may make invest-  
10       ments directly or indirectly, each of which promotes  
11       the public welfare by benefiting primarily low- and  
12       moderate-income communities or families (such as by  
13       providing housing, services, or jobs), to the extent per-  
14       missible under State law. A State member bank shall  
15       not make any such investment if the investment  
16       would expose the State member bank to unlimited li-  
17       ability. The Board shall limit a State member bank's  
18       investment in any 1 project and a State member  
19       bank's aggregate investments under this paragraph.  
20       The aggregate amount of investments of any State  
21       member bank under this paragraph may not exceed  
22       an amount equal to the sum of 5 percent of the State  
23       member bank's capital stock actually paid in and  
24       unimpaired and 5 percent of the State member bank's  
25       unimpaired surplus, unless the Board determines, by

1       order, that a higher amount will pose no significant  
2       risk to the affected deposit insurance fund; and the  
3       State member bank is adequately capitalized. In no  
4       case shall the aggregate amount of investments of any  
5       State member bank under this paragraph exceed an  
6       amount equal to the sum of 15 percent of the State  
7       member bank's capital stock actually paid in and  
8       unimpaired and 15 percent of the State member  
9       bank's unimpaired surplus. The foregoing standards  
10      and limitations apply to investments under this  
11      paragraph made by a State member bank directly  
12      and by its subsidiaries.”.

15 **SEC. 401. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**  
16 **SECURITIES EXCHANGE ACT OF 1934 AND THE**  
17 **INVESTMENT ADVISERS ACT OF 1940.**

1           “a banking institution organized under the laws  
2           of the United States”; and

3           (B) in subparagraph (C)—

4                   (i) by inserting “or savings associa-  
5                   tion, as defined in section 2(4) of the Home  
6                   Owners’ Loan Act” after “banking institu-  
7                   tion”; and

8                   (ii) by inserting “or savings associa-  
9                   tions” after “having supervision over  
10                   banks”.

11                   (2) *INCLUSION OF OTS UNDER THE DEFINITION*  
12                   *OF APPROPRIATE REGULATORY AGENCY FOR CERTAIN*  
13                   *PURPOSES.*—Section 3(a)(34) of the *Securities Ex-*  
14                   *change Act of 1934* (15 U.S.C. 78c(a)(34)) is amend-  
15                   *ed*—

16                   (A) in subparagraph (A)—

17                   (i) in clause (ii), by striking “(i) or  
18                   (iii)” and inserting “(i), (iii), or (iv)”;

19                   (ii) in clause (iii), by striking “and”  
20                   at the end;

21                   (iii) by redesignating clause (iv) as  
22                   clause (v); and

23                   (iv) by inserting after clause (iii) the  
24                   following:

1                             “(iv) the Director of the Office of  
2                             *Thrift Supervision, in the case of a savings*  
3                             *association (as defined in section 3(b) of the*  
4                             *Federal Deposit Insurance Act (12 U.S.C.*  
5                             *1813(b))), the deposits of which are insured*  
6                             *by the Federal Deposit Insurance Corpora-*  
7                             *tion, a subsidiary or a department or divi-*  
8                             *sion of any such savings association, or a*  
9                             *savings and loan holding company; and”;*

10                             (B) in subparagraph (B)—

11                             (i) in clause (ii), by striking “(i) or  
12                             (iii)” and inserting “(i), (iii), or (iv)”;

13                             (ii) in clause (iii), by striking “and”  
14                             at the end;

15                             (iii) by redesignating clause (iv) as  
16                             clause (v); and

17                             (iv) by inserting after clause (iii) the  
18                             following:

19                             “(iv) the Director of the Office of  
20                             *Thrift Supervision, in the case of a savings*  
21                             *association (as defined in section 3(b) of the*  
22                             *Federal Deposit Insurance Act (12 U.S.C.*  
23                             *1813(b))), the deposits of which are insured*  
24                             *by the Federal Deposit Insurance Corpora-*  
25                             *tion, or a subsidiary of any such savings*

*association, or a savings and loan holding company; and";*

(C) in subparagraph (C)—

(i) in clause (ii), by striking “(i) or” and inserting “(i), (iii), or (iv);

(ii) in clause (iii), by striking “and”

*at the end;*

(iii) by redesignating clause (iv) as  
see (v); and

(iv) by inserting after clause (iii) the

following:

“(iv) the Director of the Office of  
Sift Supervision, in the case of a savings  
ciation (as defined in section 3(b) of the  
er Federal Deposit Insurance Act (12 U.S.C.  
3(b))), the deposits of which are insured  
the Federal Deposit Insurance Corpora-  
, a savings and loan holding company,  
subsidiary of a savings and loan hold-  
company when the appropriate regu-  
ry agency for such clearing agency is  
the Commission; and”;

(D) in subparagraph (D)—

(i) in clause (ii), by striking “and” at

*the end;*

12 (E) in subparagraph (F)—

13 (i) by redesignating clauses (ii), (iii),  
14 and (iv) as clauses (iii), (iv), and (v), re-  
15 spectively; and

16 (ii) by inserting after clause (i) the fol-  
17 lowing:

4 (G) by adding at the end of the undesignated matter at the end the following: "As used  
5 in this paragraph, the term 'savings and loan  
6 holding company' has the same meaning as in  
7 section 10(a) of the Home Owners' Loan Act (12  
8 U.S.C. 1467a(a)).".

15 (b) *INVESTMENT ADVISERS ACT OF 1940.*—

24 (B) in subparagraph (C)—

5 (ii) by inserting “or savings associa-  
6 tions” after “having supervision over  
7 banks”.

15        (c) CONFORMING AMENDMENT TO THE INVESTMENT  
16 COMPANY ACT OF 1940.—Section 10(c) of the Investment  
17 Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended  
18 by inserting after “1956)” the following: “or any one sav-  
19 ings and loan holding company, together with its affiliates  
20 and subsidiaries (as such terms are defined in section 10  
21 of the Home Owners’ Loan Act),”.

22 SEC. 402. REPEAL OF OVERLAPPING RULES GOVERNING  
23 PURCHASED MORTGAGE SERVICING RIGHTS.

24        *Section 5(t) of the Home Owners' Loan Act (12 U.S.C.*  
25    *1464(t)) is amended—*

7 **SEC. 403. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**  
8 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**  
9 **DICTION.**

10        *Section 5 of the Home Owners' Loan Act (12 U.S.C.*  
11 *1464) is amended by adding at the end the following:*

12       “(x) *HOME STATE CITIZENSHIP*.—In determining  
13 whether a *Federal court* has *diversity jurisdiction* over a  
14 *case in which a Federal savings association is a party*, the  
15 *Federal savings association* shall be considered to be a *cit-  
16 izen only of the State in which such savings association  
17 has its home office*.”.

18 **SEC. 404. REPEAL OF LIMITATION ON LOANS TO ONE BOR-  
19 ROWER.**

20        *Section 5(u)(2)(A) of the Home Owners' Loan Act (12*  
21    *U.S.C. 1464(u)(2)(A)) is amended—*

22 (1) *in clause (i) —*

23 (A) by striking "for any" and inserting  
24 "For any"; and

(B) by striking “; or” and inserting a period; and

3 (2) *in clause (ii)*—

6 (B) by striking subclause (I); and

## **TITLE V—CREDIT UNION**

## **PROVISIONS**

11 **SEC. 501. LEASES OF LAND ON FEDERAL FACILITIES FOR**  
12 **CREDIT UNIONS.**

13       (a) *IN GENERAL.*—Section 124 of the Federal Credit  
14 Union Act (12 U.S.C. 1770) is amended—

23 (3) by inserting “lease land or” after “such offi-  
24 cer or agency may in his or its discretion”; and

(b) CLERICAL AMENDMENT.—The section heading for section 124 of the Federal Credit Union Act (12 U.S.C. 1770) is amended by inserting “**OR FEDERAL LAND**” after “**BUILDINGS**”.

8 **SEC. 502. INCREASE IN GENERAL 12-YEAR LIMITATION OF**  
9 **TERM OF FEDERAL CREDIT UNION LOANS TO**  
10 **15 YEARS.**

11        *Section 107(5) of the Federal Credit Union Act (12*  
12 *U.S.C. 1757(5)) is amended in the matter preceding sub-*  
13 *paragraph (A), by striking “to make loans, the maturities*  
14 *of which shall not exceed twelve years” and inserting “to*  
15 *make loans, the maturities of which shall not exceed 15*  
16 *years.”.*

17 **SEC. 503. CHECK CASHING AND MONEY TRANSFER SERV-**  
18 **ICES OFFERED WITHIN THE FIELD OF MEM-**  
19 **BERSHIP.**

20        *Section 107(12) of the Federal Credit Union Act (12*  
21 *U.S.C. 1757(12)) is amended to read as follows:*

22           “(12) in accordance with regulations prescribed  
23           by the Board—

24                             “(A) to sell, to persons in the field of mem-  
25                             bership, negotiable checks (including travelers

1           *checks), money orders, and other similar money*  
2           *transfer instruments (including international*  
3           *and domestic electronic fund transfers); and*

4           *“(B) to cash checks and money orders and*  
5           *receive international and domestic electronic*  
6           *fund transfers for persons in the field of member-*  
7           *ship for a fee;”.*

8   **SEC. 504. CLARIFICATION OF DEFINITION OF NET WORTH**  
9           **UNDER CERTAIN CIRCUMSTANCES FOR PUR-**  
10           **POSES OF PROMPT CORRECTIVE ACTION.**

11           *Section 216(o)(2)(A) of the Federal Credit Union Act*  
12   *(12 U.S.C. 1790d(o)(2)(A)) is amended—*

13           *(1) by inserting “the” before “retained earnings*  
14           *balance”; and*

15           *(2) by inserting “; together with any amounts*  
16           *that were previously retained earnings of any other*  
17           *credit union with which the credit union has com-*  
18           *bined” before the semicolon at the end.*

19   **SEC. 505. AMENDMENTS RELATING TO NONFEDERALLY IN-**  
20           **SURED CREDIT UNIONS.**

21           *(a) IN GENERAL.—Subsection (a) of section 43 of the*  
22   *Federal Deposit Insurance Act (12 U.S.C. 1831t(a)) is*  
23   *amended by adding at the end the following new paragraph:*

24           *“(3) ENFORCEMENT BY APPROPRIATE STATE SU-*  
25           *PERVISOR.—Any appropriate State supervisor of a*

1       *private deposit insurer, and any appropriate State*  
2       *supervisor of a depository institution which receives*  
3       *deposits that are insured by a private deposit insurer,*  
4       *may examine and enforce compliance with this sub-*  
5       *section under the applicable regulatory authority of*  
6       *such supervisor.”.*

7           (b) *AMENDMENT RELATING TO DISCLOSURES*  
8       *REQUIRED, PERIODIC STATEMENTS, AND ACCOUNT*  
9       *RECORDS.*—Section 43(b)(1) of the *Federal Deposit*  
10      *Insurance Act (12 U.S.C. 1831t(b)(1)) is amended by*  
11      *striking “or similar instrument evidencing a deposit”*  
12      *and inserting “or share certificate.”.*

13           (c) *AMENDMENTS RELATING TO DISCLOSURES RE-*  
14      *QUIRED, ADVERTISING, PREMISES.*—Section 43(b)(2) of the  
15      *Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(2)) is*  
16      *amended to read as follows:*

17           “(2) *ADVERTISING; PREMISES.*—

18              “(A) *IN GENERAL.*—Include clearly and  
19              *conspicuously in all advertising, except as pro-*  
20              *vided in subparagraph (B); and at each station*  
21              *or window where deposits are normally received,*  
22              *its principal place of business and all its*  
23              *branches where it accepts deposits or opens ac-*  
24              *counts (excluding automated teller machines or*  
25              *point of sale terminals), and on its main Inter-*

1           *net page, a notice that the institution is not fed-*  
2           *erally insured.*

3           “*(B) EXCEPTIONS.—The following need not*  
4           *include a notice that the institution is not feder-*  
5           *ally insured:*

6           “*(i) Any sign, document, or other item*  
7           *that contains the name of the depository in-*  
8           *stitution, its logo, or its contact informa-*  
9           *tion, but only if the sign, document, or item*  
10           *does not include any information about the*  
11           *institution’s products or services or infor-*  
12           *mation otherwise promoting the institution.*

13           “*(ii) Small utilitarian items that do*  
14           *not mention deposit products or insurance*  
15           *if inclusion of the notice would be imprac-*  
16           *tical.”.*

17           *(d) AMENDMENTS RELATING TO ACKNOWLEDG-*  
18           *MENT OF DISCLOSURE.—Section 43(b)(3) of the Fed-*  
19           *eral Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is*  
20           *amended to read as follows:*

21           “*(3) ACKNOWLEDGMENT OF DISCLOSURE.—*

22           “*(A) NEW DEPOSITORS OBTAINED OTHER*  
23           *THAN THROUGH A CONVERSION OR MERGER.—*  
24           *With respect to any depositor who was not a de-*  
25           *positor at the depository institution before the ef-*

1                   *fective date of the Financial Services Regulatory*  
2                   *Relief Act of 2006, and who is not a depositor*  
3                   *as described in subparagraph (B), receive any*  
4                   *deposit for the account of such depositor only if*  
5                   *the depositor has signed a written acknowlde-*  
6                   *ment that—*

7                   “*(i) the institution is not federally in-*  
8                   *sured; and*

9                   “*(ii) if the institution fails, the Fed-*  
10                   *eral Government does not guarantee that the*  
11                   *depositor will get back the depositor’s*  
12                   *money.*

13                   “*(B) NEW DEPOSITORS OBTAINED*  
14                   *THROUGH A CONVERSION OR MERGER.—With re-*  
15                   *spect to a depositor at a federally insured deposi-*  
16                   *tory institution that converts to, or merges into,*  
17                   *a depository institution lacking federal insur-*  
18                   *ance after the effective date of the Financial*  
19                   *Services Regulatory Relief Act of 2006, receive*  
20                   *any deposit for the account of such depositor*  
21                   *only if—*

22                   “*(i) the depositor has signed a written*  
23                   *acknowledgement described in subparagraph*  
24                   *(A); or*

1                             “(ii) the institution makes an attempt,  
2                             as described in subparagraph (D) and sent  
3                             by mail no later than 45 days after the ef-  
4                             fective date of the conversion or merger, to  
5                             obtain the acknowledgment.

6                             “(C) CURRENT DEPOSITORS.—Receive any  
7                             deposit after the effective date of the Financial  
8                             Services Regulatory Relief Act of 2006 for the ac-  
9                             count of any depositor who was a depositor on  
10                            that date only if—

11                            “(i) the depositor has signed a written  
12                             acknowledgement described in subparagraph  
13                             (A); or

14                            “(ii) the institution has complied with  
15                             the provisions of subparagraph (E) which  
16                             are applicable as of the date of the deposit.

17                             “(D) ALTERNATIVE PROVISION OF NOTICE  
18                             TO NEW DEPOSITORS OBTAINED THROUGH A  
19                             CONVERSION OR MERGER.—

20                             “(i) IN GENERAL.—Transmit to each  
21                             depositor who has not signed a written ac-  
22                             knowledgement described in subparagraph  
23                             (A)—

24                             “(I) a conspicuous card con-  
25                             taining the information described in

1                   *clauses (i) and (ii) of subparagraph*  
2                   *(A), and a line for the signature of the*  
3                   *depositor; and*

4                   *“(II) accompanying materials re-*  
5                   *questing the depositor to sign the card,*  
6                   *and return the signed card to the insti-*  
7                   *tution.*

8                   **“(E) ALTERNATIVE PROVISION OF NOTICE**  
9                   **TO CURRENT DEPOSITORS.—**

10                  *“(i) IN GENERAL.—Transmit to each*  
11                  *depositor who was a depositor before the ef-*  
12                  *fective date of the Financial Services Regu-*  
13                  *latory Relief Act of 2006, and has not*  
14                  *signed a written acknowledgement described*  
15                  *in subparagraph (A)—*

16                  *“(I) a conspicuous card con-*  
17                  *taining the information described in*  
18                  *clauses (i) and (ii) of subparagraph*  
19                  *(A), and a line for the signature of the*  
20                  *depositor; and*

21                  *“(II) accompanying materials re-*  
22                  *questing the depositor to sign the card,*  
23                  *and return the signed card to the insti-*  
24                  *tution.*

1                             “(ii) *MANNER AND TIMING OF NO-*  
2 *TICE.*—

3                             “(I) *FIRST NOTICE.*—*Make the*  
4 *transmission described in clause (i) via*  
5 *mail not later than three months after*  
6 *the effective date of the Financial Serv-*  
7 *ices Regulatory Relief Act of 2006.*

8                             “(II) *SECOND NOTICE.*—*Make a*  
9 *second transmission described in clause*  
10 *(i) via mail not less than 30 days and*  
11 *not more than three months after a*  
12 *transmission to the depositor in ac-*  
13 *cordance with subclause (I), if the in-*  
14 *stitution has not, by the date of such*  
15 *mailing, received from the depositor a*  
16 *card referred to in clause (i) which has*  
17 *been signed by the depositor.”.*

18                             (e) *AMENDMENTS RELATING TO MANNER AND CON-*  
19 *TENT OF DISCLOSURE.*—*Section 43(c) of the Federal De-*  
20 *posit Insurance Act (12 U.S.C. 1831t(c)) is amended to*  
21 *read as follows:*

22                             “(c) *MANNER AND CONTENT OF DISCLOSURE.*—*To en-*  
23 *sure that current and prospective customers understand the*  
24 *risks involved in foregoing Federal deposit insurance, the*  
25 *Federal Trade Commission, by regulation or order, shall*

1 prescribe the manner and content of disclosure required  
2 under this section, which shall be presented in such format  
3 and in such type size and manner as to be simple and easy  
4 to understand.”.

5 (f) *REPEAL OF PROVISION PROHIBITING NONDEPOSI-  
6 TORY INSTITUTIONS FROM ACCEPTING DEPOSITS.*—Section  
7 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t)  
8 is amended—

9 (1) by striking subsection (e); and  
10 (2) by redesignating subsections (f) and (g) as  
11 subsections (e) and (f), respectively.

12 (g) *REPEAL OF FTC AUTHORITY TO ENFORCE INDE-  
13 PENDENT AUDIT REQUIREMENT; CONCURRENT STATE EN-  
14 FORCEMENT.*—Subsection (f) (as so redesignated by sub-  
15 section (e) of this section) of section 43 of the Federal De-  
16 posit Insurance Act (12 U.S.C. 1831t) is amended to read  
17 as follows:

18 “(f) *ENFORCEMENT.*—

19 (1) *LIMITED FTC ENFORCEMENT AUTHORITY.*—  
20 Compliance with the requirements of subsections (b),  
21 (c) and (e), and any regulation prescribed or order  
22 issued under any such subsection, shall be enforced  
23 under the Federal Trade Commission Act by the Fed-  
24 eral Trade Commission.

1           “(2) *BROAD STATE ENFORCEMENT AUTHORITY.*  
2           *ITY.—*

3           “(A) *IN GENERAL.*—*Subject to subparagraph (C), an appropriate State supervisor of a depository institution lacking Federal deposit insurance may examine and enforce compliance with the requirements of this section, and any regulation prescribed under this section.*

9           “(B) *STATE POWERS.*—*For purposes of bringing any action to enforce compliance with this section, no provision of this section shall be construed as preventing an appropriate State supervisor of a depository institution lacking Federal deposit insurance from exercising any powers conferred on such official by the laws of such State.*

17           “(C) *LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.*—*If the Federal Trade Commission has instituted an enforcement action for a violation of this section, no appropriate State supervisor may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of this section that is alleged in that complaint.”.*

1                   **TITLE VI—DEPOSITORY**  
2                   **INSTITUTION PROVISIONS**

3   **SEC. 601. REPORTING REQUIREMENTS RELATING TO IN-**  
4                   **SIDER LENDING.**

5                (a) *REPORTING REQUIREMENTS REGARDING LOANS*  
6    *TO EXECUTIVE OFFICERS OF MEMBER BANKS.*—Section  
7    *22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amend-*  
8    *ed—*

9                (1) *by striking paragraphs (6) and (9); and*  
10               (2) *by redesignating paragraphs (7), (8), and*  
11               *(10) as paragraphs (6), (7), and (8), respectively.*

12               (b) *REPORTING REQUIREMENTS REGARDING LOANS*  
13   *FROM CORRESPONDENT BANKS TO EXECUTIVE OFFICERS*  
14   *AND SHAREHOLDERS OF INSURED BANKS.*—Section  
15   *106(b)(2) of the Bank Holding Company Act Amendments*  
16   *of 1970 (12 U.S.C. 1972(2)) is amended—*

17               (1) *by striking subparagraph (G); and*  
18               (2) *by redesignating subparagraphs (H) and (I)*  
19               *as subparagraphs (G) and (H), respectively.*

20   **SEC. 602. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**  
21                   **TIONS IN BANK SERVICE COMPANIES AU-**  
22                   **THORIZED.**

23               (a) *IN GENERAL.*—Sections 2 and 3 of the *Bank Serv-*  
24   *ice Company Act (12 U.S.C. 1862, 1863) are each amended*

1 by striking “insured bank” each place that term appears  
2 and inserting “insured depository institution”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 (1) BANK SERVICE COMPANY ACT DEFINITIONS.—  
5 Section 1(b) of the Bank Service Company Act (12  
6 U.S.C. 1861(b)) is amended—

7 (A) in paragraph (4)—

8 (i) by inserting “, except when such  
9 term appears in connection with the term  
10 ‘insured depository institution,’” after  
11 “means”; and

12 (ii) by striking “Federal Home Loan  
13 Bank Board” and inserting “Director of the  
14 Office of Thrift Supervision”;

15 (B) by striking paragraph (5) and inserting  
16 the following:

17 (5) INSURED DEPOSITORY INSTITUTION.—The  
18 term ‘insured depository institution’ has the same  
19 meaning as in section 3(c) of the Federal Deposit In-  
20 surance Act;”;

21 (C) by striking “and” at the end of para-  
22 graph (7);

23 (D) by striking the period at the end of  
24 paragraph (8) and inserting “; and”;

25 (E) by adding at the end the following:

1           “(9) the terms ‘State depository institution’,  
2       ‘Federal depository institution’, ‘State savings asso-  
3       ciation’ and ‘Federal savings association’ have the  
4       same meanings as in section 3 of the *Federal Deposit*  
5       *Insurance Act.*.”;

6           (F) in paragraph (2), in subparagraphs  
7       (A)(ii) and (B)(ii), by striking “insured banks”  
8       each place that term appears and inserting “in-  
9       sured depository institutions”; and

10          (G) in paragraph (8)—

11           (i) by striking “insured bank” and in-  
12       serting “insured depository institution”;

13           (ii) by striking “insured banks” each  
14       place that term appears and inserting “in-  
15       sured depository institutions”; and

16           (iii) by striking “the bank’s” and in-  
17       serting “the depository institution’s”.

18          (2) *AMOUNT OF INVESTMENT.*—Section 2 of the  
19       Bank Service Company Act (12 U.S.C. 1862) is  
20       amended by inserting “or savings associations, other  
21       than the limitation on the amount of investment by  
22       a Federal savings association contained in section  
23       5(c)(4)(B) of the Home Owners’ Loan Act” after “re-  
24       lating to banks”.

(A) in subsection (b), by inserting “as permissible under subsection (c), (d), or (e) or” after “Except”;

(B) in subsection (c), by inserting “or State savings association” after “State bank” each place that term appears;

10 (C) in subsection (d), by inserting “or Fed-  
11 eral savings association” after “national bank”  
12 each place that term appears;

13 (D) by striking subsection (e) and inserting  
14 the following:

15       “(e) PERFORMANCE WHERE STATE BANK AND NA-  
16 TIONAL BANK ARE SHAREHOLDERS OR MEMBERS.—A  
17 bank service company may perform—

18                   “(1) only those services that each depository in-  
19                   stitution shareholder or member is otherwise author-  
20                   ized to perform under any applicable Federal or State  
21                   law; and

22           “(2) such services only at locations in a State in  
23           which each such shareholder or member is authorized  
24           to perform such services.”; and

(E) in subsection (f), by inserting “or savings associations” after “location of banks”.

6 (A) in subsection (a)—

13 (B) in subsection (b)—

14 (i) by striking "insured bank" and in-  
15 serting "insured depository institution";

16 (ii) by inserting "authorized only"  
17 after "performs any service"; and

18 (iii) by inserting “authorized only”  
19 after “perform any activity”; and

20 (C) in subsection (c)—

21 (i) by striking "the bank or banks"  
22 and inserting "any insured depository in-  
23 stitution"; and

10 (B) in subsection (c)—

11 (i) by striking “a bank” each place  
12 that term appears and inserting “a deposi-  
13 tory institution”; and

14 (ii) by striking “the bank” each place  
15 that term appears and inserting “the depos-  
16 itory institution”.

17 SEC. 603. AUTHORIZATION FOR MEMBER BANK TO USE  
18 PASS-THROUGH RESERVE ACCOUNTS.

19        *Section 19(c)(1)(B) of the Federal Reserve Act (12*  
20 *U.S.C. 461(c)(1)(B)) is amended by striking “which is not*  
21 *a member bank”.*

**22 SEC. 604. STREAMLINING REPORTS OF CONDITION.**

23        *Section 7(a) of the Federal Deposit Insurance Act (12*  
24 *U.S.C. 1817(a)) is amended by adding at the end the fol-*  
25 *lowing:*

1           “(11) *STREAMLINING REPORTS OF CONDITION.*—

2           “(A) *REVIEW OF INFORMATION AND SCHEDULES.*—Before the end of the 1-year period beginning on the date of enactment of the Financial Services Regulatory Relief Act of 2006 and before the end of each 5-year period thereafter, each Federal banking agency shall, in conjunction with the other relevant Federal banking agencies, review the information and schedules that are required to be filed by an insured depository institution in a report of condition required under paragraph (3).

13           “(B) *REDUCTION OR ELIMINATION OF INFORMATION FOUND TO BE UNNECESSARY.*—After completing the review required by subparagraph (A), a Federal banking agency, in conjunction with the other relevant Federal banking agencies, shall reduce or eliminate any requirement to file information or schedules under paragraph (3) (other than information or schedules that are otherwise required by law) if the agency determines that the continued collection of such information or schedules is no longer necessary or appropriate.”.

1 **SEC. 605. EXPANSION OF ELIGIBILITY FOR 18-MONTH EXAM-**2 **INATION SCHEDULE FOR COMMUNITY BANKS.**

3       Section 10(d)(4)(A) of the Federal Deposit Insurance  
4 Act (12 U.S.C. 1820(d)(4)(A)) is amended by striking  
5 “\$250,000,000” and inserting “\$500,000,000”.

6 **SEC. 606. STREAMLINING DEPOSITORY INSTITUTION MERG-**7 **ER APPLICATION REQUIREMENTS.**

8       (a) *IN GENERAL.*—Section 18(c)(4) of the Federal De-  
9 posit Insurance Act (12 U.S.C. 1828(c)(4)) is amended to  
10 read as follows:

11       “(4) *REPORTS ON COMPETITIVE FACTORS.*—

12           “(A) *REQUEST FOR REPORT.*—In the inter-  
13 ests of uniform standards and subject to sub-  
14 paragraph (B), before acting on any application  
15 for approval of a merger transaction, the respon-  
16 sible agency shall—

17           “(i) request a report on the competitive  
18 factors involved from the Attorney General  
19 of the United States; and

20           “(ii) provide a copy of the request to  
21 the Corporation (when the Corporation is  
22 not the responsible agency).

23           “(B) *FURNISHING OF REPORT.*—The report  
24 requested under subparagraph (A) shall be fur-  
25 nished by the Attorney General to the responsible  
26 agency—

1                   “(i) not later than 30 calendar days  
2                   after the date on which the Attorney Gen-  
3                   eral received the request; or

4                   “(ii) not later than 10 calendar days  
5                   after such date, if the requesting agency ad-  
6                   vises the Attorney General that an emer-  
7                   gency exists requiring expeditious action.

8                   “(C) EXCEPTIONS.—A responsible agency  
9                   may not be required to request a report under  
10                   subparagraph (A) if—

11                   “(i) the responsible agency finds that it  
12                   must act immediately in order to prevent  
13                   the probable failure of 1 of the insured de-  
14                   pository institutions involved in the merger  
15                   transaction; or

16                   “(ii) the merger transaction involves  
17                   solely an insured depository institution and  
18                   1 or more of the affiliates of such depository  
19                   institution.”.

20                   (b) TECHNICAL AND CONFORMING AMENDMENTS.—

21                   Section 18(c)(6) of the Federal Deposit Insurance Act (12  
22                   U.S.C. 1828(c)(6)) is amended—

23                   (1) in the second sentence, by striking “banks or  
24                   savings associations involved and reports on the com-  
25                   petitive factors have” and inserting “insured deposi-

1       *tory institutions involved, or if the proposed merger*  
2       *transaction is solely between an insured depository*  
3       *institution and 1 or more of its affiliates, and the re-*  
4       *port on the competitive factors has”;* and

5               *(2) by striking the penultimate sentence and in-*  
6       *serting the following: “If the agency has advised the*  
7       *Attorney General under paragraph (4)(B)(ii) of the*  
8       *existence of an emergency requiring expeditious ac-*  
9       *tion and has requested a report on the competitive*  
10       *factors within 10 days, the transaction may not be*  
11       *consummated before the fifth calendar day after the*  
12       *date of approval by the agency.”.*

13       **SEC. 607. NONWAIVER OF PRIVILEGES.**

14       (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section 18  
15       of the *Federal Deposit Insurance Act* (12 U.S.C. 1828) is  
16       amended by adding at the end the following:

17               “(x) *PRIVILEGES NOT AFFECTED BY DISCLOSURE TO*  
18       *BANKING AGENCY OR SUPERVISOR.*—

19               “(1) *IN GENERAL.*—The submission by any per-  
20       son of any information to any Federal banking agen-  
21       cy, State bank supervisor, or foreign banking author-  
22       ity for any purpose in the course of any supervisory  
23       or regulatory process of such agency, supervisor, or  
24       authority shall not be construed as waiving, destroy-  
25       ing, or otherwise affecting any privilege such person

1       may claim with respect to such information under  
2       Federal or State law as to any person or entity other  
3       than such agency, supervisor, or authority.

4           “(2) RULE OF CONSTRUCTION.—No provision of  
5       paragraph (1) may be construed as implying or es-  
6       tablishing that—

7               “(A) any person waives any privilege ap-  
8       plicable to information that is submitted or  
9       transferred under any circumstance to which  
10      paragraph (1) does not apply; or

11               “(B) any person would waive any privilege  
12       applicable to any information by submitting the  
13       information to any Federal banking agency,  
14       State bank supervisor, or foreign banking au-  
15       thority, but for this subsection.”

16           (b) INSURED CREDIT UNIONS.—Section 205 of the  
17       Federal Credit Union Act (12 U.S.C.1785) is amended by  
18       adding at the end the following:

19               “(j) PRIVILEGES NOT AFFECTED BY DISCLOSURE TO  
20       BANKING AGENCY OR SUPERVISOR.—

21               “(1) IN GENERAL.—The submission by any per-  
22       son of any information to the Administration, any  
23       State credit union supervisor, or foreign banking au-  
24       thority for any purpose in the course of any super-  
25       visory or regulatory process of such Board, supervisor,

1        *or authority shall not be construed as waiving, de-*  
2        *stroying, or otherwise affecting any privilege such*  
3        *person may claim with respect to such information*  
4        *under Federal or State law as to any person or entity*  
5        *other than such Board, supervisor, or authority.*

6                   “(2) RULE OF CONSTRUCTION.—No provision of  
7                   paragraph (1) may be construed as implying or es-  
8                   tablishing that—

18 **SEC. 608. CLARIFICATION OF APPLICATION REQUIREMENTS**  
19 **FOR OPTIONAL CONVERSION FOR FEDERAL**  
20 **SAVINGS ASSOCIATIONS.**

21 (a) *HOME OWNERS' LOAN ACT.*—Section 5(i)(5) of the  
22 *Home Owners' Loan Act* (12 U.S.C. 1464(i)(5)) is amended  
23 to read as follows:

24                   “(5) CONVERSION TO NATIONAL OR STATE  
25                   BANK.—

1                     “(A) *IN GENERAL.*—Any Federal savings  
2                     association chartered and in operation before the  
3                     date of enactment of the Gramm-Leach-Bliley  
4                     Act, with branches in operation before such date  
5                     of enactment in 1 or more States, may convert,  
6                     at its option, with the approval of the Comptroller  
7                     of the Currency for each national bank,  
8                     and with the approval of the appropriate State  
9                     bank supervisor and the appropriate Federal  
10                     banking agency for each State bank, into 1 or  
11                     more national or State banks, each of which may  
12                     encompass 1 or more of the branches of the Federal  
13                     savings association in operation before such  
14                     date of enactment in 1 or more States subject to  
15                     subparagraph (B).

16                     “(B) *CONDITIONS OF CONVERSION.*—The  
17                     authority in subparagraph (A) shall apply only  
18                     if each resulting national or State bank—

19                         “(i) will meet all financial, management,  
20                     and capital requirements applicable  
21                     to the resulting national or State bank; and

22                         “(ii) if more than 1 national or State  
23                     bank results from a conversion under this  
24                     subparagraph, has received approval from  
25                     the Federal Deposit Insurance Corporation

1                   *under section 5(a) of the Federal Deposit*  
2                   *Insurance Act.*

3                   “*(C) NO MERGER APPLICATION UNDER FDIA*  
4                   *REQUIRED.*—*No application under section 18(c)*  
5                   *of the Federal Deposit Insurance Act shall be re-*  
6                   *quired for a conversion under this paragraph.*

7                   “*(D) DEFINITIONS.*—*For purposes of this*  
8                   *paragraph, the terms ‘State bank’ and ‘State*  
9                   *bank supervisor’ have the same meanings as in*  
10                   *section 3 of the Federal Deposit Insurance Act.”.*

11                   *(b) FEDERAL DEPOSIT INSURANCE ACT.*—*Section 4(c)*  
12                   *of the Federal Deposit Insurance Act (12 U.S.C. 1814(c))*  
13                   *is amended—*

14                   *(1) by inserting “of this Act and section 5(i)(5)*  
15                   *of the Home Owners’ Loan Act” after “Subject to sec-*  
16                   *tion 5(d)”;* and

17                   *(2) in paragraph (2), after “insured State,” by*  
18                   *inserting “or Federal”.*

19                   **SEC. 609. EXEMPTION FROM DISCLOSURE OF PRIVACY POL-**  
20                   **ICY FOR ACCOUNTANTS.**

21                   *(a) IN GENERAL.*—*Section 503 of the Gramm-Leach-*  
22                   *Bliley Act (15 U.S.C. 6803) is amended by adding at the*  
23                   *end the following:*

24                   *“(d) EXEMPTION FOR CERTIFIED PUBLIC ACCOUNT-*  
25                   *ANTS.*—

1           “(1) *IN GENERAL.*—*The disclosure requirements*  
2       *of subsection (a) do not apply to any person, to the*  
3       *extent that the person is—*

4           “(A) *a certified public accountant;*  
5           “(B) *certified or licensed for such purpose*  
6       *by a State; and*

7           “(C) *subject to any provision of law, rule,*  
8       *or regulation issued by a legislative or regu-*  
9       *latory body of the State, including rules of pro-*  
10       *fessional conduct or ethics, that prohibits disclo-*  
11       *sure of nonpublic personal information without*  
12       *the knowing and expressed consent of the con-*  
13       *sumer.*

14           “(2) *LIMITATION.*—*Nothing in this subsection*  
15       *shall be construed to exempt or otherwise exclude any*  
16       *financial institution that is affiliated or becomes af-*  
17       *filiated with a certified public accountant described*  
18       *in paragraph (1) from any provision of this section.*

19           “(3) *DEFINITIONS.*—*For purposes of this sub-*  
20       *section, the term ‘State’ means any State or territory*  
21       *of the United States, the District of Columbia, Puerto*  
22       *Rico, Guam, American Samoa, the Trust Territory of*  
23       *the Pacific Islands, the Virgin Islands, or the North-*  
24       *ern Mariana Islands.”.*

1       (b) *CLERICAL AMENDMENTS.*—Section 503 of the  
2 *Gramm-Leach-Bliley Act* (15 U.S.C. 6803) is amended—  
3           (1) by redesignating subsection (b) as subsection  
4           (c); and  
5           (2) in subsection (a), by striking “Such disclo-  
6           sures” and inserting the following:  
7           “(b) *REGULATIONS.*—Disclosures required by sub-  
8           section (a)”.  
9 **SEC. 610. INFLATION ADJUSTMENT FOR THE SMALL DEPOS-**

10           **ITORY INSTITUTION EXCEPTION UNDER THE**  
11           **DEPOSITORY INSTITUTION MANAGEMENT**  
12           **INTERLOCKS ACT.**

13       Section 203(1) of the *Depository Institution Manage-  
14       ment Interlocks Act* (12 U.S.C. 3202(1)) is amended by  
15       striking “\$20,000,000” and inserting “\$50,000,000”.

16 **SEC. 611. MODIFICATION TO CROSS MARKETING RESTRI-  
17       CTIONS.**

18       Section 4(n)(5)(B) of the *Bank Holding Company Act*  
19       of 1956 (12 U.S.C. 1843(n)(5)(B)) is amended by striking  
20       “subsection (k)(4)(I)” and inserting “subparagraph (H) or  
21       (I) of subsection (k)(4)”.  
22

1       **TITLE VII—BANKING AGENCY**  
2                   **PROVISIONS**

3       **SEC. 701. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**  
4                   **OF APPOINTMENT OF A RECEIVER FOR DE-**  
5                   **POSITORY INSTITUTIONS.**

6       (a) *NATIONAL BANKS.*—Section 2 of the National  
7 *Bank Receivership Act (12 U.S.C. 191)* is amended—  
8               (1) by amending the section heading to read as  
9               follows:

10      **“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL**  
11           **BANK.**

12      “(a) *IN GENERAL.*—*The Comptroller of the Currency*”;  
13      and

14      (2) by adding at the end the following:  
15      “(b) *JUDICIAL REVIEW.*—*If the Comptroller of the*  
16 *Currency appoints a receiver under subsection (a), the na-*  
17 *tional bank may, within 30 days thereafter, bring an action*  
18 *in the United States district court for the judicial district*  
19 *in which the home office of such bank is located, or in the*  
20 *United States District Court for the District of Columbia,*  
21 *for an order requiring the Comptroller of the Currency to*  
22 *remove the receiver, and the court shall, upon the merits,*  
23 *dismiss such action or direct the Comptroller of the Cur-*  
24 *rency to remove the receiver.*”.

1       (b) *INSURED DEPOSITORY INSTITUTIONS.*—Section  
2 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.  
3 1821(c)(7)) is amended to read as follows:

4           “(7) *JUDICIAL REVIEW.*—If the Corporation is  
5 appointed (including the appointment of the Corpora-  
6 tion as receiver by the Board of Directors) as conser-  
7 vator or receiver of a depository institution under  
8 paragraph (4), (9), or (10), the depository institution  
9 may, not later than 30 days thereafter, bring an ac-  
10 tion in the United States district court for the judi-  
11 cial district in which the home office of such deposi-  
12 tory institution is located, or in the United States  
13 District Court for the District of Columbia, for an  
14 order requiring the Corporation to be removed as the  
15 conservator or receiver (regardless of how such ap-  
16 pointment was made), and the court shall, upon the  
17 merits, dismiss such action or direct the Corporation  
18 to be removed as the conservator or receiver.”.

19       (c) *EFFECTIVE DATE.*—The amendments made by sub-  
20 sections (a) and (b) shall apply with respect to conservators  
21 or receivers appointed on or after the date of enactment of  
22 this Act.

1 **SEC. 702. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**2 **SURED DEPOSITORY INSTITUTIONS.**

3       (a) *CLARIFICATION RELATING TO THE ENFORCE-*  
4 *ABILITY OF AGREEMENTS AND CONDITIONS.*—*The Federal*  
5 *Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended*  
6 *by adding at the end the following:*

7 **“SEC. 50. ENFORCEMENT OF AGREEMENTS.**

8       “(a) *IN GENERAL.*—*Notwithstanding clause (i) or (ii)*  
9 *of section 8(b)(6)(A) or section 38(e)(2)(E)(i), the appro-*  
10 *priate Federal banking agency for a depository institution*  
11 *may enforce, under section 8, the terms of—*

12       “(1) *any condition imposed in writing by the*  
13 *agency on the depository institution or an institu-*  
14 *tion-affiliated party in connection with any action on*  
15 *any application, notice, or other request concerning*  
16 *the depository institution; or*

17       “(2) *any written agreement entered into between*  
18 *the agency and the depository institution or an insti-*  
19 *tution-affiliated party.*

20       “(b) *RECEIVERSHIPS AND CONSERVATORSHIPS.*—*After*  
21 *the appointment of the Corporation as the receiver or con-*  
22 *servator for a depository institution, the Corporation may*  
23 *enforce any condition or agreement described in paragraph*  
24 *(1) or (2) of subsection (a) imposed on or entered into with*  
25 *such institution or institution-affiliated party through an*

1 action brought in an appropriate United States district  
2 court.”.

3 (b) *PROTECTION OF CAPITAL OF INSURED DEPOSI-*  
4 *TORY INSTITUTIONS.*—Section 18(u)(1) of the Federal De-  
5 *posit Insurance Act (12 U.S.C. 1828(u)(1)) is amended—*

6 (1) by striking subparagraph (B);  
7 (2) by redesignating subparagraph (C) as sub-  
8 paragraph (B); and

9 (3) in subparagraph (A), by adding “and” at the  
10 end.

11 (c) *CONFORMING AMENDMENTS.*—Section 8(b) of the  
12 *Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is*  
13 *amended—*

14 (1) in paragraph (3), by striking “This sub-  
15 section and subsections (c) through (s) and subsection  
16 (u) of this section” and inserting “This subsection,  
17 subsections (c) through (s) and subsection (u) of this  
18 section, and section 50 of this Act”; and

19 (2) in paragraph (4), by striking “This sub-  
20 section and subsections (c) through (s) and subsection  
21 (u) of this section” and inserting “This subsection,  
22 subsections (c) through (s) and subsection (u) of this  
23 section, and section 50 of this Act”.

1 **SEC. 703. CROSS GUARANTEE AUTHORITY.**

2       Section 5(e)(9)(A) of the Federal Deposit Insurance  
3 Act (12 U.S.C. 1815(e)(9)(A)) is amended to read as fol-  
4 lows:

5               “(A) such institutions are controlled by the  
6 same company; or”.

7 **SEC. 704. GOLDEN PARACHUTE AUTHORITY AND NONBANK  
8 HOLDING COMPANIES.**

9       Section 18(k) of the Federal Deposit Insurance Act (12  
10 U.S.C. 1828(k)) is amended—

11               (1) in paragraph (2)(A), by striking “or deposi-  
12 tory institution holding company” and inserting “or  
13 covered company”;

14               (2) in paragraph (2), by striking subparagraph  
15 (B), and inserting the following:

16               “(B) Whether there is a reasonable basis to  
17 believe that the institution-affiliated party is  
18 substantially responsible for—

19               “(i) the insolvency of the depository in-  
20 stitution or covered company;

21               “(ii) the appointment of a conservator  
22 or receiver for the depository institution; or

23               “(iii) the troubled condition of the de-  
24 pository institution (as defined in the regu-  
25 lations prescribed pursuant to section  
26 32(f)).”;

9 (6) in paragraph (4)(A)—

20 (8) in paragraph (5), by adding at the end the  
21 following:

22                             “(D) COVERED COMPANY.—The term ‘cov-  
23                             ered company’ means any depository institution  
24                             holding company (including any company re-  
25                             quired to file a report under section 4(f)(6) of the

1           *Bank Holding Company Act of 1956), or any*  
2           *other company that controls an insured deposi-*  
3           *tory institution.”; and*

4           *(9) in paragraph (6)—*

5           *(A) by striking “depository institution hold-*  
6           *ing company” and inserting “covered com-*  
7           *pany,”; and*

8           *(B) by striking “or holding company” and*  
9           *inserting “or covered company”.*

10 **SEC. 705. AMENDMENTS RELATING TO CHANGE IN BANK**  
11           **CONTROL.**

12           *Section 7(j) of the Federal Deposit Insurance Act (12*  
13 *U.S.C. 1817(j)) is amended—*

14           *(1) in paragraph (1)(D)—*

15           *(A) by striking “is needed to investigate”*  
16           *and inserting “is needed—*

17           *“(i) to investigate”;*

18           *(B) by striking “United States Code.” and*  
19           *inserting “United States Code; or”; and*

20           *(C) by adding at the end the following:*

21           *“(ii) to analyze the safety and sound-*  
22           *ness of any plans or proposals described in*  
23           *paragraph (6)(E) or the future prospects of*  
24           *the institution.”; and*

5 SEC. 706. AMENDMENT TO PROVIDE THE FEDERAL RE-  
6 SERVE BOARD WITH DISCRETION CON-  
7 CERNING THE IMPUTATION OF CONTROL OF  
8 SHARES OF A COMPANY BY TRUSTEES.

9        *Section 2(g)(2) of the Bank Holding Company Act of*  
10    *1956 (12 U.S.C. 1841(g)(2)) is amended by inserting before*  
11    *the period at the end “, unless the Board determines that*  
12    *such treatment is not appropriate in light of the facts and*  
13    *circumstances of the case and the purposes of this Act”.*

## 14 SEC. 707. INTERAGENCY DATA SHARING.

15           (a) *FEDERAL BANKING AGENCIES.*—Section 7(a)(2) of  
16 the *Federal Deposit Insurance Act* (12 U.S.C. 1817(a)(2))  
17 is amended by adding at the end the following:

18                   “(C) DATA SHARING WITH OTHER AGEN-  
19                   CIES AND PERSONS.—*In addition to reports of  
20                   examination, reports of condition, and other re-  
21                   ports required to be regularly provided to the  
22                   Corporation (with respect to all insured deposi-  
23                   tory institutions, including a depository institu-  
24                   tion for which the Corporation has been ap-  
25                   pointed conservator or receiver) or an appro-*

1                   *priate State bank supervisor (with respect to a*  
2                   *State depository institution) under subparagraph*  
3                   *(A) or (B), a Federal banking agency*  
4                   *may, in the discretion of the agency, furnish any*  
5                   *report of examination or other confidential su-*  
6                   *pervisory information concerning any depository*  
7                   *institution or other entity examined by such*  
8                   *agency under authority of any Federal law, to—*  
9                            “(i) any other Federal or State agency

10                   *or authority with supervisory or regulatory*  
11                   *authority over the depository institution or*  
12                   *other entity;*

13                            “(ii) any officer, director, or receiver of

14                   *such depository institution or entity; and*

15                            “(iii) any other person that the Fed-

16                   *eral banking agency determines to be appro-*  
17                   *priate.”.*

18           (b) *NATIONAL CREDIT UNION ADMINISTRATION.—Section*  
19           *202(a) of the Federal Credit Union Act (12 U.S.C.*  
20           *1782(a)) is amended by adding at the end the following:*

21                            “(8) *DATA SHARING WITH OTHER AGENCIES AND*  
22                   *PERSONS.—In addition to reports of examination, re-*  
23                   *ports of condition, and other reports required to be*  
24                   *regularly provided to the Board (with respect to all*  
25                   *insured credit unions, including a credit union for*

1       *which the Corporation has been appointed conservator*  
 2       *or liquidating agent) or an appropriate State com-*  
 3       *mission, board, or authority having supervision of a*  
 4       *State-chartered credit union, the Board may, in the*  
 5       *discretion of the Board, furnish any report of exam-*  
 6       *ination or other confidential supervisory information*  
 7       *concerning any credit union or other entity examined*  
 8       *by the Board under authority of any Federal law,*  
 9       *to—*

10       “(A) *any other Federal or State agency or*  
 11       *authority with supervisory or regulatory author-*  
 12       *ity over the credit union or other entity;*

13       “(B) *any officer, director, or receiver of*  
 14       *such credit union or entity; and*

15       “(C) *any other person that the Board deter-*  
 16       *mines to be appropriate.”.*

17 **SEC. 708. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**  
 18       **MOVAL, AND PROHIBITION AUTHORITY OF**  
 19       **FEDERAL BANKING AGENCIES IN CASES OF**  
 20       **CERTAIN CRIMES BY INSTITUTION-AFFILI-**  
 21       **ATED PARTIES.**

22       (a) *INSURED DEPOSITORY INSTITUTIONS.—*

23       (1) *IN GENERAL.—Section 8(g)(1) of the Federal*  
 24       *Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is*  
 25       *amended—*

1 (A) in subparagraph (A)—

1 (C) in subparagraph (C)(i)—

2 (i) by striking “may pose a threat to  
3 the interests of the depository institution’s  
4 depositors or may threaten to impair public  
5 confidence in the depository institution,”  
6 and insert “posed, poses, or may pose a  
7 threat to the interests of the depositors of, or  
8 threatened, threatens, or may threaten to  
9 impair public confidence in, any relevant  
0 depository institution (as defined in sub-  
1 paragraph (E)); and

12 (ii) by striking “affairs of the deposi-  
13 tory institution” and inserting “affairs of  
14 any depository institution”;

18 (E) in subparagraph (D)(i), by striking  
19 “the depository institution” and inserting “any  
20 depository institution that the subject of the  
21 order is affiliated with at the time the order is  
22 issued”; and

23 (F) by adding at the end the following:

1           ‘relevant depository institution’ means any de-  
2           pository institution of which the party is or was  
3           an institution-affiliated party at the time at  
4           which—

5                   “(i) the information, indictment, or  
6                   complaint described in subparagraph (A)

7                   was issued; or

8                   “(ii) the notice is issued under sub-  
9                   paragraph (A) or the order is issued under  
10                  subparagraph (C)(i).”.

11           (2) *CLERICAL AMENDMENT.*—The subsection  
12           heading for section 8(g) of the *Federal Deposit Insur-*  
13           *ance Act* (12 U.S.C. 1818(g)) is amended to read as  
14           follows:

15           “(g) *SUSPENSION, REMOVAL, AND PROHIBITION FROM*  
16           *PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMI-*  
17           *NAL OFFENSES.*—”.

18           (b) *INSURED CREDIT UNIONS.*—

19           (1) *IN GENERAL.*—Section 206(i)(1) of the *Fed-*  
20           *eral Credit Union Act* (12 U.S.C. 1786(i)(1)) is  
21           amended—

22           (A) in subparagraph (A), by striking “the  
23           credit union” each place that term appears and  
24           inserting “any credit union”;

5 (C) in subparagraph (C)—

6 (i) by striking "the credit union" each  
7 place such term appears and inserting "any  
8 credit union"; and

16 (E) by adding at the end the following:

17                             “(E) CONTINUATION OF AUTHORITY.—The  
18                             *Board may issue an order under this paragraph*  
19                             *with respect to an individual who is an institu-*  
20                             *tion-affiliated party at a credit union at the*  
21                             *time of an offense described in subparagraph (A)*  
22                             *without regard to—*

1                   union at the time the order is considered or  
2                   issued by the Board; or

3                   “(ii) whether the credit union at which  
4                   the individual was an institution-affiliated  
5                   party at the time of the offense remains in  
6                   existence at the time the order is considered  
7                   or issued by the Board.”.

8                   (2) **CLERICAL AMENDMENT.**—Section 206(i) of  
9                   the Federal Credit Union Act (12 U.S.C. 1786(i)) is  
10                  amended by striking “(i)” at the beginning and in-  
11                  serting the following:

12                  “(i) **SUSPENSION, REMOVAL, AND PROHIBITION FROM**  
13                  **PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMI-**  
14                  **NAL OFFENSES.**—”.

15                  **SEC. 709. PROTECTION OF CONFIDENTIAL INFORMATION**  
16                  **RECEIVED BY FEDERAL BANKING REGU-**  
17                  **LATORS FROM FOREIGN BANKING SUPER-**  
18                  **VISORS.**

19                  Section 15 of the International Banking Act of 1978  
20                  (12 U.S.C. 3109) is amended by adding at the end the fol-  
21                  lowing:

22                  “(c) **CONFIDENTIAL INFORMATION RECEIVED FROM**  
23                  **FOREIGN SUPERVISORS.**—

24                  “(1) **IN GENERAL.**—Except as provided in para-  
25                  graph (3), a Federal banking agency may not be com-

1       *permitted to disclose information received from a foreign*  
2       *regulatory or supervisory authority if—*

3           “(A) *the Federal banking agency determines*  
4       *that the foreign regulatory or supervisory au-*  
5       *thority has, in good faith, determined and rep-*  
6       *resented in writing to such Federal banking*  
7       *agency that public disclosure of the information*  
8       *would violate the laws applicable to that foreign*  
9       *regulatory or supervisory authority; and*

10       “(B) *the relevant Federal banking agency*  
11       *obtained such information pursuant to—*

12           “(i) *such procedures as the Federal*  
13       *banking agency may establish for use in*  
14       *connection with the administration and en-*  
15       *forcement of Federal banking laws; or*

16           “(ii) *a memorandum of understanding*  
17       *or other similar arrangement between the*  
18       *Federal banking agency and the foreign reg-*  
19       *ulatory or supervisory authority.*

20       “(2) *TREATMENT UNDER TITLE 5, UNITED*  
21       *STATES CODE.—For purposes of section 552 of title 5,*  
22       *United States Code, this subsection shall be treated as*  
23       *a statute described in subsection (b)(3)(B) of such sec-*  
24       *tion.*

1                   “(3) *SAVINGS PROVISION*.—No provision of this  
2                   section shall be construed as—

3                   “(A) authorizing any Federal banking  
4                   agency to withhold any information from any  
5                   duly authorized committee of the House of Rep-  
6                   resentatives or the Senate; or

7                   “(B) preventing any Federal banking agen-  
8                   cy from complying with an order of a court of  
9                   the United States in an action commenced by the  
10                   United States or such agency.

11                   “(4) *FEDERAL BANKING AGENCY DEFINED*.—For  
12                   purposes of this subsection, the term ‘Federal banking  
13                   agency’ means the Board, the Comptroller of the Cur-  
14                   rency, the Federal Deposit Insurance Corporation,  
15                   and the Director of the Office of Thrift Supervision.”.

16                   **SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED  
17                   INDIVIDUALS.**

18                   (a) *EXTENSION OF AUTOMATIC PROHIBITION*.—Sec-  
19                   tion 19 of the Federal Deposit Insurance Act (12 U.S.C.  
20                   1829) is amended by adding at the end the following new  
21                   subsections:

22                   “(d) *BANK HOLDING COMPANIES*.—

23                   “(1) *IN GENERAL*.—Subsections (a) and (b) shall  
24                   apply to any company (other than a foreign bank)  
25                   that is a bank holding company and any organiza-

1       *tion organized and operated under section 25A of the*  
2       *Federal Reserve Act or operating under section 25 of*  
3       *the Federal Reserve Act, as if such bank holding com-*  
4       *pany or organization were an insured depository in-*  
5       *stitution, except that such subsections shall be applied*  
6       *for purposes of this subsection by substituting 'Board*  
7       *of Governors of the Federal Reserve System' for 'Cor-*  
8       *poration' each place that term appears in such sub-*  
9       *sections.*

10       “*(2) AUTHORITY OF BOARD.*—*The Board of Gov-*  
11       *ernors of the Federal Reserve System may provide ex-*  
12       *emptions, by regulation or order, from the application*  
13       *of paragraph (1) if the exemption is consistent with*  
14       *the purposes of this subsection.*

15       “*(e) SAVINGS AND LOAN HOLDING COMPANIES.*—

16       “*(1) IN GENERAL.*—*Subsections (a) and (b) shall*  
17       *apply to any savings and loan holding company as*  
18       *if such savings and loan holding company were an*  
19       *insured depository institution, except that such sub-*  
20       *sections shall be applied for purposes of this sub-*  
21       *section by substituting 'Director of the Office of Thrift*  
22       *Supervision' for 'Corporation' each place that term*  
23       *appears in such subsections.*

24       “*(2) AUTHORITY OF DIRECTOR.*—*The Director of*  
25       *the Office of Thrift Supervision may provide exemp-*

1        *tions, by regulation or order, from the application of*  
2        *paragraph (1) if the exemption is consistent with the*  
3        *purposes of this subsection.”.*

4        *(b) ENHANCED DISCRETION TO REMOVE CONVICTED*  
5        *INDIVIDUALS.—Section 8(e)(2)(A) of the Federal Deposit*  
6        *Insurance Act (12 U.S.C. 1818(e)(2)(A)) is amended—*

7            *(1) by striking “or” at the end of clause (ii);*  
8            *(2) by striking the comma at the end of clause*  
9            *(iii) and inserting “; or”; and*  
10            *“(3) by adding at the end the following new*  
11            *clause:*

12            *“(iv) an institution-affiliated party of*  
13            *a subsidiary (other than a bank) of a bank*  
14            *holding company or of a subsidiary (other*  
15            *than a savings association) of a savings*  
16            *and loan holding company has been con-*  
17            *victed of any criminal offense involving dis-*  
18            *honesty or a breach of trust or a criminal*  
19            *offense under section 1956, 1957, or 1960 of*  
20            *title 18, United States Code, or has agreed*  
21            *to enter into a pretrial diversion or similar*  
22            *program in connection with a prosecution*  
23            *for such an offense.”.*

1 **SEC. 711. COORDINATION OF STATE EXAMINATION AU-**2 **THORITY.**3 *Section 10(h) of the Federal Deposit Insurance Act (12*4 *U.S.C. 1820(h)) is amended to read as follows:*5 **“(h) COORDINATION OF EXAMINATION AUTHORITY.—**6 **“(1) STATE BANK SUPERVISORS OF HOME AND**7 **HOST STATES.—**8 *“(A) HOME STATE OF BANK.—The appropriate State bank supervisor of the home State of an insured State bank has authority to examine and supervise the bank.*12 *“(B) HOST STATE BRANCHES.—The State bank supervisor of the home State of an insured State bank and any State bank supervisor of an appropriate host State shall exercise its respective authority to supervise and examine the branches of the bank in a host State in accordance with the terms of any applicable cooperative agreement between the home State bank supervisor and the State bank supervisor of the relevant host State.*22 *“(C) SUPERVISORY FEES.—Except as expressly provided in a cooperative agreement between the State bank supervisors of the home State and any host State of an insured State bank, only the State bank supervisor of the home*

1       *State of an insured State bank may levy or*  
2       *charge State supervisory fees on the bank.*

3       “*(2) HOST STATE EXAMINATION.*—

4           “*(A) IN GENERAL.*—*With respect to a*  
5       *branch operated in a host State by an out-of-*  
6       *State insured State bank that resulted from an*  
7       *interstate merger transaction approved under*  
8       *section 44, or that was established in such State*  
9       *pursuant to section 5155(g) of the Revised Stat-*  
10       *utes of the United States, the third undesignated*  
11       *paragraph of section 9 of the Federal Reserve Act*  
12       *or section 18(d)(4) of this Act, the appropriate*  
13       *State bank supervisor of such host State may—*

14           “*(i) with written notice to the State*  
15       *bank supervisor of the bank’s home State*  
16       *and subject to the terms of any applicable*  
17       *cooperative agreement with the State bank*  
18       *supervisor of such home State, examine such*  
19       *branch for the purpose of determining com-*  
20       *pliance with host State laws that are appli-*  
21       *cable pursuant to section 24(j), including*  
22       *those that govern community reinvestment,*  
23       *fair lending, and consumer protection; and*

24           “*(ii) if expressly permitted under and*  
25       *subject to the terms of a cooperative agree-*

1                   *ment with the State bank supervisor of the*  
2                   *bank's home State or if such out-of-State in-*  
3                   *sured State bank has been determined to be*  
4                   *in a troubled condition by either the State*  
5                   *bank supervisor of the bank's home State or*  
6                   *the bank's appropriate Federal banking*  
7                   *agency, participate in the examination of*  
8                   *the bank by the State bank supervisor of the*  
9                   *bank's home State to ascertain that the ac-*  
10                   *tivities of the branch in such host State are*  
11                   *not conducted in an unsafe or unsound*  
12                   *manner.*

13                   “(B) NOTICE OF DETERMINATION.—

14                   “(i) IN GENERAL.—*The State bank su-*  
15                   *pervisor of the home State of an insured*  
16                   *State bank shall notify the State bank su-*  
17                   *pervisor of each host State of the bank if*  
18                   *there has been a final determination that*  
19                   *the bank is in a troubled condition.*

20                   “(ii) TIMING OF NOTICE.—*The State*  
21                   *bank supervisor of the home State of an in-*  
22                   *sured State bank shall provide notice under*  
23                   *clause (i) as soon as is reasonably possible,*  
24                   *but in all cases not later than 15 business*  
25                   *days after the date on which the State bank*

1           *supervisor has made such final determina-*  
2           *tion or has received written notification of*  
3           *such final determination.*

4           “(3) *HOST STATE ENFORCEMENT.*—*If the State*  
5           *bank supervisor of a host State determines that a*  
6           *branch of an out-of-State insured State bank is vio-*  
7           *lating any law of the host State that is applicable to*  
8           *such branch pursuant to section 24(j), including a*  
9           *law that governs community reinvestment, fair lend-*  
10           *ing, or consumer protection, the State bank supervisor*  
11           *of the host State or, to the extent authorized by the*  
12           *law of the host State, a host State law enforcement of-*  
13           *ficer may, with written notice to the State bank su-*  
14           *pervisor of the bank’s home State and subject to the*  
15           *terms of any applicable cooperative agreement with*  
16           *the State bank supervisor of the bank’s home State,*  
17           *undertake such enforcement actions and proceedings*  
18           *as would be permitted under the law of the host State*  
19           *as if the branch were a bank chartered by that host*  
20           *State.*

21           “(4) *COOPERATIVE AGREEMENT.*—

22           “(A) *IN GENERAL.*—*The State bank super-*  
23           *visors from 2 or more States may enter into co-*  
24           *operative agreements to facilitate State regu-*  
25           *latory supervision of State banks, including co-*

1           *operative agreements relating to the coordination*  
2           *of examinations and joint participation in ex-*  
3           *aminations.*

4           “(B) *DEFINITION.*—For purposes of this  
5            subsection, the term ‘cooperative agreement’  
6            means a written agreement that is signed by the  
7            home State bank supervisor and the host State  
8            bank supervisor to facilitate State regulatory su-  
9            pervision of State banks, and includes nation-  
10           wide or multi-State cooperative agreements and  
11           cooperative agreements solely between the home  
12           State and host State.

13           “(C) *RULE OF CONSTRUCTION.*—Except for  
14            State bank supervisors, no provision of this sub-  
15            section relating to such cooperative agreements  
16            shall be construed as limiting in any way the  
17            authority of home State and host State law en-  
18            forcement officers, regulatory supervisors, or  
19            other officials that have not signed such coopera-  
20            tive agreements to enforce host State laws that  
21            are applicable to a branch of an out-of-State in-  
22            sured State bank located in the host State pursu-  
23            ant to section 24(j).

24           “(5) *FEDERAL REGULATORY AUTHORITY.*—No  
25            provision of this subsection shall be construed as lim-

1 *iting in any way the authority of any Federal bank-*  
2 *ing agency.*

3 *“(6) STATE TAXATION AUTHORITY NOT AF-*  
4 *FECTED.—No provision of this subsection shall be*  
5 *construed as affecting the authority of any State or*  
6 *political subdivision of any State to adopt, apply, or*  
7 *administer any tax or method of taxation to any*  
8 *bank, bank holding company, or foreign bank, or any*  
9 *affiliate of any bank, bank holding company, or for-*  
10 *ign bank, to the extent that such tax or tax method*  
11 *is otherwise permissible by or under the Constitution*  
12 *of the United States or other Federal law.*

13 *“(7) DEFINITIONS.—For purpose of this section,*  
14 *the following definitions shall apply:*

15 *“(A) HOST STATE, HOME STATE, OUT-OF-*  
16 *STATE BANK.—The terms ‘host State’, ‘home*  
17 *State’, and ‘out-of-State bank’ have the same*  
18 *meanings as in section 44(g).*

19 *“(B) STATE SUPERVISORY FEES.—The term*  
20 *‘State supervisory fees’ means assessments, exam-*  
21 *ination fees, branch fees, license fees, and all*  
22 *other fees that are levied or charged by a State*  
23 *bank supervisor directly upon an insured State*  
24 *bank or upon branches of an insured State bank.*

1                   “(C) *TROUBLED CONDITION.*—Solely for  
2                   purposes of paragraph (2)(B), an insured State  
3                   bank has been determined to be in ‘troubled con-  
4                   dition’ if the bank—

5                   “(i) has a composite rating, as deter-  
6                   mined in its most recent report of examina-  
7                   tion, of 4 or 5 under the Uniform Financial  
8                   Institutions Ratings System;

9                   “(ii) is subject to a proceeding initi-  
10                  ated by the Corporation for termination or  
11                  suspension of deposit insurance; or

12                  “(iii) is subject to a proceeding initi-  
13                  ated by the State bank supervisor of the  
14                  bank’s home State to vacate, revoke, or ter-  
15                  minate the charter of the bank, or to liq-  
16                  uidate the bank, or to appoint a receiver for  
17                  the bank.

18                  “(D) *FINAL DETERMINATION.*—For pur-  
19                  poses of paragraph (2)(B), the term ‘final deter-  
20                  mination’ means the transmittal of a report of  
21                  examination to the bank or transmittal of offi-  
22                  cial notice of proceedings to the bank.”.

1   **SEC. 712. DEPUTY DIRECTOR; SUCCESSION AUTHORITY FOR**  
2                   **DIRECTOR OF THE OFFICE OF THRIFT SUPER-**  
3                   **VISION.**

4        *(a) ESTABLISHMENT OF POSITION OF DEPUTY DIRECTOR.*—Section 3(c)(5) of the Home Owners' Loan Act (12  
5        U.S.C. 1462a(c)(5)) is amended to read as follows:

6                “(5) *DEPUTY DIRECTOR.*—

7                “(A) *IN GENERAL.*—The Secretary of the Treasury shall appoint a Deputy Director, and may appoint not more than 3 additional Deputy Directors of the Office.

8                “(B) *FIRST DEPUTY DIRECTOR.*—If the Secretary of the Treasury appoints more than 1 Deputy Director of the Office, the Secretary shall designate one such appointee as the First Deputy Director.

9                “(C) *DUTIES.*—Each Deputy Director appointed under this paragraph shall take an oath of office and perform such duties as the Director shall direct.

10               “(D) *COMPENSATION AND BENEFITS.*—The Director shall fix the compensation and benefits for each Deputy Director in accordance with this Act.”.

1       (b) *SERVICE OF DEPUTY DIRECTOR AS ACTING DIRECTOR.*—Section 3(c)(3) of the Home Owners' Loan Act (12  
2       U.S.C. 1462a(c)(3)) is amended—

4               (1) by striking “**VACANCY.**—A vacancy in the  
5       position of Director” and inserting “**VACANCY.**—

6                       “(A) *IN GENERAL.*—A vacancy in the posi-  
7       tion of Director”; and

8               (2) by adding at the end the following:

9                       “(B) *ACTING DIRECTOR.*—

10                       “(i) *IN GENERAL.*—In the event of a  
11       vacancy in the position of Director or dur-  
12       ing the absence or disability of the Director,  
13       the Deputy Director shall serve as Acting  
14       Director.

15                       “(ii) *SUCCESSION IN CASE OF 2 OR*  
16       *MORE DEPUTY DIRECTORS.*—If there are 2  
17       or more Deputy Directors serving at the  
18       time a vacancy in the position of Director  
19       occurs or the absence or disability of the Di-  
20       rector commences, the First Deputy Director  
21       shall serve as Acting Director under clause  
22       (i) followed by such other Deputy Directors  
23       under any order of succession the Director  
24       may establish.

1                             “(iii) *AUTHORITY OF ACTING DIRECTOR.*—Any Deputy Director, while serving  
2                             as Acting Director under this subparagraph, shall be vested with all authority,  
3                             duties, and privileges of the Director under  
4                             this Act and any other provision of Federal  
5                             law.”.

8     **SEC. 713. OFFICE OF THRIFT SUPERVISION REPRESENTATION ON BASEL COMMITTEE ON BANKING SUPERVISION.**

11     (a) *IN GENERAL.*—Section 912 of the International  
12     Lending Supervision Act of 1983 (12 U.S.C. 3911) is  
13     amended—

14                             (1) in the section heading, by inserting at the  
15                             end the following: “**AND THE OFFICE OF THRIFT SUPERVISION**”;

17                             (2) by striking “As one of the three” and inserting the following:

19                             “(a) *IN GENERAL.*—As one of the 4”; and

20                             (3) by adding at the end the following:

21                             “(b) As one of the 4 Federal bank regulatory and supervisory agencies, the Office of Thrift Supervision shall be given equal representation with the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Cor-

1 *poration on the Committee on Banking Regulations and*  
 2 *Supervisory Practices of the Group of Ten Countries and*  
 3 *Switzerland.”.*

4       (b) *CONFORMING AMENDMENTS.—Section 910(a) of*  
 5 *the International Lending Supervision Act of 1983 (12*  
 6 *U.S.C. 3909(a)) is amended—*

7           (1) *in paragraph (2), by striking “insured bank”*  
 8 *and inserting “insured depository institution”; and*

9           (2) *in paragraph (3), by striking “an ‘insured*  
 10 *bank’, as such term is used in section 3(h)” and in-*  
 11 *serting “an ‘insured depository institution’, as such*  
 12 *term is defined in section 3(c)(2)”.*

13 **SEC. 714. FEDERAL FINANCIAL INSTITUTIONS EXAMINA-**  
 14 **TION COUNCIL.**

15       (a) *COUNCIL MEMBERSHIP.—Section 1004(a) of the*  
 16 *Federal Financial Institutions Examination Council Act of*  
 17 *1978 (12 U.S.C. 3303(a)) is amended—*

18           (1) *in paragraph (4), by striking “Thrift” and*  
 19 *all that follows through the end of the paragraph and*  
 20 *inserting “Thrift Supervision,”;*

21           (2) *in paragraph (5) by striking the period at*  
 22 *the end and inserting “, and”; and*

23           (3) *by adding at the end the following:*

24           “(6) *the Chairman of the State Liaison Com-*  
 25 *mittee.”.*

1       (b) *CHAIRPERSON OF LIAISON COMMITTEE.*—Section  
2 *1007 of the Federal Financial Institutions Examination*  
3 *Council Act of 1978 (12 U.S.C. 3306) is amended by adding*  
4 *at the end the following:* “*Members of the Liaison Com-*  
5 *mittee shall elect a chairperson from among the members*  
6 *serving on the committee.*”.

7 **SEC. 715. TECHNICAL AMENDMENTS RELATING TO IN-**  
8 **SURED INSTITUTIONS.**

9       (a) *TECHNICAL AMENDMENT TO THE FEDERAL DE-*  
10 *POSIT INSURANCE ACT.*—Section 8(i)(3) of the *Federal De-*  
11 *posit Insurance Act (12 U.S.C. 1818(i)(3)) is amended by*  
12 *inserting “or order” after “notice” each place that term ap-*  
13 *pears.*

14       (b) *TECHNICAL AMENDMENT TO THE FEDERAL CRED-*  
15 *IT UNION ACT.*—Section 206(k)(3) of the *Federal Credit*  
16 *Union Act (12 U.S.C. 1786(k)(3)) is amended by inserting*  
17 *“or order” after “notice” each place that term appears.*

18 **SEC. 716. CLARIFICATION OF ENFORCEMENT AUTHORITY.**

19       (a) *ACTIONS ON APPLICATIONS, NOTICES, AND OTHER*  
20 *REQUESTS; CLARIFICATION THAT CHANGE IN CONTROL*  
21 *CONDITIONS ARE ENFORCEABLE.*—Section 8 of the *Federal*  
22 *Deposit Insurance Act (12 U.S.C. 1818) is amended—*

23               (1) *in subsection (b)(1), in the first sentence, by*  
24 *striking “the granting of any application or other re-*  
25 *quest by the depository institution” and inserting*

1       “any action on any application, notice, or other re-  
2       quest by the depository institution or institution-af-  
3       filiated party,”;

4           (2) in subsection (e)(1)(A)(i)(III), by striking  
5       “the grant of any application or other request by such  
6       depository institution” and inserting “any action on  
7       any application, notice, or request by such depository  
8       institution or institution-affiliated party”; and

9           (3) in subsection (i)(2)(A)(iii), by striking “the  
10       grant of any application or other request by such de-  
11       pository institution” and inserting “any action on  
12       any application, notice, or other request by the depos-  
13       itory institution or institution-affiliated party”.

14       (b) *CLARIFICATION THAT CHANGE IN CONTROL CON-*  
15       *DITIONS ARE ENFORCEABLE.*—Section 206 of the Federal  
16       *Credit Union Act (12 U.S.C. 1786)* is amended—

17           (1) in subsection (b)(1), in the first sentence, by  
18       striking “the granting of any application or other re-  
19       quest by the credit union” and inserting “any action  
20       on any application, notice, or other request by the  
21       credit union or institution-affiliated party,”;

22           (2) in subsection (g)(1)(A)(i)(III), by striking  
23       “the grant of any application or other request by such  
24       credit union” and inserting “any action on any ap-

1 *plication, notice, or request by such credit union or*  
2 *institution-affiliated party”; and*

3 *(3) in subsection (k)(2)(A)(iii), by striking “the*  
4 *grant of any application or other request by such*  
5 *credit union” and inserting “any action on any ap-*  
6 *plication, notice, or other request by the credit union*  
7 *or institution-affiliated party”.*

8 **SEC. 717. FEDERAL BANKING AGENCY AUTHORITY TO EN-**  
9 **FORCE DEPOSIT INSURANCE CONDITIONS.**

10 *Section 8 of the Federal Deposit Insurance Act (12*  
11 *U.S.C. 1818) is amended—*

12 *(1) in subsection (b)(1), in the 1st sentence—*  
13 *(A) by striking “in writing by the agency”*  
14 *and inserting “in writing by a Federal banking*  
15 *agency”; and*

16 *(B) by striking “the agency may issue and*  
17 *serve” and inserting “the appropriate Federal*  
18 *banking agency for the depository institution*  
19 *may issue and serve”;*

20 *(2) in subsection (e)(1)—*  
21 *(A) in subparagraph (A)(i)(III), by striking*  
22 *“in writing by the appropriate Federal banking*  
23 *agency” and inserting “in writing by a Federal*  
24 *banking agency”; and*

10 **SEC. 718. RECEIVER OR CONSERVATOR CONSENT REQUIRE-  
11 MENT.**

12        (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section  
13 11(e)(13) of the *Federal Deposit Insurance Act* (12 U.S.C.  
14 1821(e)(13)) is amended by adding at the end the following:

“(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to limit or otherwise affect the applicability of title 11, United States Code.”.

1       (b) *INSURED CREDIT UNIONS.*—Section 207(c)(12) of  
2 the *Federal Credit Union Act* (12 U.S.C. 1787(c)(12)) is  
3 amended by adding the following:

4               “(C) *CONSENT REQUIREMENT.*—

5               “(i) *IN GENERAL.*—Except as otherwise  
6 provided by this section, no person may ex-  
7 ercise any right or power to terminate, ac-  
8 celerate, or declare a default under any con-  
9 tract to which the credit union is a party,  
10 or to obtain possession of or exercise control  
11 over any property of the credit union or af-  
12 fect any contractual rights of the credit  
13 union, without the consent of the conser-  
14 vator or liquidating agent, as appropriate,  
15 during the 45-day period beginning on the  
16 date of the appointment of the conservator,  
17 or during the 90-day period beginning on  
18 the date of the appointment of the liqui-  
19 dating agent, as applicable.

20               “(ii) *CERTAIN EXCEPTIONS.*—No pro-  
21 vision of this subparagraph shall apply to  
22 a director or officer liability insurance con-  
23 tract or a credit union bond, or to the  
24 rights of parties to certain qualified finan-  
25 cial contracts pursuant to paragraph (8), or

1           *shall be construed as permitting the conservator or liquidating agent to fail to comply with otherwise enforceable provisions of such contract.*

5           *“(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to limit or otherwise affect the applicability of title 11, United States Code.”.*

9   **SEC. 719. ACQUISITION OF FICO SCORES.**

10          *Section 604(a) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)) is amended by adding at the end the following:*

13          *“(6) To the Federal Deposit Insurance Corporation or the National Credit Union Administration as part of its preparation for its appointment or as part of its exercise of powers, as conservator, receiver, or liquidating agent for an insured depository institution or insured credit union under the Federal Deposit Insurance Act or the Federal Credit Union Act, or other applicable Federal or State law, or in connection with the resolution or liquidation of a failed or failing insured depository institution or insured credit union, as applicable.”.*

1 **SEC. 720. ELIMINATION OF CRIMINAL INDICTMENTS**2 **AGAINST RECEIVERSHIPS.**

3       (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section  
4 15(b) of the Federal Deposit Insurance Act (12 U.S.C.  
5 1825(b)) is amended by inserting immediately after para-  
6 graph (3) the following:

7           “(4) *EXEMPTION FROM CRIMINAL PROSECU-*  
8 *TION.*—The Corporation shall be exempt from all  
9 prosecution by the United States or any State, coun-  
10 ty, municipality, or local authority for any criminal  
11 offense arising under Federal, State, county, munic-  
12 ipal, or local law, which was allegedly committed by  
13 the institution, or persons acting on behalf of the in-  
14 stitution, prior to the appointment of the Corporation  
15 as receiver.”.

16       (b) *INSURED CREDIT UNIONS.*—Section 207(b)(2) of  
17 the Federal Credit Union Act (12 U.S.C. 1787(b)(2)) is  
18 amended by adding at the end the following:

19           “(K) *EXEMPTION FROM CRIMINAL PROSECU-*  
20 *TION.*—The Administration shall be exempt from  
21 all prosecution by the United States or any  
22 State, county, municipality, or local authority  
23 for any criminal offense arising under Federal,  
24 State, county, municipal, or local law, which  
25 was allegedly committed by a credit union, or  
26 persons acting on behalf of a credit union, prior

1           *to the appointment of the Administration as liq-*  
2           *uidating agent.”.*

3   **SEC. 721. RESOLUTION OF DEPOSIT INSURANCE DISPUTES.**

4       (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section  
5   *11(f) of the Federal Deposit Insurance Act (12 U.S.C.*  
6   *1821(f)) is amended by striking paragraphs (3) through (5)*  
7   *and inserting the following:*

8           “(3) *RESOLUTION OF DISPUTES.*—A determina-  
9           *tion by the Corporation regarding any claim for in-*  
10           *surance coverage shall be treated as a final deter-*  
11           *mination for purposes of this section. In its discre-*  
12           *tion, the Corporation may promulgate regulations*  
13           *prescribing procedures for resolving any disputed*  
14           *claim relating to any insured deposit or any deter-*  
15           *mination of insurance coverage with respect to any*  
16           *deposit.*

17           “(4) *REVIEW OF CORPORATION DETERMINA-*  
18           *TION.*—A final determination made by the Corpora-  
19           *tion regarding any claim for insurance coverage shall*  
20           *be a final agency action reviewable in accordance*  
21           *with chapter 7 of title 5, United States Code, by the*  
22           *United States district court for the Federal judicial*  
23           *district where the principal place of business of the*  
24           *depository institution is located.*

1           “(5) *STATUTE OF LIMITATIONS*.—Any request for  
2        *review of a final determination by the Corporation*  
3        *regarding any claim for insurance coverage shall be*  
4        *filed with the appropriate United States district court*  
5        *not later than 60 days after the date on which such*  
6        *determination is issued.”.*

7           (b) *INSURED CREDIT UNIONS*.—Section 207(d) of the  
8        *Federal Credit Union Act (12 U.S.C. 1787(d)) is amended*  
9        *by striking paragraphs (3) through (5) and inserting the*  
10      *following:*

11           “(3) *RESOLUTION OF DISPUTES*.—A determina-  
12        *tion by the Administration regarding any claim for*  
13        *insurance coverage shall be treated as a final deter-*  
14        *mination for purposes of this section. In its discre-*  
15        *tion, the Board may promulgate regulations pre-*  
16        *scribing procedures for resolving any disputed claim*  
17        *relating to any insured deposit or any determination*  
18        *of insurance coverage with respect to any deposit. A*  
19        *final determination made by the Board regarding*  
20        *any claim for insurance coverage shall be a final*  
21        *agency action reviewable in accordance with chapter*  
22        *7 of title 5, United States Code, by the United States*  
23        *district court for the Federal judicial district where*  
24        *the principal place of business of the credit union is*  
25        *located.*

1           “(4) *STATUTE OF LIMITATIONS*.—Any request for  
2        *review of a final determination by the Board regarding*  
3        *any claim for insurance coverage shall be filed*  
4        *with the appropriate United States district court not*  
5        *later than 60 days after the date on which such deter-*  
6        *mination is issued.”*

7   **SEC. 722. RECORDKEEPING.**

8        (a) *INSURED DEPOSITORY INSTITUTIONS*.—Section  
9        11(d)(15)(D) of the Federal Deposit Insurance Act (12  
10      U.S.C. 1821(d)(15)(D)) is amended—

11           (1) by striking “After the end of the 6-year pe-  
12        riod” and inserting the following:

13           “(i) *IN GENERAL*.—Except as provided  
14        in clause (ii), after the end of the 6-year pe-  
15        riod”; and

16           (2) by adding at the end the following:

17           “(ii) *OLD RECORDS*.—Notwithstanding  
18        clause (i), the Corporation may destroy  
19        records of an insured depository institution  
20        which are at least 10 years old as of the  
21        date on which the Corporation is appointed  
22        as the receiver of such depository institution  
23        in accordance with clause (i) at any time  
24        after such appointment is final, without re-

3           (b) INSURED CREDIT UNIONS.—Section 207(b)(15)(D)  
4 of the Federal Credit Union Act (12 U.S.C. 1787(b)(15)(D))  
5 is amended—

6 (1) by striking “After the end of the 6-year pe-  
7 riod” and inserting the following:

11 (2) by adding at the end the following:

21 SEC. 723. *PRESERVATION OF RECORDS.*

22        (a) *INSURED DEPOSITORY INSTITUTIONS.*—Section  
23 10(f) of the Federal Deposit Insurance Act (12 U.S.C.  
24 1820(f)) is amended to read as follows:

25        "(f) PRESERVATION OF AGENCY RECORDS.—

1           “(1) *IN GENERAL.*—A Federal banking agency  
2        *may cause any and all records, papers, or documents*  
3        *kept by the agency or in the possession or custody of*  
4        *the agency to be—*

5           “(A) *photographed or microphotographed or*  
6        *otherwise reproduced upon film; or*

7           “(B) *preserved in any electronic medium or*  
8        *format which is capable of—*

9           “(i) *being read or scanned by com-*  
10        *puter; and*

11           “(ii) *being reproduced from such elec-*  
12        *tronic medium or format by printing any*  
13        *other form of reproduction of electronically*  
14        *stored data.*

15           “(2) *TREATMENT AS ORIGINAL RECORDS.*—Any  
16        *photographs, microphotographs, or photographic film*  
17        *or copies thereof described in paragraph (1)(A) or re-*  
18        *production of electronically stored data described in*  
19        *paragraph (1)(B) shall be deemed to be an original*  
20        *record for all purposes, including introduction in evi-*  
21        *dence in all State and Federal courts or administra-*  
22        *tive agencies, and shall be admissible to prove any*  
23        *act, transaction, occurrence, or event therein recorded.*

24           “(3) *AUTHORITY OF THE FEDERAL BANKING*  
25        *AGENCIES.*—Any photographs, microphotographs, or

1       *photographic film or copies thereof described in para-*  
2       *graph (1)(A) or reproduction of electronically stored*  
3       *data described in paragraph (1)(B) shall be preserved*  
4       *in such manner as the Federal banking agency shall*  
5       *prescribe, and the original records, papers, or docu-*  
6       *ments may be destroyed or otherwise disposed of as*  
7       *the Federal banking agency may direct.”.*

8       (b) *INSURED CREDIT UNIONS.*—Section 206(s) of the  
9 *Federal Credit Union Act (12 U.S.C. 1786(s)) is amended*  
10 *by adding at the end the following:*

11       “(9) *PRESERVATION OF RECORDS.*—

12       “(A) *IN GENERAL.*—The Board may cause  
13       *any and all records, papers, or documents kept*  
14       *by the Administration or in the possession or*  
15       *custody of the Administration to be—*

16       “(i) *photographed or microphotographed or otherwise reproduced upon film;*  
17       *or*

18       “(ii) *preserved in any electronic medium or format which is capable of—*

19       “(I) *being read or scanned by computer; and*

20       “(II) *being reproduced from such electronic medium or format by print-*

13                             “(C) AUTHORITY OF THE ADMINISTRA-  
14                             TION.—Any photographs, microphotographs, or  
15                             photographic film or copies thereof described in  
16                             subparagraph (A)(i) or reproduction of electroni-  
17                             cally stored data described in subparagraph  
18                             (A)(ii) shall be preserved in such manner as the  
19                             Administration shall prescribe, and the original  
20                             records, papers, or documents may be destroyed  
21                             or otherwise disposed of as the Administration  
22                             may direct.”.

1 **SEC. 724. TECHNICAL AMENDMENTS TO INFORMATION**2 **SHARING PROVISION IN THE FEDERAL DE-**3 **POSIT INSURANCE ACT.**4 *Section 11(t) of the Federal Deposit Insurance Act (12*5 *U.S.C. 1821(t)) is amended—*6 *(1) in paragraph (1), by inserting “, in any ca-*  
7 *pacity,” after “A covered agency”; and*8 *(2) in paragraph (2)(A)—*9 *(A) in clause (i), by striking “appropriate”;*10 *(B) by striking clause (ii); and*11 *(C) by redesignating clauses (iii) through*  
12 *(vi) as clauses (ii) through (v), respectively.*13 **SEC. 725. TECHNICAL AND CONFORMING AMENDMENTS RE-**14 **LATING TO BANKS OPERATING UNDER THE**15 **CODE OF LAW FOR THE DISTRICT OF COLUM-**16 **BIA.**17 *(a) FEDERAL RESERVE ACT.—The Federal Reserve*18 *Act (12 U.S.C. 221 et seq.) is amended—*19 *(1) in the second undesignated paragraph of the*  
20 *first section (12 U.S.C. 221), by adding at the end the*  
21 *following: “For purposes of this Act, a State bank in-*  
22 *cludes any bank which is operating under the Code*  
23 *of Law for the District of Columbia.”; and*24 *(2) in the first sentence of the first undesignated*  
25 *paragraph of section 9 (12 U.S.C. 321), by striking*  
26 *“incorporated by special law of any State, or” and*

1       *inserting “incorporated by special law of any State,*  
2       *operating under the Code of Law for the District of*  
3       *Columbia, or”.*

4       *(b) BANK CONSERVATION ACT.—Section 202 of the*  
5       *Bank Conservation Act (12 U.S.C. 202) is amended—*

6           *(1) by striking “means (1) any national” and*  
7       *inserting “means any national”; and*

8           *(2) by striking “, and (2) any bank or trust*  
9       *company located in the District of Columbia and op-*  
10       *erating under the supervision of the Comptroller of*  
11       *the Currency”.*

12       *(c) DEPOSITORY INSTITUTION DEREGULATION AND*  
13       *MONETARY CONTROL ACT OF 1980.—Part C of title VII*  
14       *of the Depository Institution Deregulation and Monetary*  
15       *Control Act of 1980 (12 U.S.C. 216 et seq.) is amended—*

16           *(1) in paragraph (1) of section 731 (12 U.S.C.*  
17       *216(1)), by striking “and closed banks in the District*  
18       *of Columbia”; and*

19           *(2) in paragraph (2) of section 732 (12 U.S.C.*  
20       *216a(2)), by striking “or closed banks in the District*  
21       *of Columbia”.*

22       *(d) FEDERAL DEPOSIT INSURANCE ACT.—Section*  
23       *3(a)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C.*  
24       *1813(a)(2)(B)) is amended by striking “(except a national*  
25       *bank)”.*

1        (e) *NATIONAL BANK CONSOLIDATION AND MERGER*  
2 *Act.—Section 7(1) of the National Bank Consolidation and*  
3 *Merger Act (12 U.S.C. 215b(1)) is amended by striking*  
4 *“(except a national banking association located in the Dis-*  
5 *trict of Columbia)”).*

6        (f) *ACT OF AUGUST 17, 1950.—Section 1(a) of the Act*  
7 *entitled “An Act to provide for the conversion of national*  
8 *banking associations into and their merger or consolidation*  
9 *with State banks, and for other purposes” and approved*  
10 *August 17, 1950 (12 U.S.C. 214(a)) is amended by striking*  
11 *“(except a national banking association)”).*

12        (g) *FEDERAL TRADE COMMISSION ACT.—Section*  
13 *18(f)(2) of the Federal Trade Commission Act (15 U.S.C.*  
14 *57a(f)(2)) is amended—*

15            (1) *in subparagraph (A), by striking “, banks*  
16 *operating under the code of law for the District of Co-*  
17 *lumbia,”; and*

18            (2) *in subparagraph (B), by striking “and banks*  
19 *operating under the code of law for the District of Co-*  
20 *lumbia”.*

21 **SEC. 726. TECHNICAL CORRECTIONS TO THE FEDERAL**  
22 **CREDIT UNION ACT.**

23        *The Federal Credit Union Act (12 U.S.C. 1751 et seq.)*  
24 *is amended as follows:*

1                   (1) In section 101(3), strike “and” after the  
2 semicolon.

3                   (2) In section 101(5), strike the terms “account  
4 account” and “account accounts” each place any such  
5 term appears and insert “account”.

6                   (3) In section 107(5)(E), strike the period at the  
7 end and insert a semicolon.

8                   (4) In each of paragraphs (6) and (7) of section  
9 107, strike the period at the end and insert a semi-  
10 colon.

11                  (5) In section 107(7)(D), strike “the Federal  
12 Savings and Loan Insurance Corporation or”.

13                  (6) In section 107(7)(E), strike “the Federal  
14 Home Loan Bank Board,” and insert “the Federal  
15 Housing Finance Board,.”

16                  (7) In section 107(9), strike “subchapter III”  
17 and insert “title III”.

18                  (8) In section 107(13), strike “and” after the  
19 semicolon at the end.

20                  (9) In section 109(c)(2)(A)(i), strike “(12 U.S.C.  
21 4703(16))”.

22                  (10) In section 120(h), strike “the Act approved  
23 July 30, 1947 (6 U.S.C., secs. 6–13),” and insert  
24 “chapter 93 of title 31, United States Code.”

25                  (11) In section 201(b)(5), strike “section 116 of”.

(15) In section 206(f)(1), strike “subsection (e)(3)(B)” and insert “subsection (e)(3)”.

13 (18) In section 206(t)(2)(C), strike "material af-  
14 fect" and insert "material effect".

15 (19) In section 206(t)(4)(A)(ii)(II), strike "or"  
16 after the semicolon at the end.

19 (21) In section 207(c)(5)(B)(i)(I), insert "and"  
20 after the semicolon at the end.

21 (22) In the heading for subparagraph (A) of sec-  
22 tion 207(d)(3), strike "TO" and insert "WITH".

23 (23) In section 207(f)(3)(A), strike "category or  
24 claimants" and insert "category of claimants".

(24) In section 209(a)(8), strike the period at the end and insert a semicolon.

3 (25) In section 216(n), insert “any action” be-  
4 fore “that is required”.

(27) In section 310, strike “section 102(e)” and insert “section 102(d)”.

## 10 SEC. 727. REPEAL OF OBSOLETE PROVISIONS OF THE BANK

## ***HOLDING COMPANY ACT OF 1956.***

12 (a) *IN GENERAL.*—Section 2 of the *Bank Holding*  
13 *Company Act of 1956* (12 U.S.C. 1841) is amended—

14 (1) in subsection (c)(2), by striking subparagraph  
15 graphs (I) and (J); and

16 (2) by striking subsection (m) and inserting the  
17 following:

18           “(m) [Repeated]”.

19                   (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
20 Paragraphs (1) and (2) of section 4(h) of the Bank Holding  
21 Company Act of 1956 (12 U.S.C. 1843(h)) are each amend-  
22 ed by striking “(G), (H), (I), or (J) of section 2(c)(2)” and  
23 inserting “(G), or (H) of section 2(c)(2)”.

1 **SEC. 728. DEVELOPMENT OF MODEL PRIVACY FORM.**

2       *Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C.*  
3   *6803), as amended by section 609, is amended by adding*  
4   *at the end the following:*

5       “(e) *MODEL FORMS.*—

6           “(1) *IN GENERAL.*—*The agencies referred to in*  
7   *section 504(a)(1) shall jointly develop a model form*  
8   *which may be used, at the option of the financial in-*  
9   *stitution, for the provision of disclosures under this*  
10   *section.*

11          “(2) *FORMAT.*—*A model form developed under*  
12   *paragraph (1) shall—*

13           “(A) *be comprehensible to consumers, with a*  
14   *clear format and design;*

15           “(B) *provide for clear and conspicuous dis-*  
16   *closures;*

17           “(C) *enable consumers easily to identify the*  
18   *sharing practices of a financial institution and*  
19   *to compare privacy practices among financial*  
20   *institutions; and*

21           “(D) *be succinct, and use an easily readable*  
22   *type font.*

23          “(3) *TIMING.*—*A model form required to be de-*  
24   *veloped by this subsection shall be issued in proposed*  
25   *form for public comment not later than 180 days*  
26   *after the date of enactment of this subsection.*

1           “(4) *SAFE HARBOR*.—Any financial institution  
2        that elects to provide the model form developed by the  
3        agencies under this subsection shall be deemed to be  
4        in compliance with the disclosures required under this  
5        section.”.

6        **TITLE VIII—FAIR DEBT COLLEC-**  
7        **TION PRACTICES ACT AMEND-**  
8        **MENTS**

9        **SEC. 801. EXCEPTION FOR CERTAIN BAD CHECK ENFORCE-**  
10           **MENT PROGRAMS.**

11        (a) *IN GENERAL*.—The Fair Debt Collection Practices  
12    Act (15 U.S.C. 1692 et seq.) is amended—

13           (1) by redesignating section 818 as section 819;  
14        and

15           (2) by inserting after section 817 the following:

16        **“§818. Exception for certain bad check enforcement**  
17           **programs operated by private entities**

18        “(a) *IN GENERAL*.—

19           “(1) *TREATMENT OF CERTAIN PRIVATE ENTI-*  
20        *TIES*.—Subject to paragraph (2), a private entity  
21        shall be excluded from the definition of a debt col-  
22        lector, pursuant to the exception provided in section  
23        803(6), with respect to the operation by the entity of  
24        a program described in paragraph (2)(A) under a  
25        contract described in paragraph (2)(B).

1           “(2) *CONDITIONS OF APPLICABILITY.*—Para-  
2       graph (1) shall apply if—

3               “(A) a State or district attorney establishes,  
4       within the jurisdiction of such State or district  
5       attorney and with respect to alleged bad check  
6       violations that do not involve a check described  
7       in subsection (b), a pretrial diversion program  
8       for alleged bad check offenders who agree to par-  
9       ticipate voluntarily in such program to avoid  
10      criminal prosecution;

11              “(B) a private entity, that is subject to an  
12       administrative support services contract with a  
13       State or district attorney and operates under the  
14       direction, supervision, and control of such State  
15       or district attorney, operates the pretrial diver-  
16       sion program described in subparagraph (A);  
17       and

18              “(C) in the course of performing duties dele-  
19       gated to it by a State or district attorney under  
20       the contract, the private entity referred to in sub-  
21       paragraph (B)—

22                “(i) complies with the penal laws of  
23       the State;

1                     “(ii) conforms with the terms of the  
2 contract and directives of the State or dis-  
3 trict attorney;

4                     “(iii) does not exercise independent  
5 prosecutorial discretion;

6                     “(iv) contacts any alleged offender re-  
7 ferred to in subparagraph (A) for purposes  
8 of participating in a program referred to in  
9 such paragraph—

10                   “(I) only as a result of any deter-  
11 mination by the State or district attor-  
12 ney that probable cause of a bad check  
13 violation under State penal law exists,  
14 and that contact with the alleged of-  
15 fender for purposes of participation in  
16 the program is appropriate; and

17                   “(II) the alleged offender has  
18 failed to pay the bad check after de-  
19 mand for payment, pursuant to State  
20 law, is made for payment of the check  
21 amount;

22                   “(v) includes as part of an initial  
23 written communication with an alleged of-  
24 fender a clear and conspicuous statement  
25 that—

1                   “(I) the alleged offender may dispute the validity of any alleged bad  
2                   check violation;

3                   “(II) where the alleged offender  
4                   knows, or has reasonable cause to believe, that the alleged bad check viola-  
5                   tion is the result of theft or forgery of  
6                   the check, identity theft, or other fraud  
7                   that is not the result of the conduct of  
8                   the alleged offender, the alleged offender  
9                   may file a crime report with the ap-  
10                   propriate law enforcement agency; and

11                   “(III) if the alleged offender noti-  
12                   fies the private entity or the district  
13                   attorney in writing, not later than 30  
14                   days after being contacted for the first  
15                   time pursuant to clause (iv), that there  
16                   is a dispute pursuant to this sub-  
17                   section, before further restitution efforts  
18                   are pursued, the district attorney or an  
19                   employee of the district attorney au-  
20                   thorized to make such a determination  
21                   makes a determination that there is  
22                   probable cause to believe that a crime  
23                   has been committed; and

1                             “(vi) charges only fees in connection  
2                             with services under the contract that have  
3                             been authorized by the contract with the  
4                             State or district attorney.

5                             “(b) *CERTAIN CHECKS EXCLUDED.*—A check is de-  
6                             scribed in this subsection if the check involves, or is subse-  
7                             quently found to involve—

8                             “(1) a postdated check presented in connection  
9                             with a payday loan, or other similar transaction,  
10                            where the payee of the check knew that the issuer had  
11                            insufficient funds at the time the check was made,  
12                            drawn, or delivered;

13                            “(2) a stop payment order where the issuer acted  
14                            in good faith and with reasonable cause in stopping  
15                            payment on the check;

16                            “(3) a check dishonored because of an adjustment  
17                            to the issuer’s account by the financial institution  
18                            holding such account without providing notice to the  
19                            person at the time the check was made, drawn, or de-  
20                            livered;

21                            “(4) a check for partial payment of a debt where  
22                            the payee had previously accepted partial payment  
23                            for such debt;

24                            “(5) a check issued by a person who was not  
25                            competent, or was not of legal age, to enter into a

1       *legal contractual obligation at the time the check was*  
2       *made, drawn, or delivered; or*

3           *“(6) a check issued to pay an obligation arising*  
4       *from a transaction that was illegal in the jurisdiction*  
5       *of the State or district attorney at the time the check*  
6       *was made, drawn, or delivered.*

7           *“(c) DEFINITIONS.—For purposes of this section, the*  
8       *following definitions shall apply:*

9           *“(1) STATE OR DISTRICT ATTORNEY.—The term*  
10       *‘State or district attorney’ means the chief elected or*  
11       *appointed prosecuting attorney in a district, county*  
12       *(as defined in section 2 of title 1, United States*  
13       *Code), municipality, or comparable jurisdiction, in-*  
14       *cluding State attorneys general who act as chief elect-*  
15       *ed or appointed prosecuting attorneys in a district,*  
16       *county (as so defined), municipality or comparable*  
17       *jurisdiction, who may be referred to by a variety of*  
18       *titles such as district attorneys, prosecuting attorneys,*  
19       *commonwealth’s attorneys, solicitors, county attor-*  
20       *neys, and state’s attorneys, and who are responsible*  
21       *for the prosecution of State crimes and violations of*  
22       *jurisdiction-specific local ordinances.*

23           *“(2) CHECK.—The term ‘check’ has the same*  
24       *meaning as in section 3(6) of the Check Clearing for*  
25       *the 21st Century Act.*

1           “(3) *BAD CHECK VIOLATION*.—The term ‘bad  
2        *check violation*’ means a violation of the applicable  
3        *State criminal law relating to the writing of dishon-  
4        ored checks.*”.

5           (b) *CLERICAL AMENDMENT*.—The table of sections for  
6        *the Fair Debt Collection Practices Act (15 U.S.C. 1692 et  
7        seq.) is amended—*

8           (1) *by redesignating the item relating to section  
9        818 as section 819; and*

10           (2) *by inserting after the item relating to section  
11        817 the following new item:*

“818. *Exception for certain bad check enforcement programs operated by private  
entities.*”.

12 **SEC. 802. OTHER AMENDMENTS.**

13           (a) *LEGAL PLEADINGS*.—Section 809 of the Fair Debt  
14        Collection Practices Act (15 U.S.C. 1692g) is amended by  
15        adding at the end the following new subsection:

16           “(d) *LEGAL PLEADINGS*.—A communication in the  
17        form of a formal pleading in a civil action shall not be  
18        treated as an initial communication for purposes of sub-  
19        section (a).”.

20           (b) *NOTICE PROVISIONS*.—Section 809 of the Fair  
21        Debt Collection Practices Act (15 U.S.C. 1692g) is amended  
22        by adding after subsection (d) (as added by subsection (a)  
23        of this section) the following new subsection:

1       “(e) *NOTICE PROVISIONS.*—The sending or delivery of  
2 any form or notice which does not relate to the collection  
3 of a debt and is expressly required by the Internal Revenue  
4 Code of 1986, title V of Gramm-Leach-Bliley Act, or any  
5 provision of Federal or State law relating to notice of data  
6 security breach or privacy, or any regulation prescribed  
7 under any such provision of law, shall not be treated as  
8 an initial communication in connection with debt collection  
9 for purposes of this section.”.

10       (c) *ESTABLISHMENT OF RIGHT TO COLLECT WITHIN  
11 THE FIRST 30 DAYS.*—Section 809(b) of the Fair Debt Col-  
12 lection Practices Act (15 U.S.C. 1692g(b)) is amended by  
13 adding at the end the following new sentences: “Collection  
14 activities and communications that do not otherwise violate  
15 this title may continue during the 30-day period referred  
16 to in subsection (a) unless the consumer has notified the  
17 debt collector in writing that the debt, or any portion of  
18 the debt, is disputed or that the consumer requests the name  
19 and address of the original creditor. Any collection activi-  
20 ties and communication during the 30-day period may not  
21 overshadow or be inconsistent with the disclosure of the con-  
22 sumer’s right to dispute the debt or request the name and  
23 address of the original creditor.”.

1       **TITLE IX—CASH MANAGEMENT**  
2                   **MODERNIZATION**

3   **SEC. 901. COLLATERAL MODERNIZATION.**

4       (a) *IN GENERAL.*—Section 9301(2) of title 31, *United*  
5   *States Code*, is amended to read as follows:

6               “(2) ‘eligible obligation’ means any security des-  
7   ignated as acceptable in lieu of a surety bond by the  
8   Secretary of the Treasury.”.

9       (b) *USE OF ELIGIBLE OBLIGATIONS INSTEAD OF SUR-*  
10   *ETY BONDS.*—Section 9303(a)(2) of title 31, *United States*  
11   *Code*, is amended to read as follows:

12               “(2) as determined by the Secretary of the Treas-  
13   ury, have a market value that is equal to or greater  
14   than the amount of the required surety bond; and”.

15       (c) *TECHNICAL AMENDMENTS.*—Section 9303 of title  
16   31, *United States Code*, is amended—

17               (1) in the section heading, by striking “**Gov-**  
18   **ernment obligations**” and inserting “**eligible**  
19   **obligations**”;

20               (2) in subsection (f), by striking “*Government*  
21   *obligations*” and inserting “*eligible obligations*”;

22               (3) by striking “*a Government obligation*” each  
23   place that term appears and inserting “*an eligible ob-*  
24   *ligation*”; and

4                   ***TITLE X—STUDIES AND***  
5                   ***REPORTS***

6 SEC. 1001. STUDY AND REPORT BY THE COMPTROLLER  
7                   **GENERAL ON THE CURRENCY TRANSACTION**  
8                   **REPORT FILING SYSTEM.**

14 (b) *PURPOSE.—The purpose of the study required*  
15 *under subsection (a) shall be—*

23 (A) are burdensome; and

(B) can or should be modified to reduce such burdens without harming the usefulness of

1           such filing rules to Federal, State, and local  
2           anti-terrorism, law enforcement, and regulatory  
3           operations.

4           (c) *PERIOD COVERED*.—The study required under sub-  
5    section (a) shall cover the period beginning at least 3 cal-  
6    endar years prior to the date of enactment of this section.

7           (d) *CONTENT*.—The study required under subsection  
8    (a) shall include a detailed evaluation of—

9               (1) the extent to which depository institutions  
10          are availing themselves of the exemption system for  
11          the filing of currency transaction reports set forth in  
12          section 103.22(d) of title 31, Code of Federal Regula-  
13          tions, as in effect during the study period (in this sec-  
14          tion referred to as the “exemption system”), including  
15          specifically, for the study period—

16               (A) the number of currency transaction re-  
17          ports filed (out of the total annual numbers) in-  
18          volving companies that are listed on the New  
19          York Stock Exchange or the NASDAQ National  
20          Market;

21               (B) the number of currency transaction re-  
22          ports filed by the 100 largest depository institu-  
23          tions in the United States by asset size, and  
24          thereafter in tiers of 100, by asset size;



14 (A) *advances in information technology;*

19 (C) changes that could be made to the ex-  
20 emption system without affecting the usefulness  
21 of currency transaction reports.

22        (e) *ASSISTANCE.—The Secretary of the Treasury shall*  
23 *provide such information processing and other assistance,*  
24 *including from the Commissioner of the Internal Revenue*  
25 *Service and the Director of the Financial Crimes Enforce-*

1     ment Network, to the Comptroller General in analyzing cur-  
2     rency transaction report filings for the study period de-  
3     scribed in subsection (c), as is necessary to provide the in-  
4     formation required by subsection (a).

5         (f) *VIEWS.*—The study required under subsection (a)  
6     shall, if appropriate, include a discussion of the views of  
7     a representative sample of Federal, State, and local law en-  
8     forcement and regulatory officials and officials of deposi-  
9     tory institutions of all sizes.

10         (g) *RECOMMENDATIONS.*—The study required under  
11    subsection (a) shall, if appropriate, include recommenda-  
12    tions for changes to the exemption system that would reflect  
13    a reduction in unnecessary cost to depository institutions,  
14    assuming reasonably full implementation of such exemption  
15    system, without reducing the usefulness of the currency  
16    transaction report filing system to anti-terrorism, law en-  
17    forcement, and regulatory operations.

18         (h) *REPORT.*—Not later than 15 months after the date  
19    of enactment of this section, the Comptroller General shall  
20    submit a report on the study required under subsection (a)  
21    to the Committee on Banking, Housing, and Urban Affairs  
22    of the Senate and the Committee on Financial Services of  
23    the House of Representatives.

1 **SEC. 1002. STUDY AND REPORT ON INSTITUTION DIVERSITY**2 **AND CONSOLIDATION.**3 (a) *STUDY.—The Comptroller General of the United*4 *States shall conduct a study regarding—*5 *(1) the vast diversity in the size and complexity*  
6 *of institutions in the banking and financial services*  
7 *sector, including the differences in capital, market*  
8 *share, geographical limitations, product offerings, and*  
9 *general activities;*10 *(2) the differences in powers among the depository*  
11 *institution charters, including—*12 *(A) identification of the historical trends in*  
13 *the evolution of depository institution charters;*14 *(B) an analysis of the impact of charter differences to the overall safety and soundness of the*  
15 *banking industry, and the effectiveness of the applicable depository institution regulator; and*16 *(C) an analysis of the impact that the availability of options for depository institution*  
17 *charters on the development of the banking industry;*18 *(3) the impact that differences of size and overall complexity among financial institutions makes with respect to regulatory oversight, efficiency, safety and soundness, and charter options for financial institutions; and*

1                   (4) the aggregate cost and breakdown associated  
2                   with regulatory compliance for banks, savings asso-  
3                   ciations, credit unions, or any other financial institu-  
4                   tion, including potential disproportionate impact that  
5                   the cost of compliance may pose on smaller institu-  
6                   tions, given the percentage of personnel that the insti-  
7                   tution must dedicate solely to compliance.

8                   (b) CONSIDERATIONS.—In conducting the study under  
9 subsection (a), the Comptroller General shall consider the  
10 efficacy and efficiency of the consolidation of financial reg-  
11 ulators, as well as charter simplification and homogeni-  
12 zation.

13                   (c) REPORT.—Not later than 1 year after the date of  
14 enactment of this Act, the Comptroller General of the United  
15 States shall submit a report to the Committee on Banking,  
16 Housing, and Urban Affairs of the Senate and the Com-  
17 mittee on Financial Services of the House of Representa-  
18 tives on the results of the study required by this section.

Attest:

Clerk.



109<sup>TH</sup> CONGRESS  
2D SESSION **S. 2856**

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**AMENDMENT**