

111TH CONGRESS
1ST SESSION

H. R. 4170

To amend the Emergency Economic Stabilization Act of 2008 to strike the authority of the Secretary of the Treasury to extend the Troubled Asset Relief Program after 2009, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2009

Mr. HODES introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on the Budget and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Emergency Economic Stabilization Act of 2008 to strike the authority of the Secretary of the Treasury to extend the Troubled Asset Relief Program after 2009, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Any TARP Ex-
5 tension Act of 2009”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

1 (1) On October 7, 2008, Congress established
2 the Troubled Assets Relief Program (TARP) as part
3 of the Emergency Economic Stabilization Act (Pub-
4 lic Law 110–343; 122 Stat. 3765) and allocated
5 \$700,000,000,000 for the purchase of toxic assets
6 from banks with the goal of restoring liquidity to the
7 financial sector and restarting the flow of credit in
8 our markets.

9 (2) The Secretary of the Treasury, without con-
10 sultation with the Congress, changed the purpose of
11 Troubled Assets Relief Program and began injecting
12 capital into financial institutions through a program
13 called the Capital Purchase Program (CPP) rather
14 than purchasing toxic assets.

15 (3) Lending by financial institutions was not
16 noticeably increased with the implementation of the
17 Capital Purchase Program and the expenditure of
18 \$250,000,000,000 of the funds under the Troubled
19 Assets Relief Program, despite the goal of the pro-
20 gram.

21 (4) The recipients of amounts under the Capital
22 Purchase Program are now faced with additional re-
23 strictions related to accepting those funds.

24 (5) A number of community banks and large fi-
25 nancial institutions have expressed their desire to re-

1 turn their Capital Purchase Program funds to the
2 Secretary of the Treasury and the Secretary has
3 begun the process of accepting receipt of such funds.

4 (6) The Secretary of the Treasury should not
5 unilaterally determine how these returned funds are
6 spent in the future and the Congress should play a
7 role in any determination of future spending of
8 funds returned through the Troubled Assets Relief
9 Program.

10 **SEC. 3. REPEAL OF TARP EXTENSION AUTHORITY.**

11 Section 120 of the Emergency Economic Stabilization
12 Act of 2008 (12 U.S.C. 5230) is amended—

13 (1) by striking “(a) TERMINATION.—”; and

14 (2) by striking subsection (b).

15 **SEC. 4. DEBT REDUCTION.**

16 Subsection (d) of section 106 of the Emergency Eco-
17 nomic Stabilization Act of 2008 (12 U.S.C. 5216(d)) is
18 amended to read as follows:

19 “(d) DEBT REDUCTION.—

20 “(1) IN GENERAL.—The Secretary of the
21 Treasury shall deposit in Public Debt Reduction
22 Payment Account—

23 “(A) all remaining funds available under
24 this title not later than 30 days after the date
25 of enactment of this section;

“(B) any amounts received by the Secretary for repayment of financial assistance, for payment of any interest on the receipt of such financial assistance by an entity that has received financial assistance under this title or any program enacted by the Secretary under the authorities granted to the Secretary under this title, including the Capital Purchase Program; and

“(C) revenues of, and proceeds from the sale of troubled assets purchased under this title, or from the sale, exercise, or surrender of warrants or senior debt instruments acquired under section 113.

“(2) PUBLIC DEBT REDUCTION PAYMENT ACCOUNT.—The term ‘Public Debt Reduction Payment Account’ means the account established under section 3114 of title 31, United States Code.”.

**SEC. 5. ESTABLISHMENT OF PUBLIC DEBT REDUCTION
PAYMENT ACCOUNT.**

(a) IN GENERAL.—Subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end the following new section:

1 **“§ 3114. Public Debt Reduction Payment Account**

2 “(a) ACCOUNT ESTABLISHED.—There is hereby es-
3 tablished in the Treasury of the United States an account
4 to be known as the Public Debt Reduction Payment Ac-
5 count (hereinafter in this section referred to as the ‘Ac-
6 count’).

7 “(b) USE OF ACCOUNT.—The Secretary of the Treas-
8 ury shall use amounts in the Account to pay at maturity,
9 or to redeem or buy before maturity, any obligation of the
10 Government held by the public and included in the public
11 debt. Any obligation which is paid, redeemed, or bought
12 with amounts from the account shall be canceled and re-
13 tired and may not be reissued. Amounts deposited in the
14 account are appropriated and may only be expended to
15 carry out this section.

16 “(c) DEPOSITS.—There shall be deposited in the Ac-
17 count any amounts which are received by the Secretary
18 of the Treasury pursuant to section 137 of the Emergency
19 Economic Stabilization Act of 2008. The funds deposited
20 to this account shall remain available until expended.

21 “(d) IMPLEMENTATION.—The Secretary of the
22 Treasury and the Director of the Office of Management
23 and Budget shall each take such actions as may be nec-
24 essary to promptly carry out this section in accordance
25 with sound debt management policies.

1 “(e) COORDINATION WITH DEBT MANAGEMENT.—
 2 Reducing the debt pursuant to this section shall not inter-
 3 fere with the debt management policies or goals of the Sec-
 4 retary of the Treasury.”.

5 (b) CLERICAL AMENDMENT.—The table of contents
 6 for chapter 31 of title 31, United States Code, is amended
 7 by inserting after the item relating to section 3113 the
 8 following new item:

“3114. Public Debt Reduction Payment Account.”.

9 **SEC. 6. REDUCTION OF STATUTORY LIMIT ON THE PUBLIC**
 10 **DEBT.**

11 Section 3101(b) of title 31, United States Code, is
 12 amended by inserting “minus the aggregate amounts de-
 13 posited into the Public Debt Reduction Payment Account
 14 pursuant to section 3114(c)” before “, outstanding at one
 15 time”.

16 **SEC. 7. OFF-BUDGET STATUS OF PUBLIC DEBT REDUCTION**
 17 **PAYMENT ACCOUNT.**

18 Notwithstanding any other provision of law, the re-
 19 ceipts and disbursements of the Public Debt Reduction
 20 Payment Account established by section 3114 of title 31,
 21 United States Code, shall not be counted as new budget
 22 authority, outlays, receipts, or deficit or surplus for pur-
 23 poses of—

24 (1) the budget of the United States Govern-
 25 ment as submitted by the President;

1 (2) the congressional budget; or

2 (3) the Balanced Budget and Emergency Def-
3 icit Control Act of 1985.

4 **SEC. 8. REMOVING PUBLIC DEBT REDUCTION PAYMENT AC-**
5 **COUNT FROM BUDGET PRONOUNCEMENTS.**

6 (a) IN GENERAL.—Any official statement issued by
7 the Office of Management and Budget, the Congressional
8 Budget Office, or any other agency or instrumentality of
9 the Federal Government of surplus or deficit totals of the
10 budget of the United States Government as submitted by
11 the President or of the surplus or deficit totals of the con-
12 gressional budget, and any description of, or reference to,
13 such totals in any official publication or material issued
14 by either of such Offices or any other such agency or in-
15 strumentality, shall exclude the outlays and receipts of the
16 Public Debt Reduction Payment Account established by
17 section 3114 of title 31, United States Code.

18 (b) SEPARATE PUBLIC DEBT REDUCTION PAYMENT
19 ACCOUNT BUDGET DOCUMENTS.—The excluded outlays
20 and receipts of the Public Debt Reduction Payment Ac-
21 count established by section 3114 of title 31, United
22 States Code, shall be submitted in separate budget docu-
23 ments.

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