

111TH CONGRESS
2D SESSION

H. R. 4516

To provide stability in the financial services industry by promoting transparency, simplicity, fairness, accountability, and equal access in the market for consumer financial products or services and ensuring that no financial company becomes too big to fail, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2010

Mr. DINGELL introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To provide stability in the financial services industry by promoting transparency, simplicity, fairness, accountability, and equal access in the market for consumer financial products or services and ensuring that no financial company becomes too big to fail, 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; DEFINITIONS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Financial Services Industry Stability Act of 2010”.

1 (b) DEFINITIONS.—For purposes of this Act, the fol-
2 lowing definitions shall apply:

3 (1) CHAIRPERSON.—The term “Chairperson”
4 means the Chairman of the Board of Governors of
5 the Federal Reserve System.

6 (2) FINANCIAL COMPANY.—The term “financial
7 company” means a company or other entity—

8 (A) that is—

9 (i) incorporated or organized under
10 the laws of the United States or any State,
11 territory, or possession of the United
12 States, the District of Columbia, Common-
13 wealth of Puerto Rico, Commonwealth of
14 Northern Mariana Islands, Guam, Amer-
15 ican Samoa, or the United States Virgin
16 Islands; or

17 (ii) a company incorporated in or or-
18 ganized in a country other than the United
19 States that has significant operations in
20 the United States through—

21 (I) a Federal or State branch or
22 agency of a foreign bank (as such
23 terms are defined in the International
24 Banking Act of 1978 (12 U.S.C. 3101
25 et seq.)); or

1 (II) a United States affiliate or
2 other United States operating entity
3 of a company that is incorporated or
4 organized in a country other than the
5 United States; and

6 (B) that is, in whole or in part, directly or
7 indirectly, engaged in financial activities.

8 **SEC. 2. FEDERAL AGENCY ACTIONS AND CONSULTATIONS;**
9 **REPORT.**

10 (a) REVIEW OF PROGRAMS TO PROMOTE THE PUB-
11 LIC INTEREST.—

12 (1) FEDERAL RESERVE BOARD REVIEW.—The
13 Chairperson shall—

14 (A) review all programs administered by
15 the Board of Governors of the Federal Reserve
16 System; and

17 (B) utilize such programs in furtherance of
18 the purposes of this Act.

19 (2) OTHER AGENCY ACTION.—Each Federal de-
20 partment, agency, and independent establishment in
21 the Executive branch shall, in consultation with, and
22 with the assistance of, the Chairperson, utilize any
23 authority of such department, agency, or establish-
24 ment, under any provision of law, in furtherance of
25 the purposes of this Act by carrying out programs

1 to promote transparency, simplicity, fairness, ac-
2 countability, and equal access in the market for con-
3 sumer financial products or services.

4 (b) ENSURE NO FINANCIAL COMPANY BECOMES TOO
5 BIG TO FAIL.—The head of each Federal department,
6 agency, and independent establishment in the Executive
7 branch shall, in consultation with, and with the assistance
8 of, the Chairperson, take such steps as may be necessary
9 to ensure that no financial company is able to pose a sys-
10 temic risk to the health of the United States economy by
11 becoming too large to fail.

12 (c) DEFINITIONS AND RULEMAKING.—

13 (1) IN GENERAL.—The Chairperson shall, in
14 accordance with section 553 of title 5, United States
15 Code, and in consultation with all departments,
16 agencies, and independent establishments in the Ex-
17 ecutive branch, prescribe regulations which, at a
18 minimum, shall—

19 (A) define the terms “systemic risk” and
20 “too large to fail”, consistent with the best fi-
21 nancial and commercial data available;

22 (B) enumerate procedures that specify
23 when and how the Chairperson and the head of
24 any other Federal department, agency, or inde-

pendent establishment in the Executive branch
shall—

(i) cause financial companies that, in
accordance with such regulations, are de-
termined to be too large to fail to restruc-
ture themselves in size and scope of oper-
ations so as not to pose a systemic risk to
the health of the United States economy;
and

(ii) impose increased capital reserve
requirements upon any financial company
which has been ordered to restructure
under clause (i), the appropriate levels of
which shall be determined by regulations
prescribed under this section;

(C) define the criteria to be used by the
Chairperson and the head of any other Federal
department, agency, or independent establish-
ment in the Executive branch in causing the re-
structuring of financial companies under sub-
paragraph (B)(i); and

(D) establish a fund comprised of annual
levies on financial companies at levels deemed
appropriate by the Chairperson and the head of
each Federal department, agency, or inde-

1 pendent establishment in the Executive branch
2 for the purpose of financing restructurings pur-
3 suant to subparagraph (B)(i).

4 (2) REGULATIONS.—The Chairperson shall
5 commence the process for prescribing the regulations
6 required under this subsection before the end of the
7 30-day period beginning on the date of the enact-
8 ment of this Act.

9 (d) REPORT TO THE CONGRESS.—The Chairperson
10 and the head of each Federal department, agency, and
11 independent establishment in the Executive branch shall
12 submit an annual report to the Congress not later than
13 January 1st of each year detailing the activities of the
14 Board of Governors of the Federal Reserve System or such
15 department, agency, or establishment in carrying out the
16 requirements of this section.

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