

111TH CONGRESS
1ST SESSION

H. R. 467

To put State and local governments and other public entity or instrumentality established under State law in the same position they would have been in had the Secretary of the Treasury and the Board of Governors of the Federal Reserve System provided emergency financial assistance to Lehman Brothers Holdings Inc. by requiring the Secretary of the Treasury to purchase bonds issued by such financial institution, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2009

Ms. SPEIER (for herself and Ms. ESHOO) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To put State and local governments and other public entity or instrumentality established under State law in the same position they would have been in had the Secretary of the Treasury and the Board of Governors of the Federal Reserve System provided emergency financial assistance to Lehman Brothers Holdings Inc. by requiring the Secretary of the Treasury to purchase bonds issued by such financial institution, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Equitable Treatment
3 of State and Local Governments Act of 2009”.

4 **SEC. 2. PURCHASE OF CERTAIN BONDS AND OTHER DEBT**
5 **INSTRUMENTS FROM STATE AND LOCAL GOV-**
6 **ERNMENTS AND CERTAIN OTHER PUBLIC EN-**
7 **TITIES AND INSTRUMENTALITIES REQUIRED.**

8 Section 101 of the Emergency Economic Stabilization
9 Act of 2008 (12 U.S.C. 5211) is amended by adding at
10 the end the following new subsection:

11 “(f) ACQUISITION OF LEHMAN BROTHERS BONDS.—

12 “(1) IN GENERAL.—Notwithstanding any other
13 provision of law, the Secretary shall purchase at face
14 value, under subsection (a), bonds and other debt in-
15 struments issued by Lehman Brothers Holdings Inc.
16 which—

17 “(A) were held as of September 15, 2008,
18 by any State government, any political subdivi-
19 sion of any State, or other public entity or in-
20 strumentality established under State law
21 (whether such bonds or other debt instruments
22 are held individually or pooled);

23 “(B) have been held by such State, polit-
24 ical subdivision, or other public entity or instru-
25 mentality continuously since such date; and

1 “(C) are subject to the proceedings under
2 title 11, United States Code, pursuant to the
3 petition filed on September 15, 2008, by Leh-
4 man Brothers Holdings Inc.

5 “(2) SUBSTITUTION OF SECRETARY.—Notwith-
6 standing any other provision of this title, the Sec-
7 retary shall be substituted for any State government,
8 any political subdivision of any State, or other public
9 entity or instrumentality established under State law
10 from which it purchases any bond or other instru-
11 ment pursuant to paragraph (1) as a creditor in any
12 proceeding under title 11, United States Code, pur-
13 suant to the petition filed on September 15, 2008,
14 by Lehman Brothers Holdings Inc., and shall have
15 the same standing in such proceedings with respect
16 to other creditors as the government or subdivision
17 for which the Secretary is substituted.”.

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