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114TH CONGRESS
1ST SESSION

H. R. 1841

To amend section 13 of the Bank Holding Company Act of 1956, known as the Volcker Rule, to exclude certain debt securities of collateralized loan obligations from the prohibition against acquiring or retaining an ownership interest in a hedge fund or private equity fund.

IN THE HOUSE OF REPRESENTATIVES

APRIL 16, 2015

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

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A BILL

To amend section 13 of the Bank Holding Company Act of 1956, known as the Volcker Rule, to exclude certain debt securities of collateralized loan obligations from the prohibition against acquiring or retaining an ownership interest in a hedge fund or private equity fund.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Restoring Proven Financing for American Employers Act''.

SEC. 2. RULES OF CONSTRUCTION RELATING TO COLLATERALIZED LOAN OBLIGATIONS.

Section 13(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1851(c)(2)) is amended—

(1) by striking ''A banking entity or nonbank financial company supervised by the Board'' and inserting the following:

''(A) GENERAL CONFORMANCE PERIOD.—A banking entity or nonbank financial company supervised by the Board''; and

(2) by adding at the end the following:

''(B) CONFORMANCE PERIOD FOR CERTAIN COLLATERALIZED LOAN OBLIGATIONS.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A), a banking entity or nonbank financial company supervised by the Board shall bring its activities related to or investments in a debt security of a collateralized loan obligation issued before January 31, 2014, into compliance with the requirements of subsection (a)(1)(B) and any applicable rules relating to subsection (a)(1)(B) not later than July 21, 2019.

''(ii) COLLATERALIZED LOAN OBLIGATION.—For purposes of this subparagraph,

the term 'collateralized loan obligation' means any issuing entity of an asset-backed security, as defined in section 3(a)(77) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(77)), that is comprised primarily of commercial loans.''.

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