

should not have one standard of lawsuit and another standard not allowed. Everyone recognizes, including the Securities and Exchange Commission, that this needs reform. They have a role pending. There is no question about that. But we can fix this problem, and the great lady from Ohio took it upon herself to do so at the committee. And I urge my colleagues to support her thoughtful amendment—or the opposition to this amendment by supporting the underlying bill and making uniformity a call of the day.

Mr. MCCARTHY of California. At this time, I will yield the remaining time to my good friend from Texas, Mr. JEB HENSARLING.

Mr. HENSARLING. I thank the gentleman for yielding the time.

This, in some respects, may be one of the few areas of agreement on both sides of the aisle that the rating agencies played a critical role in the economic turmoil that has been foisted upon our economy. We may differ on the remedy, though.

What is needed here is more competition, not more lawsuits. And what happens is when you lower the bar for a lawsuit, you raise the bar, barriers to entry, and make it more difficult. We know that for all intents and purposes that the government created a rating agency oligopoly that prevented the market from enjoying more competition, and we had all of this AAA-rated paper, and we know what has happened.

In many respects, Madam Chair, what we have seen now is the Democrats have tried to spin their way into more jobs than we have—our Nation's first trillion-dollar deficit; they have tried to borrow their way into more jobs—we're now borrowing 43 cents on the dollar and sending the IOUs to our children and grandchildren.

The bill that is brought to the floor today creates a permanent bailout authority for Wall Street. They have tried to bail out their way to more jobs, and this particular amendment says maybe we can sue our way into more jobs. That is not the way it is done, Madam Chair. We need more competition, not more lawsuits.

I urge the adoption of the amendment from the gentleman from California.

Mr. FRANK of Massachusetts. Madam Chair, I know the gentleman from Texas likes to blame everything bad that happened starting on January 21; there was no Bush recession; there was no deterioration in the war in Afghanistan; there was no TARP under Bush, but he's particularly trying to do it now because here's what he's doing: He's trying to defend an amendment that would give legal immunity to the rating agencies. I cannot think of a more counterintuitive and counterproductive thing to do.

The gentleman from California—I thought I heard him say—we don't want them practicing defensive ratings. Yeah, we do, because they have been practicing very offensive ratings.

Here are the rating agencies that everybody agrees have been a major cause of the problems, and what do the Republicans want to do? Protect the poor dears from people suing them by a standard of gross negligence so that an investor who relies on their judgment has no remedy whatsoever.

Yes, we want the rating agencies to be a lot more careful. We want the rating agencies to fear that if they overestimate—here's the problem: We have a business model where the rating agencies are paid by the people they rate. I wish we could encourage people on the buy side to do that. We've certainly encouraged them in any way we can.

But as long as you have rating agencies paid by the people they rate—and the only people who would sue them now are the people who they rate. So they can only be sued if people thought they were too low. There's nobody who has the right to sue them if they thought they were too high—and of course we have done that in this bill.

But here's what it comes down to. If you want to protect the rating agencies from being legally liable for their gross negligence to hurt investors, vote for this amendment.

The Acting CHAIR. The question is on the amendment offered by the gentleman from California (Mr. MCCARTHY).

The question was taken; and the Acting Chair announced that the noes appeared to have it.

Mr. MCCARTHY of California. Madam Chairman, I demand a recorded vote.

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from California will be postponed.

□ 2050

Mr. FRANK of Massachusetts. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SERRANO) having assumed the chair, Ms. EDWARDS of Maryland, Acting Chair of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes, had come to no resolution thereon.

PERMISSION TO CONSIDER CERTAIN AMENDMENTS AS MODIFIED DURING FURTHER CONSIDERATION OF H.R. 4173

Mr. FRANK of Massachusetts. Mr. Speaker, I ask unanimous consent that, during further consideration of H.R. 4173 pursuant to House Resolution

964, the amendments numbered 1 and 36 may be considered as modified by the respective forms at the desk.

The SPEAKER pro tempore. The Clerk will report the modifications.

The Clerk read as follows:

Modification to amendment No. 1 offered by Mr. FRANK of Massachusetts:

On page 152 of the Amendment: strike the instruction referring to page 747 and the following text through page 153, line 8.

Modification to amendment No. 36 offered by Mr. BACHUS:

At the end of title I, add the following new section:

SEC. 1012. GAO AUDIT OF THE FEDERAL RESERVE.

Section 714 of title 31, United States Code, is amended—

(1) in subsection (b), by striking all after “has consented in writing.” and inserting the following: “Audits of the Federal Reserve Board and Federal reserve banks shall not include unreleased transcripts or minutes of meetings of the Board of Governors or of the Federal Open Market Committee. To the extent that an audit deals with individual market actions, records related to such actions shall only be released by the Comptroller General after 180 days have elapsed following the effective date of such actions.”;

(2) in subsection (c)(1), in the first sentence, by striking “subsection,” and inserting “subsection or in the audits or audit reports referring or relating to the Federal Reserve Board or Reserve Banks.”; and

(3) by adding at the end the following:

“(f) AUDIT AND REPORT OF THE FEDERAL RESERVE SYSTEM.—

“(1) IN GENERAL.—An audit of the Board of Governors of the Federal Reserve System and the Federal reserve banks under subsection (b) shall be completed within 12 months of the enactment of the Consumer and Taxpayer Protection Act of 2009.

“(2) REPORT.—

“(A) REQUIRED.—A report on the audit referred to in paragraph (1) shall be submitted by the Comptroller General to the Congress before the end of the 90-day period beginning on the date on which such audit is completed and made available to—

“(i) the Speaker of the House of Representatives;

“(ii) the majority and minority leaders of the House of Representatives;

“(iii) the majority and minority leaders of the Senate;

“(iv) the Chairman and Ranking Member of the committee and each subcommittee of jurisdiction in the House of Representatives and the Senate; and

“(v) any other Member of Congress who requests it.

“(B) CONTENTS.—The report under subparagraph (A) shall include a detailed description of the findings and conclusion of the Comptroller General with respect to the audit that is the subject of the report.

“(3) CONSTRUCTION.—Nothing in this subsection shall be construed—

“(A) as interference in or dictation of monetary policy to the Federal Reserve System by the Congress or the Government Accountability Office; or

“(B) to limit the ability of the Government Accountability Office to perform additional audits of the Board of Governors of the Federal Reserve System or of the Federal reserve banks.”.

Mr. FRANK of Massachusetts (during the reading). Mr. Speaker, I ask unanimous consent that the reading be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request?

Without objection, the amendments are modified.

There was no objection.

WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 964 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the state of the Union for the further consideration of the bill, H.R. 4173.

□ 2052

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4173) to provide for financial regulatory reform, to protect consumers and investors, to enhance Federal understanding of insurance issues, to regulate the over-the-counter derivatives markets, and for other purposes, with Ms. EDWARDS of Maryland (Acting Chair) in the chair.

The Clerk read the title of the bill.

The Acting CHAIR. When the Committee of the Whole rose earlier today, a request for a recorded vote on amendment No. 14 printed in House Report 111-370 by the gentleman from California (Mr. MCCARTHY) had been postponed.

ANNOUNCEMENT BY THE ACTING CHAIR

The Acting CHAIR. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 111-370 on which further proceedings were postponed, in the following order:

Amendment No. 1, as modified, by Mr. FRANK of Massachusetts.

Amendment No. 2 by Mr. SESSIONS of Texas.

Amendment No. 5 by Mr. LYNCH of Massachusetts.

Amendment No. 6 by Mr. MURPHY of New York.

Amendment No. 7 by Mr. FRANK of Massachusetts.

Amendment No. 8 by Mr. STUPAK of Michigan.

Amendment No. 9 by Mr. STUPAK of Michigan.

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 1, AS MODIFIED, OFFERED BY MR. FRANK OF MASSACHUSETTS

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts (Mr. FRANK) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The Acting CHAIR. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 182, not voting 18, as follows:

[Roll No. 953]

AYES—240

- | | | |
|----------------|------------------|------------------|
| Abercrombie | Green, Al | Oberstar |
| Ackerman | Green, Gene | Obey |
| Altmire | Grijalva | Olver |
| Andrews | Gutierrez | Ortiz |
| Arcuri | Hall (NY) | Owens |
| Baca | Hare | Pallone |
| Baird | Harman | Pascrell |
| Barrow | Hastings (FL) | Pastor (AZ) |
| Bean | Heinrich | Payne |
| Becerra | Herseth Sandlin | Perlmutter |
| Berkley | Higgins | Petriello |
| Berman | Hill | Peters |
| Bishop (GA) | Himes | Peterson |
| Bishop (NY) | Hinchey | Pierluisi |
| Bishop (UT) | Hinojosa | Pingree (ME) |
| Blumenauer | Hirono | Polis (CO) |
| Bocchieri | Holden | Pomeroy |
| Boswell | Holt | Price (NC) |
| Boucher | Honda | Quigley |
| Boyd | Inslee | Rahall |
| Brady (PA) | Israel | Rangel |
| Braley (IA) | Jackson (IL) | Reyes |
| Brown, Corrine | Jackson-Lee | Rodriguez |
| Butterfield | (TX) | Ross |
| Capps | Johnson, E. B. | Rothman (NJ) |
| Capuano | Kagen | Ruppersberger |
| Cardoza | Kanjorski | Rush |
| Carlahan | Kennedy | Ryan (OH) |
| Carney | Kildee | Sablan |
| Carson (IN) | Kilpatrick (MI) | Salazar |
| Castor (FL) | Kilroy | Sánchez, Linda |
| Chandler | Kind | T. |
| Childers | Kirkpatrick (AZ) | Sanchez, Loretta |
| Christensen | Kissell | Sarbanes |
| Chu | Klein (FL) | Schakowsky |
| Clay | Kosmas | Schiff |
| Cleaver | Kratovil | Schrader |
| Clyburn | Kucinich | Schwartz |
| Cohen | Langevin | Scott (VA) |
| Connolly (VA) | Larsen (WA) | Serrano |
| Conyers | Larson (CT) | Sestak |
| Cooper | Lee (CA) | Shea-Porter |
| Costa | Levin | Sherman |
| Costello | Lewis (GA) | Shuler |
| Courtney | Lipinski | Sires |
| Crowley | Loebsack | Skelton |
| Cuellar | Lowe | Smith (WA) |
| Cummings | Luján | Snyder |
| Dahlkemper | Lynch | Space |
| Davis (AL) | Maffei | Speier |
| Davis (CA) | Maloney | Spratt |
| Davis (IL) | Markey (CO) | Stark |
| Davis (TN) | Markey (MA) | Stupak |
| DeGette | Marshall | Sutton |
| Delahunt | Matheson | Tanner |
| DeLauro | Matsui | Taylor |
| Dicks | McCarthy (NY) | Teague |
| Dingell | McCollum | Thompson (CA) |
| Doggett | McDermott | Thompson (MS) |
| Donnelly (IN) | McGovern | Tierney |
| Doyle | McIntyre | Titus |
| Driehaus | McMahon | Tonko |
| Edwards (MD) | McNerney | Towns |
| Edwards (TX) | Meeks (NY) | Tsongas |
| Ellison | Melancon | Van Hollen |
| Ellsworth | Michaud | Velázquez |
| Engel | Miller (NC) | Visclosky |
| Eshoo | Miller, George | Walz |
| Etheridge | Minnick | Wasserman |
| Faleomavaega | Mitchell | Schultz |
| Farr | Mollohan | Waters |
| Fattah | Moore (KS) | Watson |
| Filner | Moore (WI) | Watt |
| Foster | Murphy (CT) | Waxman |
| Frank (MA) | Murphy (NY) | Weiner |
| Fudge | Murphy, Patrick | Welch |
| Garamendi | Nadler (NY) | Wexler |
| Giffords | Napolitano | Wilson (OH) |
| Gonzalez | Neal (MA) | Woolsey |
| Gordon (TN) | Norton | Wu |
| Grayson | Nye | Yarmuth |

NOES—182

- | | | |
|-----------------|-----------------|---------------|
| Aderholt | Frelinghuysen | Miller (MI) |
| Adler (NJ) | Galleghy | Miller, Gary |
| Akin | Garrett (NJ) | Moran (KS) |
| Alexander | Gerlach | Murphy, Tim |
| Austria | Gingrey (GA) | Myrick |
| Bachmann | Gohmert | Neugebauer |
| Bachus | Goodlatte | Nunes |
| Bartlett | Granger | Olson |
| Barton (TX) | Graves | Paul |
| Berry | Griffith | Paulsen |
| Biggert | Guthrie | Pence |
| Bilbray | Hall (TX) | Petri |
| Bilirakis | Halvorson | Pitts |
| Blackburn | Harper | Platts |
| Blunt | Hastings (WA) | Poe (TX) |
| Boehner | Heller | Posey |
| Bonner | Hensarling | Price (GA) |
| Bono Mack | Herger | Putnam |
| Boozman | Hodes | Rehberg |
| Boren | Hoekstra | Reichert |
| Boustany | Hunter | Roe (TN) |
| Brady (TX) | Inglis | Rogers (AL) |
| Bright | Issa | Rogers (KY) |
| Broun (GA) | Jenkins | Rogers (MI) |
| Brown (SC) | Johnson (IL) | Rohrabacher |
| Brown-Waite, | Johnson, Sam | Rooney |
| Ginny | Jones | Ros-Lehtinen |
| Buchanan | Jordan (OH) | Roskam |
| Burgess | Kaptan | Royce |
| Burton (IN) | King (IA) | Ryan (WI) |
| Buyer | King (NY) | Scalise |
| Calvert | Kingston | Schmidt |
| Camp | Kirk | Schock |
| Campbell | Klaine (MN) | Sensenbrenner |
| Cantor | Lamborn | Sessions |
| Cao | Lance | Shadegg |
| Capito | Latham | Shimkus |
| Carter | LaTourette | Shuster |
| Cassidy | Latta | Simpson |
| Castle | Lee (NY) | Smith (NE) |
| Chaffetz | Lewis (CA) | Smith (NJ) |
| Coble | Linder | Smith (TX) |
| Coffman (CO) | LoBiondo | Souder |
| Cole | Lucas | Stearns |
| Conaway | Luetkemeyer | Sullivan |
| Crenshaw | Lummis | Terry |
| Culberson | Lungren, Daniel | Thompson (PA) |
| Davis (KY) | E. | Thornberry |
| Dent | Mack | Tiahrt |
| Diaz-Balart, L. | Manzullo | Tiberi |
| Diaz-Balart, M. | Marchant | Turner |
| Dreier | Massa | Upton |
| Duncan | McCarthy (CA) | Walden |
| Ehlers | McCaul | Wamp |
| Emerson | McClintock | Westmoreland |
| Fallin | McCotter | Whitfield |
| Flake | McKeon | Wilson (SC) |
| Fleming | McMorris | Wittman |
| Forbes | Rodgers | Wolf |
| Fortenberry | Meek (FL) | Young (AK) |
| Fox | Mica | Young (FL) |
| Franks (AZ) | Miller (FL) | |

NOT VOTING—18

- | | | |
|--------------|--------------|--------------|
| Baldwin | Hoyer | Radanovich |
| Barrett (SC) | Johnson (GA) | Richardson |
| Bordallo | Lofgren, Zoe | Royal-Allard |
| Clarke | McHenry | Schauer |
| Deal (GA) | Moran (VA) | Scott (GA) |
| DeFazio | Murtha | Slaughter |

□ 2118

Messrs. CAMPBELL and SHUSTER changed their vote from “aye” to “no.” Mr. VISCLOSKY changed his vote from “no” to “aye.”

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Ms. CLARKE. Madam Chair, on rollcall No. 953 for the Frank of Massachusetts Amendment as modified, had I been present, I would have voted “aye.”

Mr. SCOTT of Georgia. Madam Chair, on rollcall No. 953, the Frank of Massachusetts Amendment as modified, I was unable to vote. Had I been present, I would have voted “aye.”

AMENDMENT NO. 2 OFFERED BY MR. SESSIONS

The Acting CHAIR. The unfinished business is the demand for a recorded vote on the amendment offered by the