

Whereas Cuba is a member of the United Nations Human Rights Council despite numerous documented violations of human rights every year in Cuba: Now, therefore, be it

*Resolved*, That the Senate—

(1) condemns the Cuban regime for the death of Wilman Villar Mendoza on January 19, 2011, following a hunger strike to protest his incarceration for participating in a peaceful protest and to highlight the plight of the Cuban people;

(2) condemns the repression of basic human and civil rights by the Castro regime in Cuba that resulted in more than 4,000 detentions and arrests of activists in 2011;

(3) honors the life of Wilman Villar Mendoza and his sacrifice on behalf of the cause of freedom in Cuba;

(4) extends condolences to Maritza Pelegrino Cabrales, the wife of Wilman Villar Mendoza, and their children;

(5) urges the United Nations Human Rights Council to suspend Cuba from its position on the Council;

(6) urges the General Assembly of the United Nations to vote to suspend the rights of membership of Cuba to the Human Rights Council;

(7) urges the international community to condemn the harassment and repression of peaceful activists by the Cuban regime; and

(8) calls on the governments of all democratic countries to insist on the release of all political prisoners and the cessation of violence, arbitrary arrests, and threats against peaceful demonstrators in Cuba, including threats against Maritza Pelegrino Cabrales and members of the Ladies in White (Damas de Blanco).

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 1496. Mr. CORKER submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table.

SA 1497. Mr. CORKER submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1498. Mr. BLUMENTHAL (for himself and Mr. KIRK) submitted an amendment intended to be proposed to amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, supra.

SA 1499. Mr. CORKER submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1500. Mr. INHOFE (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed to amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, supra.

SA 1501. Mr. MCCAIN (for himself and Mr. COBURN) submitted an amendment intended to be proposed to amendment SA 1472 proposed by Mr. TOOMEY (for himself, Mrs. MCCASKILL, Mr. DEMINT, Mr. UDALL of Colorado, Mr. RUBIO, Ms. AYOTTE, Mr. PORTMAN, Mr. THUNE, and Mr. JOHANNES) to the amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1502. Mr. BENNET (for himself and Mr. TESTER) submitted an amendment intended

to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1503. Mr. TESTER (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed to amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, supra.

SA 1504. Mr. COONS submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1505. Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1506. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1507. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1508. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1509. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

SA 1510. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 2038, supra; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

SA 1496. Mr. CORKER submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ AMENDMENTS TO THE FEDERAL RESERVE ACT.

(a) MAINTENANCE OF LONG RUN GROWTH; PRICE STABILITY AND LOW INFLATION.—Section 2A of the Federal Reserve Act (12 U.S.C. 225a) is amended—

(1) by striking “maximum employment, stable prices,” and inserting “long-term price stability, a low rate of inflation,”; and

(2) by at the end the following: “The Board shall establish an explicit numerical definition of the term ‘long-term price stability’ and shall maintain monetary policy that effectively promotes such long-term price stability.”.

(b) RULE OF CONSTRUCTION.—The amendments made by subsection (a) shall not be construed as a limitation on the authority or responsibility of the Board of Governors of the Federal Reserve System—

(1) to provide liquidity to markets in the event of a disruption that threatens the smooth functioning and stability of the financial sector; or

(2) to serve as a lender of last resort under the Federal Reserve Act when the Board determines such action is necessary.

(c) CONGRESSIONAL OVERSIGHT.—The Board of Governors of the Federal Reserve System shall, concurrent with each semiannual hearing to Congress, submit a written report to the Congress containing—

(1) numerical measures to help Congress assess the extent to which the Board and the Federal Open Market Committee are achiev-

ing and maintaining a legitimate definition of the term long-term price stability, as such term is defined or modified pursuant to the second sentence of section 2A of the Federal Reserve Act (as added by this section);

(2) a description of the intermediate variables used by the Board to gauge the prospects for achieving the objective of long-term price stability; and

(3) the definition, or any modifications thereto, of the term long-term price stability, as such term is defined or modified pursuant to the second sentence of section 2A of the Federal Reserve Act (as added by this section).

SA 1497. Mr. CORKER submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

#### TITLE II—RESIDENTIAL MORTGAGE MARKET PRIVATIZATION AND STANDARDIZATION

##### SEC. 201. SHORT TITLE.

This title may be cited as the “Residential Mortgage Market Privatization and Standardization Act of 2012”.

##### SEC. 202. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) COVERED MORTGAGE LOAN.—

(A) IN GENERAL.—The term “covered mortgage loan” means any residential mortgage loan, including any single-family and multifamily loan, that is originated, serviced, or subserviced, in whole or in part, owned directly or indirectly, including through any interest in a security that is backed in whole or in part by a mortgage loan, or securitized or res securitized, by an entity or affiliate or subsidiary thereof that is regulated by any of the agencies listed in subparagraph (B).

(B) AGENCIES.—The agencies listed in this subparagraph are—

(i) the Board of Governors of the Federal Reserve System;

(ii) the Department of Agriculture;

(iii) the Department of Housing and Urban Development;

(iv) the Federal Deposit Insurance Corporation;

(v) the Federal Housing Finance Agency;

(vi) the Farm Credit Administration;

(vii) the Federal Trade Commission;

(viii) the Office of the Comptroller of the Currency;

(ix) the National Credit Union Administration; and

(x) the Securities and Exchange Commission.

(2) ENTERPRISES.—The term “enterprises” means, individually and collectively, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(3) FHFA; DIRECTOR.—The terms “FHFA” and “Director” mean the Federal Housing Finance Agency and the Director thereof, respectively.

(4) MORTGAGE DATA.—

(A) IN GENERAL.—The Director shall define mortgage data, by regulation, consistent with this paragraph.

(B) SINGLE-FAMILY LOANS.—For single-family covered mortgage loans, the term “mortgage data” means, as of the date of origination—

(i) the loan origination date and the loan maturity date;

(ii) whether the loan is a purchase loan or a refinance, and for refinance loans—

(I) the date on which the refinanced loan was originated;

(II) the identity of the lender on the refinanced loan; and

(III) the unpaid principal balance of the refinanced loan that was repaid by the new loan;

(iii) the value of the collateral property on which the lender relied, and how the lender determined the value;

(iv) the credit score or scores that the lender used or on which it relied, and the entity that supplied each;

(v) debt-to-income ratios, including—

(I) the ratio of the total debt of the borrower and coborrowers, expressed as a monthly payment amount, to the total current and expected future income of the borrower and any coborrowers on which the lender relied, expressed as a monthly income amount; and

(II) the ratio of the first scheduled payment on the loan, expressed as a monthly payment amount, to the total current and expected future income of the borrower and any coborrowers on which the lender relied, expressed as a monthly income amount;

(vi) the total value of borrower assets, but not including the value of the collateral and not including income, on which the lender relied;

(vii) the principal amount of the loan;

(viii) the interest rate on the loan;

(ix) if the interest rate may adjust under the loan terms, the terms and limits of any permissible adjustment, including the index and margin, if applicable, when the rate may adjust, and any caps or floors on any such adjustment;

(x) if the principal may increase under the loan terms at origination, the terms and limits of any permissible increase, including when the increase or increases may occur, how the amount and timing of any increase is determined, and any caps on any such increases;

(xi) if the payment amount may adjust, independently of a rate adjustment or of an increase in the principal amount, the terms and limits of any permissible adjustment, including when the adjustment may occur, how the amount and timing of any adjustment is determined, and any caps or floors on any such adjustments;

(xii) whether, under the loan terms, the borrower may be required to pay any prepayment penalty, and if so, the potential amount and timing of any such penalty;

(xiii) any permissible grace periods and late fees under the loan terms, including fee amounts permitted on the loan;

(xiv) whether the borrower or any coborrower has stated an intent to reside in the property as a principal residence;

(xv) whether the loan is assumable under the loan terms at origination and if so, the conditions on which any assumption may be denied;

(xvi) whether the originating lender was or is aware of any subordinate or senior lien on the property at the time at which the loan was originated, and if so, the identity of all lenders or other lienholders of such other loans, the relative lien position of each, and the date of origination of each lien if it secures a mortgage loan;

(xvii) the type of mortgage insurance relating to the loan, including who pays it, and the amount and scheduled payment dates of any premiums;

(xviii) whether flood insurance is required in connection with the loan, and if so, the amount and timing of premiums;

(xix) whether the loan has an escrow account and if so, the amount of the initial deposit into the escrow account and the

amount of the monthly payments scheduled to be deposited into the escrow account;

(xx) the amount of points, fees, and settlement charges paid to originate the loan, including the amount of any compensation paid to a mortgage broker, and who paid it;

(xxi) whether the borrower or borrowers have any payment assistance at origination, such as government or private subsidies or buydowns, and if so, the amounts, terms, and timing of such assistance; and

(xxii) the address of the real property securing the mortgage loan.

(C) MULTIFAMILY LOANS.—For multifamily covered mortgage loans, the term “mortgage data” means, as of the date of origination—

(i) the number of dwelling units in each property securing each loan;

(ii) the rent on each dwelling unit, or, if more than 1 has the same rent, the number of units at each rent level;

(iii) the occupancy status of each dwelling unit;

(iv) whether the rent is subsidized by any government agency and, if so, in what amounts, under what terms and conditions, and for what period of time;

(v) whether the rent on the units is current, and if not, how many days or months the rent for each unit is delinquent; and

(vi) all of the information described in subparagraph (B), except as modified by the Director, by regulation, consistent with this title.

(D) AFTER ORIGATION.—For both single-family and multifamily covered mortgage loans, beginning the day after the date of origination of the loan, and reported not less frequently than monthly thereafter until the loan ceases to exist, the term “mortgage data” includes—

(i) the amount and date of payments received each month, including—

(I) whether each payment is received by the due date or within a grace period, and if a payment is received after the scheduled due date, how many days past due;

(II) the amount of any payment deposited into an escrow account;

(III) amounts paid for other loan charges, with an identification of the amount and type of such other charge; and

(IV) the amount of any prepayments;

(ii) for loans on which any payment or partial payment is overdue, the number of days since the loan was current;

(iii) whether property taxes, hazard insurance premiums, and any flood insurance premiums required in connection with the loan are paid by the borrower or borrowers as required, and if any such item is not paid as required—

(I) the number of days since the payment was required, and the amount of the missed payment;

(II) whether the servicer or other party on behalf of the servicer paid property taxes on the property, and in what amount; and

(III) whether the servicer or other party on behalf of the servicer force-placed hazard or flood insurance, and if so, the amount of the premium and the identity of the insurer;

(iv) the amount of any interest paid to the borrower on any escrow;

(v) the type and date of any actions taken by or on behalf of the servicer due to default, including nonpayment default, and the amount charged to the borrower or borrowers as a result of the action or actions; and

(vi) if the servicer is aware of any damage to the property securing the loan, the type and extent of the damage and of any repairs, the amount of insurance proceeds paid, the amount of such proceeds disbursed or paid to the borrower, and the amount held by the servicer, and the date and results of any inspection done by or on behalf of the servicer.

(E) ADJUSTMENTS CONSISTENT WITH THE PURPOSES OF THIS TITLE.—The Director may adjust the items that are included in or excluded from the definition of mortgage data consistent with this title, as appropriate to protect the privacy of individual consumers.

(F) PRIVACY.—The regulations required by subparagraph (A) may require rounding off of the debt to income ratios required to be included as mortgage data to protect the privacy of the borrower, taking into consideration the information that is already available on the Internet or in other ways.

#### SEC. 203. GSE WINDDOWN.

(a) FANNIE MAE.—Section 304 of the National Housing Act (12 U.S.C. 1719) is amended by adding at the end the following:

“(h) WINDDOWN OF ENTERPRISES.—

“(1) ANNUAL GUARANTEE REDUCTIONS.—Not later than 180 days after the date of enactment of the Mortgage Market Privatization and Standardization Act of 2011, and annually thereafter, the Director shall begin reducing the percentage of the value of a trust certificate or other security that may be guaranteed by the corporation by not less than 10 percent per year.

“(2) STRUCTURE.—The percentage of the bond guaranteed by the corporation can be structured on either a pro-rata or senior-subordinated basis, as determined by the Director. The Director shall pursue a strategy that allows for market signals to assist Congress and the Director to monitor and assess the price that private market participants are assigning to mortgage credit risk.

“(3) MORTGAGE-BACKED SECURITIES.—The existing portfolio of mortgage-backed securities of the corporation shall be reduced by not less than 20 percent per year.”

(b) FREDDIE MAC.—Section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) is amended by adding at the end the following:

“(d) WINDDOWN OF ENTERPRISES.—

“(1) ANNUAL GUARANTEE REDUCTIONS.—Not later than 180 days after the date of enactment of the Mortgage Market Privatization and Standardization Act of 2011, and annually thereafter, the Director shall begin reducing the percentage of the value of a trust certificate or other security that may be guaranteed by the corporation by not less than 10 percent per year.

“(2) STRUCTURE.—The percentage of the bond guaranteed by the corporation can be structured on either a pro-rata or senior-subordinated basis, as determined by the Director. The Director shall pursue a strategy that allows for market signals to assist Congress and the Director to monitor and assess the price that private market participants are assigning to mortgage credit risk.

“(3) MORTGAGE-BACKED SECURITIES.—The existing portfolio of mortgage-backed securities of the corporation shall be reduced by not less than 20 percent per year.”

#### SEC. 204. RESIDENTIAL MORTGAGE MARKET TRANSPARENCY.

(a) IN GENERAL.—Mortgage data relating to all covered mortgage loans shall be put into the public domain in accordance with this section.

(b) AGENCY ACTION.—Each agency named in section 202(1)(B) shall, not later than 1 year after the date of enactment of this Act, require, by regulation, that all entities regulated by such agency shall put mortgage data relating to covered mortgage loans into the public domain, in accordance with this title and the regulations issued under this title. Such regulations shall require that the data be reasonably accurate and complete.

(c) MANNER AND FORM OF DATA.—Not later than 1 year after the date of enactment of this Act, the Director shall, by regulation—

(1) establish the manner and form by which all mortgage data required to be put into the

public domain by this section shall be put into the public domain; and

(2) require that such mortgage data be made available in a uniform manner, in a form designed for uniformity of data definitions and forms, ease and speed of access, ease and speed of downloading, and ease and speed of use.

(d) **UPDATE.**—All entities required to put mortgage data into the public domain under this title shall continuously update the mortgage data, not less frequently than monthly, as long as the entities exist, whether in conservatorship, receivership, or otherwise. All updates shall be reasonably accurate and complete.

(e) **RESPONSIBILITY OF REGULATED ENTITIES.**—The mortgage data required to be put into the public domain in accordance with this title shall include all mortgage data related to all covered mortgage loans, to the extent practicable.

(f) **DUPLICATION OF EFFORT.**—If 2 or more entities are required by this title to report the same mortgage data relating to the same mortgage loan, they may, by agreement, determine that only 1 of such entities will report the data. If 1 of such entities reports the required mortgage data, it shall not be a violation of this section for the other entities not to report the data.

(g) **DATE OF ACCESS TO DATA.**—The Director shall establish, and cause to be published in the Federal Register, the initial date on which—

(1) the public shall begin to have access to any data put into the public domain in accordance with this title; and

(2) all mortgage data is required to be put into the public domain, in accordance with this title.

(h) **COSTS TO FHFA.**—The FHFA shall pay the cost of establishing the database of mortgage data that is put into the public domain under this section, and of providing public access to that database. If the FHFA ever ceases to exist without being replaced, and unless otherwise provided by Act of Congress, the cost of maintaining the database shall be borne by the remaining agencies named in section 202(1)(B), by agreement.

#### **SEC. 205. ENCOURAGING A MARKET FOR HIGH QUALITY RESIDENTIAL MORTGAGE FUTURES.**

(a) **IN GENERAL.**—Subpart A of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4541 et seq.) is amended by adding at the end the following:

#### **“SEC. 1327. ENCOURAGING A MARKET FOR HIGH QUALITY RESIDENTIAL MORTGAGE FUTURES.**

“(a) **DEFINITIONS.**—In this section, the following definitions shall apply:

“(1) **DELIVERABLE RESIDENTIAL MORTGAGE.**—

“(A) **IN GENERAL.**—The terms ‘deliverable residential mortgage’ and ‘DRM’ have the meaning given those terms by rule of the Director, in consultation with participants in the TBA market, taking into consideration underwriting and product features that historical loan performance data indicate result in a lower risk of default, such as—

“(i) documentation and verification of the financial resources relied upon to qualify the mortgagor;

“(ii) standards with respect to—

“(I) the residual income of the mortgagor after all monthly obligations;

“(II) the ratio of the housing payments of the mortgagor to the monthly income of the mortgagor; and

“(III) the ratio of total monthly installment payments of the mortgagor to the income of the mortgagor;

“(iii) mitigating the potential for payment shock on adjustable rate mortgages through product features and underwriting standards;

“(iv) mortgage guarantee insurance or other types of insurance or credit enhancement obtained at the time of origination, to the extent such insurance or credit enhancement reduces the risk of default; and

“(v) prohibiting or restricting the use of balloon payments, negative amortization, prepayment penalties, interest-only payments, and other features that have been demonstrated to exhibit a higher risk of borrower default.

“(B) **LIMITATION ON DEFINITION.**—The Director, in defining the term ‘deliverable residential mortgage’, as required by subparagraph (B), shall define that term to be no broader than the definition of the term ‘qualified mortgage’, as provided under section 129C(c)(2) of the Truth in Lending Act and regulations adopted thereunder.

“(2) **PARTICIPANT IN THE TBA MARKET.**—The term ‘participant in the TBA market’ means a private investor in or dealer of mortgage-backed securities, particularly mortgage-backed securities issued by the enterprises, that routinely enters into forward contracts for the sale of mortgage-backed securities that do not specify the particular mortgage-backed securities that will be delivered to the buyer.

“(3) **PROGRAM.**—The term ‘program’ means the program established under subsection (b).

“(4) **DRM FUTURES MARKET.**—The term ‘DRM futures market’ means a market for forward contracts for the sale of mortgage-backed securities collateralized exclusively by deliverable residential mortgages.

“(5) **TBA MARKET.**—The term ‘TBA market’ means the market for forward contracts for the sale of mortgage-backed securities that do not specify the particular mortgage-backed securities that will be delivered to the buyer.

“(b) **PROGRAM ESTABLISHED.**—The Director, in consultation with participants in the TBA market, shall establish a program to encourage the development of a DRM futures market that—

“(1) complements the TBA market;

“(2) creates incentives for trading by participants in the TBA market; and

“(3) has the potential to replace the TBA market.

“(c) **TECHNOLOGY AND INFRASTRUCTURE.**—The Director shall consult with participants in the TBA market to develop the technology and infrastructure necessary to carry out the program established under this section.

“(d) **ANNUAL REPORT.**—The Director shall submit to Congress an annual report on the program established under this section.”.

(b) **SECURITIES LAWS EXEMPTIONS.**—

(1) **SECURITIES ACT OF 1933.**—Section 3(a) of the Securities Act of 1933 (15 U.S.C. 77c(a)) is amended by adding at the end the following:

“(14) Any mortgage-backed security collateralized exclusively by deliverable residential mortgages, as such term is defined under section 1327 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.”.

(2) **SECURITIES EXCHANGE ACT OF 1934.**—Section 3(a)(12)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)) is amended—

(A) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(B) by inserting after clause (v) the following:

“(vi) any mortgage-backed security collateralized exclusively by deliverable residential mortgages, as such term is defined under section 1327 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992;”.

#### **SEC. 206. MONETIZATION OF BUSINESS VALUE.**

Pursuant to the authority of the Director as conservator of the enterprises under section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617), the Director shall—

(1) identify any property of the enterprises that would be of value to nongovernmental entities, including—

(A) historical databases containing information on prepayment, delinquency, and default rates;

(B) proprietary home price indices;

(C) technology used in the securitization of mortgages; and

(D) patents relating to the securitization of mortgages, automated underwriting systems, and other processes; and

(2) sell any property identified under paragraph (1) to nongovernmental entities.

#### **SEC. 207. UNIFORM UNDERWRITING STANDARDS.**

(a) **STANDARDS ESTABLISHED.**—Notwithstanding any other provision of this title or any other provision of Federal, State, or local law, the Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)), in consultation with the FHFA and the Secretary of Housing and Urban Development, shall jointly establish specific minimum standards for mortgage underwriting, including—

(1) a requirement that the mortgagee verify and document the income and assets relied upon to qualify the mortgagor on the residential mortgage, including the previous employment and credit history of the mortgagor; and

(2) a down payment requirement that—

(A) is equal to not less than 5 percent of the purchase price of the property securing the residential mortgage;

(B) in the case of a first lien residential mortgage loan with an initial loan to value ratio that is more than 80 percent and not more than 95 percent, includes a requirement for credit enhancements, as defined by the Federal banking agencies, until the loan to value ratio of the residential mortgage loan amortizes to a value that is less than 80 percent of the purchase price;

(C) uses a method for determining the ability of the mortgagor to repay the residential mortgage that is based on factors including—

(i) all terms of the residential mortgage, including principal payments that fully amortize the balance of the residential mortgage over the term of the residential mortgage; and

(ii) the debt to income ratio of the mortgagor; and

(D) any other specific standards that the Federal banking agencies jointly determine are appropriate to ensure prudent underwriting of residential mortgages.

(b) **UPDATES TO STANDARDS.**—The Federal banking agencies, in consultation with the FHFA and the Secretary of Housing and Urban Development—

(1) shall review the standards established under this section not less frequently than every 5 years; and

(2) based on the review under paragraph (1), may revise the standards established under this section, as the Federal banking agencies, in consultation with the FHFA and the Secretary of Housing and Urban Development, determine to be necessary.

(c) **COMPLIANCE.**—It shall be a violation of Federal law—

(1) for any mortgage loan originator to fail to comply with the minimum standards for mortgage underwriting established under subsection (a) in originating a residential mortgage loan;

(2) for any company to maintain an extension of credit on a revolving basis to any person to fund a residential mortgage loan, unless the company reasonably determines that the residential mortgage loan funded by such credit was subject to underwriting standards no less stringent than the minimum standards for mortgage underwriting established under subsection (a); or

(3) for any company to purchase, fund by assignment, or guarantee a residential mortgage loan, unless the company reasonably determines that the residential mortgage loan was subject to underwriting standards no less stringent than the minimum standards for mortgage underwriting established under subsection (a).

(d) IMPLEMENTATION.—

(1) REGULATIONS REQUIRED.—The Federal banking agencies, in consultation with the FHFA, shall issue regulations to implement subsections (a) and (c), which shall take effect not later than 270 days after the date of enactment of this Act.

(2) REPORT REQUIRED.—If the Federal banking agencies have not issued final regulations under subsections (a) and (c) before the date that is 270 days after the date of enactment of this Act, the Federal banking agencies shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that—

(A) explains why final regulations have not been issued under subsections (a) and (c); and

(B) provides a timeline for the issuance of final regulations under subsections (a) and (c).

(e) ENFORCEMENT.—Compliance with the rules issued under this section shall be enforced by—

(1) the primary financial regulatory agency as that term is defined under section 2 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301) of an entity, with respect to an entity subject to the jurisdiction of a primary financial regulatory agency, in accordance with the statutes governing the jurisdiction of the primary financial regulatory agency over the entity, and as if the action of the primary financial regulatory agency were taken under such statutes; and

(2) the Bureau of Consumer Financial Protection, with respect to a company that is not subject to the jurisdiction of a primary financial regulatory agency.

(f) EXEMPTIONS FOR CERTAIN NONPROFIT MORTGAGE LOAN ORIGINATORS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Federal banking agencies, in consultation with the Secretary of Housing and Urban Development and the Secretary of the Treasury, may jointly issue rules to exempt from the requirements under subsection (a)(2), mortgage loan originators that are exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.

(2) DETERMINING FACTORS.—The Federal banking agencies shall ensure that—

(A) the lending activities of a mortgage loan originator that receives an exemption under this subsection do not threaten the safety and soundness of the banking system of the United States; and

(B) a mortgage loan originator that receives an exemption under this subsection—

(i) is not compensated based on the number or value of residential mortgage loan applications accepted, offered, or negotiated by the mortgage loan originator;

(ii) does not offer residential mortgage loans that have an interest rate greater than zero percent;

(iii) does not gain a monetary profit from any residential mortgage product or service provided;

(iv) has the primary purpose of serving low income housing needs;

(v) has not been specifically prohibited, by statute, from receiving Federal funding; and

(vi) meets any other requirements that the Federal banking agencies jointly determine are appropriate for ensuring that a mortgage loan originator that receives an exemption under this subsection does not threaten the safety and soundness of the banking system of the United States.

(3) REPORTS REQUIRED.—Before the issuance of final rules under subsection (a), and annually thereafter, the Federal banking agencies shall jointly submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that—

(A) identifies the mortgage loan originators that receive an exemption under this subsection; and

(B) for each mortgage loan originator identified under subparagraph (A), explains the rationale for providing an exemption.

(4) UPDATES TO EXEMPTIONS.—The Federal banking agencies, in consultation with the Secretary of Housing and Urban Development and the Secretary of the Treasury—

(A) shall review the exemptions established under this subsection, not less frequently than every 2 years; and

(B) based on the review under subparagraph (A), may revise the standards established under this subsection, as the Federal banking agencies, in consultation with the Secretary of Housing and Urban Development and the Secretary of the Treasury, determine to be necessary.

(g) RULES OF CONSTRUCTION.—Nothing in this section may be construed to permit—

(1) the enterprises to make or guarantee a residential mortgage loan that does not meet the minimum underwriting standards established under this section; or

(2) the Federal banking agencies to issue an exemption under subsection (f) that is not on a case-by-case basis.

(h) DEFINITIONS.—In this section, the following definitions shall apply:

(1) COMPANY.—The term “company”—

(A) has the same meaning as in section 2(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)); and

(B) includes a sole proprietorship.

(2) MORTGAGE LOAN ORIGINATOR.—The term “mortgage loan originator” means any company that takes residential mortgage loan applications and offers or negotiates terms of residential mortgage loans.

(3) RESIDENTIAL MORTGAGE LOAN.—The term “residential mortgage loan”—

(A) means any extension of credit primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent security interest in a dwelling or residential real estate upon which is constructed or intended to be constructed a dwelling; and

(B) does not include a mortgage loan for which mortgage insurance is provided by the Department of Veterans Affairs or the Rural Housing Administration.

(4) EXTENSION OF CREDIT; DWELLING.—The terms “extension of credit” and “dwelling” have the same meanings as in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

(i) REPEAL OF CREDIT RISK RETENTION AND QRM RULES.—Section 15G of the Securities Exchange Act of 1934 (15 U.S.C. 78o–11) is repealed, and any rule or regulation promulgated under that section shall have no force or effect, effective on the date of enactment of this Act.

## SEC. 208. RESIDENTIAL MORTGAGE SERVICING STANDARDS.

(a) UNIFORM PSA.—

(1) DEVELOPMENT.—

(A) IN GENERAL.—The Director, in consultation with the Secretary of the Treasury and the Board of Governors of the Federal Reserve System, shall, not later than 1 year after the date of enactment of this Act, develop a uniform pooling and servicing agreement (in this section referred to as a “uniform PSA”). The Director shall work with industry groups, including servicers, originators, and mortgage investors to develop the uniform PSA.

(B) CRITERIA.—The uniform PSA shall—

(i) address all issues relating to the pool trustee, and shall be based on pooling and servicing agreements in use by the enterprises on the date of enactment of this Act; and

(ii) create uniform loss mitigation standards, including standards for a single point of contact for troubled borrowers, an industry wide net-present-value model for determining when to conduct a loan modification rather than foreclosure, and national standards for the foreclosure process.

(2) EFFECT OF UNIFORM PSA.—Beginning 1 year after the date of enactment of this Act, all mortgage backed securities issued by national or State chartered banks in the United States will be affected in accordance with the uniform PSA.

(b) MERS 2.—The Director shall establish, by rule, a Mortgage Electronic Registration System (in this section referred to as “MERS2”) based on the Mortgage Electronic Registration System in use on the date of enactment of this Act. MERS2 shall incorporate a single national database for all mortgage title transfers, to be maintained and operated by FHFA. The rules of the Director shall ensure that property title is transferred in accordance with all applicable provisions of law. All mortgage transfers shall take place according to national standards and shall be recorded in the MERS2 system.

(c) UNIFORM REGULATORY PRACTICES.—The Comptroller of the Currency, Chairperson of the Federal Deposit Insurance Corporation, Director, Chairman of the Board of Governors of the Federal Reserve System, and Director of the Bureau of Consumer Financial Protection shall, jointly, under the direction of the Director, develop uniform regulatory practices for the mortgage market.

## SEC. 209. PROHIBITION ON NEW BUSINESS.

The enterprises are prohibited from initiating or engage in new lines of business on and after the date of enactment of this Act.

## SEC. 210. REPEAL OF CHARTER ACTS.

Effective on the date on which the enterprises have no outstanding obligations pursuant to the winddown required by section 304(h) of the National Housing Act (as added by this title) and in section 305(d) of the Federal Home Loan Mortgage Corporation Act (as added by this title), respectively—

(1) the Federal National Mortgage Association Charter Act (12 U.S.C. 1716 et seq.) is repealed, and the charter of the Federal National Mortgage Association is rescinded; and

(2) the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1451 et seq.) is repealed, and the charter of the Federal Home Loan Mortgage Corporation is rescinded.

**SA 1498.** Mr. BLUMENTHAL (for himself and Mr. KIRK) submitted an amendment intended to be proposed to amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr.

FRANKEN) to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ APPLICATION TO OTHER ELECTED OFFICIALS AND CRIMINAL OFFENSES.**

(a) APPLICATION TO OTHER ELECTED OFFICIALS.—

(1) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332(o)(2)(A) of title 5, United States Code, is amended—

(A) in clause (i), by inserting “, the President, the Vice President, or an elected official of a State or local government” after “Member”; and

(B) in clause (ii), by inserting “, the President, the Vice President, or an elected official of a State or local government” after “Member”.

(2) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8411(1)(2) of title 5, United States Code, is amended—

(A) in subparagraph (A), by inserting “, the President, the Vice President, or an elected official of a State or local government” after “Member”; and

(B) in subparagraph (B), by inserting “, the President, the Vice President, or an elected official of a State or local government” after “Member”.

(b) CRIMINAL OFFENSES.—Section 8332(o)(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking clause (iii) and inserting the following:

“(iii) The offense—

“(I) is committed after the date of enactment of this subsection and—

“(aa) is described under subparagraph (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or (xxvi); or

“(bb) is described under subparagraph (B)(xxix), (xxx), or (xxxi), but only with respect to an offense described under subparagraph (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or (xxvi); or

“(II) is committed after the date of enactment of the STOCK Act and—

“(aa) is described under subparagraph (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii); or

“(bb) is described under subparagraph (B)(xxix), (xxx), or (xxxi), but only with respect to an offense described under subparagraph (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii).”;

and

(2) by striking subparagraph (B) and inserting the following:

“(B) An offense described in this subparagraph is only the following, and only to the extent that the offense is a felony:

“(i) An offense under section 201 of title 18 (relating to bribery of public officials and witnesses).

“(ii) An offense under section 203 of title 18 (relating to compensation to Member of Congress, officers, and others in matters affecting the Government).

“(iii) An offense under section 204 of title 18 (relating to practice in the United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Member of Congress).

“(iv) An offense under section 219 of title 18 (relating to officers and employees acting as agents of foreign principals).

“(v) An offense under section 286 of title 18 (relating to conspiracy to defraud the Government with respect to claims).

“(vi) An offense under section 287 of title 18 (relating to false, fictitious or fraudulent claims).

“(vii) An offense under section 597 of title 18 (relating to expenditures to influence voting).

“(viii) An offense under section 599 of title 18 (relating to promise of appointment by candidate).

“(ix) An offense under section 602 of title 18 (relating to solicitation of political contributions).

“(x) An offense under section 606 of title 18 (relating to intimidation to secure political contributions).

“(xi) An offense under section 607 of title 18 (relating to place of solicitation).

“(xii) An offense under section 641 of title 18 (relating to public money, property or records).

“(xiii) An offense under section 666 of title 18 (relating to theft or bribery concerning programs receiving Federal funds).

“(xiv) An offense under section 1001 of title 18 (relating to statements or entries generally).

“(xv) An offense under section 1341 of title 18 (relating to frauds and swindles, including as part of a scheme to deprive citizens of honest services thereby).

“(xvi) An offense under section 1343 of title 18 (relating to fraud by wire, radio, or television, including as part of a scheme to deprive citizens of honest services thereby).

“(xvii) An offense under section 1503 of title 18 (relating to influencing or injuring officer or juror).

“(xviii) An offense under section 1505 of title 18 (relating to obstruction of proceedings before departments, agencies, and committees).

“(xix) An offense under section 1512 of title 18 (relating to tampering with a witness, victim, or an informant).

“(xx) An offense under section 1951 of title 18 (relating to interference with commerce by threats of violence).

“(xxi) An offense under section 1952 of title 18 (relating to interstate and foreign travel or transportation in aid of racketeering enterprises).

“(xxii) An offense under section 1956 of title 18 (relating to laundering of monetary instruments).

“(xxiii) An offense under section 1957 of title 18 (relating to engaging in monetary transactions in property derived from specified unlawful activity).

“(xxiv) An offense under chapter 96 of title 18 (relating to racketeer influenced and corrupt organizations).

“(xxv) An offense under section 7201 of the Internal Revenue Code of 1986 (relating to attempt to evade or defeat tax).

“(xxvi) An offense under section 104(a) of the Foreign Corrupt Practices Act of 1977 (relating to prohibited foreign trade practices by domestic concerns).

“(xxvii) An offense under section 10(b) of the Securities Exchange Act of 1934 (relating to fraud, manipulation, or insider trading of securities).

“(xxviii) An offense under section 4c(a) of the Commodity Exchange Act (7 U.S.C. 6c(a)) (relating to fraud, manipulation, or insider trading of commodities).

“(xxix) An offense under section 371 of title 18 (relating to conspiracy to commit offense or to defraud United States), to the extent of any conspiracy to commit an act which constitutes—

“(I) an offense under clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), or (xxviii); or

“(II) an offense under section 207 of title 18 (relating to restrictions on former officers,

employees, and elected officials of the executive and legislative branches).

“(xxx) Perjury committed under section 1621 of title 18 in falsely denying the commission of an act which constitutes—

“(I) an offense under clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), or (xxviii); or

“(II) an offense under clause (xxix), to the extent provided in such clause.

“(xxxi) Subornation of perjury committed under section 1622 of title 18 in connection with the false denial or false testimony of another individual as specified in clause (xxx).”.

**SA 1499.** Mr. CORKER submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956.**

(a) IN GENERAL.—Section 13(d)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1851(d)(1)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (J) as subparagraphs (A) through (I), respectively.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 13 of the Bank Holding Company Act of 1956 (12 U.S.C. 1851) is amended—

(1) in subsection (c)(4), by striking “subsection (d)(1)(G)” and inserting “subsection (d)(1)(F)”; and

(2) in subsection (f)—

(A) by striking “paragraph (d)(1)(G)” each place that term appears and inserting “subsection (d)(1)(F)”; and

(B) in paragraph (3)(A)—

(i) in clause (i), by striking “subsection (d)(1)(G)” and inserting “subsection (d)(1)(F)”; and

(ii) in clause (ii), by striking “subsection (d)(1)(G)(v)” and inserting “subsection (d)(1)(F)(v)”.

**SA 1500.** Mr. INHOFE (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed to amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; as follows:

At the end of the amendment, insert the following:

**SEC. \_\_\_\_ PROHIBITION ON UNAUTHORIZED EARMARKS.**

(a) IN GENERAL.—It shall not be in order to consider a bill, joint resolution, conference report, or amendment that provides an earmark.

(b) SUPERMAJORITY.—

(1) WAIVER.—The provisions of subsection (a) may be waived or suspended in the Senate only by the affirmative vote of three-fourths of the Members, duly chosen and sworn.

(2) APPEAL.—Appeals in the Senate from the decisions of the Chair relating to any

provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the measure. An affirmative vote of three-fourths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(c) **EARMARK DEFINED.**—In this resolution, the term “earmark” means a provision or report language included primarily at the request of a Senator or Member of the House of Representatives providing or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality, or congressional district unless the provision or language—

(1) is specifically authorized by an appropriate congressional authorizing committee of jurisdiction;

(2) meets funding eligibility criteria established by an appropriate congressional authorizing committee of jurisdiction by statute; or

(3) is awarded through a statutory or administrative formula-driven or competitive award process.

**SA 1501.** Mr. MCCAIN (for himself and Mr. COBURN) submitted an amendment intended to be proposed to amendment SA 1472 proposed by Mr. TOOMEY (for himself, Mrs. MCCASKILL, Mr. DEMINT, Mr. UDALL of Colorado, Mr. RUBIO, Ms. AYOTTE, Mr. PORTMAN, Mr. THUNE, and Mr. JOHANNES) to the amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

On page 4, line 23, strike “two-thirds” and insert “a majority”.

**SA 1502.** Mr. BENNET (for himself and Mr. TESTER) submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, insert the following:  
**TITLE —CLOSE THE REVOLVING DOOR ACT OF 2012**

#### **SEC. 1. SHORT TITLE.**

This title may be cited as the “Close the Revolving Door Act of 2012”.

#### **SEC. 2. LIFETIME BAN ON MEMBERS OF CONGRESS FROM LOBBYING.**

(a) **IN GENERAL.**—Section 207(e)(1) of title 18, United States Code, is amended to read as follows:

“(1) **MEMBERS OF CONGRESS.**—Any person who is a Senator, a Member of the House of Representatives or an elected officer of the Senate or the House of Representatives and who after that person leaves office, knowingly makes, with the intent to influence, any communication to or appearance before any Member, officer, or employee of either House of Congress or any employee of any

other legislative office of the Congress, on behalf of any other person (except the United States) in connection with any matter on which such former Senator, Member, or elected official seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title.”.

(b) **CONFORMING AMENDMENT.**—Section 207(e)(2) of title 18, United States Code, is amended—

(1) in the caption, by striking “Officers and staff” and inserting “Staff”; and

(2) by striking “an elected officer of the Senate, or”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to Members of Congress serving in Congress on or after the date of enactment of this Act.

#### **SEC. 3. CONGRESSIONAL STAFF.**

(a) **IN GENERAL.**—section 207(e) of title 18, United States Code, is amended—

(1) in paragraph (2), by inserting at the end the following: “A person described in this paragraph shall be prohibited for 6 years from making any such contact or appearance before the personal office or member of Congress that had employed the person.”;

(2) in paragraph (3), by inserting at the end the following: “A person described in this paragraph shall be prohibited for 6 years from making any such contact or appearance before the personal office or member of Congress that had employed the person.”;

(3) by striking paragraph (4) and inserting the following:

“(4) Any person who is an employee of a committee of the House of Representatives or the Senate, or an employee of a joint committee of the Congress whose pay is disbursed by the Clerk of the House of Representatives or the Senate, to whom paragraph (7)(A) applies and who, within 1 year after the termination of that person’s employment on such committee or joint committee (as the case may be), knowingly makes, with the intent to influence, any communication to or appearance before any person who is a Member or an employee of that committee or joint committee (as the case may be) or who was a Member of the committee or joint committee (as the case may be) in the year immediately prior to the termination of such person’s employment by the committee or joint committee (as the case may be), on behalf of any other person (except the United States) in connection with any matter on which such former employee seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title. A person described in this paragraph shall be prohibited for 6 years from making any such contact or appearance before the majority or minority staff of that committee, the chairman or ranking member of the committee during that person’s employment, or any personal office or Member of Congress that had been a member of that committee during the person’s employment with the committee.”; and

(4) in paragraph (6)(A), by striking “1 year” and inserting “6 years”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to individuals employed by Congress on or after the date of enactment of this Act.

#### **SEC. 4. IMPROVED REPORTING OF LOBBYISTS ACTIVITIES.**

Section 6 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1605) is amended by inserting at the end the following:

“(c) **JOINT WEB SITE.**—The Secretary of the Senate and the Clerk of the House of Representatives shall maintain a joint lobbyist

disclosure Internet database for information required to be publicly disclosed under this Act which shall be an easily searchable Web site called lobbyists.gov with a stated goal of simplicity of usage.”.

#### **SEC. 5. LOBBYIST REVOLVING DOOR TO CONGRESS.**

(a) **IN GENERAL.**—Any person who is a registered lobbyist or an agent of a foreign principal may not within 6 years after that person leaves such position be hired by a Member or committee of either House of Congress with whom the registered lobbyist or an agent of a foreign principal has had substantial lobbying contact.

(b) **WAIVER.**—This section may be waived in the Senate or the House of Representatives by the Committee on Ethics or the Committee on Standards of Official Conduct based on a compelling national need.

(c) **SUBSTANTIAL LOBBYING CONTACT.**—For purposes of this section, in determining whether a registered lobbyist or agent of a foreign principal has had substantial lobbying contact within the applicable period of time, the Member or committee of either House of Congress shall take into consideration whether the individual’s lobbying contacts have pertained to pending legislative business, or related to solicitation of Federal funding, particularly if such contacts included the coordination of meetings with the Member or staff, involved presentations to staff, or participation in fundraising exceeding the mere giving of a personal contribution. Simple social contacts with the Member or committee of either House of Congress and staff, shall not by themselves constitute substantial lobbying contacts.

#### **SEC. 6. PAYMENT FOR CHARTER FLIGHTS BY CAMPAIGN FUNDS AND DISCLOSURE OF CERTAIN AIR TRAVEL WITH A LOBBYIST BY A SENATOR.**

(a) **CLARIFICATION OF RULES ON USE OF CAMPAIGN FUNDS FOR FLIGHTS ON COMMERCIAL AIRCRAFT.**—

(1) **IN GENERAL.**—Paragraph (1) of section 313(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a(c)) is amended—

(A) by striking “a candidate for election for Federal office (other than a candidate who is subject to paragraph (2)), or any authorized committee of such a candidate, may not make any expenditure for a flight on an aircraft” in the matter preceding subparagraph (A) and inserting “in the case of a candidate for election to Federal office (other than a candidate who is subject to paragraph (2)), no political committee may make any expenditure for travel by such a candidate, or for travel on behalf of such a candidate, by means of a flight on an aircraft (regardless of whether such travel is in connection with an election for Federal office)”, and

(B) by striking “candidate, the authorized committee, or other” in subparagraph (B).

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall apply to flights taken on or after the date of the enactment of this Act.

(b) **DISCLOSURE.**—Paragraph 2(e)(1) of rule XXXV of the Standing Rules of the Senate is amended—

(1) in subclause (C), by striking “and” after the semicolon;

(2) by inserting after subclause (D) the following:

“(E) the source will submit a list of the names of any registered lobbyist or an agent of a foreign principal on the trip not later than 30 days after the trip; and”.

#### **SEC. 7. BAN ON LOBBYISTS MAKING CASH CAMPAIGN CONTRIBUTIONS.**

Section 321 of the Federal Election Campaign Act of 1971 (2 U.S.C. 441g) is amended by—

(1) by striking “No person” and inserting the following:



“(a) IN GENERAL.—Except as provided in subsection (b), no person”; and

(2) inserting at the end the following:

“(b) LOBBYIST.—

“(1) TOTAL BAN.—If the person described in subsection (a) is a lobbyist, the amount referred to in subsection (a) shall be zero.

“(2) LOBBYIST.—In this subsection, the term ‘lobbyist’ shall have the same meaning given such term in section 3(10) of the Lobbying Disclosure Act of 1995.”

#### SEC. 8. REPORTING BY SUBSTANTIAL LOBBYING ENTITIES.

The Lobbying Disclosure Act of 1995 (2 U.S.C. 1601 et seq.) is amended by inserting after section 6 the following:

#### “SEC. 6A. REPORTING BY SUBSTANTIAL LOBBYING ENTITIES.

“(a) IN GENERAL.—A substantial lobbying entity shall file on an annual basis with the Clerk of the House of Representatives and the Secretary of the United States Senate a list of any employee, individual under contract, or individual who provides paid consulting services who is—

“(1) a former United States Senator or a former Member of the United States House of Representatives; or

“(2) a former congressional staff person who—

“(A) made at least \$100,000 in any 1 year as a congressional staff person;

“(B) worked for a total of 4 years or more as a congressional staff person; or

“(C) had a job title at any time while employed as a congressional staff person that contained any of the following terms: ‘Chief of Staff’, ‘Legislative Director’, ‘Staff Director’, ‘Counsel’, ‘Professional Staff Member’, ‘Communications Director’, or ‘Press Secretary’.

“(b) CONTENTS OF FILING.—The filing required by this section shall contain a brief job description of each such employee, individual under contract, or individual who provides paid consulting services, and an explanation of their work experience under subsection (a) that requires this filing.

“(c) IMPROVED REPORTING OF SUBSTANTIAL LOBBYING ENTITIES.—The Joint Web site being maintained by the Secretary of the Senate and the Clerk of the House of Representatives, known as lobbyists.gov, shall include an easily searchable database entitled ‘Substantial Lobbying Entities’ that includes qualifying employees, individuals under contract, or individuals who provide paid consulting services, under subsection (a).

“(d) LAW ENFORCEMENT OVERSIGHT.—The Clerk of the House of Representatives and the Secretary of the Senate may provide a copy of the filings of substantial lobbying entities to the District of Columbia United States Attorney, to allow the District of Columbia United States Attorney to determine whether any such entities are underreporting the Federal lobbying activities of its employees, individuals under contract, or individuals who provide paid consulting services.

“(e) SUBSTANTIAL LOBBYING ENTITY.—In this section, the term ‘substantial lobbying entity’ means an incorporated entity that employs more than 3 federally registered lobbyists during a filing period.”

#### SEC. 9. ENHANCED PENALTIES.

Section 7(a) of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1606(a)) is amended by striking “\$200,000” and inserting “\$500,000”.

**SA 1503.** Mr. TESTER (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed to amendment SA 1470 proposed by Mr. REID (for himself, Mr. BROWN of Massachusetts, Mr. LIEBERMAN, Ms. COLLINS, Mrs. GILLIBRAND, Mr. LEVIN, and Mr. FRANKEN) to the bill S. 2038, to prohibit

Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; as follows:

At the end, add the following:

#### SEC. \_\_\_\_ FILING BY SENATE CANDIDATES WITH COMMISSION.

Section 302(g) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)) is amended to read as follows:

“(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.”

**SA 1504.** Mr. COONS submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

#### SEC. \_\_\_\_ EXTENSION OF TEMPORARY OFFICE OF BANKRUPTCY JUDGES IN CERTAIN JUDICIAL DISTRICTS.

(a) TEMPORARY OFFICE OF BANKRUPTCY JUDGES AUTHORIZED BY PUBLIC LAW 109-8.—

(1) EXTENSIONS.—The temporary office of bankruptcy judges authorized for the following districts by section 1223(b) of Public Law 109-8 (28 U.S.C. 152 note) are extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the respective district occurs:

- (A) The central district of California.
- (B) The eastern district of California.
- (C) The district of Delaware.
- (D) The southern district of Florida.
- (E) The southern district of Georgia.
- (F) The district of Maryland.
- (G) The eastern district of Michigan.
- (H) The district of New Jersey.
- (I) The northern district of New York.
- (J) The southern district of New York.
- (K) The eastern district of North Carolina.
- (L) The eastern district of Pennsylvania.
- (M) The middle district of Pennsylvania.
- (N) The district of Puerto Rico.
- (O) The district of South Carolina.
- (P) The western district of Tennessee.
- (Q) The eastern district of Virginia.
- (R) The district of Nevada.

(2) VACANCIES.—

(A) SINGLE VACANCIES.—Except as provided in subparagraphs (B), (C), (D), and (E), the 1st vacancy in the office of a bankruptcy judge for each district specified in paragraph (1)—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(B) CENTRAL DISTRICT OF CALIFORNIA.—The 1st, 2d, and 3d vacancies in the office of bankruptcy judge for the central district of California—

(i) occurring 5 years or more after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(C) DISTRICT OF DELAWARE.—The 1st, 2d, 3d, and 4th vacancies in the office of a bankruptcy judge for the district of Delaware—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(D) SOUTHERN DISTRICT OF FLORIDA.—The 1st and 2d vacancies in the office of a bankruptcy judge for the southern district of Florida—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(E) DISTRICT OF MARYLAND.—The 1st, 2d, and 3d vacancies in the office of a bankruptcy judge for the district of Maryland—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 1223(b) of Public Law 109-8 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judges referred to in paragraph (1).

(b) TEMPORARY OFFICE OF BANKRUPTCY JUDGES EXTENDED BY PUBLIC LAW 109-8.—

(1) EXTENSIONS.—The temporary office of bankruptcy judges authorized by section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) and extended by section 1223(c) of Public Law 109-8 (28 U.S.C. 152 note) for the district of Delaware, the district of Puerto Rico, and the eastern district of Tennessee are extended until the applicable vacancy specified in paragraph (2) in the office of a bankruptcy judge for the respective district occurs.

(2) VACANCIES.—

(A) DISTRICT OF DELAWARE.—The 5th vacancy in the office of a bankruptcy judge for the district of Delaware—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(B) DISTRICT OF PUERTO RICO.—The 2d vacancy in the office of a bankruptcy judge for the district of Puerto Rico—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(C) EASTERN DISTRICT OF TENNESSEE.—The 1st vacancy in the office of a bankruptcy judge for the eastern district of Tennessee—

(i) occurring more than 5 years after the date of the enactment of this Act, and

(ii) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) and section 1223(c) of Public Law 109-8 (28 U.S.C. 152 note) remain applicable to the temporary office of bankruptcy judges referred to in paragraph (1).

(c) TEMPORARY OFFICE OF THE BANKRUPTCY JUDGE AUTHORIZED BY PUBLIC LAW 102-361 FOR THE MIDDLE DISTRICT OF NORTH CAROLINA.—

(1) EXTENSION.—The temporary office of the bankruptcy judge authorized by section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) for the middle district of North Carolina is extended until the vacancy specified in paragraph (2) occurs.

(2) VACANCY.—The 1st vacancy in the office of a bankruptcy judge for the middle district of North Carolina—

(A) occurring more than 5 years after the date of the enactment of this Act, and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge, shall not be filled.

(3) APPLICABILITY OF OTHER PROVISIONS.—Except as provided in paragraphs (1) and (2), all other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) remain applicable to the temporary office of the bankruptcy judge referred to in paragraph (1).

(d) TEMPORARY JUDGESHIP PAYGO OFFSET.—(1) BANKRUPTCY FILING FEES.—Section 1930(a)(3) of title 28, United States Code, is amended by striking \$1,000 and inserting \$1,042.

(2) EXPENDITURE LIMITATION.—Incremental amounts collected by reason of the enactment of subsection (a) shall be deposited in a special fund in the United States Treasury, to be established after the date of enactment of this Act. Such amounts shall be available for the purposes specified in section 1931(a) of title 28, United States Code, but only to the extent specifically appropriated by an Act of Congress enacted after the date of enactment of this Act.

(3) EFFECTIVE DATE.—This subsection shall take effect 180 days after the date of enactment of this Act.

**SA 1505.** Mr. PORTMAN submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

On page 8, lines 23 and 24, strike “executive branch and legislative branch officials” and insert “an executive branch employee, a Member of Congress, or an employee of Congress”.

**SA 1506.** Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_.** **SHAREHOLDER REGISTRATION THRESHOLD.**

(a) AMENDMENTS TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934.—Section 12(g) of the Securities Exchange Act of 1934 (15 U.S.C. 781(g)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraphs (A) and (B) and inserting the following:

“(A) in the case of an issuer that is a bank, as such term is defined in section 3(a)(6) of this title, or a bank holding company, as such term is defined in section (2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), 2000 persons or more; and

“(B) in the case of an issuer that is not a bank or bank holding company, 500 persons or more;”;

(B) by striking “commerce shall” and inserting “commerce shall, not later than 120 days after the last day of its first fiscal year ended after the effective date of this subsection, on which the issuer has total assets

exceeding \$10,000,000 and a class of equity security (other than an exempted security) held of record by”; and

(2) in paragraph (4), by striking “three hundred” and inserting “300 persons, or, in the case of a bank, as such term is defined in section 3(a)(6), or a bank holding company, as such term is defined in section (2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), 1200”.

(b) AMENDMENTS TO SECTION 15 OF THE SECURITIES EXCHANGE ACT OF 1934.—Section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(d)) is amended, in the third sentence, by striking “three hundred” and inserting “300 persons, or, in the case of bank, as such term is defined in section 3(a)(6), or a bank holding company, as such term is defined in section (2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), 1200”.

(c) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Commission shall issue final regulations to implement this section and the amendments made by this section.

**SA 1507.** Mr. REED submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**SEC. 11. ACCESS TO INTERCEPTED WIRE, ORAL, OR ELECTRONIC COMMUNICATIONS RELATING TO SECURITIES FRAUD.**

(a) AUTHORIZATION FOR INTERCEPTION OF WIRE, ORAL, OR ELECTRONIC COMMUNICATIONS RELATING TO SECURITIES FRAUD.—Section 2516(1) of title 18, United States Code, is amended—

(1) in paragraph (r), by striking “or” at the end;

(2) by redesignating paragraph (s) as paragraph (t); and

(3) by inserting after paragraph (r) the following:

“(s) any violation of section 1348 of this title (relating to securities fraud); or”.

(b) AUTHORIZATION FOR DISCLOSURE AND USE OF INTERCEPTED WIRE, ORAL, OR ELECTRONIC COMMUNICATIONS RELATING TO SECURITIES FRAUD.—Section 2517 of title 18, United States Code, is amended—

(1) in subsection (1), by inserting “, or to an officer of the Securities and Exchange Commission,” after “to another investigative or law enforcement officer”; and

(2) in subsection (2), by inserting “, or officer of the Securities and Exchange Commission,” after “investigative or law enforcement officer”.

**SEC. 12. INSIDER TRADING STATUTE OF LIMITATIONS.**

Section 21A(d)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78u-1(d)(5)) is amended to read as follows:

“(5) STATUTE OF LIMITATIONS.—No action may be brought under this section after the later of—

“(A) 5 years after the date of the subject purchase or sale; or

“(B) 2 years after the date on which the Commission discovers the violative conduct.”.

**SEC. 13. INSIDER TRADING PENALTIES.**

(a) INSIDER TRADING PENALTIES UNDER SECTION 21A(a)(1) OF THE SECURITIES EXCHANGE ACT OF 1934.—Section 21A(a)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78u-1(a)(1)) is amended—

(1) in subparagraph (A), by striking “and” at the end;

(2) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(3) adding at the end the following:

“(C) may, in any action instituted pursuant to section 8A of the Securities Act of 1933, or section 21C of this title, impose a civil penalty to be paid by the person who committed such violation, or who, subject to subsection (b)(1) of this section, directly or indirectly controlled the person who committed such violation.”.

(b) INSIDER TRADING PENALTIES WHERE NO PROFITS GAINED OR LOSSES AVOIDED.—

(1) SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended—

(A) in section 21(d)(3)(A) (15 U.S.C. 78u(d)(3)(A)), by inserting “that resulted in profits gained or losses avoided” after “penalty pursuant to section 21A”; and

(B) in section 21B(a)(2)(A) (15 U.S.C. 78u-2(a)(2)(A)), by inserting “, other than by committing a violation subject to a penalty pursuant to section 21A that resulted in profits gained or losses avoided” after “rule or regulation issued under this title”.

(2) SECURITIES ACT OF 1933.—The Securities Act of 1933 (15 U.S.C. 77a et seq.) is amended—

(A) in section 8A(g)(1)(A)(i) (15 U.S.C. 77h-1(g)(1)(A)(i)), by inserting “, other than by committing a violation subject to a penalty pursuant to section 21A of the Securities Exchange Act of 1934 that resulted in profits gained or losses avoided” after “rule or regulation issued under this title”; and

(B) in section 20(d)(1) of the (15 U.S.C. 77t(d)(1)), by inserting “that resulted in profits gained or losses avoided” after “penalty pursuant to section 21A of the Securities Exchange Act of 1934”.

**SEC. 14. EX PARTE FREEZE AUTHORITY FOR OFFSHORE INSIDER TRADING PROFITS.**

Section 21C(c)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78u-3(c)(3)) is amended—

(1) in subparagraph (A), by striking “(A) IN GENERAL” and inserting “(A) TEMPORARY FREEZE OF EXTRAORDINARY PAYMENTS BY AN ISSUER”; and

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

“(B) TEMPORARY FREEZE IN INSIDER TRADING INVESTIGATIONS.—

“(i) ISSUANCE OF TEMPORARY ORDER.—If the Commission finds that there is reason to believe that a violation described in section 21A has occurred, and that the person engaging in the purchase or sale constituting the potential violation is located outside of the United States, the Commission may impose a temporary order requiring any registered broker or dealer to freeze the brokerage accounts of such person at such broker or dealer for a period not to exceed 30 days after the date of entry of the order.

“(ii) STANDARD.—A temporary order may be entered under clause (i) without notice, unless the Commission determines that notice and hearing prior to entry of the order would be in the public interest.

“(iii) EFFECTIVE PERIOD.—A temporary order issued under clause (i) shall—

“(I) become effective immediately;

“(II) be served upon each registered broker or dealer maintaining accounts subject to the order; and

“(III) unless set aside, limited, or suspended by the Commission or by a court of competent jurisdiction, remain effective and enforceable for the period specified in the order, but for not longer than 30 days after the date of entry of the order.

“(iv) VIOLATION OF TEMPORARY ORDER.—A violation of a temporary order issued under



clause (i) shall be deemed a violation of this title.”.

**SA 1508.** Mr. REED submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

**SEC. 9. UPDATED CIVIL MONEY PENALTIES FOR SECURITIES LAW VIOLATIONS.**

(a) SECURITIES ACT OF 1933.—

(1) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 8A(g)(2) of the Securities Act of 1933 (15 U.S.C. 77h-1(g)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking “\$7,500” and inserting “\$10,000”; and

(ii) by striking “\$75,000” and inserting “\$100,000”;

(B) in subparagraph (B)—

(i) by striking “\$75,000” and inserting “\$100,000”; and

(ii) by striking “\$375,000” and inserting “\$500,000”; and

(C) by amending subparagraph (C) to read as follows:

“(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the greater of—

“(i) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(ii) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

“(iii) the amount of losses incurred by victims as a result of the act or omission, if—

“(I) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

“(II) such act or omission directly or indirectly resulted in—

“(aa) substantial losses or created a significant risk of substantial losses to other persons; or

“(bb) substantial pecuniary gain to the person who committed the act or omission.”.

(2) MONEY PENALTIES IN CIVIL ACTIONS.—Section 20(d)(2) of the Securities Act of 1933 (15 U.S.C. 77t(d)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in subparagraph (B)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) in subparagraph (C), by striking “greater of (i) \$100,000 for a natural person or \$500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation” and inserting the following: “greater of—

“(i) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(ii) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

“(iii) the amount of losses incurred by victims as a result of the violation”.

(b) SECURITIES EXCHANGE ACT OF 1934.—

(1) MONEY PENALTIES IN CIVIL ACTIONS.—Section 21(d)(3)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended—

(A) in clause (i)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in clause (ii)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) in clause (iii), by striking “greater of (I) \$100,000 for a natural person or \$500,000 for any other person, or (II) the gross amount of pecuniary gain to such defendant as a result of the violation” and inserting the following: “greater of—

“(I) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(II) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

“(III) the amount of losses incurred by victims as a result of the violation”.

(2) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 21B(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78u-2(b)) is amended—

(A) in paragraph (1)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in paragraph (2)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) by amending paragraph (3) to read as follows:

“(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), the amount of penalty for each such act or omission shall not exceed the greater of—

“(A) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(B) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

“(C) the amount of losses incurred by victims as a result of the act or omission, if—

“(i) the act or omission described in subsection (a) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

“(ii) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.”.

(c) INVESTMENT COMPANY ACT OF 1940.—

(1) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 9(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(d)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in subparagraph (B)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) by amending subparagraph (C) to read as follows:

“(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the greater of—

“(i) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(ii) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

“(iii) the amount of losses incurred by victims as a result of the act or omission, if—

“(I) the act or omission described in paragraph (1) involved fraud, deceit, manipula-

tion, or deliberate or reckless disregard of a regulatory requirement; and

“(II) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.”.

(2) MONEY PENALTIES IN CIVIL ACTIONS.—Section 42(e)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-41(e)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in subparagraph (B)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) in subparagraph (C), by striking “greater of (i) \$100,000 for a natural person or \$500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation” and inserting the following: “greater of—

“(i) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(ii) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

“(iii) the amount of losses incurred by victims as a result of the violation”.

(d) INVESTMENT ADVISERS ACT OF 1940.—

(1) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 203(i)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(i)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in subparagraph (B)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) by amending subparagraph (C) to read as follows:

“(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the greater of—

“(i) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(ii) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

“(iii) the amount of losses incurred by victims as a result of the act or omission, if—

“(I) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

“(II) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.”.

(2) MONEY PENALTIES IN CIVIL ACTIONS.—Section 209(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-9(e)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking “\$5,000” and inserting “\$10,000”; and

(ii) by striking “\$50,000” and inserting “\$100,000”;

(B) in subparagraph (B)—

(i) by striking “\$50,000” and inserting “\$100,000”; and

(ii) by striking “\$250,000” and inserting “\$500,000”; and

(C) in subparagraph (C), by striking “greater of (i) \$100,000 for a natural person or \$500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation” and inserting the following: “greater of—

“(i) \$1,000,000 for a natural person or \$10,000,000 for any other person;

“(ii) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

“(iii) the amount of losses incurred by victims as a result of the violation”.

#### SEC. 10. PENALTIES FOR RECIDIVISTS.

(a) SECURITIES ACT OF 1933.—

(1) CEASE-AND-DESIST PROCEEDINGS.—Section 8A(g)(2) of the Securities Act of 1933 (15 U.S.C. 77h-1(g)(2)) is amended by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.”.

(2) INJUNCTIONS AND PROSECUTION OF OFFENSES.—Section 20(d)(2) of the Securities Act of 1933 (15 U.S.C. 77t(d)(2)) is amended by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.”.

(b) SECURITIES EXCHANGE ACT OF 1934.—

(1) CIVIL ACTIONS.—Section 21(d)(3)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended by adding at the end the following:

“(iv) FOURTH TIER.—Notwithstanding clauses (i), (ii), and (iii), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such clauses if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.”.

(2) ADMINISTRATIVE PROCEEDINGS.—Section 21(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78u-2(b)) is amended by adding at the end the following:

“(4) FOURTH TIER.—Notwithstanding paragraphs (1), (2), and (3), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such paragraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.”.

(c) INVESTMENT COMPANY ACT OF 1940.—

(1) INELIGIBILITY OF CERTAIN UNDERWRITERS AND AFFILIATES.—Section 9(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-9(d)(2)) is amended by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such act or omis-

sion shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.”.

(2) ENFORCEMENT.—Section 42(e)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-41(e)(2)) is amended by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.”.

(d) INVESTMENT ADVISERS ACT OF 1940.—The Investment Advisers Act of 1940 (15 U.S.C. 80b-1 et seq.) is amended—

(1) in section 203(i)(2) (15 U.S.C. 80b-3(i)(2)), by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.”; and

(2) in section 209(e)(2) (15 U.S.C. 80b-9(e)(2)) by adding at the end the following:

“(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.”.

#### SEC. 11. VIOLATIONS OF INJUNCTIONS AND BARS.

(a) SECURITIES ACT OF 1933.—Section 20(d) of the Securities Act of 1933 (15 U.S.C. 77t(d)) is amended—

(1) in paragraph (1), by inserting after “the rules or regulations thereunder,” the following: “a Federal court injunction or a bar obtained or entered by the Commission under this title.”; and

(2) by amending paragraph (4) to read as follows:

“(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

“(A) IN GENERAL.—Each separate violation of an injunction or order described in subparagraph (B) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

“(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

“(i) a Federal court injunction obtained pursuant to this title;

“(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

“(iii) a cease-and-desist order entered by the Commission pursuant to section 8A.”.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)) is amended—

(1) in subparagraph (A), by inserting after “the rules or regulations thereunder,” the following: “a Federal court injunction or a bar obtained or entered by the Commission under this title.”; and

(2) by amending subparagraph (D) to read as follows:

“(D) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

“(i) IN GENERAL.—Each separate violation of an injunction or order described in clause (ii) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

“(ii) INJUNCTIONS AND ORDERS.—Clause (i) shall apply with respect to an action to enforce—

“(I) a Federal court injunction obtained pursuant to this title;

“(II) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

“(III) a cease-and-desist order entered by the Commission pursuant to section 21C.”.

(c) INVESTMENT COMPANY ACT OF 1940.—Section 42(e) of the Investment Company Act of 1940 (15 U.S.C. 80a-41(e)) is amended—

(1) in paragraph (1), by inserting after “the rules or regulations thereunder,” the following: “a Federal court injunction or a bar obtained or entered by the Commission under this title.”; and

(2) by amending paragraph (4) to read as follows:

“(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

“(A) IN GENERAL.—Each separate violation of an injunction or order described in subparagraph (B) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

“(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

“(i) a Federal court injunction obtained pursuant to this title;

“(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

“(iii) a cease-and-desist order entered by the Commission pursuant to section 9(f).”.

(d) INVESTMENT ADVISERS ACT OF 1940.—Section 209(e) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-9(e)) is amended—

(1) in paragraph (1), by inserting after “the rules or regulations thereunder,” the following: “a federal court injunction or a bar obtained or entered by the Commission under this title.”; and

(2) by amending paragraph (4) to read as follows:

“(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

“(A) IN GENERAL.—Each separate violation of an injunction or order described in subparagraph (B) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to

comply with the injunction or order shall be deemed a separate offense.

“(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

“(i) a Federal court injunction obtained pursuant to this title;

“(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

“(iii) a cease-and-desist order entered by the Commission pursuant to section 203(k).”.

**SA 1509.** Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . BILL MAY NOT TAKE EFFECT BEFORE A BUDGET RESOLUTION IS IN EFFECT.**

Notwithstanding any other provision of this Act, this Act shall not take effect before the date a concurrent resolution on the budget has been agreed to and is in effect for the fiscal year during which this Act was enacted.

**SA 1510.** Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 2038, to prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the amendment, insert the following:

**SEC. \_\_\_\_ . TRANSACTION REPORTING REQUIREMENTS.**

The transaction reporting requirements established by section 101(j) of the Ethics in Government Act of 1978, as added by section 6 of this Act, shall not be construed to apply to a widely held investment fund (whether such fund is a mutual fund, regulated investment company, pension or deferred compensation plan, or other investment fund), if—

(1)(A) the fund is publicly traded; or  
(B) the assets of the fund are widely diversified; and

(2) the reporting individual neither exercises control over nor has the ability to exercise control over the financial interests held by the fund.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON FOREIGN RELATIONS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on February 1, 2012, at 2:30 p.m., to hold a European Affairs subcommittee hearing entitled, “Ukraine at a Crossroads: What’s at Stake for the U.S. and Europe?”

The PRESIDING OFFICER. Without objection, it is so ordered.

### COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship be authorized to meet during the session of the Senate on February 1, 2012, at 10 a.m. in room 432 Russell Senate Office building, to conduct a roundtable entitled “Developing and Strengthening High-Growth Entrepreneurship.”

The PRESIDING OFFICER. Without objection, it is so ordered.

### SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL WORKFORCE, AND THE DISTRICT OF COLUMBIA

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs’ Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia be authorized to meet during the session of the Senate on February 1, 2012, at 2:30 p.m., to conduct a hearing entitled, “Federal Retirement Processing: Ensuring Proper and Timely Payments.”

The PRESIDING OFFICER. Without objection, it is so ordered.

### SAM D. HAMILTON NOX UBEE NATIONAL WILDLIFE REFUGE

Mrs. GILLIBRAND. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of H.R. 588, and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill by title. The assistant legislative clerk read as follows:

A bill (H.R. 588) to redesignate the Noxubee National Wildlife Refuge as the Sam D. Hamilton Noxubee National Wildlife Refuge.

There being no objection, the Senate proceeded to consider the bill.

Mrs. GILLIBRAND. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 588) was ordered to a third reading, was read the third time, and passed.

### TO REVISE THE BOUNDARIES OF JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM

Mrs. GILLIBRAND. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 304, S. 1296.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1296) to revise the boundaries of John H. Chafee Coastal Barrier Resources

System Sachuest Point Unit RI-04P, Easton Beach Unit RI-05P, Almy Pond Unit RI-06, and Hazards Beach Unit RI-07 in the State of Rhode Island.

There being no objection, the Senate proceeded to consider the bill.

Mrs. GILLIBRAND. I further ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to the measure be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1296) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1296

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

### SECTION 1. REPLACEMENT OF JOHN H. CHAFEE COASTAL BARRIER RESOURCES SYSTEM MAP.

(a) DEFINITION OF MAP.—In this section, the term “Map” means the map that—

(1) is subtitled “Sachuest Point Unit RI-04P, Easton Beach Unit RI-05P, Almy Pond Unit RI-06, Hazards Beach Unit RI-07”;

(2) is included in the set of maps entitled “John H. Chafee Coastal Barrier Resources System” (referred to in section 4(a) of the Coastal Barrier Resources Act (16 U.S.C. 3503(a)) as the set of maps entitled “Coastal Barrier Resources System”); and

(3) relates to certain John H. Chafee Coastal Barrier Resources System units in the State of Rhode Island.

(b) REPLACEMENT.—The Map is replaced by the map entitled “John H. Chafee Coastal Barrier Resources System Sachuest Point Unit RI-04P, Easton Beach Unit RI-05P, Almy Pond Unit RI-06, and Hazards Beach Unit RI-07” and dated September 30, 2009.

(c) AVAILABILITY.—The Secretary of the Interior shall keep the replacement map referred to in subsection (b) on file and available for inspection in accordance with section 4(b) of the Coastal Barrier Resources Act (16 U.S.C. 3503(b)).

### HONORING THE LIFE OF KEVIN HAGAN WHITE

Mrs. GILLIBRAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 365, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 365) honoring the life of Kevin Hagan White, the Mayor of Boston, Massachusetts from 1968 to 1984.

There being no objection, the Senate proceeded to consider the resolution.

Mrs. GILLIBRAND. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any statements relating to the matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 365) was agreed to.