the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

In Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues: ''Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

Clearly, the vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda and allows those with alternative views the opportunity to offer an alternative plan.

Mr. BUCK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. DENHAM). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MCGOVERN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

FINANCIAL INSTITUTION BANKRUPTCY ACT OF 2017

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1667) to amend title 11 of the United States Code in order to facilitate the resolution of an insolvent financial institution in bankruptcy, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1667

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Financial Institution Bankruptcy Act of 2017''.

SEC. 2. GENERAL PROVISIONS RELATING TO COVERED FINANCIAL CORPORATIONS.

(a) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting the following after paragraph (9):

''(9A) The term 'covered financial corporation' means any corporation incorporated or organized under any Federal or State law, other than a stockbroker, a commodity broker, or an entity of the kind specified in paragraph (2) or (3) of section 109(b), that is—

''(A) a bank holding company, as defined in section 2(a) of the Bank Holding Company Act of 1956; or

''(B) a corporation that exists for the primary purpose of owning, controlling and financing its subsidiaries, that has total consolidated assets of $50,000,000,000 or greater, and for which, in its most recently completed fiscal year—

''(i) annual gross revenues derived by the corporation and all of its subsidiaries from activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, from the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated annual gross revenues of the corporation; or

''(ii) the consolidated assets of the corporation and all of its subsidiaries related to activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, related to the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated assets of the corporation.''.

(b) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended by adding at the end the following:

''(l) Subchapter V of chapter 11 of this title applies only in a case under chapter 11 concerning a covered financial corporation.''.

(c) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking ''or'' at the end;

(B) in paragraph (3)(B), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(4) a covered financial corporation.''; and

(2) in subsection (d)—

(A) by striking ''and'' before ''an uninsured State member bank'';

(B) by striking ''or'' before ''a corporation''; and

(C) by inserting '', or a covered financial corporation'' after ''Federal Deposit Insurance Corporation Improvement Act of 1991''.

(d) CONVERSION TO CHAPTER 7.—Section 1112 of title 11, United States Code, is amended by adding at the end the following:

''(g) Notwithstanding section 109(b), the court may convert a case under subchapter V to a case under chapter 7 if—

''(1) a transfer approved under section 1185 has been consummated;

''(2) the court has ordered the appointment of a special trustee under section 1186; and

''(3) the court finds, after notice and a hearing, that conversion is in the best interest of the creditors and the estate.''.

(e)(1) Section 726(a)(1) of title 11, United States Code, is amended by inserting after ''first,'' the following: ''in payment of any unpaid fees, costs, and expenses of a special trustee appointed under section 1186, and then''.

(2) Section 1129(a) of title 11, United States Code, is amended by inserting after paragraph (16) the following:

''(17) In a case under subchapter V, all payable fees, costs, and expenses of the special trustee have been paid or the plan provides for the payment of all such fees, costs, and expenses on the effective date of the plan.

''(18) In a case under subchapter V, confirmation of the plan is not likely to cause serious adverse effects on financial stability in the United States.''.

(f) Section 322(b)(2) of title 11, United States Code, is amended by striking ''The'' and inserting ''In cases under subchapter V, the United States trustee shall recommend to the court, and in all other cases, the''.

SEC. 3. LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION.

Chapter 11 of title 11, United States Code, is amended by adding at the end the following:

''SUBCHAPTER V—LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION

''§ 1181. Inapplicability of other sections

''Sections 303 and 321(c) do not apply in a case under this subchapter concerning a covered financial corporation. Section 365 does not apply to a transfer under section 1185, 1187, or 1188.

''§ 1182. Definitions for this subchapter

''In this subchapter, the following definitions shall apply:

''(1) The term 'Board' means the Board of Governors of the Federal Reserve System.

''(2) The term 'bridge company' means a newly formed corporation to which property of the estate may be transferred under section 1185(a) and the equity securities of which may be transferred to a special trustee under section 1186(a).

''(3) The term 'capital structure debt' means all unsecured debt of the debtor for borrowed money for which the debtor is the primary obligor, other than a qualified financial contract and other than debt secured by a lien on property of the estate that is to be transferred to a bridge company pursuant to an order of the court under section 1185(a).

''(4) The term 'contractual right' means a contractual right of a kind defined in section 555, 556, 559, 560, or 561.

''(5) The term 'qualified financial contract' means any contract of a kind defined in paragraph (25), (38A), (47), or (53B) of section 101, section 741(7), or paragraph (4), (5), (11), or (13) of section 761.

''(6) The term 'special trustee' means the trustee of a trust formed under section 1186(a)(1).

''§ 1183. Commencement of a case concerning a covered financial corporation

''(a) A case under this subchapter concerning a covered financial corporation may be commenced by the filing of a petition with the court by the debtor under section 301 only if the debtor states to the best of its knowledge under penalty of perjury in the petition that it is a covered financial corporation.

''(b) The commencement of a case under subsection (a) constitutes an order for relief under this subchapter.

''(c) The members of the board of directors (or body performing similar functions) of a covered financial corporation shall have no liability to shareholders, creditors, or other parties in interest for a good faith filing of a petition to commence a case under this subchapter, or for any reasonable action taken in good faith in contemplation of such a petition or a transfer under section 1185 or section 1186, whether prior to or after commencement of the case.

''(d) Counsel to the debtor shall provide, to the greatest extent practicable without disclosing the identity of the potential debtor, sufficient confidential notice to the chief

judge of the court of appeals for the circuit embracing the district in which such counsel intends to file a petition to commence a case under this subchapter regarding the potential commencement of such case. The chief judge of such court shall randomly assign to preside over such case a bankruptcy judge selected from among the bankruptcy judges designated by the Chief Justice of the United States under section 298 of title 28.

"§ 1184. Regulators

''The Board, the Securities Exchange Commission, the Office of the Comptroller of the Currency of the Department of the Treasury, the Commodity Futures Trading Commission, and the Federal Deposit Insurance Corporation may raise and may appear and be heard on any issue in any case or proceeding under this subchapter.

"§ 1185. Special transfer of property of the estate

''(a) On request of the trustee, and after notice and a hearing that shall occur not less than 24 hours after the order for relief, the court may order a transfer under this section of property of the estate, and the assignment of executory contracts, unexpired leases, and qualified financial contracts of the debtor, to a bridge company. Upon the entry of an order approving such transfer, any property transferred, and any executory contracts, unexpired leases, and qualified financial contracts assigned under such order shall no longer be property of the estate. Except as provided under this section, the provisions of section 363 shall apply to a transfer and assignment under this section.

''(b) Unless the court orders otherwise, notice of a request for an order under subsection (a) shall consist of electronic or telephonic notice of not less than 24 hours to—

''(1) the debtor;

''(2) the holders of the 20 largest secured claims against the debtor;

''(3) the holders of the 20 largest unsecured claims against the debtor;

''(4) counterparties to any debt, executory contract, unexpired lease, and qualified financial contract requested to be transferred under this section;

''(5) the Board;

''(6) the Federal Deposit Insurance Corporation;

''(7) the Secretary of the Treasury and the Office of the Comptroller of the Currency of the Treasury;

''(8) the Commodity Futures Trading Commission;

''(9) the Securities and Exchange Commission;

''(10) the United States trustee or bankruptcy administrator; and

''(11) each primary financial regulatory agency, as defined in section 2(12) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, with respect to any affiliate the equity securities of which are proposed to be transferred under this section.

''(c) The court may not order a transfer under this section unless the court determines, based upon a preponderance of the evidence, that—

''(1) the transfer under this section is necessary to prevent serious adverse effects on financial stability in the United States;

''(2) the transfer does not provide for the assumption of any capital structure debt by the bridge company;

''(3) the transfer does not provide for the transfer to the bridge company of any property of the estate that is subject to a lien securing a debt, executory contract, unexpired lease or agreement (including a qualified financial contract) of the debtor unless—

''(A)(i) the bridge company assumes such debt, executory contract, unexpired lease or agreement (including a qualified financial contract), including any claims arising in respect thereof that would not be allowed secured claims under section 506(a)(1) and after giving effect to such transfer, such property remains subject to the lien securing such debt, executory contract, unexpired lease or agreement (including a qualified financial contract); and

''(ii) the court has determined that assumption of such debt, executory contract, unexpired lease or agreement (including a qualified financial contract) by the bridge company is in the best interests of the estate; or

''(B) such property is being transferred to the bridge company in accordance with the provisions of section 363;

''(4) the transfer does not provide for the assumption by the bridge company of any debt, executory contract, unexpired lease or agreement (including a qualified financial contract) of the debtor secured by a lien on property of the estate unless the transfer provides for such property to be transferred to the bridge company in accordance with paragraph (3)(A) of this subsection;

''(5) the transfer does not provide for the transfer of the equity of the debtor;

''(6) the trustee has demonstrated that the bridge company is not likely to fail to meet the obligations of any debt, executory contract, qualified financial contract, or unexpired lease assumed and assigned to the bridge company;

''(7) the transfer provides for the transfer to a special trustee all of the equity securities in the bridge company and appointment of a special trustee in accordance with section 1186;

''(8) after giving effect to the transfer, adequate provision has been made for the fees, costs, and expenses of the estate and special trustee; and

''(9) the bridge company will have governing documents, and initial directors and senior officers, that are in the best interest of creditors and the estate.

''(d) Immediately before a transfer under this section, the bridge company that is the recipient of the transfer shall—

''(1) not have any property, executory contracts, unexpired leases, qualified financial contracts, or debts, other than any property acquired or executory contracts, unexpired leases, or debts assumed when acting as a transferee of a transfer under this section; and

''(2) have equity securities that are property of the estate, which may be sold or distributed in accordance with this title.

"§ 1186. Special trustee

''(a)(1) An order approving a transfer under section 1185 shall require the trustee to transfer to a qualified and independent special trustee, who is appointed by the court, all of the equity securities in the bridge company that is the recipient of a transfer under section 1185 to hold in trust for the sole benefit of the estate, subject to satisfaction of the special trustee's fees, costs, and expenses. The trust of which the special trustee is the trustee shall be a newly formed trust governed by a trust agreement approved by the court as in the best interests of the estate, and shall exist for the sole purpose of holding and administering, and shall be permitted to dispose of, the equity securities of the bridge company in accordance with the trust agreement.

''(2) In connection with the hearing to approve a transfer under section 1185, the trustee shall confirm to the court that the Board has been consulted regarding the identity of the proposed special trustee and advise the court of the results of such consultation.

''(b) The trust agreement governing the trust shall provide—

''(1) for the payment of the fees, costs, expenses, and indemnities of the special trustee from the assets of the debtor's estate;

''(2) that the special trustee provide—

''(A) quarterly reporting to the estate, which shall be filed with the court; and

''(B) information about the bridge company reasonably requested by a party in interest to prepare a disclosure statement for a plan providing for distribution of any securities of the bridge company if such information is necessary to prepare such disclosure statement;

''(3) that for as long as the equity securities of the bridge company are held by the trust, the special trustee shall file a notice with the court in connection with—

''(A) any change in a director or senior officer of the bridge company;

''(B) any modification to the governing documents of the bridge company; and

''(C) any material corporate action of the bridge company, including—

''(i) recapitalization;

''(ii) a material borrowing;

''(iii) termination of an intercompany debt or guarantee;

''(iv) a transfer of a substantial portion of the assets of the bridge company; or

''(v) the issuance or sale of any securities of the bridge company;

''(4) that any sale of any equity securities of the bridge company shall not be consummated until the special trustee consults with the Federal Deposit Insurance Corporation and the Board regarding such sale and discloses the results of such consultation with the court;

''(5) that, subject to reserves for payments permitted under paragraph (1) provided for in the trust agreement, the proceeds of the sale of any equity securities of the bridge company by the special trustee be held in trust for the benefit of or transferred to the estate;

''(6) the process and guidelines for the replacement of the special trustee; and

''(7) that the property held in trust by the special trustee is subject to distribution in accordance with subsection (c).

''(c)(1) The special trustee shall distribute the assets held in trust—

''(A) if the court confirms a plan in the case, in accordance with the plan on the effective date of the plan; or

''(B) if the case is converted to a case under chapter 7, as ordered by the court.

''(2) As soon as practicable after a final distribution under paragraph (1), the office of the special trustee shall terminate, except as may be necessary to wind up and conclude the business and financial affairs of the trust.

''(d) After a transfer to the special trustee under this section, the special trustee shall be subject only to applicable nonbankruptcy law, and the actions and conduct of the special trustee shall no longer be subject to approval by the court in the case under this subchapter.

"§ 1187. Temporary and supplemental automatic stay; assumed debt

''(a)(1) A petition filed under section 1183 operates as a stay, applicable to all entities, of the termination, acceleration, or modification of any debt, contract, lease, or agreement of the kind described in paragraph (2), or of any right or obligation under any such debt, contract, lease, or agreement, solely because of—

''(A) a default by the debtor under any such debt, contract, lease, or agreement; or

''(B) a provision in such debt, contract, lease, or agreement, or in applicable nonbankruptcy law, that is conditioned on—

''(i) the insolvency or financial condition of the debtor at any time before the closing of the case;

''(ii) the commencement of a case under this title concerning the debtor;

''(iii) the appointment of or taking possession by a trustee in a case under this title concerning the debtor or by a custodian before the commencement of the case; or

''(iv) a credit rating agency rating, or absence or withdrawal of a credit rating agency rating—

''(I) of the debtor at any time after the commencement of the case;

''(II) of an affiliate during the period from the commencement of the case until 48 hours after such order is entered;

''(III) of the bridge company while the trustee or the special trustee is a direct or indirect beneficial holder of more than 50 percent of the equity securities of—

''(aa) the bridge company; or

''(bb) the affiliate, if all of the direct or indirect interests in the affiliate that are property of the estate are transferred under section 1185; or

''(IV) of an affiliate while the trustee or the special trustee is a direct or indirect beneficial holder of more than 50 percent of the equity securities of—

''(aa) the bridge company; or

''(bb) the affiliate, if all of the direct or indirect interests in the affiliate that are property of the estate are transferred under section 1185.

''(2) A debt, contract, lease, or agreement described in this paragraph is—

''(A) any debt (other than capital structure debt), executory contract, or unexpired lease of the debtor (other than a qualified financial contract);

''(B) any agreement under which the debtor issued or is obligated for debt (other than capital structure debt);

''(C) any debt, executory contract, or unexpired lease of an affiliate (other than a qualified financial contract); or

''(D) any agreement under which an affiliate issued or is obligated for debt.

''(3) The stay under this subsection terminates—

''(A) for the benefit of the debtor, upon the earliest of—

''(i) 48 hours after the commencement of the case;

''(ii) assumption of the debt, contract, lease, or agreement by the bridge company under an order authorizing a transfer under section 1185;

''(iii) a final order of the court denying the request for a transfer under section 1185; or

''(iv) the time the case is dismissed; and

''(B) for the benefit of an affiliate, upon the earliest of—

''(i) the entry of an order authorizing a transfer under section 1185 in which the direct or indirect interests in the affiliate that are property of the estate are not transferred under section 1185;

''(ii) a final order by the court denying the request for a transfer under section 1185;

''(iii) 48 hours after the commencement of the case if the court has not ordered a transfer under section 1185; or

''(iv) the time the case is dismissed.

''(4) Subsections (d), (e), (f), and (g) of section 362 apply to a stay under this subsection.

''(b) A debt, executory contract (other than a qualified financial contract), or unexpired lease of the debtor, or an agreement under which the debtor has issued or is obligated for any debt, may be assumed by a bridge company in a transfer under section 1185 notwithstanding any provision in an agreement or in applicable nonbankruptcy law that—

''(1) prohibits, restricts, or conditions the assignment of the debt, contract, lease, or agreement; or

''(2) accelerates, terminates, or modifies, or permits a party other than the debtor to terminate or modify, the debt, contract, lease, or agreement on account of—

''(A) the assignment of the debt, contract, lease, or agreement; or

''(B) a change in control of any party to the debt, contract, lease, or agreement.

''(c)(1) A debt, contract, lease, or agreement of the kind described in subparagraph (A) or (B) of subsection (a)(2) may not be accelerated, terminated, or modified, and any right or obligation under such debt, contract, lease, or agreement may not be accelerated, terminated, or modified, as to the bridge company solely because of a provision in the debt, contract, lease, or agreement or in applicable nonbankruptcy law—

''(A) of the kind described in subsection (a)(1)(B) as applied to the debtor;

''(B) that prohibits, restricts, or conditions the assignment of the debt, contract, lease, or agreement; or

''(C) that accelerates, terminates, or modifies, or permits a party other than the debtor to terminate or modify, the debt, contract, lease or agreement on account of—

''(i) the assignment of the debt, contract, lease, or agreement; or

''(ii) a change in control of any party to the debt, contract, lease, or agreement.

''(2) If there is a default by the debtor under a provision other than the kind described in paragraph (1) in a debt, contract, lease or agreement of the kind described in subparagraph (A) or (B) of subsection (a)(2), the bridge company may assume such debt, contract, lease, or agreement only if the bridge company—

''(A) shall cure the default;

''(B) compensates, or provides adequate assurance in connection with a transfer under section 1185 that the bridge company will promptly compensate, a party other than the debtor to the debt, contract, lease, or agreement, for any actual pecuniary loss to the party resulting from the default; and

''(C) provides adequate assurance in connection with a transfer under section 1185 of future performance under the debt, contract, lease, or agreement, as determined by the court under section 1185(c)(4).

''§ 1188. Treatment of qualified financial contracts and affiliate contracts

''(a) Notwithstanding sections 362(b)(6), 362(b)(7), 362(b)(17), 362(b)(27), 362(o), 555, 556, 559, 560, and 561, a petition filed under section 1183 operates as a stay, during the period specified in section 1187(a)(3)(A), applicable to all entities, of the exercise of a contractual right—

''(1) to cause the modification, liquidation, termination, or acceleration of a qualified financial contract of the debtor or an affiliate;

''(2) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with a qualified financial contract of the debtor or an affiliate; or

''(3) under any security agreement or arrangement or other credit enhancement forming a part of or related to a qualified financial contract of the debtor or an affiliate.

''(b)(1) During the period specified in section 1187(a)(3)(A), the trustee or the affiliate shall perform all payment and delivery obligations under such qualified financial contract of the debtor or the affiliate, as the case may be, that become due after the commencement of the case. The stay provided under subsection (a) terminates as to a qualified financial contract of the debtor or an affiliate immediately upon the failure of the trustee or the affiliate, as the case may be, to perform any such obligation during such period.

''(2) Any failure by a counterparty to any qualified financial contract of the debtor or any affiliate to perform any payment or delivery obligation under such qualified financial contract, including during the pendency of the stay provided under subsection (a), shall constitute a breach of such qualified financial contract by the counterparty.

''(c) Subject to the court's approval, a qualified financial contract between an entity and the debtor may be assigned to or assumed by the bridge company in a transfer under, and in accordance with, section 1185 if and only if—

''(1) all qualified financial contracts between the entity and the debtor are assigned to and assumed by the bridge company in the transfer under section 1185;

''(2) all claims of the entity against the debtor in respect of any qualified financial contract between the entity and the debtor (other than any claim that, under the terms of the qualified financial contract, is subordinated to the claims of general unsecured creditors) are assigned to and assumed by the bridge company;

''(3) all claims of the debtor against the entity under any qualified financial contract between the entity and the debtor are assigned to and assumed by the bridge company; and

''(4) all property securing or any other credit enhancement furnished by the debtor for any qualified financial contract described in paragraph (1) or any claim described in paragraph (2) or (3) under any qualified financial contract between the entity and the debtor is assigned to and assumed by the bridge company.

''(d) Notwithstanding any provision of a qualified financial contract or of applicable nonbankruptcy law, a qualified financial contract of the debtor that is assumed or assigned in a transfer under section 1185 may not be accelerated, terminated, or modified, after the entry of the order approving a transfer under section 1185, and any right or obligation under the qualified financial contract may not be accelerated, terminated, or modified, after the entry of the order approving a transfer under section 1185 solely because of a condition described in section 1187(c)(1), other than a condition of the kind specified in section 1187(b) that occurs after property of the estate no longer includes a direct beneficial interest or an indirect beneficial interest through the special trustee, in more than 50 percent of the equity securities of the bridge company.

''(e) Notwithstanding any provision of any agreement or in applicable nonbankruptcy law, an agreement of an affiliate (including an executory contract, an unexpired lease, qualified financial contract, or an agreement under which the affiliate issued or is obligated for debt) and any right or obligation under such agreement may not be accelerated, terminated, or modified, solely because of a condition described in section 1187(c)(1), other than a condition of the kind specified in section 1187(b) that occurs after the bridge company is no longer a direct or indirect beneficial holder of more than 50 percent of the equity securities of the affiliate, at any time after the commencement of the case if—

''(1) all direct or indirect interests in the affiliate that are property of the estate are transferred under section 1185 to the bridge company within the period specified in subsection (a);

''(2) the bridge company assumes—

''(A) any guarantee or other credit enhancement issued by the debtor relating to the agreement of the affiliate; and

''(B) any obligations in respect of rights of setoff, netting arrangement, or debt of the debtor that directly arises out of or directly relates to the guarantee or credit enhancement; and

''(3) any property of the estate that directly serves as collateral for the guarantee

or credit enhancement is transferred to the bridge company.

"§ 1189. Licenses, permits, and registrations

''(a) Notwithstanding any otherwise applicable nonbankruptcy law, if a request is made under section 1185 for a transfer of property of the estate, any Federal, State, or local license, permit, or registration that the debtor or an affiliate had immediately before the commencement of the case and that is proposed to be transferred under section 1185 may not be accelerated, terminated, or modified at any time after the request solely on account of—

''(1) the insolvency or financial condition of the debtor at any time before the closing of the case;

''(2) the commencement of a case under this title concerning the debtor;

''(3) the appointment of or taking possession by a trustee in a case under this title concerning the debtor or by a custodian before the commencement of the case; or

''(4) a transfer under section 1185.

''(b) Notwithstanding any otherwise applicable nonbankruptcy law, any Federal, State, or local license, permit, or registration that the debtor had immediately before the commencement of the case that is included in a transfer under section 1185 shall be valid and all rights and obligations thereunder shall vest in the bridge company.

"§ 1190. Exemption from securities laws

''For purposes of section 1145, a security of the bridge company shall be deemed to be a security of a successor to the debtor under a plan if the court approves the disclosure statement for the plan as providing adequate information (as defined in section 1125(a)) about the bridge company and the security.

"§ 1191. Inapplicability of certain avoiding powers

''A transfer made or an obligation incurred by the debtor to an affiliate prior to or after the commencement of the case, including any obligation released by the debtor or the estate to or for the benefit of an affiliate, in contemplation of or in connection with a transfer under section 1185 is not avoidable under section 544, 547, 548(a)(1)(B), or 549, or under any similar nonbankruptcy law.

"§ 1192. Consideration of financial stability

''The court may consider the effect that any decision in connection with this subchapter may have on financial stability in the United States.''.

SEC. 4. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) AMENDMENT TO CHAPTER 13.—Chapter 13 of title 28, United States Code, is amended by adding at the end the following:

"§ 298. Judge for a case under subchapter V of chapter 11 of title 11

''(a)(1) Notwithstanding section 295, the Chief Justice of the United States shall designate not fewer than 10 bankruptcy judges to be available to hear a case under subchapter V of chapter 11 of title 11. Bankruptcy judges may request to be considered by the Chief Justice of the United States for such designation.

''(2) Notwithstanding section 155, a case under subchapter V of chapter 11 of title 11 shall be heard under section 157 by a bankruptcy judge designated under paragraph (1), who shall be randomly assigned to hear such case by the chief judge of the court of appeals for the circuit embracing the district in which the case is pending. To the greatest extent practicable, the approvals required under section 155 should be obtained.

''(3) If the bankruptcy judge assigned to hear a case under paragraph (2) is not assigned to the district in which the case is pending, the bankruptcy judge shall be temporarily assigned to the district.

''(b) A case under subchapter V of chapter 11 of title 11, and all proceedings in the case, shall take place in the district in which the case is pending.

''(c) In this section, the term 'covered financial corporation' has the meaning given that term in section 101(9A) of title 11.''.

(b) AMENDMENT TO SECTION 1334 OF TITLE 28.—Section 1334 of title 28, United States Code, is amended by adding at the end the following:

''(f) This section does not grant jurisdiction to the district court after a transfer pursuant to an order under section 1185 of title 11 of any proceeding related to a special trustee appointed, or to a bridge company formed, in connection with a case under subchapter V of chapter 11 of title 11.''.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections of chapter 13 of title 28, United States Code, is amended by adding at the end the following:

''298. Judge for a case under subchapter V of chapter 11 of title 11.''.

(2) The table of subchapters of chapter 11 of title 11, United States Code, is amended by adding at the end the following:

''SUBCHAPTER V—LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION

''1181. Inapplicability of other sections.
''1182. Definitions for this subchapter.
''1183. Commencement of a case concerning a covered financial corporation.
''1184. Regulators.
''1185. Special transfer of property of the estate.
''1186. Special trustee.
''1187. Temporary and supplemental automatic stay; assumed debt.
''1188. Treatment of qualified financial contracts and affiliate contracts.
''1189. Licenses, permits, and registrations.
''1190. Exemption from securities laws.
''1191. Inapplicability of certain avoiding powers.
''1192. Consideration of financial stability.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Illinois (Mr. SCHNEIDER) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 1667, currently under consideration.

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

There was no objection.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

In 2008, our economy suffered one of the most significant financial crises in history. In the midst of the crisis and in response to a fear that some financial firms' failures could cause severe harm to the overall economy, the Federal Government provided extraordinary taxpayer-funded assistance in order to prevent certain financial firms' failures.

In the ensuing years, experts from the financial, regulatory, legal, and academic communities have examined how best to prevent another similar crisis from occurring and to eliminate the possibility of using taxpayer moneys to bail out failing firms.

The Judiciary Committee has advanced the review of this issue with the aim of crafting a solution that will better equip our bankruptcy laws to resolve failing firms, while also encouraging greater private counterparty diligence in order to reduce the likelihood of another financial crisis.

Among others things, this effort responded to provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act that called for an examination of how to improve the Bankruptcy Code in this area.

During the past two Congresses, the Judiciary Committee favorably reported the Financial Institution Bankruptcy Act, legislation that improved the Bankruptcy Code to better facilitate the resolution of financial firms.

That legislation was the culmination of a bipartisan process that solicited and incorporated the views of a wide range of leading experts and relevant regulators. In both instances, the bill passed the House by a voice vote under suspension of the rules.

This Congress, Chairman MARINO of the Subcommittee on Regulatory Reform, Commercial and Antitrust Law introduced the Financial Institution Bankruptcy Act as H.R. 1667. Following its introduction, the Subcommittee on Regulatory Reform, Commercial and Antitrust Law conducted a hearing on the bill. H.R. 1667 is identical to previous legislation, with one minor change to refine the director liability protection provision. Last week, the Judiciary Committee approved the legislation by a unanimous voice vote.

The bill before us today is the product of a careful, deliberate, and thorough process, and reflects a diverse range of views from a variety of interested parties.

The Financial Institution Bankruptcy Act makes several improvements to the Bankruptcy Code in order to enhance the prospect of an efficient resolution of a financial firm through the bankruptcy process.

The bill allows for a speedy transfer of the operating assets of a financial firm over the course of a weekend. This quick transfer allows the financial firm to continue to operate in the normal course, which preserves the value of the enterprise for the creditors of the bankruptcy without a significant impact on the firm's employees, suppliers, and customers.

The bill also requires expedited judicial review by a bankruptcy judge randomly chosen from a pool of judges designated in advance and selected by the Chief Justice for their experience, expertise, and willingness to preside over these complex cases. Furthermore, the legislation provides for key regulatory input throughout the process.

The Financial Institution Bankruptcy Act is a bipartisan, balanced approach that increases transparency and

predictability in the resolution of a financial firm. Furthermore, it ensures that shareholders and creditors, not taxpayers, bear the losses related to the failure of a financial company.

I would like to thank Chairman MARINO, who chaired the hearing on this legislation and who is the lead sponsor of the bill. I am also pleased that Ranking Member CONYERS and Subcommittee Ranking Member CICILLINE joined in introducing this important legislation. I want to thank them and their staff for their efforts in developing this bill.

I urge my colleagues to vote in favor of this important legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SCHNEIDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of H.R. 1677, Financial Institution Bankruptcy Act of 2017.

I commend Regulatory Reform, Commercial and Antitrust Law Chairman TOM MARINO and Ranking Member DAVID CICILLINE, as well as Judiciary Committee Chairman BOB GOODLATTE, for their leadership on this bill.

I support this legislation for several reasons. To begin with, H.R. 1667 addresses a real need recognized by regulatory agencies, bankruptcy experts, and the private sector that the bankruptcy law must be amended so that it can expeditiously restore trust in the financial marketplace as soon as possible after the collapse of a systemically significant financial institution.

This need is perhaps best illustrated by the collapse and subsequent bankruptcy of Lehman Brothers in 2008. As a result of that firm's failure and the rampant uncertainty it generated, a worldwide freeze on the availability of credit quickly developed. This, in turn, triggered a near collapse of our Nation's economy and clearly revealed that current bankruptcy law is ill-equipped to deal with complex financial institutions in acute economic distress.

H.R. 1667 would establish a specialized form of bankruptcy relief specifically designed to facilitate the expeditious resolution of a large, systemically significant financial institution, such as Lehman Brothers, while minimizing its impact on the financial marketplace.

Under the bill, the debtor's operating subsidiaries would continue to function outside of bankruptcy, while the debtor's principal assets, such as its secured property, financial contracts, and the stock of its subsidiaries, would be transferred to a temporary ''bridge company.''

The bridge company, under the guidance of a trustee, would then liquidate these assets to pay the claims of the debtor's creditors. The bill would also temporarily prevent parties from exercising their rights in certain qualified financial contracts.

Each critical step of this process would be done under the supervision of a bankruptcy judge and subject to appeal.

Another reason I support this bill is that it appropriately recognizes the important role the Dodd-Frank Act has in the regulation of large financial institutions. Without doubt, the Great Recession was a direct result of the regulatory environment at the time. Fortunately, the Dodd-Frank Act has done much toward reinvigorating a regulatory system that makes the financial marketplace more accountable and more resilient.

In particular, title II of the Dodd-Frank Act establishes a mandatory resolution process to wind down large financial institutions, which is a critical enforcement tool for bank regulators to ensure compliance with the act's heightened regulatory requirement.

H.R. 1667 is an excellent complement to the Dodd-Frank Act's resolution process and will help facilitate the rapid administration of a debtor's assets in an orderly fashion that maximizes value and minimizes disruption to the financial marketplace.

Accordingly, I support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MARINO), the chairman of the Regulatory Reform, Commercial and Antitrust Law Subcommittee and the chief sponsor of this legislation.

Mr. MARINO. Mr. Speaker, I thank Chairman GOODLATTE, Ranking Member CONYERS, and my current new ranking member, Mr. CICILLINE, for their work on this important legislation. I further thank my colleague across the aisle, Congressman SCHNEIDER from Illinois, for helping us manage this.

This is a bipartisan bill that is better for having gone through the regular legislative order. It was a pleasure to work with such knowledgeable and professional colleagues.

In the wake of the financial crisis of 2008, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act. That legislation was intended to address, among other things, the potential failure of large financial institutions.

While the Dodd-Frank Act created a regulatory process for such an event, the act states that the preferred method of resolution for a financial institution is through the bankruptcy process.

However, the Dodd-Frank Act did not make any amendments to the Bankruptcy Code to account for the unique characteristics of a financial institution. The legislation before us today fills that void.

The Financial Institution Bankruptcy Act is the product of years of study by industry, legal, and financial regulatory experts. It is also the result of bipartisan review over the course of four separate hearings before the Judiciary Committee.

The legislation includes several provisions that improve the ability of a financial institution to be resolved through the bankruptcy process. It allows for a speedy transfer of a financial firm's assets to a newly formed company. That company would continue the firm's operations for the benefit of its customers, employees, and creditors, and ensure the financial stability of the marketplace.

This quick transfer is overseen by and subject to the approval of an experienced bankruptcy judge, and includes due process protections for parties in interest.

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The bill also creates an explicit role in the bankruptcy process for the key financial regulators. In addition, there are provisions that facilitate the transfer of derivative and similarly structured contracts to the newly formed company. This will improve the ability of the company to continue the financial institution's operations.

Finally, the legislation recognizes the factually and legally complicated questions presented by the resolution of a financial institution. To that end, the bill provides that specialized bankruptcy and appellate judges will be designated in advance to preside over these cases.

The bankruptcy process has long been favored as the primary mechanism for dealing with distressed and failing companies. This is due to its impartial nature, adherence to established precedent, judicial oversight, and grounding in the principles of due process and the rule of law. We are here today as part of an effort to structure a bankruptcy process that is better equipped to deal with the specific issues raised by failing financial firms.

I want to stress again the bipartisan support that went through this process—at the subcommittee level and at the full Committee on the Judiciary level chaired by Chairman GOODLATTE, my colleague on the other side of the aisle who is helping us manage this and the individuals in this House who realized what had to be done to protect the law abiding citizens of this country from a financial disaster.

As a sponsor of the bill, I urge my colleagues to vote in favor of this important legislation.

Mr. SCHNEIDER. Mr. Speaker, I yield myself the balance of my time.

I am pleased to note that H.R. 1667 is the product, indeed, of a very collaborative, inclusive, and deliberative process, which should be the norm, not the exception, when it comes to drafting legislation. It reflects thoughtful suggestions offered by Federal regulators and the Federal judiciary as well as leading bankruptcy practitioners and academics.

I support H.R. 1667, and I urge my colleagues to do the same.

Mr. Speaker, I yield back the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself the balance of my time.

The Financial Institution Bankruptcy Act is a necessary reform to ensure that taxpayers will not be called on to rescue the next failing financial firm. The legislation relies on longstanding bankruptcy principles that will be applied in a predictable and transparent manner. The Financial Institution Bankruptcy Act is a bipartisan measure that enjoys broad support from outside experts, and I urge my colleagues to vote in favor of this important reform.

Mr. Speaker, I yield back the balance of my time.

Mr. CICILLINE. Mr. Speaker, I rise in support of H.R. 1667, the ''Financial Institution Bankruptcy Act of 2017.''

In 2008, the United States economy nearly collapsed as a direct result of lending practices in the housing market that were predatory, unsafe, and in many cases fraudulent.

Investments in toxic securities created a cycle of failure in the housing market: the declining health of the market undermined the value of these securities, which, in turn, devastated the housing market and caused the failure of several of the nation's largest financial institutions.

With the financial system in near collapse, large financial institutions were essentially able to ''blackmail'' the government because these banks were so large that there was no way to break them apart, as then-FDIC Chair Sheila Bair testified in 2009.

Although the true hardship caused by this widespread fraud is incalculable, we do know that it erased $10 trillion of household wealth and caused 8 million Americans to lose their jobs and 5 million Americans to lose their homes.

Rhode Island, my home state, was hit particularly hard by the recession. When I took office, the unemployment rate in Rhode Island hovered at 11.2%, the fifth highest in the country.

In the wake of this economic disaster, the Dodd-Frank Act was enacted to comprehensively reform the financial system.

Because of this law—which includes some of the strongest consumer protections passed since the Great Depression—the banking system is stronger; there is more transparency in consumer lending; and the Consumer Financial Protection Bureau (CFPB) continues to serve as an important watchdog to protect Americans against predatory lending and fraud in the financial system.

Title I of Dodd-Frank provides stability in markets by requiring large financial institutions to have a ''living will'' to serve as a plan for the ''rapid and orderly resolution in the event of material financial distress or failure.''

Title II ends taxpayer bailouts of banks that are too big to fail by providing financial regulators with orderly liquidation authority where a bank's collapse ''would have serious adverse effects on financial stability in the United States'' and ''no viable private sector alternative is available.'' This process expressly requires a finding by the Secretary of the Treasury that the bankruptcy process would not be appropriate to resolve a distressed firm.

Leading commentators agree, however, that the U.S. bankruptcy process is not designed to accommodate the orderly resolution of a large financial institution that poses systemic risk to the entire economy.

H.R. 1667, the Financial Institution Bankruptcy Act,'' addresses this concern by establishing a ''single point of entry'' for the resolution of an insolvent financial institution with assets exceeding $50 billion. The goal of the bill is to establish a process where a distressed financial institution could voluntarily seek bankruptcy relief while its subsidiaries continue to operate.

But while I support H.R. 1667 and am an original cosponsor of this bill, make no mistake: I will strongly oppose any effort to combine this measure with a repeal of the Dodd-Frank Act, or any part of this law for that matter.

Since this law was enacted, the economic recovery has led to the creation of more than 15 million private sector jobs, a 60% increase in business lending, and record performance by the Dow Jones Industrial Average.

It is critical that we build on this progress through education, training, and other initiatives to promote economic opportunity. Too many Americans are still unemployed or working two or even three jobs just to get by while Wall Street has never been better.

We must also preserve and advance the protections established by the Dodd-Frank Act to ensure transparency and stability in the financial system while protecting consumers.

The National Bankruptcy Conference agrees with this assessment, and has previously instructed that the Dodd-Frank Act should ''continue to be available even if the Bankruptcy Code is amended to better address the resolution of SIFIs because the ability of U.S. regulators to assume full control of the resolution process to elicit the cooperation from non-U.S. regulators is an essential insurance policy against systemic risk and potential conflict and dysfunction among the multinational components of SIFIs.''

Moreover, should this legislation become law, Dodd-Frank provides a valuable backstop to bankruptcy through its Orderly Liquidation Authority, which empowers the Federal Deposit Insurance Corporation (FDIC) to act as a receiver for large financial institutions that are ''too big to fail.''

I urge my colleagues to support this legislation.

The SPEAKER pro tempore (Mr. JENKINS of West Virginia). The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 1667, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, proceedings will resume on questions previously postponed.

Votes will be taken in the following order:

Ordering the previous question on House Resolution 242; and adopting House Resolution 242, if ordered.

The first electronic vote will be conducted as a 15-minute vote. The second electronic vote will be conducted as a 5-minute vote.

PROVIDING FOR CONSIDERATION OF H.R. 1219, SUPPORTING AMERICA'S INNOVATORS ACT OF 2017, AND PROVIDING FOR PROCEEDINGS DURING THE PERIOD FROM APRIL 7, 2017, THROUGH APRIL 24, 2017

The SPEAKER pro tempore. The unfinished business is the vote on ordering the previous question on the resolution (H. Res. 242) providing for consideration of the bill (H.R. 1219) to amend the Investment Company Act of 1940 to expand the investor limitation for qualifying venture capital funds under an exemption from the definition of an investment company, and providing for proceedings during the period from April 7, 2017, through April 24, 2017, on which the yeas and nays were ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The vote was taken by electronic device, and there were—yeas 231, nays 182, not voting 16, as follows:

[Roll No. 217]

YEAS—231

Abraham	Dent	Johnson (OH)
Aderholt	DeSantis	Johnson, Sam
Allen	DesJarlais	Jordan
Amash	Diaz-Balart	Joyce (OH)
Amodei	Donovan	Katko
Arrington	Duffy	Kelly (MS)
Babin	Duncan (SC)	Kelly (PA)
Bacon	Duncan (TN)	King (IA)
Banks (IN)	Dunn	Kinzinger
Barletta	Emmer	Knight
Barr	Farenthold	Kustoff (TN)
Barton	Faso	Labrador
Bergman	Ferguson	LaHood
Biggs	Fitzpatrick	LaMalfa
Bilirakis	Fleischmann	Lamborn
Bishop (MI)	Flores	Lance
Bishop (UT)	Fortenberry	Latta
Black	Foxx	Lewis (MN)
Blackburn	Franks (AZ)	LoBiondo
Blum	Frelinghuysen	Long
Bost	Gaetz	Loudermilk
Brady (TX)	Gallagher	Love
Brat	Garrett	Lucas
Brooks (AL)	Gibbs	Luetkemeyer
Brooks (IN)	Gohmert	MacArthur
Buchanan	Goodlatte	Marchant
Buck	Gosar	Marino
Bucshon	Gowdy	Marshall
Budd	Granger	Massie
Burgess	Graves (GA)	Mast
Byrne	Graves (LA)	McCarthy
Calvert	Graves (MO)	McCaul
Carter (GA)	Griffith	McClintock
Carter (TX)	Grothman	McHenry
Chabot	Guthrie	McKinley
Chaffetz	Harper	McMorris Rodgers
Cheney	Harris	McSally
Coffman	Hartzler	Meadows
Cole	Hensarling	Meehan
Collins (GA)	Herrera Beutler	Messer
Collins (NY)	Hice, Jody B.	Mitchell
Comer	Higgins (LA)	Moolenaar
Comstock	Hill	Mooney (WV)
Conaway	Holding	Mullin
Cook	Hollingsworth	Murphy (PA)
Costello (PA)	Hudson	Newhouse
Cramer	Huizenga	Noem
Crawford	Hultgren	Nunes
Culberson	Hurd	Olson
Curbelo (FL)	Issa	Palazzo
Davidson	Jenkins (KS)	Palmer
Davis, Rodney	Jenkins (WV)	Paulsen
Denham	Johnson (LA)	