

- (i) any legal or other professional expense incurred in connection with any claim, proceeding, or action;
- (ii) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and
- (iii) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

(C) Payment

The term “payment” includes—

- (i) any direct or indirect transfer of any funds or any asset; and
- (ii) any segregation of any funds or assets for the purpose of making, or pursuant to an agreement to make, any payment after the date on which such funds or assets are segregated, without regard to whether the obligation to make such payment is contingent on—
 - (I) the determination, after such date, of the liability for the payment of such amount; or
 - (II) the liquidation, after such date, of the amount of such payment.

(6) Certain commercial insurance coverage not treated as covered benefit payment

No provision of this subsection shall be construed as prohibiting any regulated entity from purchasing any commercial insurance policy or fidelity bond, except that, subject to any requirement described in paragraph (5)(A)(iii), such insurance policy or bond shall not cover any legal or liability expense of the regulated entity which is described in paragraph (5)(A).

(Pub. L. 102-550, title XIII, § 1318, Oct. 28, 1992, 106 Stat. 3949; Pub. L. 110-289, div. A, title I, §§ 1113(a), 1114, July 30, 2008, 122 Stat. 2678, 2679.)

Editorial Notes**AMENDMENTS**

2008—Pub. L. 110-289, § 1113(a)(1), substituted “and withholding of executive” for “of excessive” in section catchline.

Subsec. (a). Pub. L. 110-289, § 1113(a)(2), substituted “regulated entity” for “enterprise” and “regulated entities” for “enterprises”.

Subsecs. (b) to (d). Pub. L. 110-289, § 1113(a)(3), (4), added subsecs. (b) and (c) and redesignated former subsec. (b) as (d).

Subsec. (e). Pub. L. 110-289, § 1114, added subsec. (e).

Statutory Notes and Related Subsidiaries**EQUITY IN GOVERNMENT COMPENSATION**

Pub. L. 114-93, Nov. 25, 2015, 129 Stat. 1310, provided that:

“SECTION 1. SHORT TITLE.

“This Act may be cited as the ‘Equity in Government Compensation Act of 2015’.

“SEC. 2. DEFINITIONS.

“In this Act:

“(1) DIRECTOR.—The term ‘Director’ means the Director of the Federal Housing Finance Agency.

“(2) ENTERPRISE.—The term ‘enterprise’ means—

“(A) the Federal National Mortgage Association and any affiliate thereof; and

“(B) the Federal Home Loan Mortgage Corporation and any affiliate thereof.

“SEC. 3. REASONABLE PAY FOR CHIEF EXECUTIVE OFFICERS.

“(a) SUSPENSION OF CURRENT COMPENSATION PACKAGE AND LIMITATION.—The Director shall suspend the compensation packages approved for 2015 for the chief executive officers of each enterprise and, in lieu of such packages, subject to the limitation under subsection (b), establish the compensation and benefits for each such chief executive officer at the same level in effect for such officer as of January 1, 2015, and such compensation and benefits may not thereafter be increased.

“(b) LIMITATION ON BONUSES.—Subsection (a) shall not be construed to affect the applicability of section 16 of the STOCK Act (12 U.S.C. 4518a) to the chief executive officer of each enterprise.

“(c) APPLICABILITY.—Subsection (a) shall only apply to a chief executive officer of an enterprise if the enterprise is in conservatorship or receivership pursuant to section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617).

“SEC. 4. FANNIE AND FREDDIE CHIEF EXECUTIVE OFFICERS NOT FEDERAL EMPLOYEES.

“Any chief executive officer affected by any provision under section 3 shall not be considered a Federal employee.”

§ 4518a. Limitation on bonuses to executives of Fannie Mae and Freddie Mac

Notwithstanding any other provision in law, senior executives at the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation are prohibited from receiving bonuses during any period of conservatorship for those entities on or after April 4, 2012.

(Pub. L. 112-105, § 16, Apr. 4, 2012, 126 Stat. 303.)

Editorial Notes**CODIFICATION**

Section was enacted as part of the Representative Louise McIntosh Slaughter Stop Trading on Congressional Knowledge Act, also known as the STOCK Act, and not as part of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 which comprises this chapter.

§ 4519. Authority to provide for review of regulated entities

The Director may, on such terms and conditions as the Director deems appropriate, contract with any entity to conduct a review of the regulated entities.

(Pub. L. 102-550, title XIII, § 1319, Oct. 28, 1992, 106 Stat. 3950; Pub. L. 109-291, § 4(b)(4), Sept. 29, 2006, 120 Stat. 1337; Pub. L. 110-289, div. A, title I, § 1105(d), July 30, 2008, 122 Stat. 2668; Pub. L. 111-203, title IX, § 939(b), July 21, 2010, 124 Stat. 1886.)

Editorial Notes**AMENDMENTS**

2010—Pub. L. 111-203 struck out “that is a nationally recognized statistical rating organization, as such term is defined in section 78c(a) of title 15,” after “entity”.

2008—Pub. L. 110-289 substituted “regulated entities” for “enterprises by rating organization” in section catchline and “regulated entities” for “enterprises” in text.

2006—Pub. L. 109-291 substituted “that is a nationally recognized statistical rating organization, as such term is defined in section 78c(a) of title 15” for “effectively

recognized by the Division of Market Regulation of the Securities and Exchange Commission as a nationally recognized statistical rating organization for the purposes of the capital rules for broker-dealers”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by Pub. L. 111-203 effective 2 years after July 21, 2010, see section 939(g) of Pub. L. 111-203, set out as a note under section 24a of this title.

§ 4520. Minority and women inclusion; diversity requirements

(a) Office of Minority and Women Inclusion

Each regulated entity shall establish an Office of Minority and Women Inclusion, or designate an office of the entity, that shall be responsible for carrying out this section and all matters of the entity relating to diversity in management, employment, and business activities in accordance with such standards and requirements as the Director shall establish.

(b) Inclusion in all levels of business activities

Each regulated entity shall develop and implement standards and procedures to ensure, to the maximum extent possible, the inclusion and utilization of minorities (as such term is defined in section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note)) and women, and minority- and women-owned businesses (as such terms are defined in section 1441a(r)(4)¹ of this title) (including financial institutions, investment banking firms, mortgage banking firms, asset management firms, broker-dealers, financial services firms, underwriters, accountants, brokers, investment consultants, and providers of legal services) in all business and activities of the regulated entity at all levels, including in procurement, insurance, and all types of contracts (including contracts for the issuance or guarantee of any debt, equity, or mortgage-related securities, the management of its mortgage and securities portfolios, the making of its equity investments, the purchase, sale and servicing of single- and multi-family mortgage loans, and the implementation of its affordable housing program and initiatives). The processes established by each regulated entity for review and evaluation for contract proposals and to hire service providers shall include a component that gives consideration to the diversity of the applicant.

(c) Applicability

This section shall apply to all contracts of a regulated entity for services of any kind, including services that require the services of investment banking, asset management entities, broker-dealers, financial services entities, underwriters, accountants, investment consultants, and providers of legal services.

(d) Inclusion in annual reports

Each regulated entity shall include, in the annual report submitted by the entity to the Director pursuant to section 1723a(k) of this title, section 1456(c) of this title, and section 1440 of

this title, as applicable, detailed information describing the actions taken by the entity pursuant to this section, which shall include a statement of the total amounts paid by the entity to third party contractors since the last such report and the percentage of such amounts paid to businesses described in subsection (b) of this section.

(e) Outreach

Each regulated entity shall establish a minority outreach program to ensure the inclusion (to the maximum extent possible) in contracts entered into by the enterprises of minorities and women and businesses owned by minorities and women, including financial institutions, investment banking firms, underwriters, accountants, brokers, and providers of legal services.

(f) Diversity in Agency workforce

The Agency shall take affirmative steps to seek diversity in its workforce at all levels of the agency consistent with the demographic diversity of the United States, which shall include—

(1) heavily recruiting at historically Black colleges and universities, Hispanic-serving institutions, women’s colleges, and colleges that typically serve majority minority populations;

(2) sponsoring and recruiting at job fairs in urban communities, and placing employment advertisements in newspapers and magazines oriented toward women and people of color;

(3) partnering with organizations that are focused on developing opportunities for minorities and women to place talented young minorities and women in industry internships, summer employment, and full-time positions; and

(4) where feasible, partnering with inner-city high schools, girls’ high schools, and high schools with majority minority populations to establish or enhance financial literacy programs and provide mentoring.

(Pub. L. 102-550, title XIII, § 1319A, Oct. 28, 1992, 106 Stat. 3950; Pub. L. 110-289, div. A, title I, §§ 1116, 1161(a)(2), July 30, 2008, 122 Stat. 2681, 2779.)

Editorial Notes

REFERENCES IN TEXT

Section 1204(c) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, referred to in subsec. (b), is section 1204(c) of Pub. L. 101-73, which is set out as a note under section 1811 of this title.

Section 1441a(r)(4) of this title, referred to in subsec. (b), was repealed by Pub. L. 111-203, title III, § 364(b), July 21, 2010, 124 Stat. 1555.

AMENDMENTS

2008—Pub. L. 110-289, § 1116(1), substituted “Minority and women inclusion; diversity requirements” for “Equal opportunity in solicitation of contracts” in section catchline.

Subsec. (a). Pub. L. 110-289, § 1161(a)(2)(A), which directed amendment of this section by striking out subsec. (a) designation and “In general” in subsec. (a) heading, could not be executed because of the prior amendment by Pub. L. 110-289, § 1116(2), (4). See below.

Pub. L. 110-289, § 1116(2), (4), added subsec. (a) and redesignated former subsec. (a) as (e).

Subsec. (b). Pub. L. 110-289, § 1161(a)(2)(B), which directed the striking out of subsec. (b), was not executed

¹ See References in Text note below.