

109TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

\_\_\_\_\_ introduced the following bill; which was read twice  
and referred to the Committee on \_\_\_\_\_

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**A BILL**

To provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Financial Services Regulatory Relief Act of 2006”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BROKER RELIEF

Sec. 101. Rulemaking required for revised definition of broker in the Securities Exchange Act of 1934.

TITLE II—MONETARY POLICY PROVISIONS

## 2

- Sec. 201. Authorization for the Federal reserve to pay interest on reserves.
- Sec. 202. Increased flexibility for the Federal Reserve Board to establish reserve requirements.

## TITLE III—NATIONAL BANK PROVISIONS

- Sec. 301. Voting in shareholder elections.
- Sec. 302. Simplifying dividend calculations for national banks.
- Sec. 303. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.
- Sec. 304. Repeal of obsolete provision in the Revised Statutes.

## TITLE IV—SAVINGS ASSOCIATION PROVISIONS

- Sec. 401. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.
- Sec. 402. Repeal of overlapping rules governing purchased mortgage servicing rights.
- Sec. 403. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.
- Sec. 404. Repeal of limitation on loans to one borrower.

## TITLE V—CREDIT UNION PROVISIONS

- Sec. 501. Leases of land on Federal facilities for credit unions.
- Sec. 502. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.
- Sec. 503. Check cashing and money transfer services offered within the field of membership.
- Sec. 504. Clarification of definition of net worth under certain circumstances for purposes of prompt corrective action.

## TITLE VI—DEPOSITORY INSTITUTION PROVISIONS

- Sec. 601. Reporting requirements relating to insider lending.
- Sec. 602. Investments by insured savings associations in bank service companies authorized.
- Sec. 603. Authorization for member bank to use pass-through reserve accounts.
- Sec. 604. Streamlining reports of condition.
- Sec. 605. Expansion of eligibility for 18-month examination schedule for community banks.
- Sec. 606. Streamlining depository institution merger application requirements.
- Sec. 607. Nonwaiver of privileges.
- Sec. 608. Clarification of application requirements for optional conversion for Federal savings associations.
- Sec. 609. Exemption from disclosure of privacy policy for accounting firms.
- Sec. 610. Inflation adjustment for the small depository institution exception under the depository institution management interlocks act.
- Sec. 611. Modification to cross marketing restrictions.

## TITLE VII—BANKING AGENCY PROVISIONS

- Sec. 701. Statute of limitations for judicial review of appointment of a receiver for depository institutions.
- Sec. 702. Enhancing the safety and soundness of insured depository institutions.
- Sec. 703. Cross guarantee authority.

- Sec. 704. Golden parachute authority and nonbank holding companies.
- Sec. 705. Amendments relating to change in bank control.
- Sec. 706. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.
- Sec. 707. Interagency data sharing.
- Sec. 708. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.
- Sec. 709. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.
- Sec. 710. Prohibition on participation by convicted individuals.
- Sec. 711. Coordination of State examination authority.
- Sec. 712. Deputy Director; succession authority for Director of the Office of Thrift Supervision.
- Sec. 713. Office of Thrift Supervision representation on Basel Committee on Banking Supervision.
- Sec. 714. Federal Financial Institutions Examination Council.
- Sec. 715. Technical amendments relating to insured institutions.
- Sec. 716. Clarification of enforcement authority.
- Sec. 717. Federal banking agency authority to enforce deposit insurance conditions.
- Sec. 718. Receiver or conservator consent requirement.
- Sec. 719. Acquisition of FICO scores.
- Sec. 720. Elimination of criminal indictments against receiverships.
- Sec. 721. Resolution of deposit insurance disputes.
- Sec. 722. Recordkeeping.
- Sec. 723. Preservation of records.
- Sec. 724. Technical amendments to information sharing provision in the Federal Deposit Insurance Act.
- Sec. 725. Technical and conforming amendments relating to banks operating under the Code of Law for the District of Columbia.
- Sec. 726. Technical corrections to the Federal Credit Union Act.
- Sec. 727. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.
- Sec. 728. Development of model privacy forms.

#### TITLE VIII—FAIR DEBT COLLECTION PRACTICES ACT AMENDMENTS

- Sec. 801. Exception for certain bad check enforcement programs.

#### TITLE IX—CASH MANAGEMENT MODERNIZATION

- Sec. 901. Collateral modernization.

#### TITLE X—STUDIES AND REPORTS

- Sec. 1001. Study and report by the Comptroller General on the currency transaction report filing system.
- Sec. 1002. Study and report on institution diversity and consolidation.

1           **TITLE I—BROKER RELIEF**

2   **SEC. 101. RULEMAKING REQUIRED FOR REVISED DEFINI-**  
3                   **TION OF BROKER IN THE SECURITIES EX-**  
4                   **CHANGE ACT OF 1934.**

5           (a) FINAL RULES REQUIRED.—

6                   (1) AMENDMENT TO SECURITIES ACT.—Section  
7           3(a)(4) of the Securities Exchange Act of 1934 (15  
8           U.S.C. 78c(a)(4)) is amended by adding at the end  
9           the following:

10                           “(F) RULEMAKING REQUIRED.—The Com-  
11                           mission shall, by rule, further define the term  
12                           ‘broker’ for purposes of this paragraph.”.

13                   (2) TIMING.—Not later than 180 days after the  
14           date of enactment of this Act, the Securities and Ex-  
15           change Commission (in this section referred to as  
16           the “Commission”) shall issue proposed rules to de-  
17           fine the term “broker” in accordance with section  
18           3(a)(4)(F) of the Securities Exchange Act of 1934,  
19           as added by this subsection.

20                   (3) RULEMAKING SUPERCEDES PREVIOUS  
21           RULEMAKING.—A rule issued in accordance with  
22           this section shall supercede any other rule issued by  
23           the Commission with regard to the definition of a  
24           broker under section 3(a)(4) of the Securities Ex-  
25           change Act of 1934, on or after the effective date of

1 section 201 of the Gramm-Leach-Bliley Act, and no  
2 such other rule, whether or not issued in final form,  
3 shall have any force or effect on or after the effective  
4 date of that section 201.

5 (b) CONSULTATION.—Prior to issuing the final rule  
6 required by this section, the Commission shall consult with  
7 and seek the concurrence of the Federal banking agencies  
8 concerning the content of such rulemaking in imple-  
9 menting section 3(a)(4) of the Securities Exchange Act  
10 of 1934, as amended by this section and section 201 of  
11 the Gramm-Leach-Bliley Act.

12 (c) AGENCY OBJECTIONS TO COMMISSION RULE.—

13 (1) FILING OF PETITION FOR REVIEW.—

14 (A) IN GENERAL.—Any Federal banking  
15 agency may obtain review of any final rule  
16 issued under this section in the United States  
17 Court of Appeals for the District of Columbia  
18 Circuit by filing in such court, not later than 60  
19 days after the date of publication of the final  
20 rule, a written petition requesting that the rule  
21 be set aside.

22 (B) EXPEDITED PROCESS.—Any pro-  
23 ceeding to challenge such a rule commenced  
24 under subparagraph (A) shall be expedited by  
25 the Court of Appeals.

1           (2) TRANSMITTAL OF PETITION AND  
2 RECORD.—

3           (A) SUBMISSION TO CLERK.—A copy of a  
4 petition described in paragraph (1) shall be  
5 transmitted as soon as possible by the Clerk of  
6 the Court to an officer or employee of the Com-  
7 mission designated for that purpose.

8           (B) FILING OF PETITION.—Upon receipt  
9 of a petition under subparagraph (A), the Com-  
10 mission shall file with the court the rule under  
11 review and any documents referred to therein,  
12 and any other relevant materials prescribed by  
13 the court.

14          (3) EXCLUSIVE JURISDICTION.—On the date of  
15 the filing of a petition under paragraph (1), the  
16 court has jurisdiction, which becomes exclusive on  
17 the filing of the materials set forth in paragraph (2),  
18 to affirm and enforce or to set aside the rule at  
19 issue.

20          (4) STANDARD OF REVIEW.—The court shall  
21 determine to affirm and enforce or set aside a rule  
22 of the Commission under this subsection, based on  
23 the determination of the court as to whether the rule  
24 is consistent with the purposes and language of sec-  
25 tion 3(a)(4) of the Securities Exchange Act of 1934,

1 as amended by section 201 of the Gramm-Leach-Bliley  
2 Act, and appropriate in light of the history, pur-  
3 pose, and extent of the rule under the Federal secu-  
4 rities laws and the Federal banking laws, giving def-  
5 erence neither to the views of the Commission nor  
6 of the Federal banking agencies.

7 (5) JUDICIAL STAY.—The filing of a petition by  
8 a Federal banking agency under paragraph (1) shall  
9 operate as a judicial stay, until the date on which  
10 the determination of the court is final (including any  
11 appeal of such determination).

12 (d) DEFINITION.—For purposes of this section, the  
13 term “Federal banking agencies” means the Board of  
14 Governors of the Federal Reserve System, the Office of  
15 the Comptroller of the Currency, the Office of Thrift Su-  
16 pervision, and the Federal Deposit Insurance Corporation.

## 17 **TITLE II—MONETARY POLICY**

### 18 **PROVISIONS**

#### 19 **SEC. 201. AUTHORIZATION FOR THE FEDERAL RESERVE TO**

#### 20 **PAY INTEREST ON RESERVES.**

21 (a) IN GENERAL.—Section 19(b) of the Federal Re-  
22 serve Act (12 U.S.C. 461(b)) is amended by adding at  
23 the end the following:

24 “(12) EARNINGS ON BALANCES.—

1           “(A) IN GENERAL.—Balances maintained  
2           at a Federal Reserve bank by or on behalf of  
3           a depository institution may receive earnings to  
4           be paid by the Federal Reserve bank at least  
5           once each calendar quarter, at a rate or rates  
6           not to exceed the general level of short-term in-  
7           terest rates.

8           “(B) REGULATIONS RELATING TO PAY-  
9           MENTS AND DISTRIBUTIONS.—The Board may  
10          prescribe regulations concerning—

11                 “(i) the payment of earnings in ac-  
12                 cordance with this paragraph;

13                 “(ii) the distribution of such earnings  
14                 to the depository institutions which main-  
15                 tain balances at such banks, or on whose  
16                 behalf such balances are maintained; and

17                 “(iii) the responsibilities of depository  
18                 institutions, Federal Home Loan Banks,  
19                 and the National Credit Union Administra-  
20                 tion Central Liquidity Facility with respect  
21                 to the crediting and distribution of earn-  
22                 ings attributable to balances maintained,  
23                 in accordance with subsection (c)(1)(A), in  
24                 a Federal Reserve bank by any such entity  
25                 on behalf of depository institutions.

1           “(C) DEPOSITORY INSTITUTIONS DE-  
2           FINED.—For purposes of this paragraph, the  
3           term ‘depository institution’, in addition to the  
4           institutions described in paragraph (1)(A), in-  
5           cludes any trust company, corporation orga-  
6           nized under section 25A or having an agree-  
7           ment with the Board under section 25, or any  
8           branch or agency of a foreign bank (as defined  
9           in section 1(b) of the International Banking Act  
10          of 1978).”.

11          (b) CONFORMING AMENDMENT.—Section 19 of the  
12          Federal Reserve Act (12 U.S.C. 461) is amended—

13                 (1) in subsection (b)(4)—

14                         (A) by striking subparagraph (C); and

15                         (B) by redesignating subparagraphs (D)  
16                         and (E) as subparagraphs (C) and (D), respec-  
17                         tively; and

18                 (2) in subsection (c)(1)(A), by striking “sub-  
19                 section (b)(4)(C)” and inserting “subsection (b)”.

20          **SEC. 202. INCREASED FLEXIBILITY FOR THE FEDERAL RE-**  
21                         **SERVE BOARD TO ESTABLISH RESERVE RE-**  
22                         **QUIREMENTS.**

23          Section 19(b)(2)(A) of the Federal Reserve Act (12  
24          U.S.C. 461(b)(2)(A)) is amended—

1 (1) in clause (i), by striking “the ratio of 3 per  
2 centum” and inserting “a ratio of not greater than  
3 3 percent (and which may be zero)”; and

4 (2) in clause (ii), by striking “and not less than  
5 8 per centum,” and inserting “(and which may be  
6 zero),”.

## 7 **TITLE III—NATIONAL BANK** 8 **PROVISIONS**

### 9 **SEC. 301. VOTING IN SHAREHOLDER ELECTIONS.**

10 Section 5144 of the Revised Statutes of the United  
11 States (12 U.S.C. 61) is amended—

12 (1) by striking “or to cumulate” and inserting  
13 “or, if so provided by the articles of association of  
14 the national bank, to cumulate”; and

15 (2) by striking the comma after “his shares  
16 shall equal”.

### 17 **SEC. 302. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-** 18 **TIONAL BANKS.**

19 (a) IN GENERAL.—Section 5199 of the Revised Stat-  
20 utes of the United States (12 U.S.C. 60) is amended to  
21 read as follows:

#### 22 **“SEC. 5199. NATIONAL BANK DIVIDENDS.**

23 “(a) IN GENERAL.—Subject to subsection (b), the di-  
24 rectors of any national bank may declare a dividend of

1 so much of the undivided profits of the bank as the direc-  
2 tors judge to be expedient.

3 “(b) APPROVAL REQUIRED UNDER CERTAIN CIR-  
4 CUMSTANCES.—A national bank may not declare and pay  
5 dividends in any year in excess of an amount equal to the  
6 sum of the total of the net income of the bank for that  
7 year and the retained net income of the bank in the pre-  
8 ceding 2 years, minus the sum of any transfers required  
9 by the Comptroller of the Currency and any transfers re-  
10 quired to be made to a fund for the retirement of any  
11 preferred stock, unless the Comptroller of the Currency  
12 approves the declaration and payment of dividends in ex-  
13 cess of such amount.”.

14 (b) CLERICAL AMENDMENT.—The table of sections  
15 for chapter three of title LXII of the Revised Statutes of  
16 the United States is amended by striking the item relating  
17 to section 5199 and inserting the following:

“5199. National bank dividends.”.

18 **SEC. 303. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**  
19 **AUTHORITY OF THE COMPTROLLER OF THE**  
20 **CURRENCY.**

21 Section 8(e)(4) of the Federal Deposit Insurance Act  
22 (12 U.S.C. 1818(e)(4)) is amended by striking the 5th  
23 sentence.



1 (A) in subparagraph (A), by inserting “or  
2 a Federal savings association, as defined in sec-  
3 tion 2(5) of the Home Owners’ Loan Act” after  
4 “a banking institution organized under the laws  
5 of the United States”; and

6 (B) in subparagraph (C)—

7 (i) by inserting “or savings associa-  
8 tion, as defined in section 2(4) of the  
9 Home Owners’ Loan Act” after “banking  
10 institution”; and

11 (ii) by inserting “or savings associa-  
12 tions” after “having supervision over  
13 banks”.

14 (2) INCLUSION OF OTS UNDER THE DEFINITION  
15 OF APPROPRIATE REGULATORY AGENCY FOR CER-  
16 TAIN PURPOSES.—Section 3(a)(34) of the Securities  
17 Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is  
18 amended—

19 (A) in subparagraph (A)—

20 (i) in clause (ii), by striking “(i) or  
21 (iii)” and inserting “(i), (iii), or (iv)”;

22 (ii) in clause (iii), by striking “and”  
23 at the end;

24 (iii) by redesignating clause (iv) as  
25 clause (v); and

1 (iv) by inserting after clause (iii) the  
2 following:

3 “(iv) the Director of the Office of  
4 Thrift Supervision, in the case of a savings  
5 association (as defined in section 3(b) of  
6 the Federal Deposit Insurance Act (12  
7 U.S.C. 1813(b))), the deposits of which are  
8 insured by the Federal Deposit Insurance  
9 Corporation, a subsidiary or a department  
10 or division of any such savings association,  
11 or a savings and loan holding company;  
12 and”;

13 (B) in subparagraph (B)—

14 (i) in clause (ii), by striking “(i) or  
15 (iii)” and inserting “(i), (iii), or (iv)”;

16 (ii) in clause (iii), by striking “and”  
17 at the end;

18 (iii) by redesignating clause (iv) as  
19 clause (v); and

20 (iv) by inserting after clause (iii) the  
21 following:

22 “(iv) the Director of the Office of  
23 Thrift Supervision, in the case of a savings  
24 association (as defined in section 3(b) of  
25 the Federal Deposit Insurance Act (12

1 U.S.C. 1813(b)), the deposits of which are  
2 insured by the Federal Deposit Insurance  
3 Corporation, or a subsidiary of any such  
4 savings association, or a savings and loan  
5 holding company; and”;

6 (C) in subparagraph (C)—

7 (i) in clause (ii), by striking “(i) or  
8 (iii)” and inserting “(i), (iii), or (iv)”;

9 (ii) in clause (iii), by striking “and”  
10 at the end;

11 (iii) by redesignating clause (iv) as  
12 clause (v); and

13 (iv) by inserting after clause (iii) the  
14 following:

15 “(iv) the Director of the Office of  
16 Thrift Supervision, in the case of a savings  
17 association (as defined in section 3(b) of  
18 the Federal Deposit Insurance Act (12  
19 U.S.C. 1813(b))), the deposits of which are  
20 insured by the Federal Deposit Insurance  
21 Corporation, a savings and loan holding  
22 company, or a subsidiary of a savings and  
23 loan holding company when the appro-  
24 priate regulatory agency for such clearing  
25 agency is not the Commission; and”;

1 (D) in subparagraph (D)—

2 (i) in clause (ii), by striking “and” at  
3 the end;

4 (ii) by redesignating clause (iii) as  
5 clause (iv); and

6 (iii) by inserting after clause (ii) the  
7 following:

8 “(iii) the Director of the Office of  
9 Thrift Supervision, in the case of a savings  
10 association (as defined in section 3(b) of  
11 the Federal Deposit Insurance Act (12  
12 U.S.C. 1813(b))) the deposits of which are  
13 insured by the Federal Deposit Insurance  
14 Corporation; and”;

15 (E) in subparagraph (F)—

16 (i) by redesignating clauses (ii), (iii),  
17 and (iv) as clauses (iii), (iv), and (v), re-  
18 spectively; and

19 (ii) by inserting after clause (i) the  
20 following:

21 “(ii) the Director of the Office of  
22 Thrift Supervision, in the case of a savings  
23 association (as defined in section 3(b) of  
24 the Federal Deposit Insurance Act (12  
25 U.S.C. 1813(b))), the deposits of which are

1 insured by the Federal Deposit Insurance  
2 Corporation; and”;

3 (F) by moving subparagraph (H) and in-  
4 serting such subparagraph immediately after  
5 subparagraph (G); and

6 (G) by adding at the end of the undesig-  
7 nated matter at the end the following: “As used  
8 in this paragraph, the term ‘savings and loan  
9 holding company’ has the same meaning as in  
10 section 10(a) of the Home Owners’ Loan Act  
11 (12 U.S.C. 1467a(a)).”.

12 (3) CONFORMING EXEMPTION TO REPORTING  
13 REQUIREMENT.—Section 23(b)(1) of the Securities  
14 Exchange Act of 1934 (15 U.S.C. 78w(b)(1)) is  
15 amended by inserting “other than the Office of  
16 Thrift Supervision,” before “shall each”.

17 (b) INVESTMENT ADVISERS ACT OF 1940.—

18 (1) DEFINITION OF BANK.—Section 202(a)(2)  
19 of the Investment Advisers Act of 1940 (15 U.S.C.  
20 80b–2(a)(2)) is amended—

21 (A) in subparagraph (A), by inserting “or  
22 a Federal savings association, as defined in sec-  
23 tion 2(5) of the Home Owners’ Loan Act” after  
24 “a banking institution organized under the laws  
25 of the United States”; and

1 (B) in subparagraph (C)—

2 (i) by inserting “, savings association,  
3 as defined in section 2(4) of the Home  
4 Owners’ Loan Act,” after “banking insti-  
5 tution”; and

6 (ii) by inserting “or savings associa-  
7 tions” after “having supervision over  
8 banks”.

9 (2) CONFORMING AMENDMENTS.—Section  
10 210A of the Investment Advisers Act of 1940 (15  
11 U.S.C. 80b–10a) is amended in each of subsections  
12 (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b), by striking  
13 “bank holding company” each place that term ap-  
14 pears and inserting “bank holding company or sav-  
15 ings and loan holding company”.

16 (c) CONFORMING AMENDMENT TO THE INVESTMENT  
17 COMPANY ACT OF 1940.—Section 10(c) of the Investment  
18 Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended  
19 by inserting after “1956)” the following: “or any one sav-  
20 ings and loan holding company, together with its affiliates  
21 and subsidiaries (as such terms are defined in section 10  
22 of the Home Owners’ Loan Act),”.

1 **SEC. 402. REPEAL OF OVERLAPPING RULES GOVERNING**  
2 **PURCHASED MORTGAGE SERVICING RIGHTS.**

3 Section 5(t) of the Home Owners' Loan Act (12  
4 U.S.C. 1464(t)) is amended—

5 (1) by striking paragraph (4) and inserting the  
6 following:

7 “(4) [Repealed].”; and

8 (2) in paragraph (9)(A), by striking “intangible  
9 assets, plus” and all that follows through the period  
10 at the end and inserting “intangible assets.”.

11 **SEC. 403. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**  
12 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**  
13 **DICTION.**

14 Section 5 of the Home Owners' Loan Act (12 U.S.C.  
15 1464) is amended by adding at the end the following:

16 “(x) HOME STATE CITIZENSHIP.—In determining  
17 whether a Federal court has diversity jurisdiction over a  
18 case in which a Federal savings association is a party, the  
19 Federal savings association shall be considered to be a cit-  
20 izen only of the State in which such savings association  
21 has its home office.”.

22 **SEC. 404. REPEAL OF LIMITATION ON LOANS TO ONE BOR-**  
23 **ROWER.**

24 Section 5(u)(2)(A) of the Home Owners' Loan Act  
25 (12 U.S.C. 1464(u)(2)(A)) is amended—

26 (1) in clause (i)—

1 (A) by striking “for any” and inserting  
2 “For any”; and

3 (B) by striking “; or” and inserting a pe-  
4 riod; and

5 (2) in clause (ii)—

6 (A) by striking “to develop domestic” and  
7 inserting “To develop domestic”;

8 (B) by striking subclause (I); and

9 (C) by redesignating subclauses (II)  
10 through (V) as subclauses (I) through (IV), re-  
11 spectively.

## 12 **TITLE V—CREDIT UNION** 13 **PROVISIONS**

### 14 **SEC. 501. LEASES OF LAND ON FEDERAL FACILITIES FOR** 15 **CREDIT UNIONS.**

16 (a) IN GENERAL.—Section 124 of the Federal Credit  
17 Union Act (12 U.S.C. 1770) is amended—

18 (1) by striking “Upon application by any credit  
19 union” and inserting “Notwithstanding any other  
20 provision of law, upon application by any credit  
21 union”;

22 (2) by inserting “on lands reserved for the use  
23 of, and under the exclusive or concurrent jurisdiction  
24 of, the United States or” after “officer or agency of

1 the United States charged with the allotment of  
2 space”;

3 (3) by inserting “lease land or” after “such of-  
4 ficer or agency may in his or its discretion”; and

5 (4) by inserting “or the facility built on the  
6 lease land” after “credit union to be served by the  
7 allotment of space”.

8 (b) CLERICAL AMENDMENT.—The section heading  
9 for section 124 of the Federal Credit Union Act (12  
10 U.S.C. 1770) is amended by inserting “**OR FEDERAL**  
11 **LAND**” after “**BUILDINGS**”.

12 **SEC. 502. INCREASE IN GENERAL 12-YEAR LIMITATION OF**  
13 **TERM OF FEDERAL CREDIT UNION LOANS TO**  
14 **15 YEARS.**

15 Section 107(5) of the Federal Credit Union Act (12  
16 U.S.C. 1757(5)) is amended in the matter preceding sub-  
17 paragraph (A), by striking “to make loans, the maturities  
18 of which shall not exceed twelve years” and inserting “to  
19 make loans, the maturities of which shall not exceed 15  
20 years,”.

21 **SEC. 503. CHECK CASHING AND MONEY TRANSFER SERV-**  
22 **ICES OFFERED WITHIN THE FIELD OF MEM-**  
23 **BERSHIP.**

24 Section 107(12) of the Federal Credit Union Act (12  
25 U.S.C. 1757(12)) is amended to read as follows:



1                   **TITLE VI—DEPOSITORY**  
2                   **INSTITUTION PROVISIONS**

3   **SEC. 601. REPORTING REQUIREMENTS RELATING TO IN-**  
4                   **SIDER LENDING.**

5           (a) REPORTING REQUIREMENTS REGARDING LOANS  
6 TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section  
7 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is  
8 amended—

9                   (1) by striking paragraphs (6) and (9); and

10                   (2) by redesignating paragraphs (7), (8), and  
11 (10) as paragraphs (6), (7), and (8), respectively.

12           (b) REPORTING REQUIREMENTS REGARDING LOANS  
13 FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-  
14 CERS AND SHAREHOLDERS OF INSURED BANKS.—Section  
15 106(b)(2) of the Bank Holding Company Act Amend-  
16 ments of 1970 (12 U.S.C. 1972(2)) is amended—

17                   (1) by striking subparagraph (G); and

18                   (2) by redesignating subparagraphs (H) and (I)  
19 as subparagraphs (G) and (H), respectively.

20   **SEC. 602. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**  
21                   **TIONS IN BANK SERVICE COMPANIES AU-**  
22                   **THORIZED.**

23           (a) IN GENERAL.—Sections 2 and 3 of the Bank  
24 Service Company Act (12 U.S.C. 1862, 1863) are each

1 amended by striking “insured bank” each place that term  
2 appears and inserting “insured depository institution”.

3 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

4 (1) BANK SERVICE COMPANY ACT DEFINI-  
5 TIONS.—Section 1(b) of the Bank Service Company  
6 Act (12 U.S.C. 1861(b)) is amended—

7 (A) in paragraph (4)—

8 (i) by inserting “, except when such  
9 term appears in connection with the term  
10 ‘insured depository institution,’” after  
11 “means”; and

12 (ii) by striking “Federal Home Loan  
13 Bank Board” and inserting “Director of  
14 the Office of Thrift Supervision”;

15 (B) by striking paragraph (5) and insert-  
16 ing the following:

17 “(5) INSURED DEPOSITORY INSTITUTION.—The  
18 term ‘insured depository institution’ has the same  
19 meaning as in section 3(c) of the Federal Deposit  
20 Insurance Act;”;

21 (C) by striking “and” at the end of para-  
22 graph (7);

23 (D) by striking the period at the end of  
24 paragraph (8) and inserting “; and”;

25 (E) by adding at the end the following:

1           “(9) the terms ‘State depository institution’,  
2           ‘Federal depository institution’, ‘State savings asso-  
3           ciation’ and ‘Federal savings association’ have the  
4           same meanings as in section 3 of the Federal De-  
5           posit Insurance Act.”;

6           (F) in paragraph (2), in subparagraphs  
7           (A)(ii) and (B)(ii), by striking “insured banks”  
8           each place that term appears and inserting “in-  
9           sured depository institutions”; and

10          (G) in paragraph (8)—

11           (i) by striking “insured bank” and in-  
12           serting “insured depository institution”;

13           (ii) by striking “insured banks” each  
14           place that term appears and inserting “in-  
15           sured depository institutions”; and

16           (iii) by striking “the bank’s” and in-  
17           serting “the depository institution’s”.

18          (2) AMOUNT OF INVESTMENT.—Section 2 of  
19          the Bank Service Company Act (12 U.S.C. 1862) is  
20          amended by inserting “or savings associations, other  
21          than the limitation on the amount of investment by  
22          a Federal savings association contained in section  
23          5(c)(4)(B) of the Home Owners’ Loan Act” after  
24          “relating to banks”.

1           (3) LOCATION OF SERVICES.—Section 4 of the  
2 Bank Service Company Act (12 U.S.C. 1864) is  
3 amended—

4           (A) in subsection (b), by inserting “as per-  
5 missible under subsection (c), (d), or (e) or”  
6 after “Except”;

7           (B) in subsection (c), by inserting “or  
8 State savings association” after “State bank”  
9 each place that term appears;

10           (C) in subsection (d), by inserting “or  
11 Federal savings association” after “national  
12 bank” each place that term appears;

13           (D) by striking subsection (e) and insert-  
14 ing the following:

15           “(e) PERFORMANCE WHERE STATE BANK AND NA-  
16 TIONAL BANK ARE SHAREHOLDERS OR MEMBERS.—A  
17 bank service company may perform—

18           “(1) only those services that each depository in-  
19 stitution shareholder or member is otherwise author-  
20 ized to perform under any applicable Federal or  
21 State law; and

22           “(2) such services only at locations in a State  
23 in which each such shareholder or member is author-  
24 ized to perform such services.”; and

1 (E) in subsection (f), by inserting “or sav-  
2 ings associations” after “location of banks”.

3 (4) PRIOR APPROVAL OF INVESTMENTS.—Sec-  
4 tion 5 of the Bank Service Company Act (12 U.S.C.  
5 1865) is amended—

6 (A) in subsection (a)—

7 (i) by striking “insured bank” and in-  
8 serting “insured depository institution”;  
9 and

10 (ii) by striking “bank’s”; and

11 (iii) by inserting before the period  
12 “for the insured depository institution”;

13 (B) in subsection (b)—

14 (i) by striking “insured bank” and in-  
15 serting “insured depository institution”;

16 (ii) by inserting “authorized only”  
17 after “performs any service”; and

18 (iii) by inserting “authorized only”  
19 after “perform any activity”; and

20 (C) in subsection (c)—

21 (i) by striking “the bank or banks”  
22 and inserting “any insured depository in-  
23 stitution”; and

1 (ii) by striking “capability of the  
2 bank” and inserting “capability of the in-  
3 sured depository institution”.

4 (5) REGULATION AND EXAMINATION.—Section  
5 7 of the Bank Service Company Act (12 U.S.C.  
6 1867) is amended—

7 (A) in subsection (b), by striking “insured  
8 bank” and inserting “insured depository insti-  
9 tution”; and

10 (B) in subsection (c)—

11 (i) by striking “a bank” each place  
12 that term appears and inserting “a deposit-  
13 tory institution”; and

14 (ii) by striking “the bank” each place  
15 that term appears and inserting “the de-  
16 pository institution”.

17 **SEC. 603. AUTHORIZATION FOR MEMBER BANK TO USE**  
18 **PASS-THROUGH RESERVE ACCOUNTS.**

19 Section 19(c)(1)(B) of the Federal Reserve Act (12  
20 U.S.C. 461(c)(1)(B)) is amended by striking “which is not  
21 a member bank”.

22 **SEC. 604. STREAMLINING REPORTS OF CONDITION.**

23 Section 7(a) of the Federal Deposit Insurance Act  
24 (12 U.S.C. 1817(a)) is amended by adding at the end the  
25 following:

1           “(11) STREAMLINING REPORTS OF CONDI-  
2           TION.—

3                   “(A) REVIEW OF INFORMATION AND  
4                   SCHEDULES.—Before the end of the 1-year pe-  
5                   riod beginning on the date of enactment of the  
6                   Financial Services Regulatory Relief Act of  
7                   2006 and before the end of each 5-year period  
8                   thereafter, each Federal banking agency shall,  
9                   in conjunction with the other relevant Federal  
10                  banking agencies, review the information and  
11                  schedules that are required to be filed by an in-  
12                  sured depository institution in a report of con-  
13                  dition required under paragraph (3).

14                   “(B) REDUCTION OR ELIMINATION OF IN-  
15                   FORMATION FOUND TO BE UNNECESSARY.—  
16                   After completing the review required by sub-  
17                   paragraph (A), a Federal banking agency, in  
18                   conjunction with the other relevant Federal  
19                   banking agencies, shall reduce or eliminate any  
20                   requirement to file information or schedules  
21                   under paragraph (3) (other than information or  
22                   schedules that are otherwise required by law) if  
23                   the agency determines that the continued collec-  
24                   tion of such information or schedules is no  
25                   longer necessary or appropriate.”.

1 **SEC. 605. EXPANSION OF ELIGIBILITY FOR 18-MONTH EX-**  
2 **AMINATION SCHEDULE FOR COMMUNITY**  
3 **BANKS.**

4 Section 10(d)(4)(A) of the Federal Deposit Insurance  
5 Act (12 U.S.C. 1820(d)(4)(A)) is amended by striking  
6 “\$250,000,000” and inserting “\$500,000,000”.

7 **SEC. 606. STREAMLINING DEPOSITORY INSTITUTION MERG-**  
8 **ER APPLICATION REQUIREMENTS.**

9 (a) IN GENERAL.—Section 18(c)(4) of the Federal  
10 Deposit Insurance Act (12 U.S.C. 1828(c)(4)) is amended  
11 to read as follows:

12 “(4) REPORTS ON COMPETITIVE FACTORS.—

13 “(A) REQUEST FOR REPORT.—In the in-  
14 terests of uniform standards and subject to  
15 subparagraph (B), before acting on any applica-  
16 tion for approval of a merger transaction, the  
17 responsible agency shall—

18 “(i) request a report on the competi-  
19 tive factors involved from the Attorney  
20 General of the United States; and

21 “(ii) provide a copy of the request to  
22 the Corporation (when the Corporation is  
23 not the responsible agency).

24 “(B) FURNISHING OF REPORT.—The re-  
25 port requested under subparagraph (A) shall be

1 furnished by the Attorney General to the re-  
2 sponsible agency—

3 “(i) not later than 30 calendar days  
4 after the date on which the Attorney Gen-  
5 eral received the request; or

6 “(ii) not later than 10 calendar days  
7 after such date, if the requesting agency  
8 advises the Attorney General that an emer-  
9 gency exists requiring expeditious action.

10 “(C) EXCEPTIONS.—A responsible agency  
11 may not be required to request a report under  
12 subparagraph (A) if—

13 “(i) the responsible agency finds that  
14 it must act immediately in order to prevent  
15 the probable failure of 1 of the insured de-  
16 pository institutions involved in the merger  
17 transaction; or

18 “(ii) the merger transaction involves  
19 an insured depository institution and 1 or  
20 more of the affiliates of such depository in-  
21 stitution.”.

22 (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
23 Section 18(c)(6) of the Federal Deposit Insurance Act (12  
24 U.S.C. 1828(c)(6)) is amended—

1           (1) in the second sentence, by striking “banks  
2           or savings associations involved” and inserting “in-  
3           sured depository institutions involved, or if the pro-  
4           posed merger transaction is solely between an in-  
5           sured depository institution and 1 or more of its af-  
6           filiates,”; and

7           (2) by striking the penultimate sentence and in-  
8           serting the following: “If the agency has advised the  
9           Attorney General under paragraph (4)(B)(ii) of the  
10          existence of an emergency requiring expeditious ac-  
11          tion and has requested a report on the competitive  
12          factors within 10 days, the transaction may not be  
13          consummated before the fifth calendar day after the  
14          date of approval by the agency.”.

15 **SEC. 607. NONWAIVER OF PRIVILEGES.**

16          (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section  
17 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828)  
18 is amended by adding at the end the following:

19          “(x) **PRIVILEGES NOT AFFECTED BY DISCLOSURE**  
20 **TO BANKING AGENCY OR SUPERVISOR.**—

21                 “(1) **IN GENERAL.**—The submission by any per-  
22                 son of any information to any Federal banking agen-  
23                 cy, State bank supervisor, or foreign banking au-  
24                 thority for any purpose in the course of any super-  
25                 visory or regulatory process of such agency, super-

1 visor, or authority shall not be construed as waiving,  
2 destroying, or otherwise affecting any privilege such  
3 person may claim with respect to such information  
4 under Federal or State law as to any person or enti-  
5 ty other than such agency, supervisor, or authority.

6 “(2) RULE OF CONSTRUCTION.—No provision  
7 of paragraph (1) may be construed as implying or  
8 establishing that—

9 “(A) any person waives any privilege appli-  
10 cable to information that is submitted or trans-  
11 ferred under any circumstance to which para-  
12 graph (1) does not apply; or

13 “(B) any person would waive any privilege  
14 applicable to any information by submitting the  
15 information to any Federal banking agency,  
16 State bank supervisor, or foreign banking au-  
17 thority, but for this subsection.”

18 (b) INSURED CREDIT UNIONS.—Section 205 of the  
19 Federal Credit Union Act (12 U.S.C.1785) is amended by  
20 adding at the end the following:

21 “(j) PRIVILEGES NOT AFFECTED BY DISCLOSURE TO  
22 BANKING AGENCY OR SUPERVISOR.—

23 “(1) IN GENERAL.—The submission by any per-  
24 son of any information to the Administration, any  
25 State credit union supervisor, or foreign banking au-

1       thority for any purpose in the course of any super-  
2       visory or regulatory process of such Board, super-  
3       visor, or authority shall not be construed as waiving,  
4       destroying, or otherwise affecting any privilege such  
5       person may claim with respect to such information  
6       under Federal or State law as to any person or enti-  
7       ty other than such Board, supervisor, or authority.

8               “(2) RULE OF CONSTRUCTION.—No provision  
9       of paragraph (1) may be construed as implying or  
10      establishing that—

11               “(A) any person waives any privilege appli-  
12      cable to information that is submitted or trans-  
13      ferred under any circumstance to which para-  
14      graph (1) does not apply; or

15               “(B) any person would waive any privilege  
16      applicable to any information by submitting the  
17      information to the Administration, any State  
18      credit union supervisor, or foreign banking au-  
19      thority, but for this subsection.”.

20 **SEC. 608. CLARIFICATION OF APPLICATION REQUIRE-**  
21 **MENTS FOR OPTIONAL CONVERSION FOR**  
22 **FEDERAL SAVINGS ASSOCIATIONS.**

23       (a) HOME OWNERS’ LOAN ACT.—Section 5(i)(5) of  
24 the Home Owners’ Loan Act (12 U.S.C. 1464(i)(5)) is  
25 amended to read as follows:

1           “(5) CONVERSION TO NATIONAL OR STATE  
2 BANK.—

3           “(A) IN GENERAL.—Any Federal savings  
4 association chartered and in operation before  
5 the date of enactment of the Gramm-Leach-Bliley  
6 Act, with branches in operation before such  
7 date of enactment in 1 or more States, may  
8 convert, at its option, with the approval of the  
9 Comptroller of the Currency for each national  
10 bank, and with the approval of the appropriate  
11 State bank supervisor and the appropriate Federal  
12 banking agency for each State bank, into  
13 1 or more national or State banks, each of  
14 which may encompass 1 or more of the  
15 branches of the Federal savings association in  
16 operation before such date of enactment in 1 or  
17 more States subject to subparagraph (B).

18           “(B) CONDITIONS OF CONVERSION.—The  
19 authority in subparagraph (A) shall apply only  
20 if each resulting national or State bank—

21           “(i) will meet all financial, manage-  
22 ment, and capital requirements applicable  
23 to the resulting national or State bank;  
24 and

1                   “(ii) if more than 1 national or State  
2                   bank results from a conversion under this  
3                   subparagraph, has received approval from  
4                   the Federal Deposit Insurance Corporation  
5                   under section 5(a) of the Federal Deposit  
6                   Insurance Act.

7                   “(C) NO APPLICATION UNDER FDIA RE-  
8                   QUIRED.—No application under section 18(c) of  
9                   the Federal Deposit Insurance Act shall be re-  
10                  quired for a conversion under this paragraph.

11                  “(D) DEFINITIONS.—For purposes of this  
12                  paragraph, the terms ‘State bank’ and ‘State  
13                  bank supervisor’ have the same meanings as in  
14                  section 3 of the Federal Deposit Insurance  
15                  Act.”.

16                  (b) FEDERAL DEPOSIT INSURANCE ACT.—Section  
17                  4(c) of the Federal Deposit Insurance Act (12 U.S.C.  
18                  1814(c)) is amended—

19                   (1) by inserting “of this Act and section 5(i)(5)  
20                   of the Home Owners’ Loan Act” after “Subject to  
21                   section 5(d)”; and

22                   (2) in paragraph (2), after “insured State,” by  
23                   inserting “or Federal”.

1 **SEC. 609. EXEMPTION FROM DISCLOSURE OF PRIVACY POL-**  
2 **ICY FOR ACCOUNTING FIRMS.**

3 (a) IN GENERAL.—Section 503 of the Gramm-Leach-  
4 Bliley Act (15 U.S.C. 6803) is amended by adding at the  
5 end the following:

6 “(d) EXEMPTION FOR PUBLIC ACCOUNTANTS.—

7 “(1) IN GENERAL.—The disclosure require-  
8 ments of subsection (a) do not apply to any person,  
9 to the extent that the person is—

10 “(A) a public accountant;

11 “(B) certified or licensed for such purpose  
12 by a State; and

13 “(C) subject to any provision of law, rule,  
14 or regulation issued by a legislative or regu-  
15 latory body of the State, including rules of pro-  
16 fessional conduct or ethics, that prohibits dis-  
17 closure of nonpublic personal information with-  
18 out knowing and expressed consent of the con-  
19 sumer.

20 “(2) LIMITATION.—Nothing in this subsection  
21 shall be construed to exempt or otherwise exclude  
22 any financial institution that is affiliated or becomes  
23 affiliated with a certified public accountant described  
24 in paragraph (1) from any provision of this section.

25 “(3) DEFINITIONS.—For purposes of this sub-  
26 section, the term ‘State’ means any State or terri-

1 tory of the United States, the District of Columbia,  
2 Puerto Rico, Guam, American Samoa, the Trust  
3 Territory of the Pacific Islands, the Virgin Islands,  
4 or the Northern Mariana Islands.”.

5 (b) CLERICAL AMENDMENTS.—Section 503 of the  
6 Gramm-Leach-Bliley Act (15 U.S.C. 6803) is amended—

7 (1) by redesignating subsection (b) as sub-  
8 section (c); and

9 (2) in subsection (a), by striking “Such disclo-  
10 sures” and inserting the following:

11 “(b) REGULATIONS.—Disclosures required by sub-  
12 section (a)”.

13 **SEC. 610. INFLATION ADJUSTMENT FOR THE SMALL DE-**  
14 **POSITORY INSTITUTION EXCEPTION UNDER**  
15 **THE DEPOSITORY INSTITUTION MANAGE-**  
16 **MENT INTERLOCKS ACT.**

17 Section 203(1) of the Depository Institution Manage-  
18 ment Interlocks Act (12 U.S.C. 3202(1)) is amended by  
19 striking “\$20,000,000” and inserting “\$50,000,000”.

20 **SEC. 611. MODIFICATION TO CROSS MARKETING RESTRIC-**  
21 **TIONS.**

22 Section 4(n)(5)(B) of the Bank Holding Company  
23 Act of 1956 (12 U.S.C. 1843(n)(5)(B)) is amended by  
24 striking “subsection (k)(4)(I)” and inserting “subpara-  
25 graph (H) or (I) of subsection (k)(4)”.

1       **TITLE VII—BANKING AGENCY**  
2                                   **PROVISIONS**

3       **SEC. 701. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**  
4                                   **OF APPOINTMENT OF A RECEIVER FOR DE-**  
5                                   **POSITORY INSTITUTIONS.**

6           (a) NATIONAL BANKS.—Section 2 of the National  
7 Bank Receivership Act (12 U.S.C. 191) is amended—

8                   (1) by amending the section heading to read as  
9 follows:

10       **“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL**  
11                                   **BANK.**

12           “(a) IN GENERAL.—The Comptroller of the Cur-  
13 rency”; and

14                   (2) by adding at the end the following:

15           “(b) JUDICIAL REVIEW.—If the Comptroller of the  
16 Currency appoints a receiver under subsection (a), the na-  
17 tional bank may, within 30 days thereafter, bring an ac-  
18 tion in the United States district court for the judicial dis-  
19 trict in which the home office of such bank is located, or  
20 in the United States District Court for the District of Co-  
21 lumbia, for an order requiring the Comptroller of the Cur-  
22 rency to remove the receiver, and the court shall, upon  
23 the merits, dismiss such action or direct the Comptroller  
24 of the Currency to remove the receiver.”.

1 (b) INSURED DEPOSITORY INSTITUTIONS.—Section  
2 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.  
3 1821(c)(7)) is amended to read as follows:

4 “(7) JUDICIAL REVIEW.—If the Corporation is  
5 appointed (including the appointment of the Cor-  
6 poration as receiver by the Board of Directors) as  
7 conservator or receiver of a depository institution  
8 under paragraph (4), (9), or (10), the depository in-  
9 stitution may, not later than 30 days thereafter,  
10 bring an action in the United States district court  
11 for the judicial district in which the home office of  
12 such depository institution is located, or in the  
13 United States District Court for the District of Co-  
14 lumbia, for an order requiring the Corporation to be  
15 removed as the conservator or receiver (regardless of  
16 how such appointment was made), and the court  
17 shall, upon the merits, dismiss such action or direct  
18 the Corporation to be removed as the conservator or  
19 receiver.”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 subsections (a) and (b) shall apply with respect to con-  
22 servators or receivers appointed on or after the date of  
23 enactment of this Act.

1 **SEC. 702. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**  
2 **SURED DEPOSITORY INSTITUTIONS.**

3 (a) CLARIFICATION RELATING TO THE ENFORCE-  
4 ABILITY OF AGREEMENTS AND CONDITIONS.—The Fed-  
5 eral Deposit Insurance Act (12 U.S.C. 1811 et seq.) is  
6 amended by adding at the end the following:

7 **“SEC. 49. ENFORCEMENT OF AGREEMENTS.**

8 “(a) IN GENERAL.—Notwithstanding clause (i) or  
9 (ii) of section 8(b)(6)(A) or section 38(e)(2)(E)(i), the ap-  
10 propriate Federal banking agency for a depository institu-  
11 tion may enforce, under section 8, the terms of—

12 “(1) any condition imposed in writing by the  
13 agency on the depository institution or an institu-  
14 tion-affiliated party in connection with any action on  
15 any application, notice, or other request concerning  
16 the depository institution; or

17 “(2) any written agreement entered into be-  
18 tween the agency and the depository institution or  
19 an institution-affiliated party.

20 “(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—  
21 After the appointment of the Corporation as the receiver  
22 or conservator for a depository institution, the Corpora-  
23 tion may enforce any condition or agreement described in  
24 paragraph (1) or (2) of subsection (a) imposed on or en-  
25 tered into with such institution or institution-affiliated

1 party through an action brought in an appropriate United  
2 States district court.”.

3 (b) PROTECTION OF CAPITAL OF INSURED DEPOSI-  
4 TORY INSTITUTIONS.—Section 18(u)(1) of the Federal  
5 Deposit Insurance Act (12 U.S.C. 1828(u)(1)) is amend-  
6 ed—

7 (1) by striking subparagraph (B);

8 (2) by redesignating subparagraph (C) as sub-  
9 paragraph (B); and

10 (3) in subparagraph (A), by adding “and” at  
11 the end.

12 (c) CONFORMING AMENDMENTS.—Section 8(b) of  
13 the Federal Deposit Insurance Act (12 U.S.C. 1818(b))  
14 is amended—

15 (1) in paragraph (3), by striking “This sub-  
16 section and subsections (c) through (s) and sub-  
17 section (u) of this section” and inserting “This sub-  
18 section, subsections (c) through (s) and subsection  
19 (u) of this section, and section 49 of this Act”; and

20 (2) in paragraph (4), by striking “This sub-  
21 section and subsections (c) through (s) and sub-  
22 section (u) of this section” and inserting “This sub-  
23 section, subsections (c) through (s) and subsection  
24 (u) of this section, and section 49 of this Act”.

1 **SEC. 703. CROSS GUARANTEE AUTHORITY.**

2 Section 5(e)(9)(A) of the Federal Deposit Insurance  
3 Act (12 U.S.C. 1815(e)(9)(A)) is amended to read as fol-  
4 lows:

5 “(A) such institutions are controlled by the  
6 same company; or”.

7 **SEC. 704. GOLDEN PARACHUTE AUTHORITY AND NONBANK**  
8 **HOLDING COMPANIES.**

9 Section 18(k) of the Federal Deposit Insurance Act  
10 (12 U.S.C. 1828(k)) is amended—

11 (1) in paragraph (2)(A), by striking “or depository  
12 institution holding company” and inserting “or  
13 covered company”;

14 (2) in paragraph (2), by striking subparagraph  
15 (B), and inserting the following:

16 “(B) Whether there is a reasonable basis  
17 to believe that the institution-affiliated party is  
18 substantially responsible for—

19 “(i) the insolvency of the depository  
20 institution or covered company;

21 “(ii) the appointment of a conservator  
22 or receiver for the depository institution; or

23 “(iii) the troubled condition of the de-  
24 pository institution (as defined in the regu-  
25 lations prescribed pursuant to section  
26 32(f)).”;

1           (3) in paragraph (2)(F), by striking “depository  
2           institution holding company” and inserting “covered  
3           company,”;

4           (4) in paragraph (3) in the matter preceding  
5           subparagraph (A), by striking “depository institu-  
6           tion holding company” and inserting “covered com-  
7           pany”;

8           (5) in paragraph (3)(A), by striking “holding  
9           company” and inserting “covered company”;

10          (6) in paragraph (4)(A)—

11                 (A) by striking “depository institution  
12                 holding company” each place that term appears  
13                 and inserting “covered company”; and

14                 (B) by striking “holding company” each  
15                 place that term appears (other than in connec-  
16                 tion with the term referred to in subparagraph  
17                 (A)) and inserting “covered company”;

18          (7) in paragraph (5)(A), by striking “depository  
19           institution holding company” and inserting “covered  
20           company”;

21          (8) in paragraph (5), by adding at the end the  
22           following:

23                         “(D) COVERED COMPANY.—The term ‘cov-  
24                         ered company’ means any depository institution  
25                         holding company (including any company re-

1           required to file a report under section 4(f)(6) of  
2           the Bank Holding Company Act of 1956), or  
3           any other company that controls an insured de-  
4           pository institution.”; and

5           (9) in paragraph (6)—

6                   (A) by striking “depository institution  
7           holding company” and inserting “covered com-  
8           pany,”; and

9                   (B) by striking “or holding company” and  
10           inserting “or covered company”.

11 **SEC. 705. AMENDMENTS RELATING TO CHANGE IN BANK**  
12 **CONTROL.**

13           Section 7(j) of the Federal Deposit Insurance Act (12  
14 U.S.C. 1817(j)) is amended—

15           (1) in paragraph (1)(D)—

16                   (A) by striking “is needed to investigate”  
17           and inserting “is needed—

18                           “(i) to investigate”;

19                   (B) by striking “United States Code.” and  
20           inserting “United States Code; or”; and

21                   (C) by adding at the end the following:

22                           “(ii) to analyze the safety and sound-  
23           ness of any plans or proposals described in  
24           paragraph (6)(E) or the future prospects  
25           of the institution.”; and

1           (2) in paragraph (7)(C), by striking “the finan-  
2           cial condition of any acquiring person” and inserting  
3           “either the financial condition of any acquiring per-  
4           son or the future prospects of the institution”.

5 **SEC. 706. AMENDMENT TO PROVIDE THE FEDERAL RE-**  
6                   **SERVE BOARD WITH DISCRETION CON-**  
7                   **CERNING THE IMPUTATION OF CONTROL OF**  
8                   **SHARES OF A COMPANY BY TRUSTEES.**

9           Section 2(g)(2) of the Bank Holding Company Act  
10 of 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting  
11 before the period at the end “, unless the Board deter-  
12 mines that such treatment is not appropriate in light of  
13 the facts and circumstances of the case and the purposes  
14 of this Act”.

15 **SEC. 707. INTERAGENCY DATA SHARING.**

16           (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)  
17 of the Federal Deposit Insurance Act (12 U.S.C.  
18 1817(a)(2)) is amended by adding at the end the fol-  
19 lowing:

20                   “(C) DATA SHARING WITH OTHER AGEN-  
21                   CIES AND PERSONS.—In addition to reports of  
22                   examination, reports of condition, and other re-  
23                   ports required to be regularly provided to the  
24                   Corporation (with respect to all insured deposi-  
25                   tory institutions, including a depository institu-

1           tion for which the Corporation has been ap-  
2           pointed conservator or receiver) or an appro-  
3           priate State bank supervisor (with respect to a  
4           State depository institution) under subpara-  
5           graph (A) or (B), a Federal banking agency  
6           may, in the discretion of the agency, furnish  
7           any report of examination or other confidential  
8           supervisory information concerning any deposi-  
9           tory institution or other entity examined by  
10          such agency under authority of any Federal  
11          law, to—

12                   “(i) any other Federal or State agen-  
13                   cy or authority with supervisory or regu-  
14                   latory authority over the depository institu-  
15                   tion or other entity;

16                   “(ii) any officer, director, or receiver  
17                   of such depository institution or entity;  
18                   and

19                   “(iii) any other person that the Fed-  
20                   eral banking agency determines to be ap-  
21                   propriate.”.

22          (b) NATIONAL CREDIT UNION ADMINISTRATION.—  
23          Section 202(a) of the Federal Credit Union Act (12  
24          U.S.C. 1782(a)) is amended by adding at the end the fol-  
25          lowing:

1           “(8) DATA SHARING WITH OTHER AGENCIES  
2           AND PERSONS.—In addition to reports of examina-  
3           tion, reports of condition, and other reports required  
4           to be regularly provided to the Board (with respect  
5           to all insured credit unions, including a credit union  
6           for which the Corporation has been appointed con-  
7           servator or liquidating agent) or an appropriate  
8           State commission, board, or authority having super-  
9           vision of a State-chartered credit union, the Board  
10          may, in the discretion of the Board, furnish any re-  
11          port of examination or other confidential supervisory  
12          information concerning any credit union or other en-  
13          tity examined by the Board under authority of any  
14          Federal law, to—

15                 “(A) any other Federal or State agency or  
16                 authority with supervisory or regulatory author-  
17                 ity over the credit union or other entity;

18                 “(B) any officer, director, or receiver of  
19                 such credit union or entity; and

20                 “(C) any other person that the Board de-  
21                 termines to be appropriate.”.

1 **SEC. 708. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**  
2 **MOVAL, AND PROHIBITION AUTHORITY OF**  
3 **FEDERAL BANKING AGENCIES IN CASES OF**  
4 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**  
5 **ATED PARTIES.**

6 (a) INSURED DEPOSITORY INSTITUTIONS.—

7 (1) IN GENERAL.—Section 8(g)(1) of the Fed-  
8 eral Deposit Insurance Act (12 U.S.C. 1818(g)(1))  
9 is amended—

10 (A) in subparagraph (A)—

11 (i) by striking “is charged in any in-  
12 formation, indictment, or complaint, with  
13 the commission of or participation in” and  
14 inserting “is the subject of any informa-  
15 tion, indictment, or complaint, involving  
16 the commission of or participation in”;

17 (ii) by striking “may pose a threat to  
18 the interests of the depository institution’s  
19 depositors or may threaten to impair pub-  
20 lic confidence in the depository institu-  
21 tion,” and insert “posed, poses, or may  
22 pose a threat to the interests of the deposi-  
23 tors of, or threatened, threatens, or may  
24 threaten to impair public confidence in,  
25 any relevant depository institution (as de-  
26 fined in subparagraph (E)),”; and

1 (iii) by striking “affairs of the deposi-  
2 tory institution” and inserting “affairs of  
3 any depository institution”;

4 (B) in subparagraph (B)(i), by striking  
5 “the depository institution” and inserting “any  
6 depository institution that the subject of the no-  
7 tice is affiliated with at the time the notice is  
8 issued”;

9 (C) in subparagraph (C)(i)—

10 (i) by striking “may pose a threat to  
11 the interests of the depository institution’s  
12 depositors or may threaten to impair pub-  
13 lic confidence in the depository institu-  
14 tion,” and insert “posed, poses, or may  
15 pose a threat to the interests of the deposi-  
16 tors of, or threatened, threatens, or may  
17 threaten to impair public confidence in,  
18 any relevant depository institution (as de-  
19 fined in subparagraph (E)),”; and

20 (ii) by striking “affairs of the deposi-  
21 tory institution” and inserting “affairs of  
22 any depository institution”;

23 (D) in subparagraph (C)(ii), by striking  
24 “affairs of the depository institution” and in-  
25 serting “affairs of any depository institution”;

1 (E) in subparagraph (D)(i), by striking  
2 “the depository institution” and inserting “any  
3 depository institution that the subject of the  
4 order is affiliated with at the time the order is  
5 issued”; and

6 (F) by adding at the end the following:

7 “(E) RELEVANT DEPOSITORY INSTITU-  
8 TION.—For purposes of this subsection, the  
9 term ‘relevant depository institution’ means any  
10 depository institution of which the party is or  
11 was an institution-affiliated party at the time at  
12 which—

13 “(i) the information, indictment, or  
14 complaint described in subparagraph (A)  
15 was issued; or

16 “(ii) the notice is issued under sub-  
17 paragraph (A) or the order is issued under  
18 subparagraph (C)(i).”.

19 (2) CLERICAL AMENDMENT.—The subsection  
20 heading for section 8(g) of the Federal Deposit In-  
21 surance Act (12 U.S.C. 1818(g)) is amended to read  
22 as follows:

23 “(g) SUSPENSION, REMOVAL, AND PROHIBITION  
24 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
25 CRIMINAL OFFENSES.—”.

1 (b) INSURED CREDIT UNIONS.—

2 (1) IN GENERAL.—Section 206(i)(1) of the  
3 Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is  
4 amended—

5 (A) in subparagraph (A), by striking “the  
6 credit union” each place that term appears and  
7 inserting “any credit union”;

8 (B) in subparagraph (B)(i), by inserting  
9 “of which the subject of the order is, or most  
10 recently was, an institution-affiliated party” be-  
11 fore the period at the end;

12 (C) in subparagraph (C)—

13 (i) by striking “the credit union” each  
14 place such term appears and inserting  
15 “any credit union”; and

16 (ii) by striking “the credit union’s”  
17 and inserting “any credit union’s”;

18 (D) in subparagraph (D)(i), by striking  
19 “upon such credit union” and inserting “upon  
20 the credit union of which the subject of the  
21 order is, or most recently was, an institution-af-  
22 filiated party”; and

23 (E) by adding at the end the following:

24 “(E) CONTINUATION OF AUTHORITY.—The  
25 Board may issue an order under this paragraph

1 with respect to an individual who is an institu-  
2 tion-affiliated party at a credit union at the  
3 time of an offense described in subparagraph  
4 (A) without regard to—

5 “(i) whether such individual is an in-  
6 stitution-affiliated party at any credit  
7 union at the time the order is considered  
8 or issued by the Board; or

9 “(ii) whether the credit union at  
10 which the individual was an institution-af-  
11 filiated party at the time of the offense re-  
12 mains in existence at the time the order is  
13 considered or issued by the Board.”.

14 (2) CLERICAL AMENDMENT.—Section 206(i) of  
15 the Federal Credit Union Act (12 U.S.C. 1786(i)) is  
16 amended by striking “(i)” at the beginning and in-  
17 serting the following:

18 “(i) SUSPENSION, REMOVAL, AND PROHIBITION  
19 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
20 CRIMINAL OFFENSES.—”.

1 **SEC. 709. PROTECTION OF CONFIDENTIAL INFORMATION**  
2 **RECEIVED BY FEDERAL BANKING REGU-**  
3 **LATORS FROM FOREIGN BANKING SUPER-**  
4 **VISORS.**

5 Section 15 of the International Banking Act of 1978  
6 (12 U.S.C. 3109) is amended by adding at the end the  
7 following:

8 “(c) CONFIDENTIAL INFORMATION RECEIVED FROM  
9 FOREIGN SUPERVISORS.—

10 “(1) IN GENERAL.—Except as provided in para-  
11 graph (3), a Federal banking agency may not be  
12 compelled to disclose information received from a  
13 foreign regulatory or supervisory authority if—

14 “(A) the Federal banking agency deter-  
15 mines that the foreign regulatory or supervisory  
16 authority has, in good faith, determined and  
17 represented in writing to such Federal banking  
18 agency that public disclosure of the information  
19 would violate the laws applicable to that foreign  
20 regulatory or supervisory authority; and

21 “(B) the relevant Federal banking agency  
22 obtained such information pursuant to—

23 “(i) such procedures as the Federal  
24 banking agency may establish for use in  
25 connection with the administration and en-  
26 forcement of Federal banking laws; or

1                   “(ii) a memorandum of understanding  
2                   or other similar arrangement between the  
3                   Federal banking agency and the foreign  
4                   regulatory or supervisory authority.

5                   “(2) TREATMENT UNDER TITLE 5, UNITED  
6                   STATES CODE.—For purposes of section 552 of title  
7                   5, United States Code, this subsection shall be treat-  
8                   ed as a statute described in subsection (b)(3)(B) of  
9                   such section.

10                  “(3) SAVINGS PROVISION.—No provision of this  
11                  section shall be construed as—

12                         “(A) authorizing any Federal banking  
13                         agency to withhold any information from any  
14                         duly authorized committee of the House of Rep-  
15                         resentatives or the Senate; or

16                         “(B) preventing any Federal banking  
17                         agency from complying with an order of a court  
18                         of the United States in an action commenced by  
19                         the United States or such agency.

20                  “(4) FEDERAL BANKING AGENCY DEFINED.—  
21                  For purposes of this subsection, the term ‘Federal  
22                  banking agency’ means the Board, the Comptroller  
23                  of the Currency, the Federal Deposit Insurance Cor-  
24                  poration, and the Director of the Office of Thrift  
25                  Supervision.”.

1 **SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED**  
2 **INDIVIDUALS.**

3 (a) EXTENSION OF AUTOMATIC PROHIBITION.—Sec-  
4 tion 19 of the Federal Deposit Insurance Act (12 U.S.C.  
5 1829) is amended by adding at the end the following:

6 “(d) BANK HOLDING COMPANIES.—Subsections (a)  
7 and (b) shall apply to any company (other than a foreign  
8 bank) that is a bank holding company and any organiza-  
9 tion organized and operated under section 25A of the Fed-  
10 eral Reserve Act or operating under section 25 of the Fed-  
11 eral Reserve Act, as if such bank holding company or or-  
12 ganization were an insured depository institution, except  
13 that such subsections shall be applied for purposes of this  
14 subsection by substituting ‘Board of Governors of the Fed-  
15 eral Reserve System’ for ‘Corporation’ each place that  
16 term appears in such subsections.

17 “(e) SAVINGS AND LOAN HOLDING COMPANIES.—  
18 Subsections (a) and (b) shall apply to any savings and  
19 loan holding company and any subsidiary (other than a  
20 savings association) of a savings and loan holding com-  
21 pany as if such savings and loan holding company or sub-  
22 sidiary were an insured depository institution, except that  
23 subsections shall be applied for purposes of this subsection  
24 by substituting ‘Director of the Office of Thrift Super-  
25 vision’ for ‘Corporation’ each place that term appears in  
26 such subsections.”.

1 (b) ENHANCED DISCRETION TO REMOVE CONVICTED  
2 INDIVIDUALS.—Section 8(e)(2)(A) of the Federal Deposit  
3 Insurance Act (12 U.S.C. 1818(e)(2)(A)) is amended—

4 (1) by striking “or” at the end of clause (ii);

5 (2) by striking the comma at the end of clause

6 (iii) and inserting “; or”; and

7 (3) by adding at the end the following:

8 “(iv) an institution-affiliated party of  
9 a subsidiary (other than a bank) of a bank  
10 holding company has been convicted of any  
11 criminal offense involving dishonesty or a  
12 breach of trust, or a criminal violation of  
13 section 1956, 1957, or 1960 of title 18  
14 United States Code, or has agreed to enter  
15 into a pretrial diversion or similar program  
16 in connection with a prosecution for such  
17 an offense.”

18 **SEC. 711. COORDINATION OF STATE EXAMINATION AU-**  
19 **THORITY.**

20 Section 10(h) of the Federal Deposit Insurance Act  
21 (12 U.S.C. 1820(h)) is amended to read as follows:

22 “(h) COORDINATION OF EXAMINATION AUTHOR-  
23 ITY.—

24 “(1) STATE BANK SUPERVISORS OF HOME AND  
25 HOST STATES.—

1           “(A) HOME STATE OF BANK.—The appro-  
2           priate State bank supervisor of the home State  
3           of an insured State bank has authority to ex-  
4           amine and supervise the bank.

5           “(B) HOST STATE BRANCHES.—The State  
6           bank supervisor of the home State of an in-  
7           sured State bank and any State bank super-  
8           visor of an appropriate host State shall exercise  
9           its respective authority to supervise and exam-  
10          ine the branches of the bank in a host State in  
11          accordance with the terms of any applicable co-  
12          operative agreement between the home State  
13          bank supervisor and the State bank supervisor  
14          of the relevant host State.

15          “(C) SUPERVISORY FEES.—Except as ex-  
16          pressly provided in a cooperative agreement be-  
17          tween the State bank supervisors of the home  
18          State and any host State of an insured State  
19          bank, only the State bank supervisor of the  
20          home State of an insured State bank may levy  
21          or charge State supervisory fees on the bank.

22          “(2) HOST STATE EXAMINATION.—

23                 “(A) IN GENERAL.—With respect to a  
24                 branch operated in a host State by an out-of-  
25                 State insured State bank that resulted from an

1 interstate merger transaction approved under  
2 section 44, or that was established in such  
3 State pursuant to section 5155(g) of the Re-  
4 vised Statutes of the United States, the third  
5 undesignated paragraph of section 9 of the  
6 Federal Reserve Act or section 18(d)(4) of this  
7 Act, the appropriate State bank supervisor of  
8 such host State may—

9 “(i) with written notice to the State  
10 bank supervisor of the bank’s home State  
11 and subject to the terms of any applicable  
12 cooperative agreement with the State bank  
13 supervisor of such home State, examine  
14 such branch for the purpose of determining  
15 compliance with host State laws that are  
16 applicable pursuant to section 24(j), in-  
17 cluding those that govern community rein-  
18 vestment, fair lending, and consumer pro-  
19 tection; and

20 “(ii) if expressly permitted under and  
21 subject to the terms of a cooperative agree-  
22 ment with the State bank supervisor of the  
23 bank’s home State or if such out-of-State  
24 insured State bank has been determined to  
25 be in a troubled condition by either the

1 State bank supervisor of the bank's home  
2 State or the bank's appropriate Federal  
3 banking agency, participate in the exam-  
4 ination of the bank by the State bank su-  
5 pervisor of the bank's home State to ascer-  
6 tain that the activities of the branch in  
7 such host State are not conducted in an  
8 unsafe or unsound manner.

9 “(B) NOTICE OF DETERMINATION.—

10 “(i) IN GENERAL.—The State bank  
11 supervisor of the home State of an insured  
12 State bank shall notify the State bank su-  
13 pervisor of each host State of the bank if  
14 there has been a final determination that  
15 the bank is in a troubled condition.

16 “(ii) TIMING OF NOTICE.—The State  
17 bank supervisor of the home State of an  
18 insured State bank shall provide notice  
19 under clause (i) as soon as is reasonably  
20 possible, but in all cases not later than 15  
21 business days after the date on which the  
22 State bank supervisor has made such final  
23 determination or has received written noti-  
24 fication of such final determination.

1           “(3) HOST STATE ENFORCEMENT.—If the State  
2           bank supervisor of a host State determines that a  
3           branch of an out-of-State insured State bank is vio-  
4           lating any law of the host State that is applicable to  
5           such branch pursuant to section 24(j), including a  
6           law that governs community reinvestment, fair lend-  
7           ing, or consumer protection, the State bank super-  
8           visor of the host State or, to the extent authorized  
9           by the law of the host State, a host State law en-  
10          forcement officer may, with written notice to the  
11          State bank supervisor of the bank’s home State and  
12          subject to the terms of any applicable cooperative  
13          agreement with the State bank supervisor of the  
14          bank’s home State, undertake such enforcement ac-  
15          tions and proceedings as would be permitted under  
16          the law of the host State as if the branch were a  
17          bank chartered by that host State.

18           “(4) COOPERATIVE AGREEMENT.—

19           “(A) IN GENERAL.—The State bank super-  
20          visors from 2 or more States may enter into co-  
21          operative agreements to facilitate State regu-  
22          latory supervision of State banks, including co-  
23          operative agreements relating to the coordina-  
24          tion of examinations and joint participation in  
25          examinations.

1           “(B) DEFINITION.—For purposes of this  
2 subsection, the term ‘cooperative agreement’  
3 means a written agreement that is signed by  
4 the home State bank supervisor and the host  
5 State bank supervisor to facilitate State regu-  
6 latory supervision of State banks, and includes  
7 nationwide or multi-state cooperative agree-  
8 ments and cooperative agreements solely be-  
9 tween the home State and host State.

10           “(C) RULE OF CONSTRUCTION.—Except  
11 for State bank supervisors, no provision of this  
12 subsection relating to such cooperative agree-  
13 ments shall be construed as limiting in any way  
14 the authority of home State and host State law  
15 enforcement officers, regulatory supervisors, or  
16 other officials that have not signed such cooper-  
17 ative agreements to enforce host State laws that  
18 are applicable to a branch of an out-of-State in-  
19 sured State bank located in the host State pur-  
20 suant to section 24(j).

21           “(5) FEDERAL REGULATORY AUTHORITY.—No  
22 provision of this subsection shall be construed as  
23 limiting in any way the authority of any Federal  
24 banking agency.

1           “(6) STATE TAXATION AUTHORITY NOT AF-  
2           FECTED.—No provision of this subsection shall be  
3           construed as affecting the authority of any State or  
4           political subdivision of any State to adopt, apply, or  
5           administer any tax or method of taxation to any  
6           bank, bank holding company, or foreign bank, or  
7           any affiliate of any bank, bank holding company, or  
8           foreign bank, to the extent that such tax or tax  
9           method is otherwise permissible by or under the  
10          Constitution of the United States or other Federal  
11          law.

12           “(7) DEFINITIONS.—For purpose of this sec-  
13          tion, the following definition shall apply:

14           “(A) HOST STATE, HOME STATE, OUT-OF-  
15          STATE BANK.—The terms ‘host State’, ‘home  
16          State’, and ‘out-of-State bank’ have the same  
17          meanings as in section 44(g).

18           “(B) STATE SUPERVISORY FEES.—The  
19          term ‘State supervisory fees’ means assess-  
20          ments, examination fees, branch fees, license  
21          fees, and all other fees that are levied or  
22          charged by a State bank supervisor directly  
23          upon an insured State bank or upon branches  
24          of an insured State bank.

1           “(C) TROUBLED CONDITION.—Solely for  
2 purposes of paragraph (2)(B), an insured State  
3 bank has been determined to be in ‘troubled  
4 condition’ if the bank—

5           “(i) has a composite rating, as deter-  
6 mined in its most recent report of exam-  
7 ination, of 4 or 5 under the Uniform Fi-  
8 nancial Institutions Ratings System;

9           “(ii) is subject to a proceeding initi-  
10 ated by the Corporation for termination or  
11 suspension of deposit insurance; or

12           “(iii) is subject to a proceeding initi-  
13 ated by the State bank supervisor of the  
14 bank’s home State to vacate, revoke, or  
15 terminate the charter of the bank, or to  
16 liquidate the bank, or to appoint a receiver  
17 for the bank.

18           “(D) FINAL DETERMINATION.—For pur-  
19 poses of paragraph (2)(B), the term ‘final de-  
20 termination’ means the transmittal of a report  
21 of examination to the bank or transmittal of of-  
22 ficial notice of proceedings to the bank.”.

1 **SEC. 712. DEPUTY DIRECTOR; SUCCESSION AUTHORITY**  
2 **FOR DIRECTOR OF THE OFFICE OF THRIFT**  
3 **SUPERVISION.**

4 (a) ESTABLISHMENT OF POSITION OF DEPUTY DI-  
5 RECTOR.—Section 3(c)(5) of the Home Owners' Loan Act  
6 (12 U.S.C. 1462a(c)(5)) is amended to read as follows:

7 “(5) DEPUTY DIRECTOR.—

8 “(A) IN GENERAL.—The Secretary of the  
9 Treasury shall appoint a Deputy Director, and  
10 may appoint not more than 3 additional Deputy  
11 Directors of the Office.

12 “(B) FIRST DEPUTY DIRECTOR.—If the  
13 Secretary of the Treasury appoints more than  
14 1 Deputy Director of the Office, the Secretary  
15 shall designate one such appointee as the First  
16 Deputy Director.

17 “(C) DUTIES.—Each Deputy Director ap-  
18 pointed under this paragraph shall take an oath  
19 of office and perform such duties as the Direc-  
20 tor shall direct.

21 “(D) COMPENSATION AND BENEFITS.—  
22 The Director shall fix the compensation and  
23 benefits for each Deputy Director in accordance  
24 with this Act.”.

1           (b) SERVICE OF DEPUTY DIRECTOR AS ACTING DI-  
2 RECTOR.—Section 3(e)(3) of the Home Owners’ Loan Act  
3 (12 U.S.C. 1462a(c)(3)) is amended—

4           (1) by striking “**VACANCY.**—A vacancy in the  
5 position of Director” and inserting “**VACANCY.**—

6           “(A) IN GENERAL.—A vacancy in the posi-  
7 tion of Director”; and

8           (2) by adding at the end the following:

9           “(B) ACTING DIRECTOR.—

10           “(i) IN GENERAL.—In the event of a  
11 vacancy in the position of Director or dur-  
12 ing the absence or disability of the Direc-  
13 tor, the Deputy Director shall serve as  
14 Acting Director.

15           “(ii) SUCCESSION IN CASE OF 2 OR  
16 MORE DEPUTY DIRECTORS.—If there are 2  
17 or more Deputy Directors serving at the  
18 time a vacancy in the position of Director  
19 occurs or the absence or disability of the  
20 Director commences, the First Deputy Di-  
21 rector shall serve as Acting Director under  
22 clause (i) followed by such other Deputy  
23 Directors under any order of succession  
24 the Director may establish.

1                   “(iii) AUTHORITY OF ACTING DIREC-  
2                   TOR.—Any Deputy Director, while serving  
3                   as Acting Director under this subpara-  
4                   graph, shall be vested with all authority,  
5                   duties, and privileges of the Director under  
6                   this Act and any other provision of Federal  
7                   law.”.

8 **SEC. 713. OFFICE OF THRIFT SUPERVISION REPRESENTA-**  
9                   **TION ON BASEL COMMITTEE ON BANKING SU-**  
10                  **PERVISION.**

11           (a) IN GENERAL.—Section 912 of the International  
12 Lending Supervision Act of 1983 (12 U.S.C. 3911) is  
13 amended—

14           (1) in the section heading, by inserting at the  
15           end the following: “**AND THE OFFICE OF THRIFT**  
16           **SUPERVISION**”;

17           (2) by striking “As one of the three” and in-  
18           serting the following:

19           “(a) IN GENERAL.—As one of the 4”; and

20           (3) by adding at the end the following:

21           “(b) As one of the 4 Federal bank regulatory and  
22 supervisory agencies, the Office of Thrift Supervision shall  
23 be given equal representation with the Board of Governors  
24 of the Federal Reserve System, the Office of the Comp-  
25 troller of the Currency, and the Federal Deposit Insurance

1 Corporation on the Committee on Banking Regulations  
2 and Supervisory Practices of the Group of Ten Countries  
3 and Switzerland.”.

4 (b) CONFORMING AMENDMENTS.—Section 910(a) of  
5 the International Lending Supervision Act of 1983 (12  
6 U.S.C. 3909(a)) is amended—

7 (1) in paragraph (2), by striking “insured  
8 bank” and inserting “insured depository institu-  
9 tion”; and

10 (2) in paragraph (3), by striking “an ‘insured  
11 bank’, as such term is used in section 3(h)” and in-  
12 serting “an ‘insured depository institution’, as such  
13 term is defined in section 3(c)(2)”.

14 **SEC. 714. FEDERAL FINANCIAL INSTITUTIONS EXAMINA-**  
15 **TION COUNCIL.**

16 (a) COUNCIL MEMBERSHIP.—Section 1004(a) of the  
17 Federal Financial Institutions Examination Council Act of  
18 1978 (12 U.S.C. 3303(a)) is amended—

19 (1) in paragraph (4), by striking “Thrift” and  
20 all that follows through the end of the paragraph  
21 and inserting “Thrift Supervision,”;

22 (2) in paragraph (5) by striking the period at  
23 the end and inserting “, and”;

24 (3) by adding at the end the following:

1           “(6) the Chairman of the State Liaison Com-  
2           mittee.”.

3           (b) CHAIRPERSON OF LIAISON COMMITTEE.—Section  
4 1007 of the Federal Financial Institutions Examination  
5 Council Act of 1978 (12 U.S.C. 3306) is amended by add-  
6 ing at the end the following: “Members of the Liaison  
7 Committee shall elect a chairperson from among the mem-  
8 bers serving on the committee.”.

9   **SEC. 715. TECHNICAL AMENDMENTS RELATING TO IN-**  
10                                   **SURED INSTITUTIONS.**

11           (a) TECHNICAL AMENDMENT TO THE FEDERAL DE-  
12 POSIT INSURANCE ACT.—Section 8(i)(3) of the Federal  
13 Deposit Insurance Act (12 U.S.C. 1818(i)(3)) is amended  
14 by inserting “or order” after “notice” each place that term  
15 appears.

16           (b) TECHNICAL AMENDMENT TO THE FEDERAL  
17 CREDIT UNION ACT.—Section 206(k)(3) of the Federal  
18 Credit Union Act (12 U.S.C. 1786(k)(3)) is amended by  
19 inserting “or order” after “notice” each place that term  
20 appears.

21   **SEC. 716. CLARIFICATION OF ENFORCEMENT AUTHORITY.**

22           (a) ACTIONS ON APPLICATIONS, NOTICES, AND  
23 OTHER REQUESTS.—Section 8 of the Federal Deposit In-  
24 surance Act (12 U.S.C. 1818) is amended—

1           (1) in subsection (b)(1), in the first sentence,  
2           by striking “the granting of any application or other  
3           request by the depository institution” and inserting  
4           “any action on any application, notice, or other re-  
5           quest by the depository institution or institution-af-  
6           filiated party,”;

7           (2) in subsection (e)(1)(A)(i)(III), by striking  
8           “the grant of any application or other request by  
9           such depository institution” and inserting “any ac-  
10          tion on any application, notice, or request by such  
11          depository institution or institution-affiliated party”;  
12          and

13          (3) in subsection (i)(2)(A)(iii), by striking “the  
14          grant of any application or other request by such de-  
15          pository institution” and inserting “any action on  
16          any application, notice, or other request by the de-  
17          pository institution or institution-affiliated party”.

18          (b) CLARIFICATION THAT CHANGE IN CONTROL  
19          CONDITIONS ARE ENFORCEABLE.—Section 206 of the  
20          Federal Credit Union Act (12 U.S.C. 1786) is amended—

21          (1) in subsection (b)(1), in the first sentence,  
22          by striking “the granting of any application or other  
23          request by the credit union” and inserting “any ac-  
24          tion on any application, notice, or other request by  
25          the credit union or institution-affiliated party,”;

1           (2) in subsection (g)(1)(A)(i)(III), by striking  
2           “the grant of any application or other request by  
3           such credit union” and inserting “any action on any  
4           application, notice, or request by such credit union  
5           or institution-affiliated party”; and

6           (3) in subsection (k)(2)(A)(iii), by striking “the  
7           grant of any application or other request by such  
8           credit union” and inserting “any action on any ap-  
9           plication, notice, or other request by the credit union  
10          or institution-affiliated party”.

11 **SEC. 717. FEDERAL BANKING AGENCY AUTHORITY TO EN-**  
12 **FORCE DEPOSIT INSURANCE CONDITIONS.**

13          Section 8 of the Federal Deposit Insurance Act (12  
14 U.S.C. 1818) is amended—

15           (1) in subsection (b)(1), in the 1st sentence—

16               (A) by striking “in writing by the agency”  
17               and inserting “in writing by a Federal banking  
18               agency”; and

19               (B) by striking “the agency may issue and  
20               serve” and inserting “the appropriate Federal  
21               banking agency for the depository institution  
22               may issue and serve”;

23           (2) in subsection (e)(1)—

24               (A) in subparagraph (A)(i)(III), by strik-  
25               ing “in writing by the appropriate Federal

1 banking agency” and inserting “in writing by a  
2 Federal banking agency”; and

3 (B) in the undesignated matter at the end,  
4 by striking “the agency may serve upon such  
5 party” and inserting “the appropriate Federal  
6 banking agency for the depository institution  
7 may serve upon such party”; and

8 (3) in subsection (i)(2)(A)(iii), by striking “in  
9 writing by the appropriate Federal banking agency”  
10 and inserting “in writing by a Federal banking  
11 agency”.

12 **SEC. 718. RECEIVER OR CONSERVATOR CONSENT REQUIRE-**  
13 **MENT.**

14 (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section  
15 11(e)(12) of the Federal Deposit Insurance Act (12  
16 U.S.C. 1821(e)(12)) is amended by adding at the end the  
17 following:

18 “(C) **CONSENT REQUIREMENT.**—

19 “(i) **IN GENERAL.**—Except as other-  
20 wise provided by this section or section 15,  
21 no person may exercise any right or power  
22 to terminate, accelerate, or declare a de-  
23 fault under any contract to which the de-  
24 pository institution is a party, or to obtain  
25 possession of or exercise control over any

1 property of the institution or affect any  
2 contractual rights of the institution, with-  
3 out the consent of the conservator or re-  
4 ceiver, as appropriate, during the 45-day  
5 period beginning on the date of the ap-  
6 pointment of the conservator, or during the  
7 90-day period beginning on the date of the  
8 appointment of the receiver, as applicable.

9 “(ii) CERTAIN EXCEPTIONS.—No pro-  
10 vision of this subparagraph shall apply to  
11 a director or officer liability insurance con-  
12 tract or a depository institution bond, or to  
13 the rights of parties to certain qualified fi-  
14 nancial contracts pursuant to paragraph  
15 (8), or shall be construed as permitting the  
16 conservator or receiver to fail to comply  
17 with otherwise enforceable provisions of  
18 such contract.

19 “(iii) RULE OF CONSTRUCTION.—  
20 Nothing in this subparagraph shall be con-  
21 strued to limit or otherwise affect the ap-  
22 plicability of title 11, United States  
23 Code.”.

1 (b) INSURED CREDIT UNIONS.—Section 207(c)(12)  
2 of the Federal Credit Union Act (12 U.S.C. 1787(c)(12))  
3 is amended by adding the following:

4 “(C) CONSENT REQUIREMENT.—

5 “(i) IN GENERAL.—Except as other-  
6 wise provided by this section, no person  
7 may exercise any right or power to termi-  
8 nate, accelerate, or declare a default under  
9 any contract to which the credit union is a  
10 party, or to obtain possession of or exercise  
11 control over any property of the credit  
12 union or affect any contractual rights of  
13 the credit union, without the consent of the  
14 conservator or liquidating agent, as appro-  
15 priate, during the 45-day period beginning  
16 on the date of the appointment of the con-  
17 servator, or during the 90-day period be-  
18 ginning on the date of the appointment of  
19 the liquidating agent, as applicable.

20 “(ii) CERTAIN EXCEPTIONS.—No pro-  
21 vision of this subparagraph shall apply to  
22 a director or officer liability insurance con-  
23 tract or a credit union bond, or to the  
24 rights of parties to certain qualified finan-  
25 cial contracts pursuant to paragraph (8),

1 or shall be construed as permitting the  
2 conservator or liquidating agent to fail to  
3 comply with otherwise enforceable provi-  
4 sions of such contract.

5 “(iii) RULE OF CONSTRUCTION.—  
6 Nothing in this subparagraph shall be con-  
7 strued to limit or otherwise affect the ap-  
8 plicability of title 11, United States  
9 Code.”.

10 **SEC. 719. ACQUISITION OF FICO SCORES.**

11 Section 604(a) of the Fair Credit Reporting Act (15  
12 U.S.C. 1681b(a)) is amended by adding at the end the  
13 following:

14 “(6) To the Federal Deposit Insurance Cor-  
15 poration or the National Credit Union Administra-  
16 tion as part of its preparation for its appointment or  
17 as part of its exercise of powers, as conservator, re-  
18 ceiver, or liquidating agent for an insured depository  
19 institution or insured credit union under the Federal  
20 Deposit Insurance Act or the Federal Credit Union  
21 Act, or other applicable Federal or State law, or in  
22 connection with the resolution or liquidation of a  
23 failed or failing insured depository institution or in-  
24 sured credit union, as applicable.”.

1 **SEC. 720. ELIMINATION OF CRIMINAL INDICTMENTS**  
2 **AGAINST RECEIVERSHIPS.**

3 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
4 15(b) of the Federal Deposit Insurance Act (12 U.S.C.  
5 1825(b)) is amended by inserting immediately after para-  
6 graph (3) the following:

7 “(4) EXEMPTION FROM CRIMINAL PROSECU-  
8 TION.—The Corporation shall be exempt from all  
9 prosecution by the United States or any State, coun-  
10 ty, municipality, or local authority for any criminal  
11 offense arising under Federal, State, county, munic-  
12 ipal, or local law, which was allegedly committed by  
13 the institution, or persons acting on behalf of the in-  
14 stitution, prior to the appointment of the Corpora-  
15 tion as receiver.”.

16 (b) INSURED CREDIT UNIONS.—Section 207(b)(2) of  
17 the Federal Credit Union Act (12 U.S.C. 1787(b)(2)) is  
18 amended by adding at the end the following:

19 “(K) EXEMPTION FROM CRIMINAL PROS-  
20 ECUTION.—The Administration shall be exempt  
21 from all prosecution by the United States or  
22 any State, county, municipality, or local author-  
23 ity for any criminal offense arising under Fed-  
24 eral, State, county, municipal, or local law,  
25 which was allegedly committed by a credit  
26 union, or persons acting on behalf of a credit

1 union, prior to the appointment of the Adminis-  
2 tration as liquidating agent.”.

3 **SEC. 721. RESOLUTION OF DEPOSIT INSURANCE DISPUTES.**

4 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
5 11(f) of the Federal Deposit Insurance Act (12 U.S.C.  
6 1821(f)) is amended by striking paragraphs (3) through  
7 (5) and inserting the following:

8 “(3) RESOLUTION OF DISPUTES.—A determina-  
9 tion by the Corporation regarding any claim for in-  
10 surance coverage shall be treated as a final deter-  
11 mination for purposes of this section. In its discre-  
12 tion, the Corporation may promulgate regulations  
13 prescribing procedures for resolving any disputed  
14 claim relating to any insured deposit or any deter-  
15 mination of insurance coverage with respect to any  
16 deposit.

17 “(4) REVIEW OF CORPORATION DETERMINA-  
18 TION.—A final determination made by the Corpora-  
19 tion regarding any claim for insurance coverage shall  
20 be a final agency action reviewable in accordance  
21 with chapter 7 of title 5, United States Code, by the  
22 United States district court for the Federal judicial  
23 district where the principal place of business of the  
24 depository institution is located.

1           “(5) STATUTE OF LIMITATIONS.—Any request  
2           for review of a final determination by the Corpora-  
3           tion regarding any claim for insurance coverage shall  
4           be filed with the appropriate United States district  
5           court not later than 60 days after the date on which  
6           such determination is processed.”.

7           (b) INSURED CREDIT UNIONS.—Section 207(d) of  
8           the Federal Credit Union Act (12 U.S.C. 1787(d)) is  
9           amended by striking paragraphs (3) through (5) and in-  
10          serting the following:

11           “(3) RESOLUTION OF DISPUTES.—A determina-  
12          tion by the Administration regarding any claim for  
13          insurance coverage shall be treated as a final deter-  
14          mination for purposes of this section. In its discre-  
15          tion, the Board may promulgate regulations pre-  
16          scribing procedures for resolving any disputed claim  
17          relating to any insured deposit or any determination  
18          of insurance coverage with respect to any deposit. A  
19          final determination made by the Board regarding  
20          any claim for insurance coverage shall be a final  
21          agency action reviewable in accordance with chapter  
22          7 of title 5, United States Code, by the United  
23          States district court for the Federal judicial district  
24          where the principal place of business of the credit  
25          union is located.

1           “(4) STATUTE OF LIMITATIONS.—Any request  
2           for review of a final determination by the Board re-  
3           garding any claim for insurance coverage shall be  
4           filed with the appropriate United States district  
5           court not later than 60 days after the date on which  
6           such determination is issued.”.

7 **SEC. 722. RECORDKEEPING.**

8           (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
9 11(d)(15)(D) of the Federal Deposit Insurance Act (12  
10 U.S.C. 1821(d)(15)(D)) is amended—

11           (1) by striking “After the end of the 6-year pe-  
12           riod” and inserting the following:

13                   “(i) IN GENERAL.—Except as pro-  
14                   vided in clause (ii), after the end of the 6-  
15                   year period”; and

16           (2) by adding at the end the following:

17                   “(ii) OLD RECORDS.—Notwith-  
18                   standing clause (i), the Corporation may  
19                   destroy records of an insured depository  
20                   institution which are at least 10 years old  
21                   as of the date on which the Corporation is  
22                   appointed as the receiver of such deposi-  
23                   tory institution in accordance with clause  
24                   (i) at any time after such appointment is

1 final, without regard to the 6-year period  
2 of limitation contained in clause (i).”.

3 (b) INSURED CREDIT UNIONS.—Section  
4 207(b)(15)(D) of the Federal Credit Union Act (12  
5 U.S.C. 1787(b)(15)(D)) is amended—

6 (1) by striking “After the end of the 6-year pe-  
7 riod” and inserting the following:

8 “(i) IN GENERAL.—Except as pro-  
9 vided in clause (ii), after the end of the 6-  
10 year period”; and

11 (2) by adding at the end the following:

12 “(ii) OLD RECORDS.—Notwith-  
13 standing clause (i) the Board may destroy  
14 records of an insured credit union which  
15 are at least 10 years old as of the date on  
16 which the Board is appointed as liqui-  
17 dating agent of such credit union in ac-  
18 cordance with clause (i) at any time after  
19 such appointment is final, without regard  
20 to the 6-year period of limitation contained  
21 in clause (i).”.

22 **SEC. 723. PRESERVATION OF RECORDS.**

23 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
24 10(f) of the Federal Deposit Insurance Act (12 U.S.C.  
25 1820(f)) is amended to read as follows:

1 “(f) PRESERVATION OF AGENCY RECORDS.—

2 “(1) IN GENERAL.—A Federal banking agency  
3 may cause any and all records, papers, or documents  
4 kept by the agency or in the possession or custody  
5 of the agency to be—

6 “(A) photographed or microphotographed  
7 or otherwise reproduced upon film; or

8 “(B) preserved in any electronic medium  
9 or format which is capable of—

10 “(i) being read or scanned by com-  
11 puter; and

12 “(ii) being reproduced from such elec-  
13 tronic medium or format by printing any  
14 other form of reproduction of electronically  
15 stored data.

16 “(2) TREATMENT AS ORIGINAL RECORDS.—Any  
17 photographs, microphotographs, or photographic  
18 film or copies thereof described in paragraph (1)(A)  
19 or reproduction of electronically stored data de-  
20 scribed in paragraph (1)(B) shall be deemed to be  
21 an original record for all purposes, including intro-  
22 duction in evidence in all State and Federal courts  
23 or administrative agencies, and shall be admissible  
24 to prove any act, transaction, occurrence, or event  
25 therein recorded.

1           “(3) AUTHORITY OF THE FEDERAL BANKING  
2           AGENCIES.—Any photographs, microphotographs, or  
3           photographic film or copies thereof described in  
4           paragraph (1)(A) or reproduction of electronically  
5           stored data described in paragraph (1)(B) shall be  
6           preserved in such manner as the Federal banking  
7           agency shall prescribe, and the original records, pa-  
8           pers, or documents may be destroyed or otherwise  
9           disposed of as the Federal banking agency may di-  
10          rect.”.

11          (b) INSURED CREDIT UNIONS.—Section 206(s) of  
12 the Federal Credit Union Act (12 U.S.C. 1786(s)) is  
13 amended by adding at the end the following:

14           “(9) PRESERVATION OF RECORDS.—

15           “(A) IN GENERAL.—The Board may cause  
16           any and all records, papers, or documents kept  
17           by the Administration or in the possession or  
18           custody of the Administration to be—

19                   “(i) photographed or microphoto-  
20                   graphed or otherwise reproduced upon  
21                   film; or

22                   “(ii) preserved in any electronic me-  
23                   dium or format which is capable of—

24                           “(I) being read or scanned by  
25                           computer; and

1                   “(II) being reproduced from such  
2                   electronic medium or format by print-  
3                   ing or any other form of reproduction  
4                   of electronically stored data.

5                   “(B)     TREATMENT     AS     ORIGINAL  
6                   RECORDS.—Any photographs, micrographs, or  
7                   photographic film or copies thereof described in  
8                   subparagraph (A)(i) or reproduction of elec-  
9                   tronically stored data described in subpara-  
10                  graph (A)(ii) shall be deemed to be an original  
11                  record for all purposes, including introduction  
12                  in evidence in all State and Federal courts or  
13                  administrative agencies, and shall be admissible  
14                  to prove any act, transaction, occurrence, or  
15                  event therein recorded.

16                  “(C)   AUTHORITY OF THE ADMINISTRA-  
17                  TION.—Any photographs, microphotographs, or  
18                  photographic film or copies thereof described in  
19                  subparagraph (A)(i) or reproduction of elec-  
20                  tronically stored data described in subpara-  
21                  graph (A)(ii) shall be preserved in such manner  
22                  as the Administration shall prescribe, and the  
23                  original records, papers, or documents may be  
24                  destroyed or otherwise disposed of as the Ad-  
25                  ministration may direct.”.

1 **SEC. 724. TECHNICAL AMENDMENTS TO INFORMATION**  
2 **SHARING PROVISION IN THE FEDERAL DE-**  
3 **POSIT INSURANCE ACT.**

4 Section 11(t) of the Federal Deposit Insurance Act  
5 (12 U.S.C. 1821(t)) is amended—

6 (1) in paragraph (1), by inserting “, in any ca-  
7 pacity,” after “A covered agency”; and

8 (2) in paragraph (2)(A)—

9 (A) in clause (i), by striking “appro-  
10 priate”;

11 (B) by striking clause (ii); and

12 (C) by redesignating clauses (iii) through  
13 (vi) as clauses (ii) through (v), respectively.

14 **SEC. 725. TECHNICAL AND CONFORMING AMENDMENTS RE-**  
15 **LATING TO BANKS OPERATING UNDER THE**  
16 **CODE OF LAW FOR THE DISTRICT OF COLUM-**  
17 **BIA.**

18 (a) FEDERAL RESERVE ACT.—The Federal Reserve  
19 Act (12 U.S.C. 221 et seq.) is amended—

20 (1) in the second undesignated paragraph of  
21 the first section (12 U.S.C. 221), by adding at the  
22 end the following: “For purposes of this Act, a State  
23 bank includes any bank which is operating under the  
24 Code of Law for the District of Columbia.”; and

25 (2) in the first sentence of the first undesign-  
26 nated paragraph of section 9 (12 U.S.C. 321), by

1 striking “incorporated by special law of any State,  
2 or” and inserting “incorporated by special law of  
3 any State, operating under the Code of Law for the  
4 District of Columbia, or”.

5 (b) BANK CONSERVATION ACT.—Section 202 of the  
6 Bank Conservation Act (12 U.S.C. 202) is amended—

7 (1) by striking “means (1) any national” and  
8 inserting “means any national”; and

9 (2) by striking “, and (2) any bank or trust  
10 company located in the District of Columbia and op-  
11 erating under the supervision of the Comptroller of  
12 the Currency”.

13 (c) DEPOSITORY INSTITUTION DEREGULATION AND  
14 MONETARY CONTROL ACT OF 1980.—Part C of title VII  
15 of the Depository Institution Deregulation and Monetary  
16 Control Act of 1980 (12 U.S.C. 216 et seq.) is amended—

17 (1) in paragraph (1) of section 731 (12 U.S.C.  
18 216(1)), by striking “and closed banks in the Dis-  
19 trict of Columbia”; and

20 (2) in paragraph (2) of section 732 (12 U.S.C.  
21 216a(2)), by striking “or closed banks in the Dis-  
22 trict of Columbia”.

23 (d) FEDERAL DEPOSIT INSURANCE ACT.—Section  
24 3(a)(2)(B) of the Federal Deposit Insurance Act (12

1 U.S.C. 1813(a)(2)(B)) is amended by striking “(except a  
2 national bank)”.

3 (e) NATIONAL BANK CONSOLIDATION AND MERGER  
4 ACT.—Section 7(1) of the National Bank Consolidation  
5 and Merger Act (12 U.S.C. 215b(1)) is amended by strik-  
6 ing “(except a national banking association located in the  
7 District of Columbia)”.

8 (f) ACT OF AUGUST 17, 1950.—Section 1(a) of the  
9 Act entitled “An Act to provide for the conversion of na-  
10 tional banking associations into and their merger or con-  
11 solidation with State banks, and for other purposes” and  
12 approved August 17, 1950 (12 U.S.C. 214(a)) is amended  
13 by striking “(except a national banking association)”.

14 (g) FEDERAL TRADE COMMISSION ACT.—Section  
15 18(f)(2) of the Federal Trade Commission Act (15 U.S.C.  
16 57a(f)(2)) is amended—

17 (1) in subparagraph (A), by striking “, banks  
18 operating under the code of law for the District of  
19 Columbia,”; and

20 (2) in subparagraph (B), by striking “and  
21 banks operating under the code of law for the Dis-  
22 trict of Columbia”.

1 **SEC. 726. TECHNICAL CORRECTIONS TO THE FEDERAL**  
2 **CREDIT UNION ACT.**

3 The Federal Credit Union Act (12 U.S.C. 1751 et  
4 seq.) is amended as follows:

5 (1) In section 101(3), strike “and” after the  
6 semicolon.

7 (2) In section 101(5), strike the terms “account  
8 account” and “account accounts” each place any  
9 such term appears and insert “account”.

10 (3) In section 107(5)(E), strike the period at  
11 the end and insert a semicolon.

12 (4) In each of paragraphs (6) and (7) of section  
13 107, strike the period at the end and insert a semi-  
14 colon.

15 (5) In section 107(7)(D), strike “the Federal  
16 Savings and Loan Insurance Corporation or”.

17 (6) In section 107(7)(E), strike “the Federal  
18 Home Loan Bank Board,” and insert “the Federal  
19 Housing Finance Board,”.

20 (7) In section 107(9), strike “subchapter III”  
21 and insert “title III”.

22 (8) In section 107(13), strike “and” after the  
23 semicolon at the end.

24 (9) In section 109(e)(2)(A)(i), strike “(12  
25 U.S.C. 4703(16))”.

1           (10) In section 120(h), strike “the Act ap-  
2           proved July 30, 1947 (6 U.S.C., secs. 6–13),” and  
3           insert “chapter 93 of title 31, United States Code,”.

4           (11) In section 201(b)(5), strike “section 116  
5           of”.

6           (12) In section 202(h)(3), strike “section  
7           207(c)(1)” and insert “section 207(k)(1)”.

8           (13) In section 204(b), strike “such others pow-  
9           ers” and insert “such other powers”.

10          (14) In section 206(e)(3)(D), strike “and” after  
11          the semicolon at the end.

12          (15) In section 206(f)(1), strike “subsection  
13          (e)(3)(B)” and insert “subsection (e)(3)”.

14          (16) In section 206(g)(7)(D), strike “and sub-  
15          section (1)”.

16          (17) In section 206(t)(2)(B), insert “regula-  
17          tions” after “as defined in”.

18          (18) In section 206(t)(2)(C), strike “material  
19          affect” and insert “material effect”.

20          (19) In section 206(t)(4)(A)(ii)(II), strike “or”  
21          after the semicolon at the end.

22          (20) In section 206A(a)(2)(A), strike “regulator  
23          agency” and insert “regulatory agency”.

24          (21) In section 207(c)(5)(B)(i)(I), insert “and”  
25          after the semicolon at the end.

1           (22) In the heading for subparagraph (A) of  
2 section 207(d)(3), strike “TO” and insert “WITH”.

3           (23) In section 207(f)(3)(A), strike “category  
4 or claimants” and insert “category of claimants”.

5           (24) In section 209(a)(8), strike the period at  
6 the end and insert a semicolon.

7           (25) In section 216(n), insert “any action” be-  
8 fore “that is required”.

9           (26) In section 304(b)(3), strike “the affairs or  
10 such credit union” and insert “the affairs of such  
11 credit union”.

12           (27) In section 310, strike “section 102(e)” and  
13 insert “section 102(d)”.

14 **SEC. 727. REPEAL OF OBSOLETE PROVISIONS OF THE BANK**

15 **HOLDING COMPANY ACT OF 1956.**

16           (a) IN GENERAL.—Section 2 of the Bank Holding  
17 Company Act of 1956 (12 U.S.C. 1841) is amended—

18           (1) in subsection (c)(2), by striking subpara-  
19 graphs (I) and (J); and

20           (2) by striking subsection (m) and inserting the  
21 following:

22           “(m) [Repealed]”.

23           (b) TECHNICAL AND CONFORMING AMENDMENTS.—

24 Paragraphs (1) and (2) of section 4(h) of the Bank Hold-  
25 ing Company Act of 1956 (12 U.S.C. 1843(h)) are each

1 amended by striking “(G), (H), (I), or (J) of section  
2 2(c)(2)” and inserting “(G), or (H) of section 2(c)(2)”.

3 **SEC. 728. DEVELOPMENT OF MODEL PRIVACY FORMS.**

4 Section 503 of the Gramm-Leach-Bliley Act (15  
5 U.S.C. 6803), as amended by section 609, is amended by  
6 adding at the end the following:

7 “(e) MODEL FORMS.—

8 “(1) IN GENERAL.—Each of the agencies re-  
9 ferred to in section 504(a)(1) shall develop model  
10 forms which may be used, at the option of the finan-  
11 cial institution, for the provision of disclosures under  
12 this section.

13 “(2) FORMAT.—Model forms developed under  
14 paragraph (1) shall—

15 “(A) be comprehensible to consumers, with  
16 a clear format and design;

17 “(B) provide for clear and conspicuous dis-  
18 closures;

19 “(C) enable consumers easily to identify  
20 the sharing practices of a financial institution  
21 and to compare privacy practices among finan-  
22 cial institutions; and

23 “(D) be succinct, and use an easily read-  
24 able type font.

1           “(3) TIMING.—Model forms required to be de-  
2           veloped by this subsection shall be issued in pro-  
3           posed form for public comment not later than 180  
4           days after the date of enactment of this sub-  
5           section.”.

6           **TITLE VIII—FAIR DEBT COLLEC-**  
7           **TION PRACTICES ACT AMEND-**  
8           **MENTS**

9           **SEC. 801. EXCEPTION FOR CERTAIN BAD CHECK ENFORCE-**  
10           **MENT PROGRAMS.**

11           (a) IN GENERAL.—The Fair Debt Collection Prac-  
12           tices Act (15 U.S.C. 1692 et seq.) is amended—

13                   (1) by redesignating section 818 as section 819;  
14           and

15                   (2) by inserting after section 817 the following:

16           **“§ 818. Exception for certain bad check enforcement**  
17           **programs operated by private entities**

18           “(a) IN GENERAL.—

19                   “(1) TREATMENT OF CERTAIN PRIVATE ENTI-  
20           TIES.—Subject to paragraph (2), a private entity  
21           shall be excluded from the definition of a debt col-  
22           lector, pursuant to the exception provided in section  
23           803(6), with respect to the operation by the entity  
24           of a program described in paragraph (2)(A) under  
25           a contract described in paragraph (2)(B).

1           “(2) CONDITIONS OF APPLICABILITY.—Para-  
2           graph (1) shall apply if—

3                   “(A) a State or district attorney estab-  
4                   lishes, within the jurisdiction of such State or  
5                   district attorney and with respect to alleged bad  
6                   check violations that do not involve a check de-  
7                   scribed in subsection (b), a pretrial diversion  
8                   program for alleged bad check offenders who  
9                   agree to participate voluntarily in such program  
10                  to avoid criminal prosecution;

11                  “(B) a private entity, that is subject to an  
12                  administrative support services contract with a  
13                  State or district attorney and operates under  
14                  the direction, supervision, and control of such  
15                  State or district attorney, operates the pretrial  
16                  diversion program described in subparagraph  
17                  (A); and

18                  “(C) in the course of performing duties  
19                  delegated to it by a State or district attorney  
20                  under the contract, the private entity referred  
21                  to in subparagraph (B)—

22                          “(i) complies with the penal laws of  
23                          the State;

1 “(ii) conforms with the terms of the  
2 contract and directives of the State or dis-  
3 trict attorney;

4 “(iii) does not exercise independent  
5 prosecutorial discretion;

6 “(iv) contacts any alleged offender re-  
7 ferred to in subparagraph (A) for purposes  
8 of participating in a program referred to in  
9 such paragraph—

10 “(I) only as a result of any deter-  
11 mination by the State or district at-  
12 torney that probable cause of a bad  
13 check violation under State penal law  
14 exists, and that contact with the al-  
15 leged offender for purposes of partici-  
16 pation in the program is appropriate;  
17 and

18 “(II) the alleged offender has  
19 failed to pay the bad check after de-  
20 mand for payment is made for pay-  
21 ment of the check amount, pursuant  
22 to State law;

23 “(v) includes as part of an initial writ-  
24 ten communication with an alleged of-

1 fender a clear and conspicuous statement  
2 that—

3 “(I) the alleged offender may dis-  
4 pute the validity of any alleged bad  
5 check violation;

6 “(II) where the alleged offender  
7 knows, or has reasonable cause to be-  
8 lieve, that the alleged bad check viola-  
9 tion is the result of theft or forgery of  
10 the check, identity theft, or other  
11 fraud that is not the result of the con-  
12 duct of the alleged offender, the al-  
13 leged offender may file a crime report  
14 with the appropriate law enforcement  
15 agency; and

16 “(III) if the alleged offender noti-  
17 fies the private entity or the district  
18 attorney in writing, not later than 30  
19 days after being contacted for the  
20 first time pursuant to clause (iv), that  
21 there is a dispute pursuant to this  
22 subsection, before further restitution  
23 efforts are pursued, the district attor-  
24 ney or an employee of the district at-  
25 torney authorized to make such a de-

1                    termination makes a determination  
2                    that there is probable cause to believe  
3                    that a crime has been committed; and  
4                    “(vi) charges only fees in connection  
5                    with services under the contract that have  
6                    been authorized by the contract with the  
7                    State or district attorney.

8            “(b) CERTAIN CHECKS EXCLUDED.—A check is de-  
9            scribed in this subsection if the check involves, or is subse-  
10            quently found to involve—

11            “(1) a postdated check presented in connection  
12            with a payday loan, or other similar transaction,  
13            where the payee of the check knew that the issuer  
14            had insufficient funds at the time the check was  
15            made, drawn, or delivered;

16            “(2) a stop payment order where the issuer  
17            acted in good faith and with reasonable cause in  
18            stopping payment on the check;

19            “(3) a check dishonored because of an adjust-  
20            ment to the issuer’s account by the financial institu-  
21            tion holding such account without providing notice  
22            to the person at the time the check was made,  
23            drawn, or delivered;

1           “(4) a check for partial payment of a debt  
2 where the payee had previously accepted partial pay-  
3 ment for such debt;

4           “(5) a check issued by a person who was not  
5 competent, or was not of legal age, to enter into a  
6 legal contractual obligation at the time the check  
7 was made, drawn, or delivered; or

8           “(6) a check issued to pay an obligation arising  
9 from a transaction that was illegal in the jurisdiction  
10 of the State or district attorney at the time the  
11 check was made, drawn, or delivered.

12           “(c) DEFINITIONS.—For purposes of this section, the  
13 following definitions shall apply:

14           “(1) STATE OR DISTRICT ATTORNEY.—The  
15 term ‘State or district attorney’ means the chief  
16 elected or appointed prosecuting attorney in a dis-  
17 trict, county (as defined in section 2 of title 1,  
18 United States Code), municipality, or comparable ju-  
19 risdiction, including State attorneys general who act  
20 as chief elected or appointed prosecuting attorneys  
21 in a district, county (as so defined), municipality or  
22 comparable jurisdiction, who may be referred to by  
23 a variety of titles such as district attorneys, pros-  
24 ecuting attorneys, commonwealth’s attorneys, solici-  
25 tors, county attorneys, and state’s attorneys, and

1 who are responsible for the prosecution of State  
2 crimes and violations of jurisdiction-specific local or-  
3 dinances.

4 “(2) CHECK.—The term ‘check’ has the same  
5 meaning as in section 3(6) of the Check Clearing for  
6 the 21st Century Act.

7 “(3) BAD CHECK VIOLATION.—The term ‘bad  
8 check violation’ means a violation of the applicable  
9 State criminal law relating to the writing of dishon-  
10 ored checks.”.

11 (b) CLERICAL AMENDMENT.—The table of sections  
12 for the Fair Debt Collection Practices Act (15 U.S.C.  
13 1692 et seq.) is amended—

14 (1) by redesignating the item relating to section  
15 818 as section 819; and

16 (2) by inserting after the item relating to sec-  
17 tion 817 the following new item:

“818. Exception for certain bad check enforcement programs operated by pri-  
vate entities”.

## 18 **TITLE IX—CASH MANAGEMENT** 19 **MODERNIZATION**

### 20 **SEC. 901. COLLATERAL MODERNIZATION.**

21 (a) IN GENERAL.—Section 9301(2) of title 31,  
22 United States Code, is amended to read as follows:

1           “(2) ‘eligible obligation’ means any security  
2           designated as acceptable in lieu of a surety bond by  
3           the Secretary of the Treasury.”.

4           (b) USE OF ELIGIBLE OBLIGATIONS INSTEAD OF  
5 SURETY BONDS.—Section 9303(a)(2) of title 31, United  
6 States Code, is amended to read as follows:

7           “(2) as determined by the Secretary of the  
8           Treasury, have a market value that is equal to or  
9           greater than the amount of the required surety  
10          bond; and”.

11          (c) TECHNICAL AMENDMENTS.—Section 9303 of title  
12 31, United States Code, is amended—

13           (1) in the section heading, by striking “**GOV-**  
14           **ERNMENT OBLIGATIONS**” and inserting “**ELIGI-**  
15           **BLE OBLIGATIONS**”;

16           (2) in subsection (f), by striking “Government  
17           obligations” and inserting “eligible obligations”;

18           (3) by striking “a Government obligation” each  
19           place that term appears and inserting “an eligible  
20           obligation”; and

21           (4) by striking “Government obligation” each  
22           place that term appears and inserting “eligible obli-  
23           gation”.

1                   **TITLE X—STUDIES AND**  
2                   **REPORTS**

3 **SEC. 1001. STUDY AND REPORT BY THE COMPTROLLER**  
4                   **GENERAL ON THE CURRENCY TRANSACTION**  
5                   **REPORT FILING SYSTEM.**

6           (a) **IN GENERAL.**—The Comptroller General of the  
7 United States shall conduct a study on the volume of cur-  
8 rency transaction reports filed with the Secretary of the  
9 Treasury under section 5313(a) of title 31, United States  
10 Code.

11          (b) **PURPOSE.**—The purpose of the study required  
12 under subsection (a) shall be—

13               (1) to evaluate, on the basis of actual filing  
14 data, patterns of currency transaction reports filed  
15 by depository institutions of all sizes and locations;  
16 and

17               (2) to identify whether and the extent to which  
18 the filing rules for currency transaction reports de-  
19 scribed in section 5313(a) of title 31, United States  
20 Code—

21                       (A) are burdensome; and

22                       (B) can or should be modified to reduce  
23 such burdens without harming the usefulness of  
24 such filing rules to Federal, State, and local

1 anti-terrorism, law enforcement, and regulatory  
2 operations.

3 (c) PERIOD COVERED.—The study required under  
4 subsection (a) shall cover the period beginning at least 3  
5 calendar years prior to the date of enactment of this sec-  
6 tion.

7 (d) CONTENT.—The study required under subsection  
8 (a) shall include a detailed evaluation of—

9 (1) the extent to which depository institutions  
10 are availing themselves of the exemption system for  
11 the filing of currency transaction reports set forth in  
12 section 103.22(d) of title 31, Code of Federal Regu-  
13 lations, as in effect during the study period (in this  
14 section referred to as the “exemption system”), in-  
15 cluding specifically, for the study period—

16 (A) the number of currency transaction re-  
17 ports filed (out of the total annual numbers) in-  
18 volving companies that are listed on the New  
19 York Stock Exchange or the NASDAQ Na-  
20 tional Market;

21 (B) the number of currency transaction re-  
22 ports filed by the 100 largest depository institu-  
23 tions in the United States by asset size, and  
24 thereafter in tiers of 100, by asset size;

1 (C) the number of currency transaction re-  
2 ports filed by the 200 smallest depository insti-  
3 tutions in the United States, including the  
4 number of such currency transaction reports in-  
5 volving companies listed on the New York Stock  
6 Exchange or the NASDAQ National Market;  
7 and

8 (D) the number of currency transaction re-  
9 ports that would have been filed during the fil-  
10 ing period if the exemption system had been  
11 used by all depository institutions in the United  
12 States;

13 (2) what types of depository institutions are  
14 using the exemption system, and the extent to which  
15 such exemption system is used;

16 (3) difficulties that limit the willingness or abil-  
17 ity of depository institutions to reduce their currency  
18 transaction reports reporting burden by making use  
19 of the exemption system, including considerations of  
20 cost, especially in the case of small depository insti-  
21 tutions;

22 (4) the extent to which bank examination dif-  
23 ficulties have limited the use of the exemption sys-  
24 tem, especially with respect to—

1 (A) the exemption of privately-held compa-  
2 nies permitted under such exemption system;  
3 and

4 (B) whether, on a sample basis, the reac-  
5 tion of bank examiners to implementation of  
6 such exemption system is justified or inhibits  
7 use of such exemption system without an offset-  
8 ting compliance benefit;

9 (5) ways to improve the use of the exemption  
10 system by depository institutions, including making  
11 such exemption system mandatory in order to reduce  
12 the volume of currency transaction reports unneces-  
13 sarily filed; and

14 (6) the usefulness of currency transaction re-  
15 ports filed to law enforcement agencies, taking into  
16 account—

17 (A) advances in information technology;

18 (B) the impact, including possible loss of  
19 investigative data, that various changes in the  
20 exemption system would have on the usefulness  
21 of such currency transaction reports; and

22 (C) changes that could be made to the ex-  
23 emption system without affecting the usefulness  
24 of currency transaction reports.

1           (e) ASSISTANCE.—The Secretary of the Treasury, in-  
2 cluding the Commissioner of the Internal Revenue Service,  
3 shall provide such information processing and other assist-  
4 ance to the Comptroller General in analyzing currency  
5 transaction report filings for the study period described  
6 in subsection (c), as is necessary to provide the informa-  
7 tion required by subsection (a).

8           (f) VIEWS.—The study required under subsection (a)  
9 shall, if appropriate, include a discussion of the views of  
10 a representative sample of Federal, State, and local law  
11 enforcement and regulatory officials and officials of depos-  
12 itory institutions of all sizes.

13           (g) RECOMMENDATIONS.—The study required under  
14 subsection (a) shall, if appropriate, include recommenda-  
15 tions for changes to the exemption system that would re-  
16 flect a reduction in unnecessary cost to depository institu-  
17 tions, assuming reasonably full implementation of such ex-  
18 emption system, without reducing the usefulness of the  
19 currency transaction report filing system to anti-ter-  
20 rorism, law enforcement, and regulatory operations.

21           (h) REPORT.—Not later than 15 months after the  
22 date of enactment of this section, the Comptroller General  
23 shall submit a report on the study required under sub-  
24 section (a) to the Committee on Banking, Housing, and

1 Urban Affairs of the Senate and the Committee on Finan-  
2 cial Services of the House of Representatives.

3 **SEC. 1002. STUDY AND REPORT ON INSTITUTION DIVERSITY**  
4 **AND CONSOLIDATION.**

5 (a) STUDY.—The Comptroller General of the United  
6 States shall conduct a study regarding—

7 (1) the vast diversity in the size and complexity  
8 of institutions in the banking and financial services  
9 sector, including the differences in capital, market  
10 share, geographical limitations, product offerings,  
11 and general activities;

12 (2) the differences in powers among the deposi-  
13 tory institution charters, including—

14 (A) identification of the historical trends in  
15 the evolution of depository institution charters;

16 (B) an analysis of the impact of charter  
17 differences to the overall safety and soundness  
18 of the banking industry, and the effectiveness of  
19 the applicable depository institution regulator;  
20 and

21 (C) an analysis of the impact that the  
22 availability of options for depository institution  
23 charters on the development of the banking in-  
24 dustry;

1           (3) the impact that differences of size and over-  
2           all complexity among financial institutions makes  
3           with respect to regulatory oversight, efficiency, safe-  
4           ty and soundness, and charter options for financial  
5           institutions; and

6           (4) the aggregate cost and breakdown associ-  
7           ated with regulatory compliance for banks, savings  
8           associations, credit unions, or any other financial in-  
9           stitution, including potential disproportionate impact  
10          that the cost of compliance may pose on smaller in-  
11          stitutions, given the percentage of personnel that the  
12          institution must dedicate solely to compliance.

13          (b) CONSIDERATIONS.—In conducting the study  
14          under subsection (a), the Comptroller General shall con-  
15          sider the efficacy and efficiency of the consolidation of fi-  
16          nancial regulators, as well as charter simplification and  
17          homogenization.

18          (c) REPORT.—Not later than 1 year after the date  
19          of enactment of this Act, the Comptroller General of the  
20          United States shall submit a report to the Committee on  
21          Banking, Housing, and Urban Affairs of the Senate and  
22          the Committee on Financial Services of the House of Rep-  
23          resentatives on the results of the study required by this  
24          section.