AMENDMENT TO RULES COMMITTEE PRINT 117-31

OFFERED BY MR. CASTEN OF ILLINOIS

Page 69, line 11, strike “; and” and insert a semicolon.

Page 69, after line 11, insert the following (and redesignate the succeeding paragraph accordingly):

(4) by adding at the end of subsection (a) the following:

“(6) CONDITIONS OF RECEIPT.—

“(A) REQUIRED AGREEMENT.—A covered entity to which the Secretary awards Federal financial assistance under this section shall enter into an agreement that specifies that, during the 5-year period immediately following the award of the Federal financial assistance—

“(i) the covered entity will not—

“(I) repurchase an equity security that is listed on a national securities exchange of the covered entity or any parent company of the covered entity, except to the extent required
under a contractual obligation that is in effect as of the date of enactment of this paragraph;

“(II) pay dividends, or make other capital distributions, with respect to the common stock (or equivalent interest) of the covered entity; or

“(III) abrogate existing collective bargaining agreements; and

“(ii) the covered entity will remain neutral in any union organizing effort.

“(B) WAIVER.—The Secretary may waive the requirement of subparagraph (A) with respect to an award of Federal financial assistance under this section upon a determination that such waiver is necessary to protect the interests of the Federal Government and American competitiveness. If the Secretary exercises a waiver under this subparagraph, the Secretary shall be available to testify before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives regarding the reasons for the waiver.
“(C) CLAWBACK.—The Secretary shall provide for any Federal financial assistance awarded to a covered entity under this section to be subject to such requirements for audits of the compliance of the covered entity with the agreement entered into under subparagraph (A), and for the clawback of such assistance in the event of noncompliance, as the Secretary determines appropriate.

“(D) FINANCIAL PROTECTION OF GOVERNMENT.—

“(i) IN GENERAL.—The Secretary may not award Federal financial assistance to a covered entity under this section, unless—

“(I)(aa) the covered entity has issued securities that are traded on a national securities exchange; and

“(bb) the Secretary of the Treasury receives a warrant or equity interest in the covered entity; or

“(II) in the case of any covered entity other than a covered entity described in subclause (I), the Secretary of the Treasury receives, in the discre-
tion of the Secretary of the Treasury—

“(aa) a warrant or equity interest in the covered entity; or

“(bb) a senior debt instrument issued by the covered entity.

“(ii) TERMS AND CONDITIONS.—The terms and conditions of any warrant, equity interest, or senior debt instrument received under clause (i) shall be set by the Secretary and shall meet the following requirements:

“(I) PURPOSES.—Such terms and conditions shall be designed to provide for a reasonable participation by the Secretary, for the benefit of taxpayers, in equity appreciation in the case of a warrant or other equity interest, or a reasonable interest rate premium, in the case of a debt instrument.

“(II) AUTHORITY TO SELL, EXERCISE, OR SURRENDER.—For the primary benefit of taxpayers, the Sec-
retary may sell, exercise, or surrender a warrant or any senior debt instrument received under this subparagraph. The Secretary shall not exercise voting power with respect to any shares of common stock acquired under this subparagraph.

“(III) SUFFICIENCY.—If the Secretary determines that a covered entity cannot feasibly issue warrants or other equity interests as required by this subparagraph, the Secretary may accept a senior debt instrument in an amount and on such terms as the Secretary deems appropriate.”; and