

AMENDMENT TO THE RULES COMMITTEE PRINT
114-35
OFFERED BY MR. GRAYSON OF FLORIDA

Page 41, strike line 20 and all that follows through page 42, line 6.

Add at the end the following:

1 SEC. 17. BAILOUT PREVENTION.

2 (a) DISCOUNTS FOR INDIVIDUALS, PARTNERSHIPS,
3 AND CORPORATIONS.—Section 13(3)(B) of the Federal
4 Reserve Act (12 U.S.C. 343(3)(B)) is amended by striking
5 clauses (ii) and (iii) and inserting the following:

6 “(ii)(I) The Board shall establish proce-
7 dures to prohibit borrowing from programs and
8 facilities by borrowers that are insolvent. A bor-
9 rower shall not be eligible to borrow from any
10 emergency lending program or facility unless
11 the Board and all Federal banking regulators
12 with jurisdiction over the borrower certify that,
13 at the time the borrower initially borrows under
14 the program or facility, the borrower is not in-
15 solvent. Solvency shall be assessed by examining
16 the last 4 months of relevant financial data and

1 determining whether the fair value of the bor-
2 rower's assets exceeds the fair value of the bor-
3 rower's liabilities, with appropriate adjustment
4 for temporary illiquidity in relevant markets.

5 “(II) A borrower shall be considered insol-
6 vent for purposes of this subparagraph if the
7 borrower is—

8 “(aa) in bankruptcy, resolution under
9 title II of the Dodd-Frank Wall Street Re-
10 form and Consumer Protection Act (12
11 U.S.C. 5381 et seq.), or any other Federal
12 or State insolvency proceeding; or

13 “(bb) a bridge financial company (as
14 defined in section 201(a) of the Dodd-
15 Frank Wall Street Reform and Consumer
16 Protection Act (12 U.S.C. 5381(a))) or a
17 bridge depository institution (as defined in
18 section 3 of the Federal Deposit Insurance
19 Act (12 U.S.C. 1813)).

20 “(III) If the Board or any other banking
21 regulator makes a certification of solvency, the
22 Board or banking regulator, as applicable, shall
23 issue a contemporaneous public statement pro-
24 viding a detailed explanation of the certification
25 decision.

1 “(iii) A program or facility shall be consid-
2 ered a program or facility with broad-based eli-
3 gibility only if not fewer than 5 companies are
4 eligible to participate in the program or facility
5 in a significant manner.”.

6 (b) PENALTY RATE REQUIREMENT; CONGRESSIONAL
7 APPROVAL REQUIREMENT.—Section 13(3) of the Federal
8 Reserve Act (12 U.S.C. 343(3)) is amended by adding at
9 the end the following:

10 “(H) Any emergency lending under this
11 paragraph shall be provided at an annual inter-
12 est rate not less than 500 basis points greater
13 than the cost of borrowing for the United
14 States Treasury for a commensurate loan term.

15 “(I)(i) If the Board determines that the
16 Board shall create an emergency lending pro-
17 gram or facility that does not comply with the
18 broad-based eligibility requirement described in
19 subparagraph (B)(iii) or the penalty rate re-
20 quirement described in subparagraph (H), the
21 Board—

22 “(I) may create such a program or fa-
23 cility; and

24 “(II) not later than 3 days after the
25 date on which a program or facility is cre-

1 ated under clause (i), shall submit to Con-
2 gress a report that describes the reasons
3 why the Board is unable to comply with
4 any requirement described in the matter
5 preceding subclause (I).

6 “(ii)(I) A program or facility created under
7 clause (i)(I) shall terminate on the date that is
8 30 calendar days after the date on which Con-
9 gress receives a report described in clause
10 (i)(II) unless there is enacted into law a joint
11 resolution approving the program or facility not
12 later than 30 calendar days after the date on
13 which the report is received. Any loan offered
14 through the program or facility that are out-
15 standing as of the date on which the facility is
16 terminated shall be repaid in full not later than
17 30 calendar days after the date on which the
18 program or facility is terminated.

19 “(II) For the purpose of this section, the
20 term ‘joint resolution’ means only a joint reso-
21 lution—

22 “(aa) that is introduced not later than
23 3 calendar days after the date on which
24 the report referred to in clause (i)(I) is re-
25 ceived by Congress;

1 “(bb) that does not have a preamble;

2 “(cc) the title of which is as follows:

3 ‘Joint resolution relating to the approval of
4 a program or facility created by the Board
5 of Governors of the Federal Reserve Sys-
6 tem’; and

7 “(dd) the matter after the resolving
8 clause of which is as follows: ‘That Con-
9 gress approves the program or facility cre-
10 ated by the Board of Governors of the
11 Federal Reserve System on
12 _____.’ (The blank space
13 being appropriately filled in).

14 “(III)(aa) Upon receipt of a report under
15 subsection (a)(3), the Speaker, if the House
16 would otherwise be adjourned, shall notify the
17 Members of the House that, pursuant to this
18 section, the House shall convene not later than
19 the second calendar day after receipt of such
20 report.

21 “(bb) Any committee of the House of Rep-
22 resentatives to which a joint resolution is re-
23 ferred shall report it to the House not later
24 than 5 calendar days after the date of receipt
25 of the report described in clause (i)(II). If a

1 committee fails to report the joint resolution
2 within that period, the committee shall be dis-
3 charged from further consideration of the joint
4 resolution and the joint resolution shall be re-
5 ferred to the appropriate calendar.

6 “(cc) After each committee authorized to
7 consider a joint resolution reports it to the
8 House or has been discharged from its consid-
9 eration, it shall be in order, not later than the
10 sixth day after Congress receives the report de-
11 scribed in clause (i)(II), to move to proceed to
12 consider the joint resolution in the House. All
13 points of order against the motion are waived.
14 Such a motion shall not be in order after the
15 House has disposed of a motion to proceed on
16 the joint resolution. The previous question shall
17 be considered as ordered on the motion to its
18 adoption without intervening motion. The mo-
19 tion shall not be debatable. A motion to recon-
20 sider the vote by which the motion is disposed
21 of shall not be in order.

22 “(dd) The joint resolution shall be consid-
23 ered as read. All points of order against the
24 joint resolution and against its consideration
25 are waived. The previous question shall be con-

1 sidered as ordered on the joint resolution to its
2 passage without intervening motion except 2
3 hours of debate equally divided and controlled
4 by the proponent and an opponent. A motion to
5 reconsider the vote on passage of the joint reso-
6 lution shall not be in order.

7 “(IV)(aa) Upon receipt of a report under clause
8 (i)(II), if the Senate has adjourned or recessed for
9 more than 2 days, the majority leader of the Senate,
10 after consultation with the minority leader of the
11 Senate, shall notify the Members of the Senate that,
12 pursuant to this subparagraph, the Senate shall con-
13 vene not later than the second calendar day after re-
14 ceipt of such message.

15 “(bb) Upon introduction in the Senate, the
16 joint resolution shall be placed immediately on the
17 calendar.

18 “(cc)(AA) Notwithstanding Rule XXII of the
19 Standing Rules of the Senate, it is in order at any
20 time during the period beginning on the fourth day
21 after the date on which Congress receives a report
22 described in clause (i)(II) and ending on the sixth
23 day after the date on which Congress receives the
24 report (even though a previous motion to the same
25 effect has been disagreed to) to move to proceed to

1 the consideration of the joint resolution, and all
2 points of order against the joint resolution (and
3 against consideration of the joint resolution) are
4 waived. The motion to proceed is not debatable. The
5 motion is not subject to a motion to postpone. A mo-
6 tion to reconsider the vote by which the motion is
7 agreed to or disagreed to shall not be in order. If
8 a motion to proceed to the consideration of the reso-
9 lution is agreed to, the joint resolution shall remain
10 the unfinished business until disposed of.

11 “(BB) Debate on the joint resolution, and on
12 all debatable motions and appeals in connection
13 therewith, shall be limited to not more than 10
14 hours, which shall be divided equally between the
15 majority and minority leaders or their designees. A
16 motion further to limit debate is in order and not
17 debatable. An amendment to, or a motion to post-
18 pone, or a motion to proceed to the consideration of
19 other business, or a motion to recommit the joint
20 resolution is not in order.

21 “(CC) The vote on passage shall occur imme-
22 diately following the conclusion of the debate on a
23 joint resolution, and a single quorum call at the con-
24 clusion of the debate if requested in accordance with
25 the rules of the Senate.

1 “(DD) Appeals from the decisions of the Chair
2 relating to the application of the rules of the Senate,
3 as the case may be, to the procedure relating to a
4 joint resolution shall be decided without debate.

5 “(V)(aa) If, before the passage by one House of a
6 joint resolution of that House, that House receives from
7 the other House a joint resolution, then the following pro-
8 cedures shall apply:

9 “(AA) The joint resolution of the other House
10 shall not be referred to a committee.

11 “(BB) With respect to a joint resolution of the
12 House receiving the resolution—

13 “(CC) the procedure in that House shall be the
14 same as if no joint resolution had been received from
15 the other House; but

16 “(DD) the vote on passage shall be on the joint
17 resolution of the other House.

18 “(bb) If one House fails to introduce or consider a
19 joint resolution under this section, the joint resolution of
20 the other House shall be entitled to expedited floor proce-
21 dures under this section.

22 “(cc) If, following passage of the joint resolution in
23 the Senate, the Senate then receives the companion meas-
24 ure from the House of Representatives, the companion
25 measure shall not be debatable.

1 “(dd) If the President vetoes the joint resolution, the
2 period beginning on the date the President vetoes the joint
3 resolution and ending on the date the Congress receives
4 the veto message with respect to the joint resolution shall
5 be disregarded in computing the 30-calendar day period
6 described in subclause (I) and debate on a veto message
7 in the Senate under this section shall be 1 hour equally
8 divided between the majority and minority leaders or their
9 designees.

10 “(ee) This subclause and subclauses (II), (III), and
11 (IV) are enacted by Congress—

12 “(AA) as an exercise of the rulemaking power
13 of the Senate and House of Representatives, respec-
14 tively, and as such it is deemed a part of the rules
15 of each House, respectively, but applicable only with
16 respect to the procedure to be followed in that
17 House in the case of a joint resolution, and it super-
18 sedes other rules only to the extent that it is incon-
19 sistent with such rules; and

20 “(BB) with full recognition of the constitutional
21 right of either House to change the rules (so far as
22 relating to the procedure of that House) at any time,
23 in the same manner, and to the same extent as in
24 the case of any other rule of that House.”.

1 (c) REGULATION OF CERTAIN FINANCIAL HOLDING
2 COMPANIES.—

3 (1) IN GENERAL.—Section 4 of the Bank Hold-
4 ing Company Act of 1956 (12 U.S.C. 1843) is
5 amended by striking subsection (o).

6 (2) EFFECTIVE DATE.—The amendment made
7 by paragraph (1) shall take effect on the date that
8 is 5 years after the date of enactment of this Act.

