AMENDMENT TO THE RULES COMMITTEE PRINT
OF H.R. 3606
OFFERED BY MR. PERLMUTTER OF COLORADO

Add at the end the following (and conform the table of contents accordingly):

TITLE VII—AMORTIZATION

AUTHORITY

SEC. 701. LOAN AMORTIZATION.

(a) IN GENERAL.—For purposes of capital calculation under the Financial Institutions Examination Council’s Consolidated Reports of Condition and determining a financial institution’s capital category pursuant to subsections (b)(1) and (e)(2) of section 38 of the Federal Deposit Insurance Act (12 U.S.C. 1831o), an eligible institution may choose to amortize any loss or write-down, on a quarterly straight-line basis over the 7-year period beginning with the month in which such loss or write-down occurs, resulting from—

(1) other real estate owned (as defined under section 34.81 of title 12, Code of Federal Regulations); or

(2) a loan secured by commercial real estate.
(b) Disclosure on Consolidated Reports of Condition.—With respect to an eligible institution choosing to make use of the amortization provided for under subsection (a), such eligible institution shall, on the Financial Institutions Examination Council’s Consolidated Reports of Condition, disclose the difference between the amount of the institution’s capital, when calculated taking into account such amortization, and amount of the institution’s capital when calculated without taking into account such amortization.

(c) Definitions.—For purposes of this section:

(1) Eligible institution.—The term “eligible institution” means an issuer—

(A) the securities of which are registered under section 12 of the Securities and Exchange Act of 1934 (15 U.S.C. 78l); and

(B) with assets of less than $10,000,000,000.

(2) Loss or write-down.—The term “loss or write-down” includes loans charged off as shown on Schedule RI-B of the Financial Institutions Examination Council’s Consolidated Reports of Condition or specifically reserved under the Allowance for Loan and Lease Losses.
(d) **EFFECTIVE DATE.**—The provisions of this section shall apply to losses and write-downs from loan originations that occurred on or after January 1, 2003, and before January 1, 2008.

(e) **REPORTING.**—An eligible institution that chooses to make use of the amortization provided for under subsection (a) shall do so by making a one-time adjustment to the institution’s accounting and regulatory reporting documents for losses and write-downs taken prior to the date of enactment of this Act. On and after the date of enactment of this Act, an eligible institution may reflect additional losses incurred subsequent to the date of enactment, and the adjusted amortization taken pursuant to subsection (a), for any loss or write-down taken with respect to a loan originated on or after January 1, 2003 and before January 1, 2008 that occurs after the one-time adjustment, on a quarterly basis on its Consolidated Reports of Condition.