

109TH CONGRESS
2^D SESSION

S. 2856

AN ACT

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”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 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

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

10 “(F) RULEMAKING REQUIRED.—The Com-
 11 mission shall, by rule, implement the exceptions
 12 in subparagraph (B).”.

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) of the Securities Exchange Act of 1934, as
 19 amended by this subsection.

20 (3) RULEMAKING SUPERSEDES PREVIOUS
 21 RULEMAKING.—A final rule issued in accordance
 22 with this section shall supersede any other proposed

1 or final rule issued by the Commission with regard
2 to the exceptions to the definition of a broker under
3 section 3(a)(4)(B) of the Securities Exchange Act of
4 1934, on or after the date of enactment of section
5 201 of the Gramm-Leach-Bliley Act. No such other
6 rule, whether or not issued in final form, shall have
7 any force or effect on or after that date of enact-
8 ment.

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

16 (c) AGENCY OBJECTIONS TO COMMISSION RULE.—

17 (1) FILING OF PETITION FOR REVIEW.—

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

1 (B) EXPEDITED PROCESS.—Any pro-
2 ceeding to challenge such a rule commenced
3 under subparagraph (A) shall be expedited by
4 the Court of Appeals.

5 (2) TRANSMITTAL OF PETITION AND
6 RECORD.—

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

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

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

24 (4) STANDARD OF REVIEW.—The court shall
25 determine to affirm and enforce or set aside a rule

1 of the Commission under this subsection, based on
2 the determination of the court as to whether the rule
3 is consistent with the purposes and language of sec-
4 tion 3(a)(4)(B) of the Securities Exchange Act of
5 1934, as amended by section 201 of the Gramm-
6 Leach-Bliley Act, and appropriate in light of the his-
7 tory, purpose, and extent of the rule under the Fed-
8 eral securities laws and the Federal banking laws,
9 giving deference neither to the views of the Commis-
10 sion nor of the Federal banking agencies.

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

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

1 “(iii) the responsibilities of depository
2 institutions, Federal Home Loan Banks,
3 and the National Credit Union Administra-
4 tion Central Liquidity Facility with respect
5 to the crediting and distribution of earn-
6 ings attributable to balances maintained,
7 in accordance with subsection (c)(1)(A), in
8 a Federal Reserve bank by any such entity
9 on behalf of depository institutions.

10 “(C) DEPOSITORY INSTITUTIONS DE-
11 FINED.—For purposes of this paragraph, the
12 term ‘depository institution’, in addition to the
13 institutions described in paragraph (1)(A), in-
14 cludes any trust company, corporation orga-
15 nized under section 25A or having an agree-
16 ment with the Board under section 25, or any
17 branch or agency of a foreign bank (as defined
18 in section 1(b) of the International Banking Act
19 of 1978).”.

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

22 (1) in subsection (b)(4)—

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

1 (B) by redesignating subparagraphs (D)
 2 and (E) as subparagraphs (C) and (D), respec-
 3 tively; and

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

6 **SEC. 202. INCREASED FLEXIBILITY FOR THE FEDERAL RE-**
 7 **SERVE BOARD TO ESTABLISH RESERVE RE-**
 8 **QUIREMENTS.**

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

11 (1) in clause (i), by striking “the ratio of 3 per
 12 centum” and inserting “a ratio of not greater than
 13 3 percent (and which may be zero)”; and

14 (2) in clause (ii), by striking “and not less than
 15 8 per centum,” and inserting “(and which may be
 16 zero),”.

17 **TITLE III—NATIONAL BANK**
 18 **PROVISIONS**

19 **SEC. 301. VOTING IN SHAREHOLDER ELECTIONS.**

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

22 (1) by striking “or to cumulate” and inserting
 23 “or, if so provided by the articles of association of
 24 the national bank, to cumulate”; and

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

3 **SEC. 302. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-**
4 **TIONAL BANKS.**

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

8 **“SEC. 5199. NATIONAL BANK DIVIDENDS.**

9 “(a) IN GENERAL.—Subject to subsection (b), the di-
10 rectors of any national bank may declare a dividend of
11 so much of the undivided profits of the bank as the direc-
12 tors judge to be expedient.

13 “(b) APPROVAL REQUIRED UNDER CERTAIN CIR-
14 CUMSTANCES.—A national bank may not declare and pay
15 dividends in any year in excess of an amount equal to the
16 sum of the total of the net income of the bank for that
17 year and the retained net income of the bank for the pre-
18 ceding 2 years, minus the sum of any transfers required
19 by the Comptroller of the Currency and any transfers re-
20 quired to be made to a fund for the retirement of any
21 preferred stock, unless the Comptroller of the Currency
22 approves the declaration and payment of dividends in ex-
23 cess of such amount.”.

24 (b) CLERICAL AMENDMENT.—The table of sections
25 for chapter three of title LXII of the Revised Statutes of

1 the United States is amended by striking the item relating
2 to section 5199 and inserting the following:

“5199. National bank dividends.”.

3 **SEC. 303. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**
4 **AUTHORITY OF THE COMPTROLLER OF THE**
5 **CURRENCY.**

6 Section 8(e)(4) of the Federal Deposit Insurance Act
7 (12 U.S.C. 1818(e)(4)) is amended by striking the 5th
8 sentence.

9 **SEC. 304. REPEAL OF OBSOLETE PROVISION IN THE RE-**
10 **vised STATUTES.**

11 Section 5143 of the Revised Statutes of the United
12 States (12 U.S.C. 59) is amended to read as follows:

13 **“SEC. 5143. REDUCTION OF CAPITAL.**

14 “(a) IN GENERAL.—Subject to the approval of the
15 Comptroller of the Currency, a national banking associa-
16 tion may, by a vote of shareholders owning, in the aggre-
17 gate, two-thirds of its capital stock, reduce its capital.

18 “(b) SHAREHOLDER DISTRIBUTIONS AUTHOR-
19 IZED.—As part of its capital reduction plan approved in
20 accordance with subsection (a), and with the affirmative
21 vote of shareholders owning at least two thirds of the
22 shares of each class of its stock outstanding (each voting
23 as a class), a national banking association may distribute
24 cash or other assets to its shareholders.”.

1 **TITLE IV—SAVINGS**
 2 **ASSOCIATION PROVISIONS**

3 **SEC. 401. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**
 4 **SECURITIES EXCHANGE ACT OF 1934 AND**
 5 **THE INVESTMENT ADVISERS ACT OF 1940.**

6 (a) SECURITIES EXCHANGE ACT OF 1934.—

7 (1) DEFINITION OF BANK.—Section 3(a)(6) of
 8 the Securities Exchange Act of 1934 (15 U.S.C.
 9 78c(a)(6)) is amended—

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

15 (B) in subparagraph (C)—

16 (i) by inserting “or savings associa-
 17 tion, as defined in section 2(4) of the
 18 Home Owners’ Loan Act” after “banking
 19 institution”; and

20 (ii) by inserting “or savings associa-
 21 tions” after “having supervision over
 22 banks”.

23 (2) INCLUSION OF OTS UNDER THE DEFINITION
 24 OF APPROPRIATE REGULATORY AGENCY FOR CER-
 25 TAIN PURPOSES.—Section 3(a)(34) of the Securities

1 Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is
2 amended—

3 (A) in subparagraph (A)—

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

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

8 (iii) by redesignating clause (iv) as
9 clause (v); and

10 (iv) by inserting after clause (iii) the
11 following:

12 “(iv) the Director of the Office of
13 Thrift Supervision, in the case of a savings
14 association (as defined in section 3(b) of
15 the Federal Deposit Insurance Act (12
16 U.S.C. 1813(b))), the deposits of which are
17 insured by the Federal Deposit Insurance
18 Corporation, a subsidiary or a department
19 or division of any such savings association,
20 or a savings and loan holding company;
21 and”;

22 (B) in subparagraph (B)—

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

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

3 (iii) by redesignating clause (iv) as
4 clause (v); and

5 (iv) by inserting after clause (iii) the
6 following:

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

16 (C) in subparagraph (C)—

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

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

21 (iii) by redesignating clause (iv) as
22 clause (v); and

23 (iv) by inserting after clause (iii) the
24 following:

1 “(iv) the Director of the Office of
2 Thrift Supervision, in the case of a savings
3 association (as defined in section 3(b) of
4 the Federal Deposit Insurance Act (12
5 U.S.C. 1813(b))), the deposits of which are
6 insured by the Federal Deposit Insurance
7 Corporation, a savings and loan holding
8 company, or a subsidiary of a savings and
9 loan holding company when the appro-
10 priate regulatory agency for such clearing
11 agency is not the Commission; and”;

12 (D) in subparagraph (D)—

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

15 (ii) by redesignating clause (iii) as
16 clause (iv); and

17 (iii) by inserting after clause (ii) the
18 following:

19 “(iii) the Director of the Office of
20 Thrift Supervision, in the case of a savings
21 association (as defined in section 3(b) of
22 the Federal Deposit Insurance Act (12
23 U.S.C. 1813(b))) the deposits of which are
24 insured by the Federal Deposit Insurance
25 Corporation; and”;

1 (E) in subparagraph (F)—

2 (i) by redesignating clauses (ii), (iii),
3 and (iv) as clauses (iii), (iv), and (v), re-
4 spectively; and

5 (ii) by inserting after clause (i) the
6 following:

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

14 (F) by moving subparagraph (H) and in-
15 serting such subparagraph immediately after
16 subparagraph (G); and

17 (G) by adding at the end of the undesig-
18 nated matter at the end the following: “As used
19 in this paragraph, the term ‘savings and loan
20 holding company’ has the same meaning as in
21 section 10(a) of the Home Owners’ Loan Act
22 (12 U.S.C. 1467a(a)).”.

23 (3) CONFORMING EXEMPTION TO REPORTING
24 REQUIREMENT.—Section 23(b)(1) of the Securities
25 Exchange Act of 1934 (15 U.S.C. 78w(b)(1)) is

1 amended by inserting “other than the Office of
2 Thrift Supervision,” before “shall each”.

3 (b) INVESTMENT ADVISERS ACT OF 1940.—

4 (1) DEFINITION OF BANK.—Section 202(a)(2)
5 of the Investment Advisers Act of 1940 (15 U.S.C.
6 80b–2(a)(2)) is amended—

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

12 (B) in subparagraph (C)—

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

17 (ii) by inserting “or savings associa-
18 tions” after “having supervision over
19 banks”.

20 (2) CONFORMING AMENDMENTS.—Section
21 210A of the Investment Advisers Act of 1940 (15
22 U.S.C. 80b–10a) is amended in each of subsections
23 (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b), by striking
24 “bank holding company” each place that term ap-

1 pears and inserting “bank holding company or sav-
2 ings and loan holding company”.

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

10 **SEC. 402. REPEAL OF OVERLAPPING RULES GOVERNING**
11 **PURCHASED MORTGAGE SERVICING RIGHTS.**

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

14 (1) by striking paragraph (4) and inserting the
15 following:

16 “(4) [Repealed].”; and

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

20 **SEC. 403. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**
21 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**
22 **DICTION.**

23 Section 5 of the Home Owners’ Loan Act (12 U.S.C.
24 1464) is amended by adding at the end the following:

1 “(x) HOME STATE CITIZENSHIP.—In determining
 2 whether a Federal court has diversity jurisdiction over a
 3 case in which a Federal savings association is a party, the
 4 Federal savings association shall be considered to be a cit-
 5 izen only of the State in which such savings association
 6 has its home office.”.

7 **SEC. 404. REPEAL OF LIMITATION ON LOANS TO ONE BOR-**
 8 **ROWER.**

9 Section 5(u)(2)(A) of the Home Owners’ Loan Act
 10 (12 U.S.C. 1464(u)(2)(A)) is amended—

11 (1) in clause (i)—

12 (A) by striking “for any” and inserting
 13 “For any”; and

14 (B) by striking “; or” and inserting a pe-
 15 riod; and

16 (2) in clause (ii)—

17 (A) by striking “to develop domestic” and
 18 inserting “To develop domestic”;

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

20 (C) by redesignating subclauses (II)
 21 through (V) as subclauses (I) through (IV), re-
 22 spectively.

1 **TITLE V—CREDIT UNION**
2 **PROVISIONS**

3 **SEC. 501. LEASES OF LAND ON FEDERAL FACILITIES FOR**
4 **CREDIT UNIONS.**

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

7 (1) by striking “Upon application by any credit
8 union” and inserting “Notwithstanding any other
9 provision of law, upon application by any credit
10 union”;

11 (2) by inserting “on lands reserved for the use
12 of, and under the exclusive or concurrent jurisdiction
13 of, the United States or” after “officer or agency of
14 the United States charged with the allotment of
15 space”;

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

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

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

1 **SEC. 502. INCREASE IN GENERAL 12-YEAR LIMITATION OF**
2 **TERM OF FEDERAL CREDIT UNION LOANS TO**
3 **15 YEARS.**

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

10 **SEC. 503. CHECK CASHING AND MONEY TRANSFER SERV-**
11 **ICES OFFERED WITHIN THE FIELD OF MEM-**
12 **BERSHIP.**

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

15 “(12) in accordance with regulations prescribed
16 by the Board—

17 “(A) to sell, to persons in the field of
18 membership, negotiable checks (including trav-
19 elers checks), money orders, and other similar
20 money transfer instruments (including inter-
21 national and domestic electronic fund trans-
22 fers); and

23 “(B) to cash checks and money orders and
24 receive international and domestic electronic
25 fund transfers for persons in the field of mem-
26 bership for a fee;”.

1 **SEC. 504. CLARIFICATION OF DEFINITION OF NET WORTH**
 2 **UNDER CERTAIN CIRCUMSTANCES FOR PUR-**
 3 **POSES OF PROMPT CORRECTIVE ACTION.**

4 Section 216(o)(2)(A) of the Federal Credit Union Act
 5 (12 U.S.C. 1790d(o)(2)(A)) is amended—

6 (1) by inserting “the” before “retained earnings
 7 balance”; and

8 (2) by inserting “, together with any amounts
 9 that were previously retained earnings of any other
 10 credit union with which the credit union has com-
 11 bined” before the semicolon at the end.

12 **TITLE VI—DEPOSITORY**
 13 **INSTITUTION PROVISIONS**

14 **SEC. 601. REPORTING REQUIREMENTS RELATING TO IN-**
 15 **SIDER LENDING.**

16 (a) **REPORTING REQUIREMENTS REGARDING LOANS**
 17 **TO EXECUTIVE OFFICERS OF MEMBER BANKS.**—Section
 18 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is
 19 amended—

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

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

23 (b) **REPORTING REQUIREMENTS REGARDING LOANS**
 24 **FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-**
 25 **CERS AND SHAREHOLDERS OF INSURED BANKS.**—Section

1 106(b)(2) of the Bank Holding Company Act Amend-
 2 ments of 1970 (12 U.S.C. 1972(2)) is amended—

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

4 (2) by redesignating subparagraphs (H) and (I)
 5 as subparagraphs (G) and (H), respectively.

6 **SEC. 602. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**
 7 **TIONS IN BANK SERVICE COMPANIES AU-**
 8 **THORIZED.**

9 (a) IN GENERAL.—Sections 2 and 3 of the Bank
 10 Service Company Act (12 U.S.C. 1862, 1863) are each
 11 amended by striking “insured bank” each place that term
 12 appears and inserting “insured depository institution”.

13 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

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

17 (A) in paragraph (4)—

18 (i) by inserting “, except when such
 19 term appears in connection with the term
 20 ‘insured depository institution’,” after
 21 “means”; and

22 (ii) by striking “Federal Home Loan
 23 Bank Board” and inserting “Director of
 24 the Office of Thrift Supervision”;

1 (B) by striking paragraph (5) and insert-
2 ing the following:

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

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

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

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

12 “(9) the terms ‘State depository institution’,
13 ‘Federal depository institution’, ‘State savings asso-
14 ciation’ and ‘Federal savings association’ have the
15 same meanings as in section 3 of the Federal De-
16 posit Insurance Act.”;

17 (F) in paragraph (2), in subparagraphs
18 (A)(ii) and (B)(ii), by striking “insured banks”
19 each place that term appears and inserting “in-
20 sured depository institutions”; and

21 (G) in paragraph (8)—

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

1 (ii) by striking “insured banks” each
2 place that term appears and inserting “in-
3 sured depository institutions”; and

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

6 (2) AMOUNT OF INVESTMENT.—Section 2 of
7 the Bank Service Company Act (12 U.S.C. 1862) is
8 amended by inserting “or savings associations, other
9 than the limitation on the amount of investment by
10 a Federal savings association contained in section
11 5(c)(4)(B) of the Home Owners’ Loan Act” after
12 “relating to banks”.

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

16 (A) in subsection (b), by inserting “as per-
17 missible under subsection (c), (d), or (e) or”
18 after “Except”;

19 (B) in subsection (c), by inserting “or
20 State savings association” after “State bank”
21 each place that term appears;

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

1 (D) by striking subsection (e) and insert-
 2 ing the following:

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

6 “(1) only those services that each depository in-
 7 stitution shareholder or member is otherwise author-
 8 ized to perform under any applicable Federal or
 9 State law; and

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

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

15 (4) PRIOR APPROVAL OF INVESTMENTS.—Sec-
 16 tion 5 of the Bank Service Company Act (12 U.S.C.
 17 1865) is amended—

18 (A) in subsection (a)—

19 (i) by striking “insured bank” and in-
 20 sserting “insured depository institution”;
 21 and

22 (ii) by striking “bank’s”; and

23 (iii) by inserting before the period
 24 “for the insured depository institution”;

25 (B) in subsection (b)—

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

3 (ii) by inserting “authorized only”
4 after “performs any service”; and

5 (iii) by inserting “authorized only”
6 after “perform any activity”; and

7 (C) in subsection (c)—

8 (i) by striking “the bank or banks”
9 and inserting “any insured depository in-
10 stitution”; and

11 (ii) by striking “capability of the
12 bank” and inserting “capability of the in-
13 sured depository institution”.

14 (5) REGULATION AND EXAMINATION.—Section
15 7 of the Bank Service Company Act (12 U.S.C.
16 1867) is amended—

17 (A) in subsection (b), by striking “insured
18 bank” and inserting “insured depository insti-
19 tution”; and

20 (B) in subsection (c)—

21 (i) by striking “a bank” each place
22 that term appears and inserting “a depository
23 institution”; and

1 (ii) by striking “the bank” each place
 2 that term appears and inserting “the de-
 3 pository institution”.

4 **SEC. 603. AUTHORIZATION FOR MEMBER BANK TO USE**
 5 **PASS-THROUGH RESERVE ACCOUNTS.**

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

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

10 Section 7(a) of the Federal Deposit Insurance Act
 11 (12 U.S.C. 1817(a)) is amended by adding at the end the
 12 following:

13 “(11) STREAMLINING REPORTS OF CONDI-
 14 TION.—

15 “(A) REVIEW OF INFORMATION AND
 16 SCHEDULES.—Before the end of the 1-year pe-
 17 riod beginning on the date of enactment of the
 18 Financial Services Regulatory Relief Act of
 19 2006 and before the end of each 5-year period
 20 thereafter, each Federal banking agency shall,
 21 in conjunction with the other relevant Federal
 22 banking agencies, review the information and
 23 schedules that are required to be filed by an in-
 24 sured depository institution in a report of con-
 25 dition required under paragraph (3).

1 “(B) REDUCTION OR ELIMINATION OF IN-
 2 FORMATION FOUND TO BE UNNECESSARY.—
 3 After completing the review required by sub-
 4 paragraph (A), a Federal banking agency, in
 5 conjunction with the other relevant Federal
 6 banking agencies, shall reduce or eliminate any
 7 requirement to file information or schedules
 8 under paragraph (3) (other than information or
 9 schedules that are otherwise required by law) if
 10 the agency determines that the continued collec-
 11 tion of such information or schedules is no
 12 longer necessary or appropriate.”.

13 **SEC. 605. EXPANSION OF ELIGIBILITY FOR 18-MONTH EX-**
 14 **AMINATION SCHEDULE FOR COMMUNITY**
 15 **BANKS.**

16 Section 10(d)(4)(A) of the Federal Deposit Insurance
 17 Act (12 U.S.C. 1820(d)(4)(A)) is amended by striking
 18 “\$250,000,000” and inserting “\$500,000,000”.

19 **SEC. 606. STREAMLINING DEPOSITORY INSTITUTION MERG-**
 20 **ER APPLICATION REQUIREMENTS.**

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

24 “(4) REPORTS ON COMPETITIVE FACTORS.—

1 “(A) REQUEST FOR REPORT.—In the in-
2 terests of uniform standards and subject to
3 subparagraph (B), before acting on any applica-
4 tion for approval of a merger transaction, the
5 responsible agency shall—

6 “(i) request a report on the competi-
7 tive factors involved from the Attorney
8 General of the United States; and

9 “(ii) provide a copy of the request to
10 the Corporation (when the Corporation is
11 not the responsible agency).

12 “(B) FURNISHING OF REPORT.—The re-
13 port requested under subparagraph (A) shall be
14 furnished by the Attorney General to the re-
15 sponsible agency—

16 “(i) not later than 30 calendar days
17 after the date on which the Attorney Gen-
18 eral received the request; or

19 “(ii) not later than 10 calendar days
20 after such date, if the requesting agency
21 advises the Attorney General that an emer-
22 gency exists requiring expeditious action.

23 “(C) EXCEPTIONS.—A responsible agency
24 may not be required to request a report under
25 subparagraph (A) if—

1 “(i) the responsible agency finds that
2 it must act immediately in order to prevent
3 the probable failure of 1 of the insured de-
4 pository institutions involved in the merger
5 transaction; or

6 “(ii) the merger transaction involves
7 solely an insured depository institution and
8 1 or more of the affiliates of such depository
9 institution.”.

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

13 (1) in the second sentence, by striking “banks
14 or savings associations involved and reports on the
15 competitive factors have” and inserting “insured de-
16 pository institutions involved, or if the proposed
17 merger transaction is solely between an insured de-
18 pository institution and 1 or more of its affiliates,
19 and the report on the competitive factors has”; and

20 (2) by striking the penultimate sentence and in-
21 serting the following: “If the agency has advised the
22 Attorney General under paragraph (4)(B)(ii) of the
23 existence of an emergency requiring expeditious ac-
24 tion and has requested a report on the competitive
25 factors within 10 days, the transaction may not be

1 consummated before the fifth calendar day after the
2 date of approval by the agency.”.

3 **SEC. 607. NONWAIVER OF PRIVILEGES.**

4 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
5 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828)
6 is amended by adding at the end the following:

7 “(x) PRIVILEGES NOT AFFECTED BY DISCLOSURE
8 TO BANKING AGENCY OR SUPERVISOR.—

9 “(1) IN GENERAL.—The submission by any per-
10 son of any information to any Federal banking agen-
11 cy, State bank supervisor, or foreign banking au-
12 thority for any purpose in the course of any super-
13 visory or regulatory process of such agency, super-
14 visor, or authority shall not be construed as waiving,
15 destroying, or otherwise affecting any privilege such
16 person may claim with respect to such information
17 under Federal or State law as to any person or enti-
18 ty other than such agency, supervisor, or authority.

19 “(2) RULE OF CONSTRUCTION.—No provision
20 of paragraph (1) may be construed as implying or
21 establishing that—

22 “(A) any person waives any privilege appli-
23 cable to information that is submitted or trans-
24 ferred under any circumstance to which para-
25 graph (1) does not apply; or

1 “(B) any person would waive any privilege
2 applicable to any information by submitting the
3 information to any Federal banking agency,
4 State bank supervisor, or foreign banking au-
5 thority, but for this subsection.”

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

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

11 “(1) IN GENERAL.—The submission by any per-
12 son of any information to the Administration, any
13 State credit union supervisor, or foreign banking au-
14 thority for any purpose in the course of any super-
15 visory or regulatory process of such Board, super-
16 visor, or authority shall not be construed as waiving,
17 destroying, or otherwise affecting any privilege such
18 person may claim with respect to such information
19 under Federal or State law as to any person or enti-
20 ty other than such Board, supervisor, or authority.

21 “(2) RULE OF CONSTRUCTION.—No provision
22 of paragraph (1) may be construed as implying or
23 establishing that—

24 “(A) any person waives any privilege appli-
25 cable to information that is submitted or trans-

1 ferred under any circumstance to which para-
2 graph (1) does not apply; or

3 “(B) any person would waive any privilege
4 applicable to any information by submitting the
5 information to the Administration, any State
6 credit union supervisor, or foreign banking au-
7 thority, but for this subsection.”.

8 **SEC. 608. CLARIFICATION OF APPLICATION REQUIRE-**
9 **MENTS FOR OPTIONAL CONVERSION FOR**
10 **FEDERAL SAVINGS ASSOCIATIONS.**

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

14 “(5) CONVERSION TO NATIONAL OR STATE
15 BANK.—

16 “(A) IN GENERAL.—Any Federal savings
17 association chartered and in operation before
18 the date of enactment of the Gramm-Leach-Bliley
19 Act, with branches in operation before such
20 date of enactment in 1 or more States, may
21 convert, at its option, with the approval of the
22 Comptroller of the Currency for each national
23 bank, and with the approval of the appropriate
24 State bank supervisor and the appropriate Fed-
25 eral banking agency for each State bank, into

1 1 or more national or State banks, each of
2 which may encompass 1 or more of the
3 branches of the Federal savings association in
4 operation before such date of enactment in 1 or
5 more States subject to subparagraph (B).

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

9 “(i) will meet all financial, manage-
10 ment, and capital requirements applicable
11 to the resulting national or State bank;
12 and

13 “(ii) if more than 1 national or State
14 bank results from a conversion under this
15 subparagraph, has received approval from
16 the Federal Deposit Insurance Corporation
17 under section 5(a) of the Federal Deposit
18 Insurance Act.

19 “(C) NO MERGER APPLICATION UNDER
20 FDIA REQUIRED.—No application under section
21 18(c) of the Federal Deposit Insurance Act
22 shall be required for a conversion under this
23 paragraph.

24 “(D) DEFINITIONS.—For purposes of this
25 paragraph, the terms ‘State bank’ and ‘State

1 bank supervisor' have the same meanings as in
 2 section 3 of the Federal Deposit Insurance
 3 Act.”.

4 (b) FEDERAL DEPOSIT INSURANCE ACT.—Section
 5 4(c) of the Federal Deposit Insurance Act (12 U.S.C.
 6 1814(c)) is amended—

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

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

12 **SEC. 609. EXEMPTION FROM DISCLOSURE OF PRIVACY POL-**
 13 **ICY FOR ACCOUNTANTS.**

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

17 “(d) EXEMPTION FOR CERTIFIED PUBLIC ACCOUNT-
 18 ANTS.—

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

22 “(A) a certified public accountant;

23 “(B) certified or licensed for such purpose
 24 by a State; and

1 “(C) subject to any provision of law, rule,
2 or regulation issued by a legislative or regu-
3 latory body of the State, including rules of pro-
4 fessional conduct or ethics, that prohibits dis-
5 closure of nonpublic personal information with-
6 out the knowing and expressed consent of the
7 consumer.

8 “(2) LIMITATION.—Nothing in this subsection
9 shall be construed to exempt or otherwise exclude
10 any financial institution that is affiliated or becomes
11 affiliated with a certified public accountant described
12 in paragraph (1) from any provision of this section.

13 “(3) DEFINITIONS.—For purposes of this sub-
14 section, the term ‘State’ means any State or terri-
15 tory of the United States, the District of Columbia,
16 Puerto Rico, Guam, American Samoa, the Trust
17 Territory of the Pacific Islands, the Virgin Islands,
18 or the Northern Mariana Islands.”.

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

21 (1) by redesignating subsection (b) as sub-
22 section (c); and

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

1 “(b) REGULATIONS.—Disclosures required by sub-
2 section (a)”.

3 **SEC. 610. INFLATION ADJUSTMENT FOR THE SMALL DE-**
4 **POSITORY INSTITUTION EXCEPTION UNDER**
5 **THE DEPOSITORY INSTITUTION MANAGE-**
6 **MENT INTERLOCKS ACT.**

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

10 **SEC. 611. MODIFICATION TO CROSS MARKETING RESTRIC-**
11 **TIONS.**

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

16 **TITLE VII—BANKING AGENCY**
17 **PROVISIONS**

18 **SEC. 701. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**
19 **OF APPOINTMENT OF A RECEIVER FOR DE-**
20 **POSITORY INSTITUTIONS.**

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

23 (1) by amending the section heading to read as
24 follows:

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

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

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

6 “(b) JUDICIAL REVIEW.—If the Comptroller of the
7 Currency appoints a receiver under subsection (a), the na-
8 tional bank may, within 30 days thereafter, bring an ac-
9 tion in the United States district court for the judicial dis-
10 trict in which the home office of such bank is located, or
11 in the United States District Court for the District of Co-
12 lumbia, for an order requiring the Comptroller of the Cur-
13 rency to remove the receiver, and the court shall, upon
14 the merits, dismiss such action or direct the Comptroller
15 of the Currency to remove the receiver.”.

16 (b) INSURED DEPOSITORY INSTITUTIONS.—Section
17 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.
18 1821(c)(7)) is amended to read as follows:

19 “(7) JUDICIAL REVIEW.—If the Corporation is
20 appointed (including the appointment of the Cor-
21 poration as receiver by the Board of Directors) as
22 conservator or receiver of a depository institution
23 under paragraph (4), (9), or (10), the depository in-
24 stitution may, not later than 30 days thereafter,
25 bring an action in the United States district court
26 for the judicial district in which the home office of

1 such depository institution is located, or in the
 2 United States District Court for the District of Co-
 3 lumbia, for an order requiring the Corporation to be
 4 removed as the conservator or receiver (regardless of
 5 how such appointment was made), and the court
 6 shall, upon the merits, dismiss such action or direct
 7 the Corporation to be removed as the conservator or
 8 receiver.”.

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

13 **SEC. 702. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**
 14 **SURED DEPOSITORY INSTITUTIONS.**

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

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

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

24 “(1) any condition imposed in writing by the
 25 agency on the depository institution or an institu-

1 tion-affiliated party in connection with any action on
2 any application, notice, or other request concerning
3 the depository institution; or

4 “(2) any written agreement entered into be-
5 tween the agency and the depository institution or
6 an institution-affiliated party.

7 “(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—
8 After the appointment of the Corporation as the receiver
9 or conservator for a depository institution, the Corpora-
10 tion may enforce any condition or agreement described in
11 paragraph (1) or (2) of subsection (a) imposed on or en-
12 tered into with such institution or institution-affiliated
13 party through an action brought in an appropriate United
14 States district court.”.

15 (b) PROTECTION OF CAPITAL OF INSURED DEPOSI-
16 TORY INSTITUTIONS.—Section 18(u)(1) of the Federal
17 Deposit Insurance Act (12 U.S.C. 1828(u)(1)) is
18 amended—

19 (1) by striking subparagraph (B);

20 (2) by redesignating subparagraph (C) as sub-
21 paragraph (B); and

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

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

4 (1) in paragraph (3), by striking “This sub-
 5 section and subsections (c) through (s) and sub-
 6 section (u) of this section” and inserting “This sub-
 7 section, subsections (c) through (s) and subsection
 8 (u) of this section, and section 49 of this Act”; and

9 (2) in paragraph (4), by striking “This sub-
 10 section and subsections (c) through (s) and sub-
 11 section (u) of this section” and inserting “This sub-
 12 section, subsections (c) through (s) and subsection
 13 (u) of this section, and section 49 of this Act”.

14 **SEC. 703. CROSS GUARANTEE AUTHORITY.**

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

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

20 **SEC. 704. GOLDEN PARACHUTE AUTHORITY AND NONBANK**
 21 **HOLDING COMPANIES.**

22 Section 18(k) of the Federal Deposit Insurance Act
 23 (12 U.S.C. 1828(k)) is amended—

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

4 (2) in paragraph (2), by striking subparagraph
5 (B), and inserting the following:

6 “(B) Whether there is a reasonable basis
7 to believe that the institution-affiliated party is
8 substantially responsible for—

9 “(i) the insolvency of the depository
10 institution or covered company;

11 “(ii) the appointment of a conservator
12 or receiver for the depository institution; or

13 “(iii) the troubled condition of the depository
14 institution (as defined in the regulations
15 prescribed pursuant to section
16 32(f)).”;

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

20 (4) in paragraph (3) in the matter preceding
21 subparagraph (A), by striking “depository institution
22 holding company” and inserting “covered company”;

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

1 (6) in paragraph (4)(A)—

2 (A) by striking “depository institution
3 holding company” each place that term appears
4 and inserting “covered company”; and

5 (B) by striking “holding company” each
6 place that term appears (other than in connec-
7 tion with the term referred to in subparagraph
8 (A)) and inserting “covered company”;

9 (7) in paragraph (5)(A), by striking “depository
10 institution holding company” and inserting “covered
11 company”;

12 (8) in paragraph (5), by adding at the end the
13 following:

14 “(D) COVERED COMPANY.—The term ‘cov-
15 ered company’ means any depository institution
16 holding company (including any company re-
17 quired to file a report under section 4(f)(6) of
18 the Bank Holding Company Act of 1956), or
19 any other company that controls an insured de-
20 pository institution.”; and

21 (9) in paragraph (6)—

22 (A) by striking “depository institution
23 holding company” and inserting “covered com-
24 pany,”; and

1 (B) by striking “or holding company” and
2 inserting “or covered company”.

3 **SEC. 705. AMENDMENTS RELATING TO CHANGE IN BANK**
4 **CONTROL.**

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

7 (1) in paragraph (1)(D)—

8 (A) by striking “is needed to investigate”
9 and inserting “is needed—

10 “(i) to investigate”;

11 (B) by striking “United States Code.” and
12 inserting “United States Code; or”; and

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

14 “(ii) to analyze the safety and sound-
15 ness of any plans or proposals described in
16 paragraph (6)(E) or the future prospects
17 of the institution.”; and

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

1 **SEC. 706. AMENDMENT TO PROVIDE THE FEDERAL RE-**
2 **SERVE BOARD WITH DISCRETION CON-**
3 **CERNING THE IMPUTATION OF CONTROL OF**
4 **SHARES OF A COMPANY BY TRUSTEES.**

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

11 **SEC. 707. INTERAGENCY DATA SHARING.**

12 (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)
13 of the Federal Deposit Insurance Act (12 U.S.C.
14 1817(a)(2)) is amended by adding at the end the fol-
15 lowing:

16 “(C) DATA SHARING WITH OTHER AGEN-
17 CIES AND PERSONS.—In addition to reports of
18 examination, reports of condition, and other re-
19 ports required to be regularly provided to the
20 Corporation (with respect to all insured deposi-
21 tory institutions, including a depository institu-
22 tion for which the Corporation has been ap-
23 pointed conservator or receiver) or an appro-
24 priate State bank supervisor (with respect to a
25 State depository institution) under subpara-
26 graph (A) or (B), a Federal banking agency

1 may, in the discretion of the agency, furnish
2 any report of examination or other confidential
3 supervisory information concerning any deposi-
4 tory institution or other entity examined by
5 such agency under authority of any Federal
6 law, to—

7 “(i) any other Federal or State agen-
8 cy or authority with supervisory or regu-
9 latory authority over the depository institu-
10 tion or other entity;

11 “(ii) any officer, director, or receiver
12 of such depository institution or entity;
13 and

14 “(iii) any other person that the Fed-
15 eral banking agency determines to be ap-
16 propriate.”.

17 (b) NATIONAL CREDIT UNION ADMINISTRATION.—

18 Section 202(a) of the Federal Credit Union Act (12
19 U.S.C. 1782(a)) is amended by adding at the end the fol-
20 lowing:

21 “(8) DATA SHARING WITH OTHER AGENCIES
22 AND PERSONS.—In addition to reports of examina-
23 tion, reports of condition, and other reports required
24 to be regularly provided to the Board (with respect
25 to all insured credit unions, including a credit union

1 for which the Corporation has been appointed con-
 2 servator or liquidating agent) or an appropriate
 3 State commission, board, or authority having super-
 4 vision of a State-chartered credit union, the Board
 5 may, in the discretion of the Board, furnish any re-
 6 port of examination or other confidential supervisory
 7 information concerning any credit union or other en-
 8 tity examined by the Board under authority of any
 9 Federal law, to—

10 “(A) any other Federal or State agency or
 11 authority with supervisory or regulatory author-
 12 ity over the credit union or other entity;

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

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

17 **SEC. 708. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**
 18 **MOVAL, AND PROHIBITION AUTHORITY OF**
 19 **FEDERAL BANKING AGENCIES IN CASES OF**
 20 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**
 21 **ATED PARTIES.**

22 (a) INSURED DEPOSITORY INSTITUTIONS.—

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

1 (A) in subparagraph (A)—

2 (i) by striking “is charged in any in-
3 formation, indictment, or complaint, with
4 the commission of or participation in” and
5 inserting “is the subject of any informa-
6 tion, indictment, or complaint, involving
7 the commission of or participation in”;

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

18 (iii) by striking “affairs of the deposi-
19 tory institution” and inserting “affairs of
20 any depository institution”;

21 (B) in subparagraph (B)(i), by striking
22 “the depository institution” and inserting “any
23 depository institution that the subject of the no-
24 tice is affiliated with at the time the notice is
25 issued”;

1 (C) in subparagraph (C)(i)—

2 (i) by striking “may pose a threat to
3 the interests of the depository institution’s
4 depositors or may threaten to impair pub-
5 lic confidence in the depository institu-
6 tion,” and insert “posed, poses, or may
7 pose a threat to the interests of the deposi-
8 tors of, or threatened, threatens, or may
9 threaten to impair public confidence in,
10 any relevant depository institution (as de-
11 fined in subparagraph (E)),”; and

12 (ii) by striking “affairs of the deposi-
13 tory institution” and inserting “affairs of
14 any depository institution”;

15 (D) in subparagraph (C)(ii), by striking
16 “affairs of the depository institution” and in-
17 serting “affairs of any depository institution”;

18 (E) in subparagraph (D)(i), by striking
19 “the depository institution” and inserting “any
20 depository institution that the subject of the
21 order is affiliated with at the time the order is
22 issued”; and

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

24 “(E) RELEVANT DEPOSITORY INSTITU-
25 TION.—For purposes of this subsection, the

1 term ‘relevant depository institution’ means any
 2 depository institution of which the party is or
 3 was an institution-affiliated party at the time at
 4 which—

5 “(i) the information, indictment, or
 6 complaint described in subparagraph (A)
 7 was issued; or

8 “(ii) the notice is issued under sub-
 9 paragraph (A) or the order is issued under
 10 subparagraph (C)(i).”.

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

15 “(g) SUSPENSION, REMOVAL, AND PROHIBITION
 16 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN
 17 CRIMINAL OFFENSES.—”.

18 (b) INSURED CREDIT UNIONS.—

19 (1) IN GENERAL.—Section 206(i)(1) of the
 20 Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is
 21 amended—

22 (A) in subparagraph (A), by striking “the
 23 credit union” each place that term appears and
 24 inserting “any credit union”;

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

5 (C) in subparagraph (C)—

6 (i) by striking “the credit union” each
7 place such term appears and inserting
8 “any credit union”; and

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

11 (D) in subparagraph (D)(i), by striking
12 “upon such credit union” and inserting “upon
13 the credit union of which the subject of the
14 order is, or most recently was, an institution-af-
15 filiated party”; and

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

17 “(E) CONTINUATION OF AUTHORITY.—The
18 Board may issue an order under this paragraph
19 with respect to an individual who is an institu-
20 tion-affiliated party at a credit union at the
21 time of an offense described in subparagraph
22 (A) without regard to—

23 “(i) whether such individual is an in-
24 stitution-affiliated party at any credit

1 union at the time the order is considered
2 or issued by the Board; or

3 “(ii) whether the credit union at
4 which the individual was an institution-af-
5 filiated party at the time of the offense re-
6 mains in existence at the time the order is
7 considered or issued by the Board.”.

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

12 “(i) SUSPENSION, REMOVAL, AND PROHIBITION
13 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN
14 CRIMINAL OFFENSES.—”.

15 **SEC. 709. PROTECTION OF CONFIDENTIAL INFORMATION**
16 **RECEIVED BY FEDERAL BANKING REGU-**
17 **LATORS FROM FOREIGN BANKING SUPER-**
18 **VISORS.**

19 Section 15 of the International Banking Act of 1978
20 (12 U.S.C. 3109) is amended by adding at the end the
21 following:

22 “(c) CONFIDENTIAL INFORMATION RECEIVED FROM
23 FOREIGN SUPERVISORS.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (3), a Federal banking agency may not be

1 compelled to disclose information received from
2 a foreign regulatory or supervisory authority if—

3 “(A) the Federal banking agency deter-
4 mines that the foreign regulatory or supervisory
5 authority has, in good faith, determined and
6 represented in writing to such Federal banking
7 agency that public disclosure of the information
8 would violate the laws applicable to that foreign
9 regulatory or supervisory authority; and

10 “(B) the relevant Federal banking agency
11 obtained such information pursuant to—

12 “(i) such procedures as the Federal
13 banking agency may establish for use in
14 connection with the administration and en-
15 forcement of Federal banking laws; or

16 “(ii) a memorandum of understanding
17 or other similar arrangement between the
18 Federal banking agency and the foreign
19 regulatory or supervisory authority.

20 “(2) TREATMENT UNDER TITLE 5, UNITED
21 STATES CODE.—For purposes of section 552 of title
22 5, United States Code, this subsection shall be treat-
23 ed as a statute described in subsection (b)(3)(B) of
24 such section.

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

3 “(A) authorizing any Federal banking
4 agency to withhold any information from any
5 duly authorized committee of the House of Rep-
6 resentatives or the Senate; or

7 “(B) preventing any Federal banking
8 agency from complying with an order of a court
9 of the United States in an action commenced by
10 the United States or such agency.

11 “(4) FEDERAL BANKING AGENCY DEFINED.—
12 For purposes of this subsection, the term ‘Federal
13 banking agency’ means the Board, the Comptroller
14 of the Currency, the Federal Deposit Insurance Cor-
15 poration, and the Director of the Office of Thrift
16 Supervision.”.

17 **SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED**
18 **INDIVIDUALS.**

19 (a) EXTENSION OF AUTOMATIC PROHIBITION.—Sec-
20 tion 19 of the Federal Deposit Insurance Act (12 U.S.C.
21 1829) is amended by adding at the end the following:

22 “(d) BANK HOLDING COMPANIES.—Subsections (a)
23 and (b) shall apply to any company (other than a foreign
24 bank) that is a bank holding company and any organiza-
25 tion organized and operated under section 25A of the Fed-

1 eral Reserve Act or operating under section 25 of the Fed-
 2 eral Reserve Act, as if such bank holding company or or-
 3 ganization were an insured depository institution, except
 4 that such subsections shall be applied for purposes of this
 5 subsection by substituting ‘Board of Governors of the Fed-
 6 eral Reserve System’ for ‘Corporation’ each place that
 7 term appears in such subsections.

8 “(e) SAVINGS AND LOAN HOLDING COMPANIES.—
 9 Subsections (a) and (b) shall apply to any savings and
 10 loan holding company and any subsidiary (other than a
 11 savings association) of a savings and loan holding com-
 12 pany as if such savings and loan holding company or sub-
 13 sidiary were an insured depository institution, except that
 14 subsections shall be applied for purposes of this subsection
 15 by substituting ‘Director of the Office of Thrift Super-
 16 vision’ for ‘Corporation’ each place that term appears in
 17 such subsections.”.

18 (b) ENHANCED DISCRETION TO REMOVE CON-
 19 VICTED INDIVIDUALS.—Section 8(e)(2)(A) of the Federal
 20 Deposit Insurance Act (12 U.S.C. 1818(e)(2)(A)) is
 21 amended—

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

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

24 (iii) and inserting “; or”; and

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

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

11 **SEC. 711. COORDINATION OF STATE EXAMINATION AU-**
 12 **THORITY.**

13 Section 10(h) of the Federal Deposit Insurance Act
 14 (12 U.S.C. 1820(h)) is amended to read as follows:

15 “(h) COORDINATION OF EXAMINATION AUTHOR-
 16 ITY.—

17 “(1) STATE BANK SUPERVISORS OF HOME AND
 18 HOST STATES.—

19 “(A) HOME STATE OF BANK.—The appro-
 20 priate State bank supervisor of the home State
 21 of an insured State bank has authority to ex-
 22 amine and supervise the bank.

23 “(B) HOST STATE BRANCHES.—The State
 24 bank supervisor of the home State of an in-
 25 sured State bank and any State bank super-

1 visor of an appropriate host State shall exercise
2 its respective authority to supervise and exam-
3 ine the branches of the bank in a host State in
4 accordance with the terms of any applicable co-
5 operative agreement between the home State
6 bank supervisor and the State bank supervisor
7 of the relevant host State.

8 “(C) SUPERVISORY FEES.—Except as ex-
9 pressly provided in a cooperative agreement be-
10 tween the State bank supervisors of the home
11 State and any host State of an insured State
12 bank, only the State bank supervisor of the
13 home State of an insured State bank may levy
14 or charge State supervisory fees on the bank.

15 “(2) HOST STATE EXAMINATION.—

16 “(A) IN GENERAL.—With respect to a
17 branch operated in a host State by an out-of-
18 State insured State bank that resulted from an
19 interstate merger transaction approved under
20 section 44, or that was established in such
21 State pursuant to section 5155(g) of the Re-
22 vised Statutes of the United States, the third
23 undesignated paragraph of section 9 of the
24 Federal Reserve Act or section 18(d)(4) of this

1 Act, the appropriate State bank supervisor of
2 such host State may—

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

14 “(ii) if expressly permitted under and
15 subject to the terms of a cooperative agree-
16 ment with the State bank supervisor of the
17 bank’s home State or if such out-of-State
18 insured State bank has been determined to
19 be in a troubled condition by either the
20 State bank supervisor of the bank’s home
21 State or the bank’s appropriate Federal
22 banking agency, participate in the exam-
23 ination of the bank by the State bank su-
24 pervisor of the bank’s home State to ascer-
25 tain that the activities of the branch in

1 such host State are not conducted in an
2 unsafe or unsound manner.

3 “(B) NOTICE OF DETERMINATION.—

4 “(i) IN GENERAL.—The State bank
5 supervisor of the home State of an insured
6 State bank shall notify the State bank su-
7 pervisor of each host State of the bank if
8 there has been a final determination that
9 the bank is in a troubled condition.

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

19 “(3) HOST STATE ENFORCEMENT.—If the State
20 bank supervisor of a host State determines that a
21 branch of an out-of-State insured State bank is vio-
22 lating any law of the host State that is applicable to
23 such branch pursuant to section 24(j), including a
24 law that governs community reinvestment, fair lend-
25 ing, or consumer protection, the State bank super-

1 visor of the host State or, to the extent authorized
2 by the law of the host State, a host State law en-
3 forcement officer may, with written notice to the
4 State bank supervisor of the bank's home State and
5 subject to the terms of any applicable cooperative
6 agreement with the State bank supervisor of the
7 bank's home State, undertake such enforcement ac-
8 tions and proceedings as would be permitted under
9 the law of the host State as if the branch were a
10 bank chartered by that host State.

11 “(4) COOPERATIVE AGREEMENT.—

12 “(A) IN GENERAL.—The State bank super-
13 visors from 2 or more States may enter into co-
14 operative agreements to facilitate State regu-
15 latory supervision of State banks, including co-
16 operative agreements relating to the coordina-
17 tion of examinations and joint participation in
18 examinations.

19 “(B) DEFINITION.—For purposes of this
20 subsection, the term ‘cooperative agreement’
21 means a written agreement that is signed by
22 the home State bank supervisor and the host
23 State bank supervisor to facilitate State regu-
24 latory supervision of State banks, and includes
25 nationwide or multi-State cooperative agree-

1 ments and cooperative agreements solely be-
2 tween the home State and host State.

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

14 “(5) FEDERAL REGULATORY AUTHORITY.—No
15 provision of this subsection shall be construed as
16 limiting in any way the authority of any Federal
17 banking agency.

18 “(6) STATE TAXATION AUTHORITY NOT AF-
19 FECTED.—No provision of this subsection shall be
20 construed as affecting the authority of any State or
21 political subdivision of any State to adopt, apply, or
22 administer any tax or method of taxation to any
23 bank, bank holding company, or foreign bank, or
24 any affiliate of any bank, bank holding company, or
25 foreign bank, to the extent that such tax or tax

1 method is otherwise permissible by or under the
2 Constitution of the United States or other Federal
3 law.

4 “(7) DEFINITIONS.—For purpose of this sec-
5 tion, the following definitions shall apply:

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

10 “(B) STATE SUPERVISORY FEES.—The
11 term ‘State supervisory fees’ means assess-
12 ments, examination fees, branch fees, license
13 fees, and all other fees that are levied or
14 charged by a State bank supervisor directly
15 upon an insured State bank or upon branches
16 of an insured State bank.

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

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

1 “(ii) is subject to a proceeding initi-
 2 ated by the Corporation for termination or
 3 suspension of deposit insurance; or

4 “(iii) is subject to a proceeding initi-
 5 ated by the State bank supervisor of the
 6 bank’s home State to vacate, revoke, or
 7 terminate the charter of the bank, or to
 8 liquidate the bank, or to appoint a receiver
 9 for the bank.

10 “(D) FINAL DETERMINATION.—For pur-
 11 poses of paragraph (2)(B), the term ‘final de-
 12 termination’ means the transmittal of a report
 13 of examination to the bank or transmittal of of-
 14 ficial notice of proceedings to the bank.”.

15 **SEC. 712. DEPUTY DIRECTOR; SUCCESSION AUTHORITY**
 16 **FOR DIRECTOR OF THE OFFICE OF THRIFT**
 17 **SUPERVISION.**

18 (a) ESTABLISHMENT OF POSITION OF DEPUTY DI-
 19 RECTOR.—Section 3(c)(5) of the Home Owners’ Loan Act
 20 (12 U.S.C. 1462a(c)(5)) is amended to read as follows:

21 “(5) DEPUTY DIRECTOR.—

22 “(A) IN GENERAL.—The Secretary of the
 23 Treasury shall appoint a Deputy Director, and
 24 may appoint not more than 3 additional Deputy
 25 Directors of the Office.

1 “(B) FIRST DEPUTY DIRECTOR.—If the
2 Secretary of the Treasury appoints more than
3 1 Deputy Director of the Office, the Secretary
4 shall designate one such appointee as the First
5 Deputy Director.

6 “(C) DUTIES.—Each Deputy Director ap-
7 pointed under this paragraph shall take an oath
8 of office and perform such duties as the Direc-
9 tor shall direct.

10 “(D) COMPENSATION AND BENEFITS.—
11 The Director shall fix the compensation and
12 benefits for each Deputy Director in accordance
13 with this Act.”.

14 (b) SERVICE OF DEPUTY DIRECTOR AS ACTING DI-
15 RECTOR.—Section 3(c)(3) of the Home Owners’ Loan Act
16 (12 U.S.C. 1462a(c)(3)) is amended—

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

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

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

22 “(B) ACTING DIRECTOR.—

23 “(i) IN GENERAL.—In the event of a
24 vacancy in the position of Director or dur-
25 ing the absence or disability of the Direc-

1 tor, the Deputy Director shall serve as
2 Acting Director.

3 “(ii) SUCCESSION IN CASE OF 2 OR
4 MORE DEPUTY DIRECTORS.—If there are 2
5 or more Deputy Directors serving at the
6 time a vacancy in the position of Director
7 occurs or the absence or disability of the
8 Director commences, the First Deputy Di-
9 rector shall serve as Acting Director under
10 clause (i) followed by such other Deputy
11 Directors under any order of succession
12 the Director may establish.

13 “(iii) AUTHORITY OF ACTING DIREC-
14 TOR.—Any Deputy Director, while serving
15 as Acting Director under this subpara-
16 graph, shall be vested with all authority,
17 duties, and privileges of the Director under
18 this Act and any other provision of Federal
19 law.”.

20 **SEC. 713. OFFICE OF THRIFT SUPERVISION REPRESENTA-**
21 **TION ON BASEL COMMITTEE ON BANKING SU-**
22 **PERVISION.**

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

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

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

6 “(a) **IN GENERAL.**—As one of the 4”;

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

8 “(b) As one of the 4 Federal bank regulatory and
9 supervisory agencies, the Office of Thrift Supervision shall
10 be given equal representation with the Board of Governors
11 of the Federal Reserve System, the Office of the Comp-
12 troller of the Currency, and the Federal Deposit Insurance
13 Corporation on the Committee on Banking Regulations
14 and Supervisory Practices of the Group of Ten Countries
15 and Switzerland.”.

16 (b) **CONFORMING AMENDMENTS.**—Section 910(a) of
17 the International Lending Supervision Act of 1983 (12
18 U.S.C. 3909(a)) is amended—

19 (1) in paragraph (2), by striking “insured
20 bank” and inserting “insured depository institu-
21 tion”; and

22 (2) in paragraph (3), by striking “an ‘insured
23 bank’, as such term is used in section 3(h)” and in-
24 serting “an ‘insured depository institution’, as such
25 term is defined in section 3(c)(2)”.

1 **SEC. 714. FEDERAL FINANCIAL INSTITUTIONS EXAMINA-**
2 **TION COUNCIL.**

3 (a) COUNCIL MEMBERSHIP.—Section 1004(a) of the
4 Federal Financial Institutions Examination Council Act of
5 1978 (12 U.S.C. 3303(a)) is amended—

6 (1) in paragraph (4), by striking “Thrift” and
7 all that follows through the end of the paragraph
8 and inserting “Thrift Supervision,”;

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

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

12 “(6) the Chairman of the State Liaison Com-
13 mittee.”.

14 (b) CHAIRPERSON OF LIAISON COMMITTEE.—Section
15 1007 of the Federal Financial Institutions Examination
16 Council Act of 1978 (12 U.S.C. 3306) is amended by add-
17 ing at the end the following: “Members of the Liaison
18 Committee shall elect a chairperson from among the mem-
19 bers serving on the committee.”.

20 **SEC. 715. TECHNICAL AMENDMENTS RELATING TO IN-**
21 **SURED INSTITUTIONS.**

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

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

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

7 (a) ACTIONS ON APPLICATIONS, NOTICES, AND
8 OTHER REQUESTS; CLARIFICATION THAT CHANGE IN
9 CONTROL CONDITIONS ARE ENFORCEABLE.—Section 8 of
10 the Federal Deposit Insurance Act (12 U.S.C. 1818) is
11 amended—

12 (1) in subsection (b)(1), in the first sentence,
13 by striking “the granting of any application or other
14 request by the depository institution” and inserting
15 “any action on any application, notice, or other re-
16 quest by the depository institution or institution-af-
17 filiated party,”;

18 (2) in subsection (e)(1)(A)(i)(III), by striking
19 “the grant of any application or other request by
20 such depository institution” and inserting “any ac-
21 tion on any application, notice, or request by such
22 depository institution or institution-affiliated party”;
23 and

24 (3) in subsection (i)(2)(A)(iii), by striking “the
25 grant of any application or other request by such de-

1 pository institution” and inserting “any action on
2 any application, notice, or other request by the de-
3 pository institution or institution-affiliated party”.

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

7 (1) in subsection (b)(1), in the first sentence,
8 by striking “the granting of any application or other
9 request by the credit union” and inserting “any ac-
10 tion on any application, notice, or other request by
11 the credit union or institution-affiliated party,”;

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

17 (3) in subsection (k)(2)(A)(iii), by striking “the
18 grant of any application or other request by such
19 credit union” and inserting “any action on any ap-
20 plication, notice, or other request by the credit union
21 or institution-affiliated party”.

22 **SEC. 717. FEDERAL BANKING AGENCY AUTHORITY TO EN-**
23 **FORCE DEPOSIT INSURANCE CONDITIONS.**

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

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

2 (A) by striking “in writing by the agency”
3 and inserting “in writing by a Federal banking
4 agency”; and

5 (B) by striking “the agency may issue and
6 serve” and inserting “the appropriate Federal
7 banking agency for the depository institution
8 may issue and serve”;

9 (2) in subsection (e)(1)—

10 (A) in subparagraph (A)(i)(III), by strik-
11 ing “in writing by the appropriate Federal
12 banking agency” and inserting “in writing by a
13 Federal banking agency”; and

14 (B) in the undesignated matter at the end,
15 by striking “the agency may serve upon such
16 party” and inserting “the appropriate Federal
17 banking agency for the depository institution
18 may serve upon such party”; and

19 (3) in subsection (i)(2)(A)(iii), by striking “in
20 writing by the appropriate Federal banking agency”
21 and inserting “in writing by a Federal banking
22 agency”.

1 **SEC. 718. RECEIVER OR CONSERVATOR CONSENT REQUIRE-**
2 **MENT.**

3 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
4 11(e)(13) of the Federal Deposit Insurance Act (12
5 U.S.C. 1821(e)(13)) is amended by adding at the end the
6 following:

7 “(C) CONSENT REQUIREMENT.—

8 “(i) IN GENERAL.—Except as other-
9 wise provided by this section or section 15,
10 no person may exercise any right or power
11 to terminate, accelerate, or declare a de-
12 fault under any contract to which the de-
13 pository institution is a party, or to obtain
14 possession of or exercise control over any
15 property of the institution or affect any
16 contractual rights of the institution, with-
17 out the consent of the conservator or re-
18 ceiver, as appropriate, during the 45-day
19 period beginning on the date of the ap-
20 pointment of the conservator, or during the
21 90-day period beginning on the date of the
22 appointment of the receiver, as applicable.

23 “(ii) CERTAIN EXCEPTIONS.—No pro-
24 vision of this subparagraph shall apply to
25 a director or officer liability insurance con-
26 tract or a depository institution bond, to

1 the rights of parties to certain qualified fi-
2 nancial contracts pursuant to paragraph
3 (8), or to the rights of parties to netting
4 contracts pursuant to subtitle A of title IV
5 of the Federal Deposit Insurance Corpora-
6 tion Improvement Act of 1991 (12 U.S.C.
7 4401 et seq.), or shall be construed as per-
8 mitting the conservator or receiver to fail
9 to comply with otherwise enforceable provi-
10 sions of such contract.

11 “(iii) RULE OF CONSTRUCTION.—

12 Nothing in this subparagraph shall be con-
13 strued to limit or otherwise affect the ap-
14 plicability of title 11, United States
15 Code.”.

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

19 “(C) CONSENT REQUIREMENT.—

20 “(i) IN GENERAL.—Except as other-
21 wise provided by this section, no person
22 may exercise any right or power to termi-
23 nate, accelerate, or declare a default under
24 any contract to which the credit union is a
25 party, or to obtain possession of or exercise

1 control over any property of the credit
2 union or affect any contractual rights of
3 the credit union, without the consent of the
4 conservator or liquidating agent, as appro-
5 priate, during the 45-day period beginning
6 on the date of the appointment of the con-
7 servator, or during the 90-day period be-
8 ginning on the date of the appointment of
9 the liquidating agent, as applicable.

10 “(ii) CERTAIN EXCEPTIONS.—No pro-
11 vision of this subparagraph shall apply to
12 a director or officer liability insurance con-
13 tract or a credit union bond, or to the
14 rights of parties to certain qualified finan-
15 cial contracts pursuant to paragraph (8),
16 or shall be construed as permitting the
17 conservator or liquidating agent to fail to
18 comply with otherwise enforceable provi-
19 sions of such contract.

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

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

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

5 “(6) To the Federal Deposit Insurance Cor-
6 poration or the National Credit Union Administra-
7 tion as part of its preparation for its appointment or
8 as part of its exercise of powers, as conservator, re-
9 ceiver, or liquidating agent for an insured depository
10 institution or insured credit union under the Federal
11 Deposit Insurance Act or the Federal Credit Union
12 Act, or other applicable Federal or State law, or in
13 connection with the resolution or liquidation of a
14 failed or failing insured depository institution or in-
15 sured credit union, as applicable.”.

16 **SEC. 720. ELIMINATION OF CRIMINAL INDICTMENTS**
17 **AGAINST RECEIVERSHIPS.**

18 (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section
19 15(b) of the Federal Deposit Insurance Act (12 U.S.C.
20 1825(b)) is amended by inserting immediately after para-
21 graph (3) the following:

22 “(4) **EXEMPTION FROM CRIMINAL PROSECU-**
23 **TION.**—The Corporation shall be exempt from all
24 prosecution by the United States or any State, coun-
25 ty, municipality, or local authority for any criminal
26 offense arising under Federal, State, county, munic-

1 ipal, or local law, which was allegedly committed by
 2 the institution, or persons acting on behalf of the in-
 3 stitution, prior to the appointment of the Corpora-
 4 tion as receiver.”.

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

8 “(K) EXEMPTION FROM CRIMINAL PROS-
 9 ECUTION.—The Administration shall be exempt
 10 from all prosecution by the United States or
 11 any State, county, municipality, or local author-
 12 ity for any criminal offense arising under Fed-
 13 eral, State, county, municipal, or local law,
 14 which was allegedly committed by a credit
 15 union, or persons acting on behalf of a credit
 16 union, prior to the appointment of the Adminis-
 17 tration as liquidating agent.”.

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

19 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
 20 11(f) of the Federal Deposit Insurance Act (12 U.S.C.
 21 1821(f)) is amended by striking paragraphs (3) through
 22 (5) and inserting the following:

23 “(3) RESOLUTION OF DISPUTES.—A determina-
 24 tion by the Corporation regarding any claim for in-
 25 surance coverage shall be treated as a final deter-

1 mination for purposes of this section. In its discre-
2 tion, the Corporation may promulgate regulations
3 prescribing procedures for resolving any disputed
4 claim relating to any insured deposit or any deter-
5 mination of insurance coverage with respect to any
6 deposit.

7 “(4) REVIEW OF CORPORATION DETERMINA-
8 TION.—A final determination made by the Corpora-
9 tion regarding any claim for insurance coverage shall
10 be a final agency action reviewable in accordance
11 with chapter 7 of title 5, United States Code, by the
12 United States district court for the Federal judicial
13 district where the principal place of business of the
14 depository institution is located.

15 “(5) STATUTE OF LIMITATIONS.—Any request
16 for review of a final determination by the Corpora-
17 tion regarding any claim for insurance coverage shall
18 be filed with the appropriate United States district
19 court not later than 60 days after the date on which
20 such determination is issued.”.

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

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

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

22 **SEC. 722. RECORDKEEPING.**

23 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
24 11(d)(15)(D) of the Federal Deposit Insurance Act (12
25 U.S.C. 1821(d)(15)(D)) is amended—

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

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

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

7 “(ii) OLD RECORDS.—Notwith-
 8 standing clause (i), the Corporation may
 9 destroy records of an insured depository
 10 institution which are at least 10 years old
 11 as of the date on which the Corporation is
 12 appointed as the receiver of such deposi-
 13 tory institution in accordance with clause
 14 (i) at any time after such appointment is
 15 final, without regard to the 6-year period
 16 of limitation contained in clause (i).”.

17 (b) INSURED CREDIT UNIONS.—Section
 18 207(b)(15)(D) of the Federal Credit Union Act (12
 19 U.S.C. 1787(b)(15)(D)) is amended—

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

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

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

1 “(ii) OLD RECORDS.—Notwith-
 2 standing clause (i) the Board may destroy
 3 records of an insured credit union which
 4 are at least 10 years old as of the date on
 5 which the Board is appointed as liqui-
 6 dating agent of such credit union in ac-
 7 cordance with clause (i) at any time after
 8 such appointment is final, without regard
 9 to the 6-year period of limitation contained
 10 in clause (i).”.

11 **SEC. 723. PRESERVATION OF RECORDS.**

12 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
 13 10(f) of the Federal Deposit Insurance Act (12 U.S.C.
 14 1820(f)) is amended to read as follows:

15 “(f) PRESERVATION OF AGENCY RECORDS.—

16 “(1) IN GENERAL.—A Federal banking agency
 17 may cause any and all records, papers, or documents
 18 kept by the agency or in the possession or custody
 19 of the agency to be—

20 “(A) photographed or microphotographed
 21 or otherwise reproduced upon film; or

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

24 “(i) being read or scanned by com-
 25 puter; and

1 “(ii) being reproduced from such elec-
2 tronic medium or format by printing any
3 other form of reproduction of electronically
4 stored data.

5 “(2) TREATMENT AS ORIGINAL RECORDS.—Any
6 photographs, microphotographs, or photographic
7 film or copies thereof described in paragraph (1)(A)
8 or reproduction of electronically stored data de-
9 scribed in paragraph (1)(B) shall be deemed to be
10 an original record for all purposes, including intro-
11 duction in evidence in all State and Federal courts
12 or administrative agencies, and shall be admissible
13 to prove any act, transaction, occurrence, or event
14 therein recorded.

15 “(3) AUTHORITY OF THE FEDERAL BANKING
16 AGENCIES.—Any photographs, microphotographs, or
17 photographic film or copies thereof described in
18 paragraph (1)(A) or reproduction of electronically
19 stored data described in paragraph (1)(B) shall be
20 preserved in such manner as the Federal banking
21 agency shall prescribe, and the original records, pa-
22 pers, or documents may be destroyed or otherwise
23 disposed of as the Federal banking agency may di-
24 rect.”.

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

4 “(9) PRESERVATION OF RECORDS.—

5 “(A) IN GENERAL.—The Board may cause
 6 any and all records, papers, or documents kept
 7 by the Administration or in the possession or
 8 custody of the Administration to be—

9 “(i) photographed or microphoto-
 10 graphed or otherwise reproduced upon
 11 film; or

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

14 “(I) being read or scanned by
 15 computer; and

16 “(II) being reproduced from such
 17 electronic medium or format by print-
 18 ing or any other form of reproduction
 19 of electronically stored data.

20 “(B) TREATMENT AS ORIGINAL
 21 RECORDS.—Any photographs, micrographs, or
 22 photographic film or copies thereof described in
 23 subparagraph (A)(i) or reproduction of elec-
 24 tronically stored data described in subpara-
 25 graph (A)(ii) shall be deemed to be an original

1 record for all purposes, including introduction
 2 in evidence in all State and Federal courts or
 3 administrative agencies, and shall be admissible
 4 to prove any act, transaction, occurrence, or
 5 event therein recorded.

6 “(C) AUTHORITY OF THE ADMINISTRA-
 7 TION.—Any photographs, microphotographs, or
 8 photographic film or copies thereof described in
 9 subparagraph (A)(i) or reproduction of elec-
 10 tronically stored data described in subpara-
 11 graph (A)(ii) shall be preserved in such manner
 12 as the Administration shall prescribe, and the
 13 original records, papers, or documents may be
 14 destroyed or otherwise disposed of as the Ad-
 15 ministration may direct.”.

16 **SEC. 724. TECHNICAL AMENDMENTS TO INFORMATION**
 17 **SHARING PROVISION IN THE FEDERAL DE-**
 18 **POSIT INSURANCE ACT.**

19 Section 11(t) of the Federal Deposit Insurance Act
 20 (12 U.S.C. 1821(t)) is amended—

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

23 (2) in paragraph (2)(A)—

24 (A) in clause (i), by striking “appro-
 25 priate”;

1 (B) by striking clause (ii); and
2 (C) by redesignating clauses (iii) through
3 (vi) as clauses (ii) through (v), respectively.

4 **SEC. 725. TECHNICAL AND CONFORMING AMENDMENTS RE-**
5 **LATING TO BANKS OPERATING UNDER THE**
6 **CODE OF LAW FOR THE DISTRICT OF COLUM-**
7 **BIA.**

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

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

15 (2) in the first sentence of the first undesignated
16 paragraph of section 9 (12 U.S.C. 321), by
17 striking “incorporated by special law of any State,
18 or” and inserting “incorporated by special law of
19 any State, operating under the Code of Law for the
20 District of Columbia, or”.

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

23 (1) by striking “means (1) any national” and
24 inserting “means any national”; and

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

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

9 (1) in paragraph (1) of section 731 (12 U.S.C.
10 216(1)), by striking “and closed banks in the Dis-
11 trict of Columbia”; and

12 (2) in paragraph (2) of section 732 (12 U.S.C.
13 216a(2)), by striking “or closed banks in the Dis-
14 trict of Columbia”.

15 (d) FEDERAL DEPOSIT INSURANCE ACT.—Section
16 3(a)(2)(B) of the Federal Deposit Insurance Act (12
17 U.S.C. 1813(a)(2)(B)) is amended by striking “(except a
18 national bank)”.

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

24 (f) ACT OF AUGUST 17, 1950.—Section 1(a) of the
25 Act entitled “An Act to provide for the conversion of na-

1 tional banking associations into and their merger or con-
 2 solidation with State banks, and for other purposes” and
 3 approved August 17, 1950 (12 U.S.C. 214(a)) is amended
 4 by striking “(except a national banking association)”.

5 (g) FEDERAL TRADE COMMISSION ACT.—Section
 6 18(f)(2) of the Federal Trade Commission Act (15 U.S.C.
 7 57a(f)(2)) is amended—

8 (1) in subparagraph (A), by striking “, banks
 9 operating under the code of law for the District of
 10 Columbia,”; and

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

14 **SEC. 726. TECHNICAL CORRECTIONS TO THE FEDERAL**
 15 **CREDIT UNION ACT.**

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

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

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

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

1 (4) In each of paragraphs (6) and (7) of section
2 107, strike the period at the end and insert a semi-
3 colon.

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

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

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

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

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

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

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

20 (12) In section 202(h)(3), strike “section
21 207(c)(1)” and insert “section 207(k)(1)”.

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

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

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

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

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

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

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

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

13 (21) In section 207(e)(5)(B)(i)(I), insert “and”
14 after the semicolon at the end.

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

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

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

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

23 (26) In section 304(b)(3), strike “the affairs or
24 such credit union” and insert “the affairs of such
25 credit union”.

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

3 **SEC. 727. REPEAL OF OBSOLETE PROVISIONS OF THE BANK**
4 **HOLDING COMPANY ACT OF 1956.**

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

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

9 (2) by striking subsection (m) and inserting the
10 following:

11 “(m) [Repealed]”.

12 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
13 Paragraphs (1) and (2) of section 4(h) of the Bank Hold-
14 ing Company Act of 1956 (12 U.S.C. 1843(h)) are each
15 amended by striking “(G), (H), (I), or (J) of section
16 2(c)(2)” and inserting “(G), or (H) of section 2(c)(2)”.

17 **SEC. 728. DEVELOPMENT OF MODEL PRIVACY FORM.**

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

21 “(e) MODEL FORMS.—

22 “(1) IN GENERAL.—The agencies referred to in
23 section 504(a)(1) shall jointly develop a model form
24 which may be used, at the option of the financial in-

1 stitution, for the provision of disclosures under this
2 section.

3 “(2) **FORMAT.**—A model form developed under
4 paragraph (1) shall—

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

7 “(B) provide for clear and conspicuous dis-
8 closures;

9 “(C) enable consumers easily to identify
10 the sharing practices of a financial institution
11 and to compare privacy practices among finan-
12 cial institutions; and

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

15 “(3) **TIMING.**—A model form required to be de-
16 veloped by this subsection shall be issued in pro-
17 posed form for public comment not later than 180
18 days after the date of enactment of this subsection.

19 “(4) **SAFE HARBOR.**—Any financial institution
20 that elects to provide the model form developed by
21 the agencies under this subsection shall be deemed
22 to be in compliance with the disclosures required
23 under this section.”.

1 **TITLE VIII—FAIR DEBT COLLEC-**
 2 **TION PRACTICES ACT AMEND-**
 3 **MENTS**

4 **SEC. 801. EXCEPTION FOR CERTAIN BAD CHECK ENFORCE-**
 5 **MENT PROGRAMS.**

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

8 (1) by redesignating section 818 as section 819;
 9 and

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

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

13 “(a) IN GENERAL.—

14 “(1) TREATMENT OF CERTAIN PRIVATE ENTI-
 15 TIES.—Subject to paragraph (2), a private entity
 16 shall be excluded from the definition of a debt col-
 17 lector, pursuant to the exception provided in section
 18 803(6), with respect to the operation by the entity
 19 of a program described in paragraph (2)(A) under
 20 a contract described in paragraph (2)(B).

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

23 “(A) a State or district attorney estab-
 24 lishes, within the jurisdiction of such State or
 25 district attorney and with respect to alleged bad

1 check violations that do not involve a check de-
2 scribed in subsection (b), a pretrial diversion
3 program for alleged bad check offenders who
4 agree to participate voluntarily in such program
5 to avoid criminal prosecution;

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

13 “(C) in the course of performing duties
14 delegated to it by a State or district attorney
15 under the contract, the private entity referred
16 to in subparagraph (B)—

17 “(i) complies with the penal laws of
18 the State;

19 “(ii) conforms with the terms of the
20 contract and directives of the State or dis-
21 trict attorney;

22 “(iii) does not exercise independent
23 prosecutorial discretion;

24 “(iv) contacts any alleged offender re-
25 ferred to in subparagraph (A) for purposes

1 of participating in a program referred to in
2 such paragraph—

3 “(I) only as a result of any deter-
4 mination by the State or district at-
5 torney that probable cause of a bad
6 check violation under State penal law
7 exists, and that contact with the al-
8 leged offender for purposes of partici-
9 pation in the program is appropriate;
10 and

11 “(II) the alleged offender has
12 failed to pay the bad check after de-
13 mand for payment, pursuant to State
14 law, is made for payment of the check
15 amount;

16 “(v) includes as part of an initial writ-
17 ten communication with an alleged of-
18 fender a clear and conspicuous statement
19 that—

20 “(I) the alleged offender may dis-
21 pute the validity of any alleged bad
22 check violation;

23 “(II) where the alleged offender
24 knows, or has reasonable cause to be-
25 lieve, that the alleged bad check viola-

1 tion is the result of theft or forgery of
2 the check, identity theft, or other
3 fraud that is not the result of the con-
4 duct of the alleged offender, the al-
5 leged offender may file a crime report
6 with the appropriate law enforcement
7 agency; and

8 “(III) if the alleged offender noti-
9 fies the private entity or the district
10 attorney in writing, not later than 30
11 days after being contacted for the
12 first time pursuant to clause (iv), that
13 there is a dispute pursuant to this
14 subsection, before further restitution
15 efforts are pursued, the district attor-
16 ney or an employee of the district at-
17 torney authorized to make such a de-
18 termination makes a determination
19 that there is probable cause to believe
20 that a crime has been committed; and

21 “(vi) charges only fees in connection
22 with services under the contract that have
23 been authorized by the contract with the
24 State or district attorney.

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

4 “(1) a postdated check presented in connection
5 with a payday loan, or other similar transaction,
6 where the payee of the check knew that the issuer
7 had insufficient funds at the time the check was
8 made, drawn, or delivered;

9 “(2) a stop payment order where the issuer
10 acted in good faith and with reasonable cause in
11 stopping payment on the check;

12 “(3) a check dishonored because of an adjust-
13 ment to the issuer’s account by the financial institu-
14 tion holding such account without providing notice
15 to the person at the time the check was made,
16 drawn, or delivered;

17 “(4) a check for partial payment of a debt
18 where the payee had previously accepted partial pay-
19 ment for such debt;

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

24 “(6) a check issued to pay an obligation arising
25 from a transaction that was illegal in the jurisdiction

1 of the State or district attorney at the time the
2 check was made, drawn, or delivered.

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

5 “(1) STATE OR DISTRICT ATTORNEY.—The
6 term ‘State or district attorney’ means the chief
7 elected or appointed prosecuting attorney in a dis-
8 trict, county (as defined in section 2 of title 1,
9 United States Code), municipality, or comparable ju-
10 risdiction, including State attorneys general who act
11 as chief elected or appointed prosecuting attorneys
12 in a district, county (as so defined), municipality or
13 comparable jurisdiction, who may be referred to by
14 a variety of titles such as district attorneys, pros-
15 ecuting attorneys, commonwealth’s attorneys, solici-
16 tors, county attorneys, and state’s attorneys, and
17 who are responsible for the prosecution of State
18 crimes and violations of jurisdiction-specific local or-
19 dinances.

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

23 “(3) BAD CHECK VIOLATION.—The term ‘bad
24 check violation’ means a violation of the applicable

1 State criminal law relating to the writing of dishon-
 2 ored checks.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
 4 for the Fair Debt Collection Practices Act (15 U.S.C.
 5 1692 et seq.) is amended—

6 (1) by redesignating the item relating to section
 7 818 as section 819; and

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

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

10 **TITLE IX—CASH MANAGEMENT** 11 **MODERNIZATION**

12 **SEC. 901. COLLATERAL MODERNIZATION.**

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

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

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

21 “(2) as determined by the Secretary of the
 22 Treasury, have a market value that is equal to or
 23 greater than the amount of the required surety
 24 bond; and”.

1 (c) TECHNICAL AMENDMENTS.—Section 9303 of title
2 31, United States Code, is amended—

3 (1) in the section heading, by striking “**Gov-**
4 **ernment obligations**” and inserting “**eligible**
5 **obligations**”;

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

8 (3) by striking “a Government obligation” each
9 place that term appears and inserting “an eligible
10 obligation”; and

11 (4) by striking “Government obligation” each
12 place that term appears and inserting “eligible obli-
13 gation”.

14 **TITLE X—STUDIES AND** 15 **REPORTS**

16 **SEC. 1001. STUDY AND REPORT BY THE COMPTROLLER** 17 **GENERAL ON THE CURRENCY TRANSACTION** 18 **REPORT FILING SYSTEM.**

19 (a) IN GENERAL.—The Comptroller General of the
20 United States shall conduct a study on the volume of cur-
21 rency transaction reports filed with the Secretary of the
22 Treasury under section 5313(a) of title 31, United States
23 Code.

24 (b) PURPOSE.—The purpose of the study required
25 under subsection (a) shall be—

1 (1) to evaluate, on the basis of actual filing
2 data, patterns of currency transaction reports filed
3 by depository institutions of all sizes and locations;
4 and

5 (2) to identify whether and the extent to which
6 the filing rules for currency transaction reports de-
7 scribed in section 5313(a) of title 31, United States
8 Code—

9 (A) are burdensome; and

10 (B) can or should be modified to reduce
11 such burdens without harming the usefulness of
12 such filing rules to Federal, State, and local
13 anti-terrorism, law enforcement, and regulatory
14 operations.

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

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

21 (1) the extent to which depository institutions
22 are availing themselves of the exemption system for
23 the filing of currency transaction reports set forth in
24 section 103.22(d) of title 31, Code of Federal Regu-
25 lations, as in effect during the study period (in this

1 section referred to as the “exemption system”), in-
2 cluding specifically, for the study period—

3 (A) the number of currency transaction re-
4 ports filed (out of the total annual numbers) in-
5 volving companies that are listed on the New
6 York Stock Exchange or the NASDAQ Na-
7 tional Market;

8 (B) the number of currency transaction re-
9 ports filed by the 100 largest depository institu-
10 tions in the United States by asset size, and
11 thereafter in tiers of 100, by asset size;

12 (C) the number of currency transaction re-
13 ports filed by the 200 smallest depository insti-
14 tutions in the United States, including the
15 number of such currency transaction reports in-
16 volving companies listed on the New York Stock
17 Exchange or the NASDAQ National Market;
18 and

19 (D) the number of currency transaction re-
20 ports that would have been filed during the fil-
21 ing period if the exemption system had been
22 used by all depository institutions in the United
23 States;

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

4 (3) difficulties that limit the willingness or abil-
5 ity of depository institutions to reduce their currency
6 transaction reports reporting burden by making use
7 of the exemption system, including considerations of
8 cost, especially in the case of small depository insti-
9 tutions;

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

13 (A) the exemption of privately-held compa-
14 nies permitted under such exemption system;
15 and

16 (B) whether, on a sample basis, the reac-
17 tion of bank examiners to implementation of
18 such exemption system is justified or inhibits
19 use of such exemption system without an offset-
20 ting compliance benefit;

21 (5) ways to improve the use of the exemption
22 system by depository institutions, including making
23 such exemption system mandatory in order to reduce
24 the volume of currency transaction reports unneces-
25 sarily filed; and

1 (6) the usefulness of currency transaction re-
2 ports filed to law enforcement agencies, taking into
3 account—

4 (A) advances in information technology;

5 (B) the impact, including possible loss of
6 investigative data, that various changes in the
7 exemption system would have on the usefulness
8 of such currency transaction reports; and

9 (C) changes that could be made to the ex-
10 emption system without affecting the usefulness
11 of currency transaction reports.

12 (e) ASSISTANCE.—The Secretary of the Treasury
13 shall provide such information processing and other assist-
14 ance, including from the Commissioner of the Internal
15 Revenue Service and the Director of the Financial Crimes
16 Enforcement Network, to the Comptroller General in ana-
17 lyzing currency transaction report filings for the study pe-
18 riod described in subsection (c), as is necessary to provide
19 the information required by subsection (a).

20 (f) VIEWS.—The study required under subsection (a)
21 shall, if appropriate, include a discussion of the views of
22 a representative sample of Federal, State, and local law
23 enforcement and regulatory officials and officials of depos-
24 itory institutions of all sizes.

1 (g) RECOMMENDATIONS.—The study required under
 2 subsection (a) shall, if appropriate, include recommenda-
 3 tions for changes to the exemption system that would re-
 4 flect a reduction in unnecessary cost to depository institu-
 5 tions, assuming reasonably full implementation of such ex-
 6 emption system, without reducing the usefulness of the
 7 currency transaction report filing system to anti-ter-
 8 rorism, law enforcement, and regulatory operations.

9 (h) REPORT.—Not later than 15 months after the
 10 date of enactment of this section, the Comptroller General
 11 shall submit a report on the study required under sub-
 12 section (a) to the Committee on Banking, Housing, and
 13 Urban Affairs of the Senate and the Committee on Finan-
 14 cial Services of the House of Representatives.

15 **SEC. 1002. STUDY AND REPORT ON INSTITUTION DIVERSITY**
 16 **AND CONSOLIDATION.**

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

19 (1) the vast diversity in the size and complexity
 20 of institutions in the banking and financial services
 21 sector, including the differences in capital, market
 22 share, geographical limitations, product offerings,
 23 and general activities;

24 (2) the differences in powers among the depository
 25 tory institution charters, including—

1 (A) identification of the historical trends in
2 the evolution of depository institution charters;

3 (B) an analysis of the impact of charter
4 differences to the overall safety and soundness
5 of the banking industry, and the effectiveness of
6 the applicable depository institution regulator;
7 and

8 (C) an analysis of the impact that the
9 availability of options for depository institution
10 charters on the development of the banking in-
11 dustry;

12 (3) the impact that differences of size and over-
13 all complexity among financial institutions makes
14 with respect to regulatory oversight, efficiency, safe-
15 ty and soundness, and charter options for financial
16 institutions; and

17 (4) the aggregate cost and breakdown associ-
18 ated with regulatory compliance for banks, savings
19 associations, credit unions, or any other financial in-
20 stitution, including potential disproportionate impact
21 that the cost of compliance may pose on smaller in-
22 stitutions, given the percentage of personnel that the
23 institution must dedicate solely to compliance.

24 (b) CONSIDERATIONS.—In conducting the study
25 under subsection (a), the Comptroller General shall con-

1 sider the efficacy and efficiency of the consolidation of fi-
2 nancial regulators, as well as charter simplification and
3 homogenization.

4 (c) REPORT.—Not later than 1 year after the date
5 of enactment of this Act, the Comptroller General of the
6 United States shall submit a report to the Committee on
7 Banking, Housing, and Urban Affairs of the Senate and
8 the Committee on Financial Services of the House of Rep-
9 resentatives on the results of the study required by this
10 section.

Passed the Senate May 25, 2006.

Attest:

Secretary.

109TH CONGRESS
2^D SESSION

S. 2856

AN ACT

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