

House-passed H.R. 4173	Senate-passed H.R. 4173 (S. 3217 as amended)	Notes
<p style="text-align: center;">Subtitle G--Enhanced Dissolution Authority</p> <p>SEC. 1601. SHORT TITLE; PURPOSE.</p> <p>(a) Short Title- This subtitle may be cited as the `Dissolution Authority for Large, Interconnected Financial Companies Act of 2009'.</p> <p>(b) Purpose- The purpose of this subtitle is to protect the financial system of the United States in times of severe crisis by providing for the orderly resolution of large, interconnected financial companies whose failure could create, or increase, the risk of significant liquidity, credit, or other financial problems spreading among financial institutions or markets and thereby threaten the stability of the overall financial system of the United States. There shall be a strong presumption that resolution under the bankruptcy laws will remain the primary method of resolving financial companies, and the authorities contained in this subtitle will only be used in the most exigent circumstances.</p>	<p style="text-align: center;">TITLE II--ORDERLY LIQUIDATION AUTHORITY</p> <p>SEC. 204. ORDERLY LIQUIDATION.</p> <p><i>(a) Purpose of Orderly Liquidation Authority- It is the purpose of this title to provide the necessary authority to liquidate failing financial companies that pose a significant risk to the financial stability of the United States in a manner that mitigates such risk and minimizes moral hazard. The authority provided in this title shall be exercised in the manner that best fulfills such purpose, so that--</i></p> <p style="padding-left: 40px;"><i>(1) creditors and shareholders will bear the losses of the financial company;</i></p> <p style="padding-left: 40px;"><i>(2) management responsible for the condition of the financial company will not be retained; and</i></p> <p style="padding-left: 40px;"><i>(3) the Corporation and other appropriate agencies will take all steps necessary and appropriate to assure that all parties, including management and third parties, having responsibility for the condition of the financial company bear losses consistent with their responsibility, including actions for damages, restitution, and recoupment of compensation and other gains not compatible with such responsibility.</i></p>	
<p>SEC. 1602. DEFINITIONS.</p> <p>For purposes of this subtitle, the following definitions shall apply:</p> <p>(1) APPROPRIATE REGULATORY AGENCY-</p> <p style="padding-left: 20px;">(A) CORPORATION AND COMMISSION- The term `appropriate regulatory agency' means--</p> <p style="padding-left: 40px;">(i) the Corporation;</p> <p style="padding-left: 40px;">(ii) the Commission, if the financial company, or an affiliate thereof, is a broker or dealer registered with the Commission under section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) (other than an insured depository institution)); and</p> <p style="padding-left: 40px;">(iii) if the financial company or an affiliate of the financial company is an insurance company (other than an insured depository institution), the applicable</p>	<p>SEC. 201. DEFINITIONS.</p> <p><i>(a) In General- In this title, the following definitions shall apply:</i></p>	

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<p>State insurance authority of the State in which the insurance company is domiciled.</p> <p>(B) RULES OF CONSTRUCTION- More than 1 agency may be an appropriate regulatory agency with respect to any given financial company. In such instances, the Commission shall be the appropriate regulatory agency for purposes of section 1603 if the largest subsidiary of the financial company is a broker or dealer as measured by total assets as of the end of the previous calendar quarter, the applicable State insurance authority of the State in which the insurance company is domiciled shall be the appropriate regulatory agency for purposes of section 1603 if the financial company is an insurance company or if the largest subsidiary of the financial company is an insurance company as measured by total assets as of the end of the previous calendar quarter, and otherwise the Corporation shall be the appropriate regulatory agency for purposes of section 1603.</p>		
	<p>(2) <i>BANKRUPTCY CODE</i>- The term `Bankruptcy Code' means title 11, United States Code.</p>	
<p>(2) <i>BRIDGE FINANCIAL COMPANY</i>- The term `bridge financial company' means a new financial company organized in accordance with section 1609(h) by the Corporation.</p>	<p>(3) <i>BRIDGE FINANCIAL COMPANY</i>- The term `bridge financial company' means a new financial company organized by the Corporation in accordance with section 210(h) for the purpose of resolving a covered financial company.</p>	
	<p>(4) <i>CLAIM</i>- The term `claim' means any right of payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.</p>	
<p>(3) <i>COMMISSION</i>- The term `Commission' means the Securities and Exchange Commission.</p>		
	<p>(5) <i>COMPANY</i>- The term `company' has the same meaning as in section 2(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)), except that such term includes any company described in paragraph (11), the majority of the securities of which are owned by the United States or any State.</p>	
<p>(4) <i>CORPORATION</i>- The term `Corporation' means the Federal Deposit Insurance Corporation.</p>		
	<p>(6) <i>COVERED BROKER OR DEALER</i>- The term `covered broker or dealer' means a covered financial company that is a broker or dealer that--</p>	

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	(A) is registered with the Commission under section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)); and (B) is a member of SIPC.	
(5) COVERED FINANCIAL COMPANY- The term `covered financial company' means a financial company for which a determination has been made pursuant to and in accordance with section 1603(b).	(7) COVERED FINANCIAL COMPANY- The term `covered financial company'-- (A) means a financial company for which a determination has been made under section 203(b); and (B) does not include an insured depository institution.	
(6) COVERED SUBSIDIARY- The term `covered subsidiary' means a subsidiary covered in paragraph (9)(B)(v).	(8) COVERED SUBSIDIARY- The term `covered subsidiary' means a subsidiary of a covered financial company, other than-- (A) an insured depository institution; (B) an insurance company; or (C) a covered broker or dealer.	
	(15) COURT- The term `Court' means the United States District Court for the District of Columbia.	
(7) CUSTOMER PROPERTY- The term `customer property' has the meaning ascribed to it in the Securities Investor Protection Act of 1970.	(9) DEFINITIONS RELATING TO COVERED BROKERS AND DEALERS- The terms `customer', `customer name securities', `customer property', and `net equity' in the context of a covered broker or dealer, have the same meanings as in section 16 of the Securities Investor Protection Act of 1970 (15 U.S.C. 78lll).	
(8) FEDERAL RESERVE BOARD- The term `Federal Reserve Board' means the Board of Governors of the Federal Reserve System.		
(9) FINANCIAL COMPANY- The term `financial company' means any company that-- (A) is incorporated or organized under Federal law or the laws of any State; (B) is-- (i) any bank holding company as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)); (ii) any company that has been subjected to stricter prudential regulation under section 1103; (iii) any insurance company; (iv) any company predominantly engaged in activities that are financial in nature or incidental thereto for purposes of section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)) or activities that have been identified for stricter prudential standards under section 1103 of this title;	(10) FINANCIAL COMPANY- The term `financial company' means any company that-- (A) is incorporated or organized under any provision of Federal law or the laws of any State; (B) is-- (i) a bank holding company, as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)), and including any company described in paragraph (5); (ii) a nonbank financial company supervised by the Board of Governors; (iii) any company that is predominantly engaged in activities that the Board of Governors has determined are financial in nature or incidental thereto for purposes of section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)) other than a company described in clause (i) or (ii); or	

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<p>or (v) any subsidiary of companies described in clauses (i) through (iv) (other than an insured depository institution or any broker or dealer registered with the Commission under section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) that is a member of the Securities Investor Protection Corporation);</p> <p>(C) that is not a Farm Credit System institution chartered under and subject to the provisions of the Farm Credit Act of 1971, as amended (12 U.S.C. 2001 et seq.);</p> <p>(D) that is not a Federal home loan bank, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation; and</p> <p>(E) is not an insured depository institution (as defined in section 3(c) of the Federal Deposit Insurance act), a Federal credit union or a State-chartered credit union (as such terms are defined in section 101 of the Federal Credit Union Act), or a government-sponsored enterprise (as such term is defined in section 1004(f) of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 1811 note)).</p>	<p><i>(iv) any subsidiary of any company described in any of clauses (i) through (iii) that is predominantly engaged in activities that the Board of Governors has determined are financial in nature or incidental thereto for purposes of section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)) (other than a subsidiary that is an insured depository institution or an insurance company); and</i></p> <p><i>(C) is not a Farm Credit System institution chartered under and subject to the provisions of the Farm Credit Act of 1971, as amended (12 U.S.C. 2001 et seq.), a governmental entity, or a regulated entity, as defined under section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502(20)).</i></p> <p>SEC. 201. DEFINITIONS.</p> <p><i>(b) Definitional Criteria- For purpose of the definition of the term 'financial company' under subsection (a)(10), no company shall be deemed to be predominantly engaged in activities that the Board of Governors has determined are financial in nature or incidental thereto for purposes of section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)), if the consolidated revenues of such company from such activities constitute less than 85 percent of the total consolidated revenues of such company, as the Corporation, in consultation with the Secretary, shall establish by regulation. In determining whether a company is a financial company under this title, the consolidated revenues derived from the ownership or control of a depository institution shall be included.</i></p>	

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(10) FUND- The term `Fund' means the Systemic Dissolution Fund established in accordance with section 1609(n).	<i>(11) FUND- The term `Fund' means the Orderly Liquidation Fund established under section 210(n).</i>	
(11) INSURANCE COMPANY- The term `insurance company' means any entity covered by a State law designed specifically to deal with the rehabilitation, liquidation, or insolvency of an insurance company.	<i>(12) INSURANCE COMPANY- The term `insurance company' means any entity that is-- (A) engaged in the business of insurance; (B) subject to regulation by a State insurance regulator; and (C) covered by a State law that is designed to specifically deal with the rehabilitation, liquidation, or insolvency of an insurance company.</i>	
	<i>(13) NONBANK FINANCIAL COMPANY- The term `nonbank financial company' has the same meaning as in section 102(a)(4)(C).</i>	
	<i>(14) NONBANK FINANCIAL COMPANY SUPERVISED BY THE BOARD OF GOVERNORS- The term `nonbank financial company supervised by the Board of Governors' has the same meaning as in section 102(a)(3)(D).</i>	
(12) SECRETARY- The term `Secretary' shall mean the Secretary of the Treasury.		
	<i>(16) SIPC- The term `SIPC' means the Securities Investor Protection Corporation.</i>	
(13) STATE- The term `State' means any State, commonwealth, territory, or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the United States Virgin Islands.		
(14) CERTAIN OTHER TERMS- The terms `affiliate', `company', `control', `deposit', `depository institution', `foreign bank', `insured depository institution', and `subsidiary' have the same meanings as in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).		
SEC. 1603. SYSTEMIC RISK DETERMINATION. (a) Written Recommendation of the Federal Reserve Board and the Appropriate Regulatory Agency- (1) VOTE REQUIRED- (A) IN GENERAL- At the request of the Secretary, the Chairman of the Federal Reserve Board, or the appropriate regulatory agency, the Board and the appropriate regulatory agency shall, or on their own initiative the Board and the appropriate regulatory agency may, consider whether to make the written recommendation provided for in paragraph (2) with	SEC. 203. SYSTEMIC RISK DETERMINATION. (a) <i>Written Recommendation and Determination-</i> (1) <i>VOTE REQUIRED-</i> (A) <i>IN GENERAL- On their own initiative, or at the request of the Secretary, the Corporation and the Board of Governors shall consider whether to make a written recommendation described in paragraph (2) with respect to whether the Secretary should appoint the Corporation as receiver for a financial company. Such recommendation shall be made upon</i>	

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<p>respect to a financial company. (B) TWO-THIRDS AGREEMENT- Any recommendation under subparagraph (A) shall be made upon a vote of not less than two-thirds of the members of the Federal Reserve Board then serving and not less than two thirds of any members of the board or commission then serving of the appropriate regulatory agency, as applicable.</p> <p>(2) RECOMMENDATION REQUIRED- Any written recommendations made by the Federal Reserve Board and the appropriate regulatory agency under paragraph (1) shall contain the following:</p> <p>(A) A description of the effect that the default of the financial company would have on economic conditions or financial stability in the United States. (B) A description of the effect that the default of the financial company would have on economic conditions or financial stability for low-income, minority, or underserved communities. (C) A recommendation regarding the nature and the extent of actions that the Board and the appropriate regulatory agency recommend be taken under section 1604 regarding the financial company.</p>	<p><i>a vote of not fewer than 2/3 of the members of the Board of Governors then serving and 2/3 of the members of the board of directors of the Corporation then serving.</i> (B) CASES INVOLVING COVERED BROKERS OR DEALERS- <i>In the case of a covered broker or dealer, or in which the largest United States subsidiary (as measured by total assets as of the end of the previous calendar quarter) of a financial company is a covered broker or dealer, the Commission and the Board of Governors, at the request of the Secretary, or on their own initiative, shall consider whether to make the written recommendation described in paragraph (2) with respect to the financial company. Subject to the requirements in paragraph (2), such recommendation shall be made upon a vote of not fewer than 2/3 of the members of the Board of Governors then serving and the members of the Commission then serving, and in consultation with the Corporation.</i></p> <p>(2) RECOMMENDATION REQUIRED- Any written recommendation pursuant to paragraph (1) shall contain--</p> <p>(A) <i>an evaluation of whether the financial company is in default or in danger of default;</i></p> <p>(B) <i>a description of the effect that the default of the financial company would have on financial stability in the United States;</i></p> <p>(C) <i>a recommendation regarding the nature and the extent of actions to be taken under this title regarding the financial company;</i></p> <p>(D) <i>an evaluation of the likelihood of a private sector alternative to prevent the default of the financial company;</i> (E) <i>an evaluation of why a case under the Bankruptcy Code is not appropriate for the financial company;</i></p>	

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<p>(b) Determination by the Secretary- Notwithstanding any other provision of Federal law or the law of any State, if, upon the written recommendation of the Federal Reserve Board and the appropriate regulatory agency as provided for in subsection (a)(1), the Secretary (in consultation with the President) determines that--</p> <p>(1) the financial company is in default or is in danger of default;</p> <p>(2) the failure of the financial company and its dissolution under otherwise applicable Federal or State law would have serious adverse effects on financial stability or economic conditions in the United States; and</p> <p>(3) any action under section 1604 would avoid or mitigate such adverse effects, taking into consideration the effectiveness of the action in mitigating potential adverse effects on the financial system or economic conditions, the cost to the general fund of the Treasury, and the potential to increase moral hazard on the part of creditors, counterparties, and shareholders in the financial company,</p> <p>then the Secretary must take action under section 1604(a), the Corporation must act in accordance with section 1604(b), and the Corporation may take 1 or more actions specified in section 1604(c) in accordance with the requirements of that subsection, except that, prior to the Secretary or Corporation taking any action under section 1604, the Federal Reserve Board or the appropriate Federal regulatory agency shall take action to avoid or mitigate potential adverse effects</p>	<p><i>(F) an evaluation of the effects on creditors, counterparties, and shareholders of the financial company and other market participants; and</i></p> <p><i>(G) an evaluation of whether the company satisfies the definition of a financial company under section 201.</i></p> <p><i>(b) Determination by the Secretary- Notwithstanding any other provision of Federal or State law, the Secretary shall take action in accordance with section 202(a)(1)(A), if, upon the written recommendation under subsection (a), the Secretary (in consultation with the President) determines that--</i></p> <p><i>(1) the financial company is in default or in danger of default;</i></p> <p><i>(2) the failure of the financial company and its resolution under otherwise applicable Federal or State law would have serious adverse effects on financial stability in the United States;</i></p> <p><i>(3) no viable private sector alternative is available to prevent the default of the financial company;</i></p> <p><i>(4) any effect on the claims or interests of creditors, counterparties, and shareholders of the financial company and other market participants as a result of actions to be taken under this title is appropriate, given the impact that any action taken under this title would have on financial stability in the United States;</i></p> <p><i>(5) any action under section 204 would avoid or mitigate such adverse effects, taking into consideration the effectiveness of the action in mitigating potential adverse effects on the financial system, the cost to the general fund of the Treasury, and the potential to increase excessive risk taking on the part of creditors, counterparties, and shareholders in the financial company;</i></p> <p><i>(6) a Federal regulatory agency has ordered the financial company to convert all of its convertible debt instruments that are subject to the regulatory order; and</i></p> <p><i>(7) the company satisfies the definition of a financial company under section 201.</i></p>	

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<p>on low-income, minority, or underserved communities affected by the failure of such financial company.</p> <p>(c) Documentation and Review-</p> <p>(1) IN GENERAL- The Secretary shall--</p> <p>(A) document any determination under subsection (b); and</p> <p>(B) retain the documentation for review under paragraph (2).</p> <p>(2) GAO REVIEW- The Comptroller General of the United States shall review and report to the Congress on any determination under subsection (b), including—</p> <p>(A) the basis for the determination;</p> <p>(B) the purpose for which any action was taken pursuant thereto; and</p> <p>(C) the likely effect of the determination and such action on the incentives and conduct of financial companies and their creditors, counterparties, and shareholders.</p> <p>(3) REPORT TO CONGRESS- Within 48 hours after a determination is made under subsection (b), the Secretary shall provide written notice of the determination to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate and the Committee on Financial Services and the Committee on the Judiciary of the House of Representatives. The notice shall include a description of the basis for the determination.</p>	<p>(c) Documentation and Review-</p> <p>(1) IN GENERAL- The Secretary shall--</p> <p>(A) document any determination under subsection (b);</p> <p>(B) retain the documentation for review under paragraph (2);</p> <p>and</p> <p>(C) notify the covered financial company and the Corporation of such determination.</p> <p>(5) GAO REVIEW- The Comptroller General of the United States shall review and report to Congress on any determination under subsection (b), that results in the appointment of the Corporation as receiver, including--</p> <p>(A) the basis for the determination;</p> <p>(B) the purpose for which any action was taken pursuant thereto;</p> <p>(C) the likely effect of the determination and such action on the incentives and conduct of financial companies and their creditors, counterparties, and shareholders; and</p> <p>(D) the likely disruptive effect of the determination and such action on the reasonable expectations of creditors, counterparties, and shareholders, taking into account the impact any action under this title would have on financial stability in the United States, including whether the rights of such parties will be disrupted.</p> <p>(2) REPORT TO CONGRESS- Not later than 24 hours after the date of appointment of the Corporation as receiver for a covered financial company, the Secretary shall provide written notice of the recommendations and determinations reached in accordance with subsections (a) and (b) to the Majority Leader and the Minority Leader of the Senate and the Speaker and the Minority Leader of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Committee on Financial Services of the House of Representatives, which shall consist of a summary of the basis for the determination, including, to the extent available at the time of the determination--</p> <p>(A) the size and financial condition of the covered financial company;</p>	

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	<p><i>(B) the sources of capital and credit support that were available to the covered financial company;</i></p> <p><i>(C) the operations of the covered financial company that could have had a significant impact on financial stability, markets, or both;</i></p> <p><i>(D) identification of the banks and financial companies which may be able to provide the services offered by the covered financial company;</i></p> <p><i>(E) any potential international ramifications of resolution of the covered financial company under other applicable insolvency law;</i></p> <p><i>(F) an estimate of the potential effect of the resolution of the covered financial company under other applicable insolvency law on the financial stability of the United States;</i></p> <p><i>(G) the potential effect of the appointment of a receiver by the Secretary on consumers;</i></p> <p><i>(H) the potential effect of the appointment of a receiver by the Secretary on the financial system, financial markets, and banks and other financial companies; and</i></p> <p><i>(I) whether resolution of the covered financial company under other applicable insolvency law would cause banks or other financial companies to experience severe liquidity distress.</i></p> <p>(3) REPORTS TO CONGRESS AND THE PUBLIC-</p> <p><i>(A) IN GENERAL- Not later than 60 days after the date of appointment of the Corporation as receiver for a covered financial company, the Corporation shall file a report with the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives--</i></p> <p><i>(i) setting forth information on the financial condition of the covered financial company as of the date of the appointment, including a description of its assets and liabilities;</i></p> <p><i>(ii) describing the plan of, and actions taken by, the Corporation to wind down the covered financial company;</i></p> <p><i>(iii) explaining each instance in which the Corporation waived any applicable requirements of part 366 of title 12, Code of Federal Regulations (or</i></p>	

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<p>(d) Default or in Danger of Default- For purposes of subsection (b), a financial company shall be considered to be in default or in danger of default if any of the following conditions exist, as determined in accordance with that subsection:</p> <p>(1) A case has been, or likely will promptly be, commenced with respect to the financial company under title 11, United States Code.</p> <p>(2) The financial company is critically undercapitalized, as such term has been or may be defined by the Federal Reserve Board.</p> <p>(3) The financial company has incurred, or is likely to incur, losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the company to avoid such depletion without</p>	<p><i>any successor thereto) with respect to conflicts of interest by any person in the private sector who was retained to provide services to the Corporation in connection with such receivership;</i></p> <p><i>(iv) describing the reasons for the provision of any funding to the receivership out of the Fund;</i></p> <p><i>(v) setting forth the expected costs of the orderly liquidation of the covered financial company;</i></p> <p><i>(vi) setting forth the identity of any claimant that is treated in a manner different from other similarly situated claimants under subsection (b)(4), (d)(4), or (h)(5)(E), the amount of any additional payment to such claimant under subsection (d)(4), and the reason for any such action; and</i></p> <p><i>(vii) which report the Corporation shall publish on an online website maintained by the Corporation, subject to maintaining appropriate confidentiality.</i></p> <p><i>(B) AMENDMENTS- The Corporation shall, on a timely basis, not less frequently than quarterly, amend or revise and resubmit the reports prepared under this paragraph, as necessary.</i></p> <p><i>(C) CONGRESSIONAL TESTIMONY- The Corporation and the primary financial regulatory agency, if any, of the financial company for which the Corporation was appointed receiver under this title shall appear before Congress, if requested, not later than 30 days after the date on which the Corporation first files the reports required under subparagraph (A).</i></p> <p><i>(4) DEFAULT OR IN DANGER OF DEFAULT- For purposes of this title, a financial company shall be considered to be in default or in danger of default if, as determined in accordance with subsection (b)--</i></p> <p><i>(A) a case has been, or likely will promptly be, commenced with respect to the financial company under the Bankruptcy Code;</i></p> <p><i>(B) the financial company has incurred, or is likely to incur, losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the company to avoid</i></p>	

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<p>assistance under section 1604.</p> <p>(4) The assets of the financial company are, or are likely to be, less than its obligations to creditors and others.</p> <p>(5) The financial company is, or is likely to be, unable to pay its obligations (other than those subject to a bona fide dispute) in the normal course of business.</p>	<p><i>such depletion;</i></p> <p><i>(C) the assets of the financial company are, or are likely to be, less than its obligations to creditors and others; or</i></p> <p><i>(D) the financial company is, or is likely to be, unable to pay its obligations (other than those subject to a bona fide dispute) in the normal course of business.</i></p>	
	<p>SEC. 202. JUDICIAL REVIEW.</p> <p><i>(a) Commencement of Orderly Liquidation-</i></p> <p><i>(1) PETITION TO DISTRICT COURT-</i></p> <p><i>(A) DISTRICT COURT REVIEW-</i></p> <p><i>(i) PETITION TO DISTRICT COURT- Subsequent to a determination by the Secretary under section 203 that a financial company satisfies the criteria in section 203(b), the Secretary shall notify the Corporation and the covered financial company. If the board of directors (or body performing similar functions) of the covered financial company acquiesces or consents to the appointment of the Corporation as a receiver, the Secretary shall appoint the Corporation as a receiver. If the board of directors (or body performing similar functions) of the covered financial company does not acquiesce or consent to the appointment of the Corporation as receiver, the Secretary shall petition the United States District Court for the District of Columbia for an order authorizing the Secretary to appoint the Corporation as a receiver.</i></p> <p><i>(ii) FORM AND CONTENT OF ORDER- The Secretary shall present all relevant findings and the recommendation made pursuant to section 203(a) to the Court. The petition shall be filed under seal.</i></p> <p><i>(iii) DETERMINATION- On a strictly confidential basis, and without any prior public disclosure, the Court, after notice to the covered financial company and a hearing in which the covered financial company may oppose the petition, shall determine whether the determination of the Secretary that the covered financial company is in default or in danger</i></p>	

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	<p><i>of default and satisfies the definition of a financial company under section 201(10) is arbitrary and capricious.</i></p> <p><i>(iv) ISSUANCE OF ORDER- If the Court determines that the determination of the Secretary that the covered financial company is in default or in danger of default and satisfies the definition of a financial company under section 201(10)--</i></p> <p style="padding-left: 40px;"><i>(I) is not arbitrary and capricious, the Court shall issue an order immediately authorizing the Secretary to appoint the Corporation as receiver of the covered financial company;</i></p> <p style="padding-left: 40px;"><i>or</i></p> <p style="padding-left: 40px;"><i>(II) is arbitrary and capricious, the Court shall immediately provide to the Secretary a written statement of each reason supporting its determination, and afford the Secretary an immediate opportunity to amend and refile the petition under clause (i).</i></p> <p><i>(v) PETITION GRANTED BY OPERATION OF LAW- If the Court does not make a determination within 24 hours of receipt of the petition--</i></p> <p style="padding-left: 40px;"><i>(I) the petition shall be granted by operation of law;</i></p> <p style="padding-left: 40px;"><i>(II) the Secretary shall appoint the Corporation as receiver; and</i></p> <p style="padding-left: 40px;"><i>(III) liquidation under this title shall automatically and without further notice or action be commenced and the Corporation may immediately take all actions authorized under this title.</i></p> <p><i>(B) EFFECT OF DETERMINATION- The determination of the Court under subparagraph (A) shall be final, and shall be subject to appeal only in accordance with paragraph (2). The decision shall not be subject to any stay or injunction pending appeal. Upon conclusion of its proceedings under subparagraph (A), the Court shall provide immediately for the record a written statement of each reason supporting the decision of the Court, and shall provide copies thereof to the</i></p>	

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	<p><i>Secretary and the covered financial company.</i></p> <p><i>(C) CRIMINAL PENALTIES- A person who recklessly discloses a determination of the Secretary under section 203(b) or a petition of the Secretary under subparagraph (A), or the pendency of court proceedings as provided for under subparagraph (A), shall be fined not more than \$250,000, or imprisoned for not more than 5 years, or both.</i></p> <p>(2) APPEAL OF DECISIONS OF THE DISTRICT COURT-</p> <p>(A) APPEAL TO COURT OF APPEALS-</p> <p><i>(i) IN GENERAL- Subject to clause (ii), the United States Court of Appeals for the District of Columbia Circuit shall have jurisdiction of an appeal of a final decision of the Court filed by the Secretary or a covered financial company, through its board of directors, notwithstanding section 210(a)(1)(A)(i), not later than 30 days after the date on which the decision of the Court is rendered or deemed rendered under this subsection.</i></p> <p><i>(ii) CONDITION OF JURISDICTION- The Court of Appeals shall have jurisdiction of an appeal by a covered financial company only if the covered financial company did not acquiesce or consent to the appointment of a receiver by the Secretary under paragraph (1)(A).</i></p> <p><i>(iii) EXPEDITION- The Court of Appeals shall consider any appeal under this subparagraph on an expedited basis.</i></p> <p><i>(iv) SCOPE OF REVIEW- For an appeal taken under this subparagraph, review shall be limited to whether the determination of the Secretary that a covered financial company is in default or in danger of default and satisfies the definition of a financial company under section 201(10) is arbitrary and capricious.</i></p> <p>(B) APPEAL TO THE SUPREME COURT-</p> <p><i>(i) IN GENERAL- A petition for a writ of certiorari to review a decision of the Court of Appeals under subparagraph (A) may be filed by the Secretary or the covered financial company, through its board of</i></p>	

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	<p><i>directors, notwithstanding section 210(a)(1)(A)(i), with the Supreme Court of the United States, not later than 30 days after the date of the final decision of the Court of Appeals, and the Supreme Court shall have discretionary jurisdiction to review such decision.</i></p> <p><i>(ii) WRITTEN STATEMENT- In the event of a petition under clause (i), the Court of Appeals shall immediately provide for the record a written statement of each reason for its decision.</i></p> <p><i>(iii) EXPEDITION- The Supreme Court shall consider any petition under this subparagraph on an expedited basis.</i></p> <p><i>(iv) SCOPE OF REVIEW- Review by the Supreme Court under this subparagraph shall be limited to whether the determination of the Secretary that the covered financial company is in default or in danger of default and satisfies the definition of a financial company under section 201(10) is arbitrary and capricious.</i></p> <p><i>(b) Establishment and Transmittal of Rules and Procedures-</i></p> <p><i>(1) IN GENERAL- Not later than 6 months after the date of enactment of this Act, the Court shall establish such rules and procedures as may be necessary to ensure the orderly conduct of proceedings, including rules and procedures to ensure that the 24-hour deadline is met and that the Secretary shall have an ongoing opportunity to amend and refile petitions under subsection (a)(1).</i></p> <p><i>(2) PUBLICATION OF RULES- The rules and procedures established under paragraph (1), and any modifications of such rules and procedures, shall be recorded and shall be transmitted to--</i></p> <p><i>(A) the Committee on the Judiciary of the Senate;</i></p> <p><i>(B) the Committee on Banking, Housing, and Urban Affairs of the Senate;</i></p> <p><i>(C) the Committee on the Judiciary of the House of Representatives; and</i></p> <p><i>(D) the Committee on Financial Services of the House of Representatives.</i></p> <p><i>(c) Provisions Applicable to Financial Companies-</i></p> <p><i>(1) BANKRUPTCY CODE- Except as provided in this subsection, the provisions of the Bankruptcy Code and rules issued thereunder, and not</i></p>	

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	<p><i>the provisions of this title, shall apply to financial companies that are not covered financial companies for which the Corporation has been appointed as receiver.</i></p> <p><i>(2) THIS TITLE- The provisions of this title shall exclusively apply to and govern all matters relating to covered financial companies for which the Corporation is appointed as receiver, and no provisions of the Bankruptcy Code or the rules issued thereunder shall apply in such cases.</i></p>	
<p>SEC. 1604. DISSOLUTION; STABILIZATION.</p> <p>(a) Appointment of Receiver-</p> <p>(1) IN GENERAL- Upon the Secretary making a determination in accordance with section 1603(b), the Secretary shall appoint the Corporation as receiver for the covered financial company.</p> <p>(2) TIME LIMIT ON RECEIVERSHIP AUTHORITY- Any appointment of the Corporation as receiver under paragraph (1) shall terminate on the date that is the end of the 1-year period beginning on the date such appointment is made.</p> <p>(3) EXTENSION OF TIME LIMIT- The time limit established in paragraph (2) may be extended by the Secretary for up to 1 additional year if--</p> <p>(A) the Corporation has not completed the dissolution of the company within the time provided in paragraph (2); and</p> <p>(B) the Secretary certifies in writing that continuation of the receivership is necessary--</p> <p>(i) to protect the best interests of the taxpayers of the United States; and</p> <p>(ii) to protect the stability of the financial system and the economy of the United States.</p> <p>(4) FURTHER EXTENSION- The time limit, as extended in paragraph</p>	<p>SEC. 204. ORDERLY LIQUIDATION.</p> <p>(b) Corporation as Receiver- Upon the appointment of the Corporation under section 202, the Corporation shall act as the receiver for the covered financial company, with all of the rights and obligations set forth in this title.</p> <p>SEC. 202. JUDICIAL REVIEW.</p> <p>(d) Time Limit on Receivership Authority-</p> <p>(1) BASELINE PERIOD- Any appointment of the Corporation as receiver under this section shall terminate at the end of the 3-year period beginning on the date on which such appointment is made.</p> <p>(2) EXTENSION OF TIME LIMIT- The time limit established in paragraph (1) may be extended by the Corporation for up to 1 additional year, if the Chairperson of the Corporation determines and certifies in writing to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives that continuation of the receivership is necessary--</p> <p>(A) to--</p> <p>(i) maximize the net present value return from the sale or other disposition of the assets of the covered financial company; or</p> <p>(ii) minimize the amount of loss realized upon the sale or other disposition of the assets of the covered financial company; and</p> <p>(B) to protect the stability of the financial system of the United States.</p> <p>(3) SECOND EXTENSION OF TIME LIMIT-</p>	

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<p>(3), may be extended for up to 1 additional year if--</p> <p>(A) the conditions of paragraph (3) are met; and</p> <p>(B) the Corporation submits a report to the Congress, no later than 60 days before the receivership will expire under the extended limit under paragraph (3), that describes in detail--</p> <p>(i) the basis for the determination by the Corporation that a second extension is necessary; and</p> <p>(ii) the specific plan of the Corporation for concluding the receivership before the end of the proposed additional year.</p>	<p>(A) <i>IN GENERAL</i>- The time limit under this subsection, as extended under paragraph (2), may be extended for up to 1 additional year, if the Chairperson of the Corporation, with the concurrence of the Secretary, submits the certifications described in paragraph (2).</p> <p>(B) <i>ADDITIONAL REPORT REQUIRED</i>- Not later than 30 days after the date of commencement of the extension under subparagraph (A), the Corporation shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives describing the need for the extension and the specific plan of the Corporation to conclude the receivership before the end of the second extension.</p> <p>(4) <i>ONGOING LITIGATION</i>- The time limit under this subsection, as extended under paragraph (3), may be further extended solely for the purpose of completing ongoing litigation in which the Corporation as receiver is a party, provided that the appointment of the Corporation as receiver shall terminate not later than 90 days after the date of completion of such litigation, if--</p> <p>(A) the Council determines that the Corporation used its best efforts to conclude the receivership in accordance with its plan before the end of the time limit described in paragraph (3);</p> <p>(B) the Council determines that the completion of longer-term responsibilities in the form of ongoing litigation justifies the need for an extension; and</p> <p>(C) the Corporation submits a report approved by the Council not later than 30 days after the date of the determinations by the Council under subparagraphs (A) and (B) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, describing--</p> <p>(i) the ongoing litigation justifying the need for an extension; and</p> <p>(ii) the specific plan of the Corporation to complete the litigation and conclude the receivership.</p> <p>(5) <i>REGULATIONS</i>- The Corporation may issue regulations governing the termination of receiverships under this title.</p> <p>(6) <i>NO LIABILITY</i>- The Corporation and the Deposit Insurance Fund</p>	

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	<p style="text-align: center;"><i>shall not be liable for unresolved claims arising from the receivership after the termination of the receivership.</i></p>	
<p>(b) Dissolution Limitations-</p> <p>(1) IN GENERAL- An insolvent financial company may be dissolved under this subtitle only if the failure and dissolution of such company under title 11, United States Code, would be systemically destabilizing, as determined by the appropriate Federal regulatory agencies and the Secretary of the Treasury (in consultation with the President) in accordance with section 1603(b).</p> <p>(2) LIQUIDATION- A financial company that comes within coverage of this subtitle for dissolution shall be placed in liquidation, and the associated liquidation costs shall be paid from the company's assets and borne by the shareholders and unsecured creditors of such company.</p> <p>(3) ASSESSMENT FOR EXCESS LIQUIDATION COSTS- Any liquidation costs that exceed the amount of liquidated assets of the company shall be paid through assessments on large financial companies.</p>	<p>SEC. 203. SYSTEMIC RISK DETERMINATION.</p> <p><i>(d) Corporation Policies and Procedures- As soon as is practicable after the date of enactment of this Act, the Corporation shall establish policies and procedures that are acceptable to the Secretary governing the use of funds available to the Corporation to carry out this title, including the terms and conditions for the provision and use of funds under sections 204(d), 210(h)(2)(G)(iv), and 210(h)(9).</i></p> <p>SEC. 210. POWERS AND DUTIES OF THE CORPORATION.</p> <p><i>(n) Orderly Liquidation Fund-</i></p> <p>(10) IMPLEMENTATION EXPENSES-</p> <p><i>(A) IN GENERAL- Reasonable implementation expenses of the Corporation incurred after the date of enactment of this Act shall be treated as expenses of the Council.</i></p> <p><i>(B) REQUESTS FOR REIMBURSEMENT- The Corporation shall periodically submit a request for reimbursement for implementation expenses to the Chairperson of the Council, who shall arrange for prompt reimbursement to the Corporation of reasonable implementation expenses.</i></p> <p><i>(C) DEFINITION- As used in this paragraph, the term 'implementation expenses'--</i></p> <p style="padding-left: 40px;"><i>(i) means costs incurred by the Corporation beginning on the date of enactment of this Act, as part of its efforts to implement this title that do not relate to a particular covered financial company; and</i></p> <p style="padding-left: 40px;"><i>(ii) includes the costs incurred in connection with the development of policies, procedures, rules, and regulations and other planning activities of the Corporation consistent with carrying out this title.</i></p> <p><i>(s) Recoupment of Compensation From Senior Executives and Directors-</i></p> <p><i>(1) IN GENERAL- The Corporation, as receiver of a covered financial company, may recover from any current or former senior executive or director substantially responsible for the failed condition of the covered</i></p>	<p>* These provisions would impose general limitations on the bills' dissolution funds. The provisions that deal more directly with the funds are provided below.*</p>

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	<p><i>financial company any compensation received during the 2-year period preceding the date on which the Corporation was appointed as the receiver of the covered financial company, except that, in the case of fraud, no time limit shall apply.</i></p> <p><i>(2) COST CONSIDERATIONS- In seeking to recover any such compensation, the Corporation shall weigh the financial and deterrent benefits of such recovery against the cost of executing the recovery.</i></p> <p><i>(3) RULEMAKING- The Corporation shall promulgate regulations to implement the requirements of this subsection, including defining the term 'compensation' to mean any financial remuneration, including salary, bonuses, incentives, benefits, severance, deferred compensation, or golden parachute benefits, and any profits realized from the sale of the securities of the covered financial company.</i></p> <p>SEC. 212. PROHIBITION OF CIRCUMVENTION AND PREVENTION OF CONFLICTS OF INTEREST.</p> <p><i>(a) No Other Funding- Funds for the orderly liquidation of any covered financial company under this title shall only be provided as specified under this title.</i></p> <p><i>(b) Limit on Governmental Actions- No governmental entity may take any action to circumvent the purposes of this title.</i></p> <p><i>(c) Conflict of Interest- In the event that the Corporation is appointed receiver for more than 1 covered financial company or is appointed receiver for a covered financial company and receiver for any insured depository institution that is an affiliate of such covered financial company, the Corporation shall take appropriate action, as necessary to avoid any conflicts of interest that may arise in connection with multiple receiverships.</i></p> <p>SEC. 214. PROHIBITION ON TAXPAYER FUNDING.</p> <p><i>(a) Liquidation Required- All financial companies put into receivership under this title shall be liquidated. No taxpayer funds shall be used to prevent the liquidation of any financial company under this title.</i></p> <p><i>(b) Recovery of Funds- All funds expended in the liquidation of a financial company under this title shall be recovered from the disposition of assets of such financial company, or shall be the responsibility of the financial sector, through assessments.</i></p>	

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	(c) <i>No Losses to Taxpayers- Taxpayers shall bear no losses from the exercise of any authority under this title.</i>	
<p>(c) Consultation- The Corporation, as receiver--</p> <p>(1) shall consult with the regulators of the covered financial company and its covered subsidiaries for purposes of ensuring an orderly dissolution of the covered financial company;</p> <p>(2) may consult with, or under section 1609(a)(1)(B)(v) or section 1609(a)(1)(K) acquire services of, any outside experts as appropriate to inform and aid the Corporation in the dissolution process; and</p> <p>(3) shall consult with the primary regulators of any subsidiaries of the covered financial company that are not covered subsidiaries as described in section 1602(9)(B)(v) and coordinate with such regulators regarding the treatment of such solvent subsidiaries and the separate dissolution of any such insolvent subsidiaries under other governmental authority, as appropriate.</p>	<p>SEC. 204. ORDERLY LIQUIDATION.</p> <p>(c) <i>Consultation- The Corporation, as receiver--</i></p> <p><i>(1) shall consult with the primary financial regulatory agency or agencies of the covered financial company and its covered subsidiaries for purposes of ensuring an orderly liquidation of the covered financial company;</i></p> <p><i>(2) may consult with, or under subsection (a)(1)(B)(v) or (a)(1)(L) of section 210, acquire the services of, any outside experts, as appropriate to inform and aid the Corporation in the orderly liquidation process;</i></p> <p><i>(3) shall consult with the primary financial regulatory agency or agencies of any subsidiaries of the covered financial company that are not covered subsidiaries, and coordinate with such regulators regarding the treatment of such solvent subsidiaries and the separate resolution of any such insolvent subsidiaries under other governmental authority, as appropriate; and</i></p> <p><i>(4) shall consult with the Commission and the Securities Investor Protection Corporation in the case of any covered financial company for which the Corporation has been appointed as receiver that is a broker or dealer registered with the Commission under section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) and is a member of the Securities Investor Protection Corporation, for the purpose of determining whether to transfer to a bridge financial company organized by the Corporation as receiver, without consent of any customer, customer accounts of the covered financial company.</i></p>	
<p>(d) Emergency Stabilization After Appointment of Receiver- Upon the Secretary appointing the Corporation as receiver under subsection (a), the Corporation may, in its corporate capacity and as an agency of the United States, with the approval of the Secretary and subject to the conditions in subsections (f) through (g), take the following actions under such terms and conditions that the Corporation and the Secretary jointly deem appropriate:</p> <p>(1) Making loans to, or purchasing any debt obligation of, the covered</p>	<p>SEC. 204. ORDERLY LIQUIDATION.</p> <p>(d) <i>Funding for Orderly Liquidation- Upon its appointment as receiver for a covered financial company, and thereafter as the Corporation may, in its discretion, determine to be necessary or appropriate, the Corporation may make available to the receivership, subject to the conditions set forth in section 206 and subject to the plan described in section 210(n)(11), funds for the orderly liquidation of the covered financial company. All funds provided by the Corporation under this subsection shall have a priority of claims under subparagraph (A) or (B) of section 210(b)(1), as applicable, including funds used for--</i></p> <p><i>(1) making loans to, or purchasing any debt obligation of, the covered</i></p>	

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<p>financial company or any covered subsidiary.</p> <p>(2) Purchasing assets of the covered financial company or any covered subsidiary directly or through an entity established by the Corporation for such purpose.</p> <p>(3) Assuming or guaranteeing the obligations of the covered financial company or any covered subsidiary to one or more third parties.</p> <p>(4) Taking a lien on any or all assets of the covered financial company or any covered subsidiary, including a first priority lien on all unencumbered assets of the company or any covered subsidiary to secure repayment of any transactions conducted under this subsection.</p> <p>(5) Selling or transferring all, or any part thereof, of such acquired assets, liabilities, or obligations of the covered financial company or any covered subsidiary.</p>	<p><i>financial company or any covered subsidiary;</i></p> <p><i>(2) purchasing or guaranteeing against loss the assets of the covered financial company or any covered subsidiary, directly or through an entity established by the Corporation for such purpose;</i></p> <p><i>(3) assuming or guaranteeing the obligations of the covered financial company or any covered subsidiary to 1 or more third parties;</i></p> <p><i>(4) taking a lien on any or all assets of the covered financial company or any covered subsidiary, including a first priority lien on all unencumbered assets of the covered financial company or any covered subsidiary to secure repayment of any transactions conducted under this subsection;</i></p> <p><i>(5) selling or transferring all, or any part, of such acquired assets, liabilities, or obligations of the covered financial company or any covered subsidiary; and</i></p> <p><i>(6) making payments pursuant to subsections (b)(4), (d)(4), and (h)(5)(E) of section 210.</i></p>	
<p>(e) Treatment of Insurance Companies and Insurance Company Subsidiaries-</p> <p>(1) IN GENERAL- Notwithstanding subsection (a), if an insurance company covered by a State law designed specifically to deal with the rehabilitation, liquidation or insolvency of an insurance company is a covered financial company or a subsidiary of a covered financial company, resolution of such insurance company, and any subsidiary of such company, will be conducted as provided under such State law.</p> <p>(2) EXCEPTION FOR COVERED SUBSIDIARIES- The requirement of paragraph (1) shall not apply with respect to any covered subsidiary of such an insurance company, that is not itself an insurance company.</p> <p>(3) BACKUP AUTHORITY- Notwithstanding paragraph (1), with respect to a covered financial company described under paragraph (1), if, after the end of the 60-day period beginning on the date a determination is made under section 1603(b) with respect to such company, the appropriate regulatory agency has not filed the appropriate judicial action in the appropriate State court to place such company into dissolution under the State's laws and requirements, the Corporation shall have the authority to stand in the place of the</p>	<p>SEC. 203. SYSTEMIC RISK DETERMINATION.</p> <p><i>(e) Treatment of Insurance Companies and Insurance Company Subsidiaries-</i></p> <p><i>(1) IN GENERAL- Notwithstanding subsection (b), if an insurance company is a covered financial company or a subsidiary or affiliate of a covered financial company, the liquidation or rehabilitation of such insurance company, and any subsidiary or affiliate of such company that is not excepted under paragraph (2), shall be conducted as provided under such State law.</i></p> <p><i>(2) EXCEPTION FOR SUBSIDIARIES AND AFFILIATES- The requirement of paragraph (1) shall not apply with respect to any subsidiary or affiliate of an insurance company that is not itself an insurance company.</i></p> <p><i>(3) BACKUP AUTHORITY- Notwithstanding paragraph (1), with respect to a covered financial company described in paragraph (1), if, after the end of the 60-day period beginning on the date on which a determination is made under section 202(a) with respect to such company, the appropriate regulatory agency has not filed the appropriate judicial action in the appropriate State court to place such company into orderly liquidation under the laws and requirements of the State, the Corporation shall have the authority to stand in the place</i></p>	

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<p>appropriate regulatory agency and file the appropriate judicial action in the appropriate State court to place such company into dissolution under the State's laws and requirements.</p>	<p><i>of the appropriate regulatory agency and file the appropriate judicial action in the appropriate State court to place such company into orderly liquidation under the laws and requirements of the State.</i></p>	
<p>(f) Mandatory Terms and Conditions for All Stabilization Actions- The Corporation as receiver is authorized to take the stabilization actions listed in subsection (d) only if—</p> <p>(1) the Secretary and the Corporation determine that such action is necessary for the purpose of financial stability and not for the purpose of preserving the covered financial company;</p> <p>(2) the Corporation ensures that the shareholders of a covered financial company do not receive payment until after all other claims are fully paid;</p> <p>(3) the Corporation ensures that any funds from taxpayers shall be repaid as part of the resolution process before payments are made to creditors;</p> <p>(4) the Corporation ensures that unsecured creditors bear losses;</p> <p>(5) the Corporation ensures that management responsible for the failed condition of the covered financial company is removed (if such management has not already been removed at the time the Corporation is appointed as receiver); and</p> <p>(6) the Corporation ensures that the members of the board of directors (or body performing similar functions) responsible for the failed condition of the covered financial company are removed (if such members have not already been removed at the time the Corporation is appointed as receiver).</p>	<p>SEC. 206. MANDATORY TERMS AND CONDITIONS FOR ALL ORDERLY LIQUIDATION ACTIONS.</p> <p><i>In taking action under this title, the Corporation shall--</i></p> <p><i>(1) determine that such action is necessary for purposes of the financial stability of the United States, and not for the purpose of preserving the covered financial company;</i></p> <p><i>(2) ensure that the shareholders of a covered financial company do not receive payment until after all other claims and the Fund are fully paid;</i></p> <p><i>(3) ensure that unsecured creditors bear losses in accordance with the priority of claim provisions in section 210;</i></p> <p><i>(4) ensure that management responsible for the failed condition of the covered financial company is removed (if such management has not already been removed at the time at which the Corporation is appointed receiver); and</i></p> <p><i>(5) not take an equity interest in or become a shareholder of any covered financial company or any covered subsidiary.</i></p>	
<p>(g) Recoupment of Funds Expended for Systemic Stabilization Purposes- Amounts expended from the Fund by the Corporation under this section shall be repaid in full to the Fund only from the following sources:</p> <p>(1) DISSOLUTION PROCESS- Amounts attributable to the proceeds of the sale of, or income from, the assets of the covered financial company.</p> <p>(2) INDUSTRY ASSESSMENTS- If the sources described in paragraph (1) are insufficient to repay the amount of the stabilization action in full, the difference shall be recouped through assessments on financial companies in accordance with section 1609(o).</p>		

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	<p>SEC. 205. ORDERLY LIQUIDATION OF COVERED BROKERS AND DEALERS.</p> <p><i>(a) Appointment of SIPC as Trustee for Protection of Customer Securities and Property- Upon the appointment of the Corporation as receiver for any covered broker or dealer, the Corporation shall appoint, without any need for court approval, the Securities Investor Protection Corporation to act as trustee for liquidation under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) of the covered broker or dealer.</i></p> <p><i>(b) Powers and Duties of SIPC-</i></p> <p><i>(1) IN GENERAL- Except as provided in this section, upon its appointment as trustee for the liquidation of a covered broker or dealer, SIPC shall have all of the powers and duties provided by the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), including, without limitation, all rights of action against third parties, but shall have no powers or duties with respect to assets and liabilities transferred by the Corporation from the covered broker or dealer to any bridge financial company established in accordance with this title.</i></p> <p><i>(2) LIMITATION OF POWERS- The exercise by SIPC of powers and functions as trustee under subsection (a) shall not impair or impede the exercise of the powers and duties of the Corporation with regard to--</i></p> <p><i>(A) any action, except as otherwise provided in this title--</i></p> <p><i>(i) to make funds available under section 204(d);</i></p> <p><i>(ii) to organize, establish, operate, or terminate any bridge financial company;</i></p> <p><i>(iii) to transfer assets and liabilities;</i></p> <p><i>(iv) to enforce or repudiate contracts; or</i></p> <p><i>(v) to take any other action relating to such bridge financial company under section 210; or</i></p> <p><i>(B) determining claims under subsection (d).</i></p> <p><i>(3) QUALIFIED FINANCIAL CONTRACTS- Notwithstanding any provision of the Securities Investor Protection Act of 1970 to the contrary (including section 5(b)(2)(C) of that Act (15 U.S.C. 78eee(b)(2)(C))), the rights and obligations of any party to a qualified financial contract (as that term is defined in section 210(c)(8)) to which a covered broker or dealer described in subsection (a) is a party shall be governed exclusively by section 210, including the limitations and restrictions contained in section 210(c)(10)(B).</i></p> <p><i>(c) Limitation on Court Action- Except as otherwise provided in this title, no court may take any action, including any action pursuant to the Securities</i></p>	

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	<p><i>Investor Protection Act of 1970 or the Bankruptcy Code, to restrain or affect the exercise of powers or functions of the Corporation as receiver for a covered broker or dealer and any claims against the Corporation as such receiver shall be determined in accordance with subsection (e) and such claims shall be limited to money damages.</i></p> <p><i>(d) Actions by Corporation as Receiver-</i></p> <p><i>(1) IN GENERAL- Notwithstanding any other provision of this title, no action taken by the Corporation, as receiver with respect to a covered broker or dealer, shall--</i></p> <p><i>(A) adversely affect the rights of a customer to customer property or customer name securities;</i></p> <p><i>(B) diminish the amount or timely payment of net equity claims of customers; or</i></p> <p><i>(C) otherwise impair the recoveries provided to a customer under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).</i></p> <p><i>(2) NET PROCEEDS- The net proceeds from any transfer, sale, or disposition of assets by the Corporation as receiver for the covered broker or dealer shall be for the benefit of the estate of the covered broker or dealer, as provided in this title.</i></p> <p><i>(e) Claims Against the Corporation as Receiver- Any claim against the Corporation as receiver for a covered broker or dealer for assets transferred to a bridge financial company established with respect to such covered broker or dealer--</i></p> <p><i>(1) shall be determined in accordance with section 210(a)(2); and</i></p> <p><i>(2) may be reviewed by the appropriate district or territorial court of the United States in accordance with section 210(a)(5).</i></p> <p><i>(f) Satisfaction of Customer Claims-</i></p> <p><i>(1) OBLIGATIONS TO CUSTOMERS- Notwithstanding any other provision of this title, all obligations of a covered broker or dealer or of any bridge financial company established with respect to such covered broker or dealer to a customer relating to, or net equity claims based upon, customer property shall be promptly discharged by the delivery of securities or the making of payments to or for the account of such customer, in a manner and in an amount at least as beneficial to the customer as would have been the case had the covered broker or dealer been subject to a proceeding under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) without the appointment of the Corporation as receiver, and with a filing date as of the date on which</i></p>	

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	<p><i>the Corporation is appointed as receiver.</i></p> <p><i>(2) SATISFACTION OF CLAIMS BY SIPC- SIPC, as trustee for a covered broker or dealer, shall satisfy customer claims in the manner and amount provided under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), as if the appointment of the Corporation as receiver had not occurred, and with a filing date as of the date on which the Corporation is appointed as receiver. The Corporation shall satisfy customer claims, to the extent that a customer would have received more securities or cash with respect to the allocation of customer property had the covered financial company been subject to a proceeding under the Securities Investor Protection Act (15 U.S.C. 78aaa et seq.) without the appointment of the Corporation as receiver, and with a filing date as of the date on which the Corporation is appointed as receiver.</i></p> <p><i>(g) Priorities-</i></p> <p><i>(1) CUSTOMER PROPERTY- As trustee for a covered broker or dealer, SIPC shall allocate customer property and deliver customer name securities in accordance with section 8(c) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78fff-2(c)).</i></p> <p><i>(2) OTHER CLAIMS- All claims other than those described in paragraph (1) (including any unpaid claim by a customer for the allowed net equity claim of such customer from customer property) shall be paid in accordance with the priorities in section 210(b).</i></p> <p><i>(h) Rulemaking- The Commission and the Corporation, after consultation with SIPC, shall jointly issue rules to implement this section.</i></p>	
<p>SEC. 1606. DIRECTORS NOT LIABLE FOR ACQUIESCING IN APPOINTMENT OF RECEIVER.</p> <p>The members of the board of directors (or body performing similar functions) of a covered financial company shall not be liable to the covered financial company's shareholders or creditors for acquiescing in or consenting in good faith to--</p> <p>(1) the Secretary's appointment of the Corporation as receiver for the covered financial company under section 1604; or</p> <p>(2) an acquisition, combination, or transfer of assets or liabilities under section 1609.</p>	<p>SEC. 207. DIRECTORS NOT LIABLE FOR ACQUIESCING IN APPOINTMENT OF RECEIVER.</p> <p><i>The members of the board of directors (or body performing similar functions) of a covered financial company shall not be liable to the shareholders or creditors thereof for acquiescing in or consenting in good faith to the appointment of the Corporation as receiver for the covered financial company under section 203.</i></p>	
<p>SEC. 1607. TERMINATION AND EXCLUSION OF OTHER ACTIONS.</p>	<p>SEC. 208. DISMISSAL AND EXCLUSION OF OTHER ACTIONS.</p>	

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<p>(a) Termination and Exclusion of Bankruptcy- The Corporation's acting as receiver for a covered financial company under this subtitle shall immediately, and by operation of law, terminate any case commenced with respect to the covered financial company under title 11, United States Code, or any proceeding under any State insolvency law with respect to the covered financial company, and no such case or proceeding may be commenced with respect to the covered financial company at any time while the Corporation acts as receiver for the covered financial company.</p> <p>(b) Conversion to Bankruptcy-</p> <p>(1) CONVERSION- The Corporation may at any time, with the approval of the Secretary and after consulting with the Council, convert the receivership of a covered financial company to a proceeding under chapter 7 or 11 of title 11, United States Code, by filing a petition against the covered financial company under section 303(m) of such title. The Corporation may serve as the trustee for the covered financial company in bankruptcy.</p> <p>(2) BRIDGE FINANCIAL COMPANY- The Corporation's exercise of authority under paragraph (1) shall not affect any powers or duties of the Corporation with regard to any bridge financial company established under section 1609(h).</p> <p>(c) Reporting to the Congress-</p> <p>(1) IN GENERAL-</p> <p>(A) INITIAL REPORT- Upon the appointment of the Corporation as receiver under section 1604(a), the Corporation</p>	<p><i>(a) In General- Effective as of the date of the appointment of the Corporation as receiver for the covered financial company under section 202 or the appointment of SIPC as trustee for a covered broker or dealer under section 205, as applicable, any case or proceeding commenced with respect to the covered financial company under the Bankruptcy Code or the Securities Investor Protection Act of 1970 shall be dismissed, upon notice to the Bankruptcy Court (with respect to a case commenced under the Bankruptcy Code), and upon notice to SIPC (with respect to a covered broker or dealer) and no such case or proceeding may be commenced with respect to a covered financial company at any time while the orderly liquidation is pending.</i></p> <p><i>(b) Revesting of Assets- Effective as of the date of appointment of the Corporation as receiver, the assets of a covered financial company shall, to the extent they have vested in any entity other than the covered financial company as a result of any case or proceeding commenced with respect to the covered financial company under the Bankruptcy Code, the Securities Investor Protection Act of 1970, or any similar provision of State liquidation or insolvency law applicable to the covered financial company, revert in the covered financial company.</i></p> <p><i>(c) Limitation- Notwithstanding subsections (a) and (b), any order entered or other relief granted by a bankruptcy court prior to the date of appointment of the Corporation as receiver shall continue with the same validity as if an orderly liquidation had not been commenced.</i></p>	

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<p>shall issue a report on the issue described under paragraph (3)(A).</p> <p>(B) CONTINUING REPORTS- At the end of each 180-day period after the appointment of the Corporation as receiver under section 1604(a), and continuing while the Corporation is acting as receiver, the Corporation shall issue a report on the issues described under subparagraphs (A) through (C) of paragraph (3).</p> <p>(2) COMMITTEES TO RECEIVE REPORTS- Reports issued under this subsection shall be issued to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate and the Committee on Financial Services and the Committee on the Judiciary of the House of Representatives.</p> <p>(3) REPORTING ISSUES-</p> <p>(A) Why the receivership should continue instead of converting the receivership into a proceeding under chapter 7 or 11 of title 11, United States Code.</p> <p>(B) The extent to which unsecured creditors are likely to receive at least as much as they would receive if the receivership of the covered financial company was converted to a case under chapter 7 of title 11, United States Code.</p> <p>(C) An explanation of each instance where the Corporation as receiver of a covered financial company waived the requirement of 12 CFR Part 366 with respect to conflicts of interest by any person in the private sector who was retained to provide services to the Corporation in connection with such receivership.</p>		
<p>SEC. 1608. RULEMAKING.</p> <p>The Corporation may, after following the notice and comment rulemaking requirements under the Administrative Procedure Act, prescribe such regulations as the Corporation considers necessary or appropriate to implement the provisions of this title.</p>	<p>SEC. 209. RULEMAKING; NON-CONFLICTING LAW.</p> <p><i>The Corporation shall, in consultation with the Council, prescribe such rules or regulations as the Corporation considers necessary or appropriate to implement this title, including rules and regulations with respect to the rights, interests, and priorities of creditors, counterparties, security entitlement holders, or other persons with respect to any covered financial company or any assets or other property of or held by such covered financial company, and address the potential for conflicts of interest between or among individual receiverships established under this title or under the Federal Deposit Insurance Act. To the extent possible, the Corporation shall seek to harmonize applicable rules and regulations promulgated under this section with the insolvency laws that would</i></p>	

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<p>SEC. 1609. POWERS AND DUTIES OF CORPORATION.</p> <p>(a) Powers and Authorities-</p> <p>(1) GENERAL POWERS-</p> <p>(A) SUCCESSOR TO COVERED FINANCIAL COMPANY- The Corporation shall, upon appointment as receiver for a covered financial company under section 1604, and by operation of law, succeed to--</p> <p>(i) all rights, titles, powers, and privileges of the covered financial company, and of any stockholder, member, officer, or director of such institution with respect to the covered financial company and the assets of the covered financial company; and</p> <p>(ii) title to the books, records, and assets of any previous receiver or other legal custodian of such covered financial company.</p> <p>(B) OPERATE THE COVERED FINANCIAL COMPANY- The Corporation as receiver for a covered financial company may--</p> <p>(i) take over the assets of and operate the covered financial company with all the powers of the members or shareholders, the directors, and the officers of the covered financial company and conduct all business of the covered financial company;</p> <p>(ii) collect all obligations and money due the covered financial company;</p> <p>(iii) perform all functions of the covered financial company in the name of the covered financial company;</p> <p>(iv) preserve and conserve the assets and property of the covered financial company; and</p> <p>(v) provide by contract for assistance in fulfilling any</p>	<p><i>otherwise apply to a covered financial company.</i></p> <p>SEC. 210. POWERS AND DUTIES OF THE CORPORATION.</p> <p>(a) Powers and Authorities-</p> <p>(1) GENERAL POWERS-</p> <p>(A) SUCCESSOR TO COVERED FINANCIAL COMPANY- <i>The Corporation shall, upon appointment as receiver for a covered financial company under this title, succeed to--</i></p> <p><i>(i) all rights, titles, powers, and privileges of the covered financial company and its assets, and of any stockholder, member, officer, or director of such company; and</i></p> <p><i>(ii) title to the books, records, and assets of any previous receiver or other legal custodian of such covered financial company.</i></p> <p>(B) OPERATION OF THE COVERED FINANCIAL COMPANY DURING THE PERIOD OF ORDERLY LIQUIDATION- <i>The Corporation, as receiver for a covered financial company, may--</i></p> <p><i>(i) take over the assets of and operate the covered financial company with all of the powers of the members or shareholders, the directors, and the officers of the covered financial company, and conduct all business of the covered financial company;</i></p> <p><i>(ii) collect all obligations and money owed to the covered financial company;</i></p> <p><i>(iii) perform all functions of the covered financial company, in the name of the covered financial company;</i></p> <p><i>(iv) manage the assets and property of the covered financial company, consistent with maximization of the value of the assets in the context of the orderly liquidation; and</i></p> <p><i>(v) provide by contract for assistance in fulfilling any</i></p>	

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<p>function, activity, action, or duty of the Corporation as receiver.</p> <p>(C) FUNCTIONS OF COVERED FINANCIAL COMPANY'S OFFICERS, DIRECTORS, AND SHAREHOLDERS-</p> <p>(i) IN GENERAL- The Corporation may provide for the exercise of any function by any member or stockholder, director, or officer of any covered financial company for which the Corporation has been appointed as receiver under this section.</p> <p>(ii) PRESUMPTION- There shall be a strong presumption that the Corporation, as receiver, will remove management responsible for the failed condition of the covered financial company (if such management has not already been removed at the time the Corporation is appointed as receiver).</p> <p>(D) ADDITIONAL POWERS AS RECEIVER- The Corporation may, as receiver, and subject to all legally enforceable and perfected security interests, place the covered financial company in liquidation and proceed to realize upon the assets of the covered financial company in such manner as the Corporation deems appropriate, including through the sale of assets, the transfer of assets to a bridge financial company established under subsection (h), or the exercise of any other rights or privileges granted to the receiver under this section.</p>	<p><i>function, activity, action, or duty of the Corporation as receiver.</i></p> <p><i>(C) FUNCTIONS OF COVERED FINANCIAL COMPANY OFFICERS, DIRECTORS, AND SHAREHOLDERS-</i></p> <p><i>(i) IN GENERAL- The Corporation may provide for the exercise of any function by any member or stockholder, director, or officer of any covered financial company for which the Corporation has been appointed as receiver under this title.</i></p> <p><i>(ii) PRESUMPTION- There shall be a strong presumption that the Corporation, as receiver for a covered financial company, will remove management responsible for the failed condition of the covered financial company.</i></p> <p><i>(D) ADDITIONAL POWERS AS RECEIVER- The Corporation shall, as receiver for a covered financial company, and subject to all legally enforceable and perfected security interests and all legally enforceable security entitlements in respect of assets held by the covered financial company, liquidate, and wind-up the affairs of a covered financial company, including taking steps to realize upon the assets of the covered financial company, in such manner as the Corporation deems appropriate, including through the sale of assets, the transfer of assets to a bridge financial company established under subsection (h), or the exercise of any other rights or privileges granted to the receiver under this section.</i></p> <p><i>(E) ADDITIONAL POWERS WITH RESPECT TO FAILING SUBSIDIARIES OF A COVERED FINANCIAL COMPANY-</i></p> <p><i>(i) IN GENERAL- In any case in which a receiver is appointed for a covered financial company under section 202, the Corporation may appoint itself as receiver of any subsidiary (other than an insured depository institution, any covered broker or dealer, or an insurance company) of the covered financial company that is organized under Federal law or the laws of any State, if the Corporation and the Secretary jointly determine that--</i></p>	

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<p>(E) ORGANIZATION OF NEW COMPANIES- The Corporation as receiver may organize a bridge financial company under subsection (h).</p> <p>(F) MERGER; TRANSFER OF ASSETS AND LIABILITIES-</p> <p>(i) IN GENERAL- Subject to clause (ii), the Corporation as receiver may—</p> <p>(I) merge the covered financial company with another company; or</p> <p>(II) transfer any asset or liability of the covered financial company (including assets and liabilities associated with any trust or custody business) without obtaining any approval, assignment, or consent with respect to such transfer.</p> <p>(ii) FEDERAL AGENCY APPROVAL; ANTITRUST REVIEW-</p>	<p>(I) the subsidiary is in default or in danger of default;</p> <p>(II) such action would avoid or mitigate serious adverse effects on the financial stability or economic conditions of the United States; and</p> <p>(III) such action would facilitate the orderly liquidation of the covered financial company.</p> <p>(ii) TREATMENT AS COVERED FINANCIAL COMPANY- If the Corporation is appointed as receiver of a subsidiary of a covered financial company under clause (i), the subsidiary shall thereafter be considered a covered financial company under this title, and the Corporation shall thereafter have all the powers and rights with respect to that subsidiary as it has with respect to a covered financial company under this title.</p> <p>(F) ORGANIZATION OF BRIDGE COMPANIES- The Corporation, as receiver for a covered financial company, may organize a bridge financial company under subsection (h).</p> <p>(G) MERGER; TRANSFER OF ASSETS AND LIABILITIES-</p> <p>(i) IN GENERAL- Subject to clauses (ii) and (iii), the Corporation, as receiver for a covered financial company, may--</p> <p>(I) merge the covered financial company with another company; or</p> <p>(II) transfer any asset or liability of the covered financial company (including any assets and liabilities held by the covered financial company for security entitlement holders, any customer property, or any assets and liabilities associated with any trust or custody business) without obtaining any approval, assignment, or consent with respect to such transfer.</p> <p>(ii) FEDERAL AGENCY APPROVAL; ANTITRUST REVIEW- With respect to a transaction described in</p>	

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<p>(I) IN GENERAL- If a transaction described in clause (i) requires approval by a Federal agency, the transaction may not be consummated before the 5th calendar day after the date of approval by the Federal agency responsible for such approval with respect thereto. If, in connection with any such approval, a report on competitive factors is required, the Federal agency responsible for such approval shall promptly notify the Attorney General of the proposed transaction and the Attorney General shall provide the required report within 10 days of the request. If notification under section 7A of the Clayton Act is required with respect to such transaction, then the required waiting period shall end on the 15th day after the date on which the Attorney General and the Federal Trade Commission receive such notification, unless the waiting period is terminated earlier under subsection (b)(2) of such section, or is extended pursuant to subsection (e)(2) of such section.</p> <p>(II) EMERGENCY- If the Secretary in consultation with the Chairman of the Federal Reserve Board has found that the Corporation must act immediately to prevent the probable failure of the covered financial company involved, the approval and prior notification referred to in subclause (I) shall not be required and the transaction may be consummated immediately by the Corporation. The preceding sentence shall not otherwise modify, impair, or supercede the operation of any of the antitrust laws (as defined in subsection (a) of the first section of the Clayton Act, except that such term includes section 5 of the Federal Trade</p>	<p><i>clause (i)(I) that requires approval by a Federal agency--</i></p> <p><i>(I) the transaction may not be consummated before the 5th calendar day after the date of approval by the Federal agency responsible for such approval;</i></p> <p><i>(II) if, in connection with any such approval, a report on competitive factors is required, the Federal agency responsible for such approval shall promptly notify the Attorney General of the United States of the proposed transaction, and the Attorney General shall provide the required report not later than 10 days after the date of the request; and</i></p> <p><i>(III) if notification under section 7A of the Clayton Act is required with respect to such transaction, then the required waiting period shall end on the 15th day after the date on which the Attorney General and the Federal Trade Commission receive such notification, unless the waiting period is terminated earlier under subsection (b)(2) of such section 7A, or is extended pursuant to subsection (e)(2) of such section 7A.</i></p>	

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<p>Commission Act to the extent that such section 5 relates to unfair methods of competition).</p> <p>(G) PAYMENT OF VALID OBLIGATIONS- The Corporation, as receiver, shall, to the extent funds are available, pay all valid obligations of the covered financial company that are due and payable at the time of the appointment of the Corporation as receiver in accordance with the prescriptions and limitations of this title.</p> <p>(H) SUBPOENA AUTHORITY-</p> <p>(i) IN GENERAL- The Corporation may, for purposes of carrying out any power, authority, or duty with respect to a covered financial company (including determining any claim against the covered financial company and determining and realizing upon any asset of any person in the course of collecting money due the covered financial company), exercise any power established under section 8(n) of the Federal Deposit Insurance Act as if the covered financial company were an insured depository institution.</p> <p>(ii) RULE OF CONSTRUCTION- This section shall not be construed as limiting any rights that the Corporation, in any capacity, might otherwise have to exercise any powers described in clause (i) under any other provision of law.</p>	<p>(iii) SETOFF- Subject to the other provisions of this title, any transferee of assets from a receiver, including a bridge financial company, shall be subject to such claims or rights as would prevail over the rights of such transferee in such assets under applicable noninsolvency law.</p> <p>(H) PAYMENT OF VALID OBLIGATIONS- The Corporation, as receiver for a covered financial company, shall, to the extent that funds are available, pay all valid obligations of the covered financial company that are due and payable at the time of the appointment of the Corporation as receiver, in accordance with the prescriptions and limitations of this title.</p> <p>(I) APPLICABLE NONINSOLVENCY LAW- Except as may otherwise be provided in this title, the applicable noninsolvency law shall be determined by the noninsolvency choice of law rules otherwise applicable to the claims, rights, titles, persons, or entities at issue.</p> <p>(J) SUBPOENA AUTHORITY-</p> <p>(i) IN GENERAL- The Corporation, as receiver for a covered financial company, may, for purposes of carrying out any power, authority, or duty with respect to the covered financial company (including determining any claim against the covered financial company and determining and realizing upon any asset of any person in the course of collecting money due the covered financial company), exercise any power established under section 8(n) of the Federal Deposit Insurance Act, as if the Corporation were the appropriate Federal banking agency for the covered financial company, and the covered financial company were an insured depository institution.</p> <p>(ii) RULE OF CONSTRUCTION- This subparagraph may not be construed as limiting any rights that the Corporation, in any capacity, might otherwise have to exercise any powers described in clause (i) or under any other provision of law.</p>	

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<p>(I) INCIDENTAL POWERS- The Corporation, as receiver, may--</p> <ul style="list-style-type: none"> (i) exercise all powers and authorities specifically granted to receivers under this section and such incidental powers as shall be necessary to carry out such powers; and (ii) take any action authorized by this section, which the Corporation determines is in the best interests of the covered financial company, its customers, its creditors, its counterparties, or the stability of the financial system. <p>(J) UTILIZATION OF PRIVATE SECTOR- In carrying out its responsibilities in the management and disposition of assets from a covered financial company, the Corporation, as receiver, may utilize the services of private persons, including real estate and loan portfolio asset management, property management, auction marketing, legal, and brokerage services, if such services are available in the private sector and the Corporation determines utilization of such services is practicable, efficient, and cost effective.</p> <p>(K) SHAREHOLDERS AND CREDITORS OF COVERED FINANCIAL COMPANY- Notwithstanding any other provision of law, the Corporation as receiver for a covered financial company pursuant to this section and its succession, by operation of law, to the rights, titles, powers, and privileges described in subparagraph (A) shall terminate all rights and claims that the stockholders and creditors of the covered financial company may have against the assets of the covered financial company or the Corporation arising out of their status as stockholders or creditors, except for their right to payment, resolution, or other satisfaction of their claims, as permitted under this section. The Corporation shall ensure that shareholders and unsecured creditors bear losses, consistent with the priority of claims provisions in section 1609(b).</p> <p>(L) COORDINATION WITH FOREIGN FINANCIAL AUTHORITIES- The Corporation as receiver for a covered financial company shall coordinate with the appropriate foreign financial authorities regarding the dissolution of</p>	<p><i>(K) INCIDENTAL POWERS- The Corporation, as receiver for a covered financial company, may exercise all powers and authorities specifically granted to receivers under this title, and such incidental powers as shall be necessary to carry out such powers under this title.</i></p> <p><i>(L) UTILIZATION OF PRIVATE SECTOR- In carrying out its responsibilities in the management and disposition of assets from the covered financial company, the Corporation, as receiver for a covered financial company, may utilize the services of private persons, including real estate and loan portfolio asset management, property management, auction marketing, legal, and brokerage services, if such services are available in the private sector, and the Corporation determines that utilization of such services is practicable, efficient, and cost effective.</i></p> <p><i>(M) SHAREHOLDERS AND CREDITORS OF COVERED FINANCIAL COMPANY- Notwithstanding any other provision of law, the Corporation, as receiver for a covered financial company, shall succeed by operation of law to the rights, titles, powers, and privileges described in subparagraph (A), and shall terminate all rights and claims that the stockholders and creditors of the covered financial company may have against the assets of the covered financial company or the Corporation arising out of their status as stockholders or creditors, except for their right to payment, resolution, or other satisfaction of their claims, as permitted under this section. The Corporation shall ensure that shareholders and unsecured creditors bear losses, consistent with the priority of claims provisions under this section.</i></p> <p><i>(N) COORDINATION WITH FOREIGN FINANCIAL AUTHORITIES- The Corporation, as receiver for a covered financial company, shall coordinate, to the maximum extent possible, with the appropriate foreign financial authorities</i></p>	

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	<p><i>(II) the transfer of the accounts to a bridge financial company would materially interfere with the ability of the Corporation to avoid or mitigate serious adverse effects on financial stability or economic conditions in the United States.</i></p> <p><i>(ii) TRANSFER OF PROPERTY- SIPC, as trustee for the liquidation of the covered broker or dealer, and the Commission, shall provide any and all reasonable assistance necessary to complete such transfers by the Corporation.</i></p> <p><i>(iii) CUSTOMER CONSENT AND COURT APPROVAL NOT REQUIRED- Neither customer consent nor court approval shall be required to transfer any customer accounts and associated customer property to a bridge financial company in accordance with this section.</i></p> <p><i>(iv) NOTIFICATION OF SIPC AND SHARING OF INFORMATION- The Corporation shall identify to SIPC the customer accounts and associated customer property transferred to the bridge financial company. The Corporation and SIPC shall cooperate in the sharing of any information necessary for each entity to discharge its obligations under this title and under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) including by providing access to the books and records of the covered financial company and any bridge financial company established in accordance with this title.</i></p>	
<p>(2) AUTHORITY OF CORPORATION TO DETERMINE CLAIMS-</p> <p>(A) IN GENERAL- The Corporation may, as receiver, determine claims in accordance with the requirements of this subsection and regulations prescribed under paragraph (3).</p> <p>(B) NOTICE REQUIREMENTS- The receiver, in any case involving the liquidation or winding up of the affairs of a covered financial company, shall--</p>	<p>(2) DETERMINATION OF CLAIMS-</p> <p>(A) IN GENERAL- The Corporation, as receiver for a covered financial company, shall report on claims, as set forth in section 203(c)(3). Subject to paragraph (4) of this subsection, the Corporation, as receiver for a covered financial company, shall determine claims in accordance with the requirements of this subsection and regulations prescribed under section 209.</p> <p>(B) NOTICE REQUIREMENTS- The Corporation, as receiver for a covered financial company, in any case involving the liquidation or winding up of the affairs of a covered financial</p>	

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<p>(i) promptly publish a notice to the covered financial company's creditors to present their claims, together with proof, to the receiver by a date specified in the notice which shall be not less than 90 days after the publication of such notice; and</p> <p>(ii) republish such notice approximately 1 month and 2 months, respectively, after the publication under clause (i).</p> <p>(C) MAILING REQUIRED- The receiver shall mail a notice similar to the notice published under subparagraph (B)(i) at the time of such publication to any creditor shown on the covered financial company's books—</p> <p>(i) at the creditor's last address appearing in such books; or</p> <p>(ii) upon discovery of the name and address of a claimant not appearing on the covered financial company's books, within 30 days after the discovery of such name and address.</p>	<p><i>company, shall--</i></p> <p><i>(i) promptly publish a notice to the creditors of the covered financial company to present their claims, together with proof, to the receiver by a date specified in the notice, which shall be not earlier than 90 days after the date of publication of such notice; and</i></p> <p><i>(ii) republish such notice 1 month and 2 months, respectively, after the date of publication under clause (i).</i></p> <p><i>(C) MAILING REQUIRED- The Corporation as receiver shall mail a notice similar to the notice published under clause (i) or (ii) of subparagraph (B), at the time of such publication, to any creditor shown on the books and records of the covered financial company--</i></p> <p><i>(i) at the last address of the creditor appearing in such books;</i></p> <p><i>(ii) in any claim filed by the claimant; or</i></p> <p><i>(iii) upon discovery of the name and address of a claimant not appearing on the books and records of the covered financial company, not later than 30 days after the date of the discovery of such name and address.</i></p>	
<p>(3) RULEMAKING AUTHORITY RELATING TO DETERMINATION OF CLAIMS-</p> <p>(A) IN GENERAL- Subject to subsection (b), the Corporation shall, after following the notice and comment rulemaking requirements under the Administrative Procedure Act, prescribe rules and regulations regarding the allowance or disallowance of claims by the Corporation and providing for administrative determination of claims and review of such determination.</p> <p>(B) EXISTING RULES- The Corporation may elect to use the regulations adopted pursuant to the provisions of section 11 of the Federal Deposit Insurance Act with respect to the determination of claims for a covered financial company as if the covered financial company were an insured depository institution.</p>		
(4) PROCEDURES FOR DETERMINATION OF CLAIMS-	(3) PROCEDURES FOR RESOLUTION OF CLAIMS-	

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<p>(A) DETERMINATION PERIOD-</p> <p>(i) IN GENERAL- Before the end of the 180-day period beginning on the date any claim against a covered financial company is filed with the Corporation as receiver, the Corporation shall determine whether to allow or disallow the claim and shall notify the claimant of any determination with respect to such claim.</p> <p>(ii) EXTENSION OF TIME- The period described in clause (i) may be extended by a written agreement between the claimant and the Corporation.</p> <p>(iii) MAILING OF NOTICE SUFFICIENT- The requirements of clause (i) shall be deemed to be satisfied if the notice of any determination with respect to any claim is mailed to the last address of the claimant which appears--</p> <p style="padding-left: 40px;">(I) on the covered financial company's books;</p> <p style="padding-left: 40px;">(II) in the claim filed by the claimant; or</p> <p style="padding-left: 40px;">(III) in documents submitted in proof of the claim.</p> <p>(iv) CONTENTS OF NOTICE OF DISALLOWANCE- If any claim filed under clause (i) is disallowed, the notice to the claimant shall contain—</p> <p style="padding-left: 40px;">(I) a statement of each reason for the disallowance; and</p> <p style="padding-left: 40px;">(II) the procedures available for obtaining agency review of the determination to</p>	<p>(A) DECISION PERIOD-</p> <p>(i) IN GENERAL- Prior to the 180th day after the date on which a claim against a covered financial company is filed with the Corporation as receiver, or such later date as may be agreed as provided in clause (ii), the Corporation shall notify the claimant whether it accepts or objects to the claim, in accordance with subparagraphs (B), (C), and (D).</p> <p>(ii) EXTENSION OF TIME- By written agreement executed not later than 180 days after the date on which a claim against a covered financial company is filed with the Corporation, the period described in clause (i) may be extended by written agreement between the claimant and the Corporation. Failure to notify the claimant of any disallowance within the time period set forth in clause (i), as it may be extended by agreement under this clause, shall be deemed to be a disallowance of such claim, and the claimant may file or continue an action in court, as provided in paragraph (4).</p> <p>(iii) MAILING OF NOTICE SUFFICIENT- The requirements of clause (i) shall be deemed to be satisfied if the notice of any decision with respect to any claim is mailed to the last address of the claimant which appears--</p> <p style="padding-left: 40px;">(I) on the books, records, or both of the covered financial company;</p> <p style="padding-left: 40px;">(II) in the claim filed by the claimant; or</p> <p style="padding-left: 40px;">(III) in documents submitted in proof of the claim.</p> <p>(iv) CONTENTS OF NOTICE OF DISALLOWANCE- If the Corporation as receiver objects to any claim filed under clause (i), the notice to the claimant shall contain--</p> <p style="padding-left: 40px;">(I) a statement of each reason for the disallowance; and</p> <p style="padding-left: 40px;">(II) the procedures required to file or continue an action in court, as provided in paragraph (4).</p>	

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<p>disallow the claim or judicial determination of the claim.</p> <p>(B) ALLOWANCE OF PROVEN CLAIM- The Corporation shall allow any claim received on or before the date specified in the notice published under paragraph (2)(B)(i) by the Corporation from any claimant which is proved to the satisfaction of the Corporation.</p> <p>(C) DISALLOWANCE OF CLAIMS FILED AFTER END OF FILING PERIOD-</p> <p>(i) IN GENERAL- Except as provided in clause (ii), claims filed after the date specified in the notice published under paragraph (2)(B)(i) shall be disallowed and such disallowance shall be final.</p> <p>(ii) CERTAIN EXCEPTIONS- Clause (i) shall not apply with respect to any claim filed by any claimant after the date specified in the notice published under paragraph (2)(B)(i) and such claim may be considered by the receiver if--</p> <p>(I) the claimant did not receive notice of the appointment of the receiver in time to file such claim before such date; and</p> <p>(II) such claim is filed in time to permit payment of such claim.</p> <p>(D) AUTHORITY TO DISALLOW CLAIMS-</p> <p>(i) IN GENERAL- The Corporation may disallow any portion of any claim by a creditor or claim of security, preference, or priority which is not proved to the satisfaction of the Corporation.</p> <p>(ii) PAYMENTS TO LESS THAN FULLY SECURED CREDITORS- In the case of a claim of a creditor against a covered financial company which is secured by any property or other asset of such covered financial company, the receiver--</p> <p>(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim against the covered financial company; and</p>	<p><i>(B) ALLOWANCE OF PROVEN CLAIM- The receiver shall allow any claim received by the receiver on or before the date specified in the notice under paragraph (2)(B)(i), which is proved to the satisfaction of the receiver.</i></p> <p><i>(C) DISALLOWANCE OF CLAIMS FILED AFTER END OF FILING PERIOD-</i></p> <p><i>(i) IN GENERAL- Except as provided in clause (ii), claims filed after the date specified in the notice published under paragraph (2)(B)(i) shall be disallowed, and such disallowance shall be final.</i></p> <p><i>(ii) CERTAIN EXCEPTIONS- Clause (i) shall not apply with respect to any claim filed by a claimant after the date specified in the notice published under paragraph (2)(B)(i), and such claim may be considered by the receiver under subparagraph (B), if--</i></p> <p><i>(I) the claimant did not receive notice of the appointment of the receiver in time to file such claim before such date; and</i></p> <p><i>(II) such claim is filed in time to permit payment of such claim.</i></p> <p><i>(D) AUTHORITY TO DISALLOW CLAIMS-</i></p> <p><i>(i) IN GENERAL- The Corporation may object to any portion of any claim by a creditor or claim of a security, preference, setoff, or priority which is not proved to the satisfaction of the Corporation.</i></p> <p><i>(ii) PAYMENTS TO UNDERSECURED CREDITORS- In the case of a claim against a covered financial company that is secured by any property or other asset of such covered financial company, the receiver--</i></p> <p><i>(I) may treat the portion of such claim which exceeds an amount equal to the fair market value of such property or other asset as an unsecured claim; and</i></p>	

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<p>(II) may not make any payment with respect to such unsecured portion of the claim other than in connection with the disposition of all claims of unsecured creditors of the covered financial company.</p> <p>(iii) EXCEPTIONS- No provision of this paragraph shall apply with respect to--</p> <p>(I) any extension of credit from any Federal Reserve bank, or the Corporation, to any covered financial company; or</p> <p>(II) subject to clause (ii), any legally enforceable or perfected security interest in the assets of the covered financial company securing any such extension of credit.</p> <p>(iv) PAYMENTS TO FULLY SECURED CREDITORS- Notwithstanding any other provision of law, in any receivership of a covered financial company in which amounts realized from the dissolution are insufficient to satisfy completely any amounts owed to the United States or to the Fund, as determined in the receiver's sole discretion, an allowed claim under a legally enforceable or perfected security interest in assets of the covered financial company arising under a qualified financial contract (as defined under subsection (c)(8)(D)(i)) with an original term of 30 days or less (except that, for a contract for a term linked to a calendar month, the original term must be less than 1 calendar month), secured by collateral other than securities issued by the United States Treasury, the Board of Governors of the Federal Reserve System, any agency of the United States, any Federal Reserve bank, or any Government Sponsored Enterprise, that became a legally enforceable or perfected security interest after the date of the enactment of this clause, and that is not a security interest of the Federal Government in any of the assets of the covered financial company in receivership may be treated as an unsecured claim in</p>	<p><i>(II) may not make any payment with respect to such unsecured portion of the claim, other than in connection with the disposition of all claims of unsecured creditors of the covered financial company.</i></p> <p><i>(iii) EXCEPTIONS- No provision of this paragraph shall apply with respect to--</i></p> <p><i>(I) any extension of credit from any Federal reserve bank, or the Corporation, to any covered financial company; or</i></p> <p><i>(II) subject to clause (ii), any legally enforceable and perfected security interest in the assets of the covered financial company securing any such extension of credit.</i></p>	

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<p>the amount specified under clause (v) as necessary to satisfy any amounts owed to the United States or to the Fund. Any balance of such claim that is treated as an unsecured claim under this subparagraph shall be paid as a general liability of the covered financial company. This clause shall not apply with respect to debt obligations secured by real property. This clause may only be implemented with respect to secured creditors if, as a result of the dissolution of the covered financial company, no funds are available to satisfy, in whole or in part, any claims of unsecured creditors or shareholders.</p> <p>(v) AMOUNT SPECIFIED- For purposes of clause (iv), the amount specified under this clause, in the case of a secured creditor, is the amount of up to 10 percent.</p> <p>(E) NO JUDICIAL REVIEW OF DETERMINATION PURSUANT TO SUBPARAGRAPH (D)- No court may review the Corporation determination pursuant to subparagraph (D) to disallow a claim.</p> <p>(F) LEGAL EFFECT OF FILING-</p> <p>(i) STATUTE OF LIMITATION TOLLED- For purposes of any applicable statute of limitations, the filing of a claim with the Corporation shall constitute a commencement of an action.</p> <p>(ii) NO PREJUDICE TO OTHER ACTIONS- Subject to paragraph (9), the filing of a claim with the Corporation shall not prejudice any right of the claimant to continue any action which was filed before the appointment of the Corporation as receiver for the covered financial company.</p>	<p>(E) LEGAL EFFECT OF FILING-</p> <p>(i) STATUTE OF LIMITATIONS TOLLED- For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.</p> <p>(ii) NO PREJUDICE TO OTHER ACTIONS- Subject to paragraph (8), the filing of a claim with the</p>	

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	<p><i>receiver shall not prejudice any right of the claimant to continue any action which was filed before the date of appointment of the receiver for the covered financial company.</i></p>	
<p>(5) PROVISION FOR JUDICIAL DETERMINATION OF CLAIMS-</p> <p>(A) IN GENERAL- Before the end of the 60-day period beginning on the earlier of—</p> <p>(i) the end of the period described in paragraph (4)(A)(i) (or, if extended by agreement of the Corporation and the claimant, the period described in paragraph (4)(A)(ii)) with respect to any claim against a covered financial company for which the Corporation is receiver; or</p> <p>(ii) the date of any notice of disallowance of such claim pursuant to paragraph (4)(A)(i),</p> <p>the claimant may file suit on a claim (or continue an action commenced before the appointment of the receiver) in the district or territorial court of the United States for the district within which the covered financial company's principal place of business is located or the United States District Court for the District of Columbia (and such court shall have jurisdiction to hear such claim).</p> <p>(B) STATUTE OF LIMITATIONS- If any claimant fails to file suit on such claim (or continue an action commenced before the appointment of the receiver) before the end of the 60-day period described in subparagraph (A), the claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver) as of the end of such period, such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.</p>	<p>(4) JUDICIAL DETERMINATION OF CLAIMS-</p> <p>(B) TIMING- <i>A claim under subparagraph (A) may be filed before the end of the 60-day period beginning on the earlier of--</i></p> <p>(i) <i>the end of the period described in paragraph (3)(A)(i) (or, if extended by agreement of the Corporation and the claimant, the period described in paragraph (3)(A)(ii)) with respect to any claim against a covered financial company for which the Corporation is receiver; or</i></p> <p>(ii) <i>the date of any notice of disallowance of such claim pursuant to paragraph (3)(A)(i).</i></p> <p>(A) IN GENERAL- <i>Subject to subparagraph (B), a claimant may file suit on a claim (or continue an action commenced before the date of appointment of the Corporation as receiver) in the district or territorial court of the United States for the district within which the principal place of business of the covered financial company is located (and such court shall have jurisdiction to hear such claim).</i></p> <p>(C) STATUTE OF LIMITATIONS- <i>If any claimant fails to file suit on such claim (or to continue an action on such claim commenced before the date of appointment of the Corporation as receiver) prior to the end of the 60-day period described in subparagraph (B), the claim shall be deemed to be disallowed (other than any portion of such claim which was allowed by the receiver) as of the end of such period, such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.</i></p>	
<p>(6) EXPEDITED DETERMINATION OF CLAIMS-</p> <p>(A) ESTABLISHMENT REQUIRED- The Corporation shall establish a procedure for expedited relief outside of the routine claims process established under paragraph (4) for claimants who--</p> <p>(i) allege the existence of legally valid and</p>	<p>(5) EXPEDITED DETERMINATION OF CLAIMS-</p> <p>(A) PROCEDURE REQUIRED- <i>The Corporation shall establish a procedure for expedited relief outside of the claims process established under paragraph (3), for any claimant that alleges--</i></p>	

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<p>enforceable or perfected security interests in assets of any covered financial company for which the Corporation has been appointed as receiver; and</p> <p>(ii) allege that irreparable injury will occur if the routine claims procedure is followed.</p> <p>(B) DETERMINATION PERIOD- Before the end of the 90-day period beginning on the date any claim is filed in accordance with the procedures established pursuant to subparagraph (A), the Corporation shall--</p> <p>(i) determine--</p> <p>(I) whether to allow or disallow such claim; or</p> <p>(II) whether such claim should be determined pursuant to the procedures established pursuant to paragraph (4); and</p> <p>(ii) notify the claimant of the determination, and if the claim is disallowed, provide a statement of each reason for the disallowance and the procedure for obtaining judicial determination.</p> <p>(C) PERIOD FOR FILING OR RENEWING SUIT- Any claimant who files a request for expedited relief shall be permitted to file a suit, or to continue such a suit filed before the appointment of the Corporation as receiver, seeking a determination of the claimant's rights with respect to such security interest after the earlier of—</p> <p>(i) the end of the 90-day period beginning on the date of the filing of a request for expedited relief; or</p> <p>(ii) the date the Corporation denies the claim.</p> <p>(D) STATUTE OF LIMITATIONS- If an action described in subparagraph (C) is not filed, or the motion to renew a previously filed suit is not made, before the end of the 30-day</p>	<p><i>(i) the existence of a legally valid and enforceable or perfected security interest in property of a covered financial company, or is an entitlement holder that has obtained control of any legally valid and enforceable security entitlement in respect of any asset held by the covered financial company for which the Corporation has been appointed receiver; and</i></p> <p><i>(ii) that irreparable injury will occur if the claims procedure established under paragraph (3) is followed.</i></p> <p><i>(B) DETERMINATION PERIOD- Prior to the end of the 90-day period beginning on the date on which a claim is filed in accordance with the procedures established pursuant to subparagraph (A), the Corporation shall--</i></p> <p><i>(i) determine--</i></p> <p><i>(I) whether to allow or disallow such claim, or any portion thereof; or</i></p> <p><i>(II) whether such claim should be determined pursuant to the procedures established pursuant to paragraph (3);</i></p> <p><i>(ii) notify the claimant of the determination; and</i></p> <p><i>(iii) if the claim is disallowed, provide a statement of each reason for the disallowance and the procedure for obtaining a judicial determination.</i></p> <p><i>(C) PERIOD FOR FILING OR RENEWING SUIT- Any claimant who files a request for expedited relief shall be permitted to file suit (or continue a suit filed before the date of appointment of the Corporation as receiver seeking a determination of the rights of the claimant with respect to such security interest (or such security entitlement) after the earlier of--</i></p> <p><i>(i) the end of the 90-day period beginning on the date of the filing of a request for expedited relief; or</i></p> <p><i>(ii) the date on which the Corporation denies the claim or a portion thereof.</i></p> <p><i>(D) STATUTE OF LIMITATIONS- If an action described in subparagraph (C) is not filed, or the motion to renew a previously filed suit is not made, before the end of the 30-day</i></p>	

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<p>period beginning on the date on which such action or motion may be filed in accordance with subparagraph (B), the claim shall be deemed to be disallowed as of the end of such period (other than any portion of such claim which was allowed by the receiver), such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.</p> <p>(E) LEGAL EFFECT OF FILING-</p> <p>(i) STATUTE OF LIMITATION TOLLED- For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.</p> <p>(ii) NO PREJUDICE TO OTHER ACTIONS- Subject to paragraph (9), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action which was filed before the appointment of the Corporation as receiver for the covered financial company.</p>	<p><i>period beginning on the date on which such action or motion may be filed in accordance with subparagraph (C), the claim shall be deemed to be disallowed as of the end of such period (other than any portion of such claim which was allowed by the receiver), such disallowance shall be final, and the claimant shall have no further rights or remedies with respect to such claim.</i></p> <p><i>(E) LEGAL EFFECT OF FILING-</i></p> <p><i>(i) STATUTE OF LIMITATIONS TOLLED- For purposes of any applicable statute of limitations, the filing of a claim with the receiver shall constitute a commencement of an action.</i></p> <p><i>(ii) NO PREJUDICE TO OTHER ACTIONS- Subject to paragraph (8), the filing of a claim with the receiver shall not prejudice any right of the claimant to continue any action which was filed before the appointment of the Corporation as receiver for the covered financial company.</i></p>	
<p>(7) AGREEMENTS AGAINST INTEREST OF THE RECEIVER- No agreement that tends to diminish or defeat the interest of the Corporation as receiver in any asset acquired by the receiver under this section shall be valid against the receiver unless such agreement is in writing and executed by an authorized officer or representative of the covered financial company.</p>	<p><i>(6) AGREEMENTS AGAINST INTEREST OF THE RECEIVER- No agreement that tends to diminish or defeat the interest of the Corporation as receiver in any asset acquired by the receiver under this section shall be valid against the receiver, unless such agreement--</i></p> <p><i>(A) is in writing;</i></p> <p><i>(B) was executed by an authorized officer or representative of the covered financial company, or confirmed in the ordinary course of business by the covered financial company; and</i></p> <p><i>(C) has been, since the time of its execution, an official record of the company or the party claiming under the agreement provides documentation, acceptable to the receiver, of such agreement and its authorized execution or confirmation by the covered financial company.</i></p>	
<p>(8) PAYMENT OF CLAIMS-</p> <p>(A) IN GENERAL- The Corporation as receiver may, in its discretion and to the extent funds are available, pay creditor claims, in such manner and amounts as are authorized under this section, which are--</p> <p>(i) allowed by the receiver;</p> <p>(ii) approved by the Corporation pursuant to a final determination pursuant to paragraph (6); or</p>	<p><i>(7) PAYMENT OF CLAIMS-</i></p> <p><i>(A) IN GENERAL- Subject to subparagraph (B), the Corporation as receiver may, in its discretion and to the extent that funds are available, pay creditor claims, in such manner and amounts as are authorized under this section, which are--</i></p> <p><i>(i) allowed by the receiver;</i></p> <p><i>(ii) approved by the receiver pursuant to a final determination pursuant to paragraph (3) or (5), as</i></p>	

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<p>(iii) determined by the final judgment of any court of competent jurisdiction.</p> <p>(B) PAYMENT OF DIVIDENDS ON CLAIMS- The receiver may, in the receiver's sole discretion and to the extent otherwise permitted by this section, pay dividends on proven claims at any time, and no liability shall attach to the Corporation (in the Corporation's capacity as receiver), by reason of any such payment, for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.</p> <p>(C) RULEMAKING AUTHORITY OF CORPORATION- The Corporation may prescribe such rules, including definitions of terms, as it deems appropriate to establish a single uniform interest rate for, or to make payments of post insolvency interest to creditors holding proven claims against the receivership estates of a covered financial company following satisfaction by the receiver of the principal amount of all creditor claims.</p>	<p><i>applicable; or</i> <i>(iii) determined by the final judgment of a court of competent jurisdiction.</i></p> <p><i>(B) LIMITATION- A creditor shall, in no event, receive less than the amount that the creditor is entitled to receive under paragraphs (2) and (3) of subsection (d), as applicable.</i></p> <p><i>(C) PAYMENT OF DIVIDENDS ON CLAIMS- The Corporation as receiver may, in its sole discretion, and to the extent otherwise permitted by this section, pay dividends on proven claims at any time, and no liability shall attach to the Corporation as receiver, by reason of any such payment or for failure to pay dividends to a claimant whose claim is not proved at the time of any such payment.</i></p> <p><i>(D) RULEMAKING BY THE CORPORATION- The Corporation may prescribe such rules, including definitions of terms, as the Corporation deems appropriate to establish an interest rate for or to make payments of post-insolvency interest to creditors holding proven claims against the receivership estate of a covered financial company, except that no such interest shall be paid until the Corporation as receiver has satisfied the principal amount of all creditor claims.</i></p>	
<p>(9) SUSPENSION OF LEGAL ACTIONS-</p> <p>(A) IN GENERAL- After the appointment of the Corporation as receiver for a covered financial company, the Corporation may request a stay for a period not to exceed 90 days in any noncriminal judicial action or proceeding to which such covered financial company is or becomes a party.</p> <p>(B) GRANT OF STAY BY ALL COURTS REQUIRED- Upon receipt of a request by the Corporation pursuant to subparagraph (A) for a stay of any non-criminal judicial action or proceeding in any court with jurisdiction of such action or proceeding, the court shall grant such stay as to all parties.</p>	<p>(8) SUSPENSION OF LEGAL ACTIONS-</p> <p>(A) IN GENERAL- After the appointment of the Corporation as receiver for a covered financial company, the Corporation may request a stay in any judicial action or proceeding in which such covered financial company is or becomes a party, for a period of not to exceed 90 days.</p> <p>(B) GRANT OF STAY BY ALL COURTS REQUIRED- Upon receipt of a request by the Corporation pursuant to subparagraph (A), the court shall grant such stay as to all parties.</p>	
<p>(10) ADDITIONAL RIGHTS AND DUTIES-</p> <p>(A) PRIOR FINAL ADJUDICATION- The Corporation shall abide by any final unappealable judgment of any court of competent jurisdiction which was rendered before the appointment of the Corporation as receiver.</p>	<p>(9) ADDITIONAL RIGHTS AND DUTIES-</p> <p>(A) PRIOR FINAL ADJUDICATION- The Corporation shall abide by any final, non-appealable judgment of any court of competent jurisdiction that was rendered before the appointment of the Corporation as receiver.</p>	

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<p>(B) RIGHTS AND REMEDIES OF RECEIVER- In the event of any appealable judgment, the Corporation as receiver shall--</p> <ul style="list-style-type: none"> (i) have all the rights and remedies available to the covered financial company (before the appointment of the receiver under section 1604) and the Corporation, including but not limited to removal to Federal court and all appellate rights; and (ii) not be required to post any bond in order to pursue such remedies. <p>(C) NO ATTACHMENT OR EXECUTION- No attachment or execution may issue by any court upon assets in the possession of the receiver.</p> <p>(D) LIMITATION ON JUDICIAL REVIEW- Except as otherwise provided in this subsection, no court shall have jurisdiction over--</p> <ul style="list-style-type: none"> (i) any claim or action for payment from, or any action seeking a determination of rights with respect to, the assets of any covered financial company for which the Corporation has been appointed receiver, including any assets which the Corporation may acquire from itself as such receiver; or (ii) any claim relating to any act or omission of such covered financial company or the Corporation as receiver. <p>(E) DISPOSITION OF ASSETS- In exercising any right, power, privilege, or authority as receiver in connection with any covered financial company for which the Corporation is acting as receiver under this section, the Corporation shall, to the greatest extent practicable, conduct its operations in a manner which--</p> <ul style="list-style-type: none"> (i) maximizes the net present value return from the sale or disposition of such assets; (ii) minimizes the amount of any loss realized in the resolution of cases; (iii) minimizes the cost to the general fund of the Treasury; (iv) mitigates the potential for serious adverse effects to the financial system and the United States 	<p><i>(B) RIGHTS AND REMEDIES OF RECEIVER- In the event of any appealable judgment, the Corporation as receiver shall--</i></p> <ul style="list-style-type: none"> <i>(i) have all the rights and remedies available to the covered financial company (before the date of appointment of the Corporation as receiver under section 202) and the Corporation, including removal to Federal court and all appellate rights; and</i> <i>(ii) not be required to post any bond in order to pursue such remedies.</i> <p><i>(C) NO ATTACHMENT OR EXECUTION- No attachment or execution may be issued by any court upon assets in the possession of the Corporation as receiver for a covered financial company.</i></p> <p><i>(D) LIMITATION ON JUDICIAL REVIEW- Except as otherwise provided in this title, no court shall have jurisdiction over--</i></p> <ul style="list-style-type: none"> <i>(i) any claim or action for payment from, or any action seeking a determination of rights with respect to, the assets of any covered financial company for which the Corporation has been appointed receiver, including any assets which the Corporation may acquire from itself as such receiver; or</i> <i>(ii) any claim relating to any act or omission of such covered financial company or the Corporation as receiver.</i> <p><i>(E) DISPOSITION OF ASSETS- In exercising any right, power, privilege, or authority as receiver in connection with any covered financial company for which the Corporation is acting as receiver under this section, the Corporation shall, to the greatest extent practicable, conduct its operations in a manner that--</i></p> <ul style="list-style-type: none"> <i>(i) maximizes the net present value return from the sale or disposition of such assets;</i> <i>(ii) minimizes the amount of any loss realized in the resolution of cases;</i> <i>(iii) mitigates the potential for serious adverse effects to the financial system;</i> 	

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<p>economy;</p> <p>(v) ensures timely and adequate competition and fair and consistent treatment of offerors; and</p> <p>(vi) prohibits discrimination on the basis of race, sex, or ethnic groups in the solicitation and consideration of offers.</p>	<p>(iv) ensures timely and adequate competition and fair and consistent treatment of offerors; and</p> <p>(v) prohibits discrimination on the basis of race, sex, or ethnic group in the solicitation and consideration of offers.</p>	
<p>(11) STATUTE OF LIMITATIONS FOR ACTIONS BROUGHT BY RECEIVER-</p> <p>(A) IN GENERAL- Notwithstanding any provision of any contract, the applicable statute of limitations with regard to any action brought by the Corporation as receiver shall be—</p> <p>(i) in the case of any contract claim, the longer of--</p> <p>(I) the 6-year period beginning on the date the claim accrues; or</p> <p>(II) the period applicable under State law; and</p> <p>(ii) in the case of any tort claim, the longer of--</p> <p>(I) the 3-year period beginning on the date the claim accrues; or</p> <p>(II) the period applicable under State law.</p> <p>(B) DETERMINATION OF THE DATE ON WHICH A CLAIM ACCRUES- For purposes of subparagraph (A), the date on which the statute of limitations begins to run on any claim described in such subparagraph shall be the later of--</p> <p>(i) the date of the appointment of the Corporation as receiver under this title; or</p> <p>(ii) the date on which the cause of action accrues.</p> <p>(C) REVIVAL OF EXPIRED STATE CAUSES OF ACTION-</p> <p>(i) IN GENERAL- In the case of any tort claim described in clause (ii) for which the statute of limitation applicable under State law with respect to such claim has expired not more than 5 years before the appointment of the Corporation as receiver, the Corporation may bring an action as receiver on such claim without regard to the expiration of the statute of limitation applicable under State law.</p> <p>(ii) CLAIMS DESCRIBED- A tort claim referred to</p>	<p>(10) STATUTE OF LIMITATIONS FOR ACTIONS BROUGHT BY RECEIVER-</p> <p>(A) IN GENERAL- Notwithstanding any provision of any contract, the applicable statute of limitations with regard to any action brought by the Corporation as receiver for a covered financial company shall be--</p> <p>(i) in the case of any contract claim, the longer of--</p> <p>(I) the 6-year period beginning on the date on which the claim accrues; or</p> <p>(II) the period applicable under State law; and</p> <p>(ii) in the case of any tort claim, the longer of--</p> <p>(I) the 3-year period beginning on the date on which the claim accrues; or</p> <p>(II) the period applicable under State law.</p> <p>(B) DATE ON WHICH A CLAIM ACCRUES- For purposes of subparagraph (A), the date on which the statute of limitations begins to run on any claim described in subparagraph (A) shall be the later of--</p> <p>(i) the date of the appointment of the Corporation as receiver under this title; or</p> <p>(ii) the date on which the cause of action accrues.</p> <p>(C) REVIVAL OF EXPIRED STATE CAUSES OF ACTION-</p> <p>(i) IN GENERAL- In the case of any tort claim described in clause (ii) for which the applicable statute of limitations under State law has expired not more than 5 years before the date of appointment of the Corporation as receiver for a covered financial company, the Corporation may bring an action as receiver on such claim without regard to the expiration of the statute of limitations.</p> <p>(ii) CLAIMS DESCRIBED- A tort claim referred to in</p>	

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<p>in clause (i) is a claim arising from fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the covered financial company.</p>	<p><i>clause (i) is a claim arising from fraud, intentional misconduct resulting in unjust enrichment, or intentional misconduct resulting in substantial loss to the covered financial company.</i></p>	
<p>(12) FRAUDULENT TRANSFERS- (A) IN GENERAL- The Corporation, as receiver for any covered financial company, may avoid a transfer of any interest of an institution affiliated party, or any person who the Corporation determines is a debtor of the covered financial company, in property, or any obligation incurred by such party or person, that was made within 5 years of the date on which the Corporation was appointed receiver if such party or person voluntarily or involuntarily made such transfer or incurred such liability with the intent to hinder, delay, or defraud the covered financial company or the Corporation.</p>	<p>(11) AVOIDABLE TRANSFERS- (A) FRAUDULENT TRANSFERS- <i>The Corporation, as receiver for any covered financial company, may avoid a transfer of any interest of the covered financial company in property, or any obligation incurred by the covered financial company, that was made or incurred at or within 2 years before the time of commencement, if--</i> (i) <i>the covered financial company voluntarily or involuntarily--</i> (I) <i>made such transfer or incurred such obligation with actual intent to hinder, delay, or defraud any entity to which the covered financial company was or became, on or after the date on which such transfer was made or such obligation was incurred, indebted; or</i> (II) <i>received less than a reasonably equivalent value in exchange for such transferor obligation; and</i> (ii) <i>the covered financial company voluntarily or involuntarily--</i> (I) <i>was insolvent on the date that such transfer was made or such obligation was incurred, or became insolvent as a result of such transfer or obligation;</i> (II) <i>was engaged in business or a transaction, or was about to engage in business or a transaction, for which any property remaining with the covered financial company was an unreasonably small capital;</i> (III) <i>intended to incur, or believed that the covered financial company would incur, debts that would be beyond the ability of the covered financial company to pay as such</i></p>	

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<p>(B) PREFERENTIAL TRANSFERS- The Corporation as receiver for any covered financial company may avoid a transfer of an interest of the covered financial company in property that--</p> <ul style="list-style-type: none"> (i) was made to or for the benefit of a creditor; (ii) was made for or on account of an antecedent debt that was owed by the covered financial company before the transfer was made; (iii) was made while the covered financial company was insolvent; (iv) was made-- <ul style="list-style-type: none"> (I) on or within 90 days before the date on which the Corporation was appointed receiver; or (II) between 90 days and one year before the date that the Corporation was appointed receiver, if such creditor at the time of the transfer was an insider, as that term is defined in section 101(31) of title 11, United States Code; and (v) enables such creditor to receive more than such creditor would receive in the liquidation of the covered financial company if-- <ul style="list-style-type: none"> (I) the transfer had not been made; and (II) such creditor received payment of such debt to the extent provided by the provisions of this subtitle. <p>(C) POST-RECEIVERSHIP TRANSACTIONS- The Corporation as receiver for any covered financial company may avoid a transfer of property of the receivership that</p>	<p><i>debts matured; or</i> <i>(IV) made such transfer to or for the benefit of an insider, or incurred such obligation to or for the benefit of an insider, under an employment contract and not in the ordinary course of business.</i></p> <p><i>(B) PREFERENTIAL TRANSFERS- The Corporation as receiver for any covered financial company may avoid a transfer of an interest of the covered financial company in property--</i></p> <ul style="list-style-type: none"> <i>(i) to or for the benefit of a creditor;</i> <i>(ii) for or on account of an antecedent debt that was owed by the covered financial company before the transfer was made;</i> <i>(iii) that was made while the covered financial company was insolvent;</i> <i>(iv) that was made--</i> <ul style="list-style-type: none"> <i>(I) 90 days or less before the date on which the Corporation was appointed receiver; or</i> <i>(II) more than 90 days, but less than 1 year before the date on which the Corporation was appointed receiver, if such creditor at the time of the transfer was an insider; and</i> <i>(v) that enables the creditor to receive more than the creditor would receive if--</i> <ul style="list-style-type: none"> <i>(I) the covered financial company had been liquidated under chapter 7 of the Bankruptcy Code;</i> <i>(II) the transfer had not been made; and</i> <i>(III) the creditor received payment of such debt to the extent provided by the provisions of chapter 7 of the Bankruptcy Code.</i> <p><i>(C) POST-RECEIVERSHIP TRANSACTIONS- The Corporation as receiver for any covered financial company may avoid a transfer of property of the receivership that</i></p>	

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<p>occurred after the Corporation was appointed receiver that was not authorized under this title.</p> <p>(D) RIGHT OF RECOVERY- To the extent that a transfer is avoided under subparagraph (A), (B) or (C), the Corporation may recover, for the benefit of the covered financial company, the property transferred or, if a court so orders, the value of such property from—</p> <p style="padding-left: 40px;">(i) the initial transferee of such transfer or the entity for whose benefit such transfer was made; or</p> <p style="padding-left: 40px;">(ii) any immediate or mediate transferee of any such initial transferee.</p> <p>(E) RIGHTS OF TRANSFEREE OR OBLIGEE- The Corporation may not recover under subparagraph (D)(ii)—</p> <p style="padding-left: 40px;">(i) from a transferee that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith, and without knowledge of the violability of the transfer avoided; or</p> <p style="padding-left: 40px;">(ii) any immediate or mediate good faith transferee of such transferee.</p> <p>(F) DEFENSES- A transferee or obligee from whom the Corporation seeks to recover a transfer or avoid an obligation under subparagraph (A), (B) or (C) shall have the same affirmative defenses and rights to liens on the property transferred to the extent they would be available to a transferee or obligee from whom a trustee under title 11 seeks to recover a transfer under sections 547, 548, and 549 of title 11, United States Code.</p> <p>(G) LIMITATIONS ON AVOIDING POWERS- The rights of the Corporation under subparagraph (A), (B) or (C) are restricted to the same extent as the rights of a trustee in bankruptcy under section 546(b)(1) of the Bankruptcy Code.</p> <p>(H) PRESUMPTION OF INSOLVENCY- For purposes of subparagraph (B), the covered financial company is presumed to have been insolvent on and during the 90 days immediately</p>	<p><i>occurred after the Corporation was appointed receiver that was not authorized under this title by the Corporation as receiver.</i></p> <p><i>(D) RIGHT OF RECOVERY- To the extent that a transfer is avoided under subparagraph (A), (B), or (C), the Corporation may recover, for the benefit of the covered financial company, the property transferred or, if a court so orders, the value of such property (at the time of such transfer) from--</i></p> <p style="padding-left: 40px;"><i>(i) the initial transferee of such transfer or the person for whose benefit such transfer was made; or</i></p> <p style="padding-left: 40px;"><i>(ii) any immediate or mediate transferee of any such initial transferee.</i></p> <p><i>(E) RIGHTS OF TRANSFEREE OR OBLIGEE- The Corporation may not recover under subparagraph (D)(ii) from--</i></p> <p style="padding-left: 40px;"><i>(i) any transferee that takes for value, including in satisfaction of or to secure a present or antecedent debt, in good faith, and without knowledge of the voidability of the transfer avoided; or</i></p> <p style="padding-left: 40px;"><i>(ii) any immediate or mediate good faith transferee of such transferee.</i></p> <p><i>(F) DEFENSES- Subject to the other provisions of this title--</i></p> <p style="padding-left: 40px;"><i>(i) a transferee or obligee from which the Corporation seeks to recover a transfer or to avoid an obligation under subparagraph (A), (B), (C), or (D) shall have the same defenses available to a transferee or obligee from which a trustee seeks to recover a transfer or avoid an obligation under; and</i></p> <p style="padding-left: 40px;"><i>(ii) the authority of the Corporation to recover a transfer or avoid an obligation shall be subject to subsections (b) and (c) of section 546, section 547(c), and section 548(c) of the Bankruptcy Code.</i></p>	

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<p>preceding the date on which the Corporation is appointed as receiver.</p> <p>(I) RIGHTS UNDER THIS SUBSECTION- The rights of the Corporation as receiver for a covered financial company under this subsection shall be superior to any rights of a trustee or any other party (other than any party which is a Federal agency of a Federal Home Loan Bank) under title 11, United States Code.</p> <p>(J) RIGHT OF RECOVERY- To the extent a transfer is avoided under subparagraph (A), the Corporation may recover, for the benefit of the covered financial company, the property transferred or, if a court so orders, the value of such property (at the time of such transfer) from--</p> <ul style="list-style-type: none"> (i) the initial transferee of such transfer or the institution-affiliated party or person for whose benefit such transfer was made; or (ii) any immediate or mediate transferee of any such initial transferee. <p>(K) RIGHTS OF TRANSFEREE OR OBLIGEE- The Corporation may not recover under subparagraph (B)--</p> <ul style="list-style-type: none"> (i) any transfer that takes for value, including satisfaction or securing of a present or antecedent debt, in good faith; or (ii) any immediate or mediate good faith transferee of such transferee. <p>(L) RIGHTS UNDER THIS SUBSECTION- The rights of the Corporation as receiver of a covered financial company under this subsection shall be superior to any rights of a trustee or any other party (other than any party which is a Federal agency) under title 11, United States Code.</p> <p>(M) DEFINITION- For purposes of this subsection, the term `institution affiliated party' means--</p> <ul style="list-style-type: none"> (i) any director, officer, employee, or controlling stockholder of, or agent for, a covered financial company; (ii) any shareholder, consultant, joint venture partner, and any other person as determined by the Corporation (by regulation or otherwise) who participates in the conduct of the affairs of a covered 	<p><i>(G) RIGHTS UNDER THIS SECTION- The rights of the Corporation as receiver under this section shall be superior to any rights of a trustee or any other party (other than a Federal agency) under the Bankruptcy Code.</i></p> <p><i>(H) RULES OF CONSTRUCTION; DEFINITIONS- For purposes of--</i></p> <ul style="list-style-type: none"> <i>(i) subparagraphs (A) and (B)--</i> <ul style="list-style-type: none"> <i>(I) the term `insider' has the same meaning as in section 101(31) of the Bankruptcy Code;</i> <i>(II) a transfer is made when such transfer is so perfected that a bona fide purchaser from the covered financial company against</i> 	

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<p>financial company; and (iii) any independent contractor (including any attorney, appraiser, or accountant) who knowingly or recklessly participates in-- (I) any violation of any law or regulation; (II) any breach of fiduciary duty; or (III) any unsafe or unsound practice, which caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the covered financial company.</p>	<p><i>whom applicable law permits such transfer to be perfected cannot acquire an interest in the property transferred that is superior to the interest in such property of the transferee, but if such transfer is not so perfected before the date on which the Corporation is appointed as receiver for the covered financial company, such transfer is made immediately before the date of such appointment; and</i> <i>(III) the term `value' means property, or satisfaction or securing of a present or antecedent debt of the covered financial company, but does not include an unperformed promise to furnish support to the covered financial company; and</i> (ii) subparagraph (B)-- <i>(I) the covered financial company is presumed to have been insolvent on and during the 90-day period immediately preceding the date of appointment of the Corporation as receiver; and</i> <i>(II) the term `insolvent' has the same meaning as in section 101(32) of the Bankruptcy Code.</i></p>	
	<p>(12) SETOFF- <i>(A) GENERALLY- Except as otherwise provided in this title, any right of a creditor to offset a mutual debt owed by the creditor to any covered financial company that arose before the Corporation was appointed as receiver for the covered financial company against a claim of such creditor may be asserted if enforceable under applicable noninsolvency law, except to the extent that--</i> <i>(i) the claim of the creditor against the covered financial company is disallowed;</i> <i>(ii) the claim was transferred, by an entity other than the covered financial company, to the creditor--</i> <i>(I) after the Corporation was appointed as receiver of the covered financial company;</i></p>	

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	<p><i>or</i></p> <p><i>(II)(aa) after the 90-day period preceding the date on which the Corporation was appointed as receiver for the covered financial company; and</i></p> <p><i>(bb) while the covered financial company was insolvent (except for a setoff in connection with a qualified financial contract); or</i></p> <p><i>(iii) the debt owed to the covered financial company was incurred by the covered financial company--</i></p> <p><i>(I) after the 90-day period preceding the date on which the Corporation was appointed as receiver for the covered financial company;</i></p> <p><i>(II) while the covered financial company was insolvent; and</i></p> <p><i>(III) for the purpose of obtaining a right of setoff against the covered financial company (except for a setoff in connection with a qualified financial contract).</i></p> <p>(B) INSUFFICIENCY-</p> <p><i>(i) IN GENERAL- Except with respect to a setoff in connection with a qualified financial contract, if a creditor offsets a mutual debt owed to the covered financial company against a claim of the covered financial company on or within the 90-day period preceding the date on which the Corporation is appointed as receiver for the covered financial company, the Corporation may recover from the creditor the amount so offset, to the extent that any insufficiency on the date of such setoff is less than the insufficiency on the later of--</i></p> <p><i>(I) the date that is 90 days before the date on which the Corporation is appointed as receiver for the covered financial company;</i></p> <p><i>or</i></p> <p><i>(II) the first day on which there is an insufficiency during the 90-day period</i></p>	

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	<p><i>preceding the date on which the Corporation is appointed as receiver for the covered financial company.</i></p> <p><i>(ii) DEFINITION OF INSUFFICIENCY- In this subparagraph, the term `insufficiency' means the amount, if any, by which a claim against the covered financial company exceeds a mutual debt owed to the covered financial company by the holder of such claim.</i></p> <p><i>(C) INSOLVENCY- The term `insolvent' has the same meaning as in section 101(32) of the Bankruptcy Code.</i></p> <p><i>(D) PRESUMPTION OF INSOLVENCY- For purposes of this paragraph, the covered financial company is presumed to have been insolvent on and during the 90-day period preceding the date of appointment of the Corporation as receiver.</i></p> <p><i>(E) LIMITATION- Nothing in this paragraph (12) shall be the basis for any right of setoff where no such right exists under applicable noninsolvency law.</i></p> <p><i>(F) PRIORITY CLAIM- Except as otherwise provided in this title, the Corporation as receiver for the covered financial company may sell or transfer any assets free and clear of the setoff rights of any party, except that such party shall be entitled to a claim, subordinate to the claims payable under subparagraphs (A), (B), (C), and (D) of subsection (b)(1), but senior to all other unsecured liabilities defined in subsection (b)(1)(E), in an amount equal to the value of such setoff rights.</i></p>	
<p>(13) ATTACHMENT OF ASSETS AND OTHER INJUNCTIVE RELIEF- Subject to paragraph (14), any court of competent jurisdiction may, at the request of the Corporation, issue an order in accordance with Rule 65 of the Federal Rules of Civil Procedure, including an order placing the assets of any person designated by the Corporation under the control of the court and appointing a trustee to hold such assets.</p>	<p><i>(13) ATTACHMENT OF ASSETS AND OTHER INJUNCTIVE RELIEF- Subject to paragraph (14), any court of competent jurisdiction may, at the request of the Corporation as receiver for a covered financial company, issue an order in accordance with Rule 65 of the Federal Rules of Civil Procedure, including an order placing the assets of any person designated by the Corporation under the control of the court and appointing a trustee to hold such assets.</i></p>	
<p>(14) STANDARDS-</p> <p>(A) SHOWING- Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under paragraph (13) without regard to the requirement of such rule that the applicant show that the injury, loss, or damage is</p>	<p><i>(14) STANDARDS-</i></p> <p><i>(A) SHOWING- Rule 65 of the Federal Rules of Civil Procedure shall apply with respect to any proceeding under paragraph (13), without regard to the requirement that the applicant show that the injury, loss, or damage is irreparable</i></p>	

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<p>irreparable and immediate. (B) STATE PROCEEDING- If, in the case of any proceeding in a State court, the court determines that rules of civil procedure available under the laws of such State provide substantially similar protections to such party's right to due process as Rule 65 (as modified with respect to such proceeding by subparagraph (A)), the relief sought by the Corporation pursuant to paragraph (14) may be requested under the laws of such State.</p>	<p><i>and immediate. (B) STATE PROCEEDING- If, in the case of any proceeding in a State court, the court determines that rules of civil procedure available under the laws of the State provide substantially similar protections of the right of the parties to due process as provided under Rule 65 (as modified with respect to such proceeding by subparagraph (A)), the relief sought by the Corporation pursuant to paragraph (14) may be requested under the laws of such State.</i></p>	
<p>(15) TREATMENT OF CLAIMS ARISING FROM BREACH OF CONTRACTS EXECUTED BY THE CORPORATION AS RECEIVER- Notwithstanding any other provision of this subsection, any final and unappealable judgment for monetary damages entered against the Corporation as receiver for a covered financial company for the breach of an agreement executed or approved by the Corporation after the date of its appointment shall be paid as an administrative expense of the receiver. Nothing in this paragraph shall be construed to limit the power of a receiver to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.</p>	<p><i>(15) TREATMENT OF CLAIMS ARISING FROM BREACH OF CONTRACTS EXECUTED BY THE CORPORATION AS RECEIVER- Notwithstanding any other provision of this title, any final and non-appealable judgment for monetary damages entered against the Corporation as receiver for a covered financial company for the breach of an agreement executed or approved by the Corporation after the date of its appointment shall be paid as an administrative expense of the receiver. Nothing in this paragraph shall be construed to limit the power of a receiver to exercise any rights under contract or law, including to terminate, breach, cancel, or otherwise discontinue such agreement.</i></p>	
<p>(16) ACCOUNTING AND RECORDKEEPING REQUIREMENTS- (A) IN GENERAL- The Corporation as receiver shall, consistent with the accounting and reporting practices and procedures established by the Corporation, maintain a full accounting of each receivership or other disposition of any covered financial company. (B) ANNUAL ACCOUNTING OR REPORT- With respect to each receivership to which the Corporation was appointed, the Corporation shall make an annual accounting or report, as appropriate, available to the Secretary and the Comptroller General of the United States. (C) AVAILABILITY OF REPORTS- Any report prepared pursuant to subparagraph (B) shall be made available by the Corporation upon request to any member of the public. (D) RECORDKEEPING REQUIREMENT- (i) IN GENERAL- Except as provided in clause (ii), after the end of the 6-year period beginning on the date the Corporation is appointed as receiver of a covered financial company the Corporation may</p>	<p><i>(16) ACCOUNTING AND RECORDKEEPING REQUIREMENTS- (A) IN GENERAL- The Corporation as receiver for a covered financial company shall, consistent with the accounting and reporting practices and procedures established by the Corporation, maintain a full accounting of each receivership or other disposition of any covered financial company. (B) ANNUAL ACCOUNTING OR REPORT- With respect to each receivership to which the Corporation is appointed, the Corporation shall make an annual accounting or report, as appropriate, available to the Secretary and the Comptroller General of the United States. (C) AVAILABILITY OF REPORTS- Any report prepared pursuant to subparagraph (B) and section 203(c)(3) shall be made available to the public by the Corporation. (D) RECORDKEEPING REQUIREMENT- (i) IN GENERAL- The Corporation shall prescribe such regulations and establish such retention schedules as are necessary to maintain the documents and records of the Corporation generated in</i></p>	

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<p>destroy any records of such covered financial company which the Corporation, in the Corporation's discretion, determines to be unnecessary unless directed not to do so by a court of competent jurisdiction or governmental agency, or prohibited by law.</p> <p>(ii) OLD RECORDS- Notwithstanding clause (i), the Corporation may destroy records of a covered financial company which are at least 10 years old as of the date on which the Corporation is appointed as the receiver of such company in accordance with clause (i) at any time after such appointment is final, without regard to the 6-year period of limitation contained in clause (i).</p>	<p><i>exercising the authorities of this title and the records of a covered financial company for which the Corporation is appointed receiver, with due regard for--</i></p> <p><i>(I) the avoidance of duplicative record retention; and</i></p> <p><i>(II) the expected evidentiary needs of the Corporation as receiver for a covered financial company and the public regarding the records of covered financial companies.</i></p> <p><i>(ii) RETENTION OF RECORDS- Unless otherwise required by applicable Federal law or court order, the Corporation may not, at any time, destroy any records that are subject to clause (i).</i></p> <p><i>(iii) RECORDS DEFINED- As used in this subparagraph, the terms `records' and `records of a covered financial company' mean any document, book, paper, map, photograph, microfiche, microfilm, computer or electronically-created record generated or maintained by the covered financial company in the course of and necessary to its transaction of business.</i></p>	
<p>(b) Priority of Expenses and Unsecured Claims-</p> <p>(1) IN GENERAL- Unsecured claims against a covered financial company, or the receiver for such covered financial company under this section, that are proven to the satisfaction of the receiver shall have priority in the following order:</p> <p>(A) Administrative expenses of the receiver.</p> <p>(B) Any amounts owed to the United States, unless the United States agrees or consents otherwise.</p> <p>(C) Wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual (other than management responsible for the failed condition of the covered financial company who have been removed), subject to the limitations for such payments contained in title 11,</p>	<p><i>(b) Priority of Expenses and Unsecured Claims-</i></p> <p><i>(1) IN GENERAL- Unsecured claims against a covered financial company, or the Corporation as receiver for such covered financial company under this section, that are proven to the satisfaction of the receiver shall have priority in the following order:</i></p> <p><i>(A) Administrative expenses of the receiver.</i></p> <p><i>(B) Any amounts owed to the United States, unless the United States agrees or consents otherwise.</i></p> <p><i>(C) Wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual (other than an individual described in subparagraph (G)), but only to the extent of \$11,725 for each individual (as indexed for inflation, by regulation of the Corporation) earned not later</i></p>	

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<p>United States Code, including the amount (11 U.S.C. 507(a)(4)) and restrictions on severance payments to insiders (11 U.S.C. 503(c)).</p> <p>(D) Contributions to employee benefit plans, subject to the limitations in title 11, United States Code (11 U.S.C. 507(a)(5)).</p> <p>(E) Any other general or senior liability of the covered financial company (which is not a liability described under subparagraph (F) or (G)).</p> <p>(F) Any obligation subordinated to general creditors (which is not an obligation described under subparagraph (G)).</p> <p>(G) Any obligation to shareholders, members, general partners, limited partners or other persons with interests in the equity of the covered financial company arising as a result of their status as shareholders, members, general partners, limited partners or other persons with interests in the equity of the covered financial company.</p> <p>(2) POST-RECEIVERSHIP FINANCING PRIORITY- In the event that the Corporation as receiver is unable to obtain unsecured credit for the covered financial company from commercial sources, the Corporation as receiver may obtain credit or incur debt on the part of the covered financial company which shall have priority over any or all administrative expenses of the receiver under paragraph (1)(A).</p> <p>(3) CLAIMS OF THE UNITED STATES- Unsecured claims of the United States shall, at a minimum, have a higher priority than liabilities of the covered financial company that count as regulatory capital.</p> <p>(4) CREDITORS SIMILARLY SITUATED- Subject to the priorities established under paragraphs (2) and (3), all claimants of a covered</p>	<p><i>than 180 days before the date of appointment of the Corporation as receiver.</i></p> <p><i>(D) Contributions owed to employee benefit plans arising from services rendered not later than 180 days before the date of appointment of the Corporation as receiver, to the extent of the number of employees covered by each such plan, multiplied by \$11,725 (as indexed for inflation, by regulation of the Corporation), less the aggregate amount paid to such employees under subparagraph (C), plus the aggregate amount paid by the receivership on behalf of such employees to any other employee benefit plan.</i></p> <p><i>(E) Any other general or senior liability of the covered financial company (which is not a liability described under subparagraph (F), (G), or (H)).</i></p> <p><i>(F) Any obligation subordinated to general creditors (which is not an obligation described under subparagraph (G) or (H)).</i></p> <p><i>(G) Any wages, salaries, or commissions including vacation, severance, and sick leave pay earned, owed to senior executives and directors of the covered financial company.</i></p> <p><i>(H) Any obligation to shareholders, members, general partners, limited partners, or other persons, with interests in the equity of the covered financial company arising as a result of their status as shareholders, members, general partners, limited partners, or other persons with interests in the equity of the covered financial company.</i></p> <p><i>(2) POST-RECEIVERSHIP FINANCING PRIORITY- In the event that the Corporation, as receiver for a covered financial company, is unable to obtain unsecured credit for the covered financial company from commercial sources, the Corporation as receiver may obtain credit or incur debt on the part of the covered financial company, which shall have priority over any or all administrative expenses of the receiver under paragraph (1)(A).</i></p> <p><i>(3) CLAIMS OF THE UNITED STATES- Unsecured claims of the United States shall, at a minimum, have a higher priority than liabilities of the covered financial company that count as regulatory capital.</i></p> <p><i>(4) CREDITORS SIMILARLY SITUATED- All claimants of a covered financial company that are similarly situated under paragraph (1) shall</i></p>	

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<p>financial company that are similarly situated under paragraph (1) shall be treated in a similar manner, except that the receiver may take any action (including making payments) that does not comply with this subsection, if--</p> <p>(A) the Corporation determines that such action is necessary to maximize the value of the assets of the covered financial company, to maximize the present value return from the sale or other disposition of the assets of the covered financial company, to minimize the amount of any loss realized upon the sale or other disposition of the assets of the covered financial company, or to contain or address serious adverse effects on financial stability or the U.S. economy; and</p> <p>(B) all claimants that are similarly situated under paragraph (1) receive not less than the amount provided in subsection (d)(2).</p> <p>(5) SECURED CLAIMS UNAFFECTED- This subsection shall not affect secured claims, except to the extent that the security is insufficient to satisfy the claim and then only with regard to the difference between the claim and the amount realized from the security.</p> <p>(6) DEFINITIONS- As used in this subsection, the term `administrative expenses of the receiver' includes--</p> <p>(A) the actual, necessary costs and expenses incurred by the receiver in preserving the assets of a covered financial company or liquidating or otherwise dissolving the affairs of a covered financial company for which the Corporation has been appointed as receiver; and</p> <p>(B) any obligations that the receiver determines are necessary and appropriate to facilitate the smooth and orderly liquidation</p>	<p><i>be treated in a similar manner, except that the Corporation as receiver may take any action (including making payments, subject to subsection (o)(1)(E)(ii)) that does not comply with this subsection, if--</i></p> <p><i>(A) the Corporation determines that such action is necessary--</i></p> <p><i>(i) to maximize the value of the assets of the covered financial company;</i></p> <p><i>(ii) to initiate and continue operations essential to implementation of the receivership or any bridge financial company;</i></p> <p><i>(iii) to maximize the present value return from the sale or other disposition of the assets of the covered financial company; or</i></p> <p><i>(iv) to minimize the amount of any loss realized upon the sale or other disposition of the assets of the covered financial company; and</i></p> <p><i>(B) all claimants that are similarly situated under paragraph (1) receive not less than the amount provided in paragraphs (2) and (3) of subsection (d).</i></p> <p><i>(5) SECURED CLAIMS UNAFFECTED- This section shall not affect secured claims or security entitlements in respect of assets or property held by the covered financial company, except to the extent that the security is insufficient to satisfy the claim, and then only with regard to the difference between the claim and the amount realized from the security.</i></p> <p>SEC. 201. DEFINITIONS.</p> <p><i>(a) In General- In this title, the following definitions shall apply:</i></p> <p><i>(1) ADMINISTRATIVE EXPENSES OF THE RECEIVER- The term `administrative expenses of the receiver' includes--</i></p> <p><i>(A) the actual, necessary costs and expenses incurred by the Corporation as receiver for a covered financial company in liquidating a covered financial company; and</i></p> <p><i>(B) any obligations that the Corporation as receiver for a covered financial company determines are necessary and appropriate to facilitate the smooth and orderly liquidation of the covered financial company.</i></p>	

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<p>or other dissolution of the covered financial company.</p> <p>(7) RULEMAKING- The Corporation shall, after following the notice and comment rulemaking requirements under the Administrative Procedure Act, prescribe rules to carry out this section.</p>	<p>SEC. 210. POWERS AND DUTIES OF THE CORPORATION.</p> <p><i>(b) Priority of Expenses and Unsecured Claims-</i></p> <p><i>(6) PRIORITY OF EXPENSES AND UNSECURED CLAIMS IN THE ORDERLY LIQUIDATION OF SIPC MEMBER- Where the Corporation is appointed as receiver for a covered broker or dealer, unsecured claims against such covered broker or dealer, or the Corporation as receiver for such covered broker or dealer under this section, that are proven to the satisfaction of the receiver under section 205(e), shall have the priority prescribed in paragraph (1), except that-</i></p> <p><i>(A) SIPC shall be entitled to recover administrative expenses incurred in performing its responsibilities under section 205 on an equal basis with the Corporation, in accordance with paragraph (1)(A);</i></p> <p><i>(B) the Corporation shall be entitled to recover any amounts paid to customers or to SIPC pursuant to section 205(f), in accordance with paragraph (1)(B);</i></p> <p><i>(C) SIPC shall be entitled to recover any amounts paid out of the SIPC Fund to meet its obligations under section 205 and under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), which claim shall be subordinate to the claims payable under subparagraphs (A) and (B) of paragraph (1), but senior to all other claims; and</i></p> <p><i>(D) the Corporation may, after paying any proven claims to customers under section 205 and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), and as provided above, pay dividends on other proven claims, in its discretion, and to the extent that funds are available, in accordance with the priorities set forth in paragraph (1).</i></p>	
(c) Provisions Relating to Contracts Entered Into Before Appointment of	(c) Provisions Relating to Contracts Entered Into Before Appointment of	

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<p>Receiver-</p> <p>(1) AUTHORITY TO REPUDIATE CONTRACTS- In addition to any other rights a receiver may have, the Corporation as receiver for any covered financial company may disaffirm or repudiate any contract or lease--</p> <p>(A) to which the covered financial company is a party;</p> <p>(B) the performance of which the receiver, in the receiver's discretion, determines to be burdensome; and</p> <p>(C) the disaffirmance or repudiation of which the receiver determines, in the receiver's discretion, will promote the orderly administration of the covered financial company's affairs.</p>	<p><i>Receiver-</i></p> <p><i>(1) AUTHORITY TO REPUDIATE CONTRACTS-</i> In addition to any other rights that a receiver may have, the Corporation as receiver for any covered financial company may disaffirm or repudiate any contract or lease--</p> <p><i>(A) to which the covered financial company is a party;</i></p> <p><i>(B) the performance of which the Corporation as receiver, in the discretion of the Corporation, determines to be burdensome; and</i></p> <p><i>(C) the disaffirmance or repudiation of which the Corporation as receiver determines, in the discretion of the Corporation, will promote the orderly administration of the affairs of the covered financial company.</i></p>	
<p>(2) TIMING OF REPUDIATION- The receiver appointed for any covered financial company under section 1604 shall determine whether or not to exercise the rights of repudiation under this subsection within a reasonable period following such appointment.</p>	<p><i>(2) TIMING OF REPUDIATION-</i> The Corporation, as receiver for any covered financial company, shall determine whether or not to exercise the rights of repudiation under this section within a reasonable period of time.</p>	
<p>(3) CLAIMS FOR DAMAGES FOR REPUDIATION-</p> <p>(A) IN GENERAL- Except as otherwise provided in subparagraph (C) and paragraphs (4), (5), and (6), the liability of the receiver for the disaffirmance or repudiation of any contract pursuant to paragraph (1) shall be—</p> <p>(i) limited to actual direct compensatory damages; and</p> <p>(ii) determined as of--</p> <p>(I) the date of the appointment of the receiver; or</p> <p>(II) in the case of any contract or agreement referred to in paragraph (8), the date of the disaffirmance or repudiation of such contract or agreement.</p> <p>(B) NO LIABILITY FOR OTHER DAMAGES- For purposes of subparagraph (A), the term `actual direct compensatory damages' does not include--</p> <p>(i) punitive or exemplary damages;</p> <p>(ii) damages for lost profits or opportunity; or</p> <p>(iii) damages for pain and suffering.</p>	<p><i>(3) CLAIMS FOR DAMAGES FOR REPUDIATION-</i></p> <p><i>(A) IN GENERAL-</i> Except as provided in paragraphs (4), (5), and (6) and in subparagraphs (C), (D), and (E) of this paragraph, the liability of the Corporation as receiver for a covered financial company for the disaffirmance or repudiation of any contract pursuant to paragraph (1) shall be--</p> <p><i>(i) limited to actual direct compensatory damages; and</i></p> <p><i>(ii) determined as of--</i></p> <p><i>(I) the date of the appointment of the Corporation as receiver; or</i></p> <p><i>(II) in the case of any contract or agreement referred to in paragraph (8), the date of the disaffirmance or repudiation of such contract or agreement.</i></p> <p><i>(B) NO LIABILITY FOR OTHER DAMAGES-</i> For purposes of subparagraph (A), the term `actual direct compensatory damages' does not include--</p> <p><i>(i) punitive or exemplary damages;</i></p> <p><i>(ii) damages for lost profits or opportunity; or</i></p> <p><i>(iii) damages for pain and suffering.</i></p>	

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<p>(C) MEASURE OF DAMAGES FOR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS- In the case of any qualified financial contract or agreement to which paragraph (8) applies, compensatory damages shall be--</p> <ul style="list-style-type: none"> (i) deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims; and (ii) paid in accordance with this subsection and subsection (d) except as otherwise specifically provided in this subsection. 	<p><i>(C) MEASURE OF DAMAGES FOR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS- In the case of any qualified financial contract or agreement to which paragraph (8) applies, compensatory damages shall be--</i></p> <ul style="list-style-type: none"> <i>(i) deemed to include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries for such contract and agreement claims; and</i> <i>(ii) paid in accordance with this paragraph and subsection (d), except as otherwise specifically provided in this subsection.</i> <p><i>(D) MEASURE OF DAMAGES FOR REPUDIATION OR DISAFFIRMANCE OF DEBT OBLIGATION- In the case of any debt for borrowed money or evidenced by a security, actual direct compensatory damages shall be no less than the amount lent plus accrued interest plus any accreted original issue discount as of the date the Corporation was appointed receiver of the covered financial company and, to the extent that an allowed secured claim is secured by property the value of which is greater than the amount of such claim and any accrued interest through the date of repudiation or disaffirmance, such accrued interest pursuant to paragraph (1).</i></p> <p><i>(E) MEASURE OF DAMAGES FOR REPUDIATION OR DISAFFIRMANCE OF CONTINGENT OBLIGATION- In the case of any contingent obligation of a covered financial company consisting of any obligation under a guarantee, letter of credit, loan commitment, or similar credit obligation, the Corporation may, by rule or regulation, prescribe that actual direct compensatory damages shall be no less than the estimated value of the claim as of the date the Corporation was appointed receiver of the covered financial company, as such value is measured based on the likelihood that such contingent claim would become fixed and the probable magnitude thereof.</i></p>	
<p>(4) LEASES UNDER WHICH THE COVERED FINANCIAL COMPANY IS THE LESSEE-</p> <p>(A) IN GENERAL- If the receiver disaffirms or repudiates a lease under which the covered financial company was the</p>	<p><i>(4) LEASES UNDER WHICH THE COVERED FINANCIAL COMPANY IS THE LESSEE-</i></p> <p><i>(A) IN GENERAL- If the Corporation as receiver disaffirms or repudiates a lease under which the covered financial company</i></p>	

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<p>lessee, the receiver shall not be liable for any damages (other than damages determined pursuant to subparagraph (B)) for the disaffirmance or repudiation of such lease.</p> <p>(B) PAYMENTS OF RENT- Notwithstanding subparagraph (A), the lessor under a lease to which such subparagraph applies shall—</p> <p>(i) be entitled to the contractual rent accruing before the later of the date--</p> <p>(I) the notice of disaffirmance or repudiation is mailed; or</p> <p>(II) the disaffirmance or repudiation becomes effective, unless the lessor is in default or breach of the terms of the lease;</p> <p>(ii) have no claim for damages under any acceleration clause or other penalty provision in the lease; and</p> <p>(iii) have a claim for any unpaid rent, subject to all appropriate offsets and defenses, due as of the date of the appointment which shall be paid in accordance with this subsection and subsection (d).</p>	<p><i>is the lessee, the receiver shall not be liable for any damages (other than damages determined pursuant to subparagraph (B)) for the disaffirmance or repudiation of such lease.</i></p> <p><i>(B) PAYMENTS OF RENT- Notwithstanding subparagraph (A), the lessor under a lease to which subparagraph (A) would otherwise apply shall--</i></p> <p><i>(i) be entitled to the contractual rent accruing before the later of the date on which--</i></p> <p><i>(I) the notice of disaffirmance or repudiation is mailed; or</i></p> <p><i>(II) the disaffirmance or repudiation becomes effective, unless the lessor is in default or breach of the terms of the lease;</i></p> <p><i>(ii) have no claim for damages under any acceleration clause or other penalty provision in the lease; and</i></p> <p><i>(iii) have a claim for any unpaid rent, subject to all appropriate offsets and defenses, due as of the date of the appointment which shall be paid in accordance with this paragraph and subsection (d).</i></p>	
<p>(5) LEASES UNDER WHICH THE COVERED FINANCIAL COMPANY IS THE LESSOR-</p> <p>(A) IN GENERAL- If the receiver repudiates an unexpired written lease of real property of the covered financial company under which the covered financial company is the lessor and the lessee is not, as of the date of such repudiation, in default, the lessee under such lease may either—</p> <p>(i) treat the lease as terminated by such repudiation; or</p> <p>(ii) remain in possession of the leasehold interest for the balance of the term of the lease unless the lessee defaults under the terms of the lease after the date of such repudiation.</p> <p>(B) PROVISIONS APPLICABLE TO LESSEE REMAINING IN POSSESSION- If any lessee under a lease described in subparagraph (A) remains in possession of a leasehold interest pursuant to clause (ii) of such subparagraph--</p> <p>(i) the lessee--</p>	<p><i>(5) LEASES UNDER WHICH THE COVERED FINANCIAL COMPANY IS THE LESSOR-</i></p> <p><i>(A) IN GENERAL- If the Corporation as receiver for a covered financial company repudiates an unexpired written lease of real property of the covered financial company under which the covered financial company is the lessor and the lessee is not, as of the date of such repudiation, in default, the lessee under such lease may either--</i></p> <p><i>(i) treat the lease as terminated by such repudiation; or</i></p> <p><i>(ii) remain in possession of the leasehold interest for the balance of the term of the lease, unless the lessee defaults under the terms of the lease after the date of such repudiation.</i></p> <p><i>(B) PROVISIONS APPLICABLE TO LESSEE REMAINING IN POSSESSION- If any lessee under a lease described in subparagraph (A) remains in possession of a leasehold interest pursuant to clause (ii) of subparagraph (A)--</i></p> <p><i>(i) the lessee--</i></p>	

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<p>(I) shall continue to pay the contractual rent pursuant to the terms of the lease after the date of the repudiation of such lease;</p> <p>(II) may offset against any rent payment which accrues after the date of the repudiation of the lease, any damages which accrue after such date due to the nonperformance of any obligation of the covered financial company under the lease after such date; and</p> <p>(ii) the receiver shall not be liable to the lessee for any damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II).</p>	<p><i>(I) shall continue to pay the contractual rent pursuant to the terms of the lease after the date of the repudiation of such lease; and</i></p> <p><i>(II) may offset against any rent payment which accrues after the date of the repudiation of the lease, any damages which accrue after such date due to the nonperformance of any obligation of the covered financial company under the lease after such date; and</i></p> <p><i>(ii) the Corporation as receiver shall not be liable to the lessee for any damages arising after such date as a result of the repudiation, other than the amount of any offset allowed under clause (i)(II).</i></p>	
<p>(6) CONTRACTS FOR THE SALE OF REAL PROPERTY-</p> <p>(A) IN GENERAL- If the receiver repudiates any contract (which meets the requirements of subsection (a)(7)) for the sale of real property and the purchaser of such real property under such contract is in possession and is not, as of the date of such repudiation, in default, such purchaser may either--</p> <p>(i) treat the contract as terminated by such repudiation; or</p> <p>(ii) remain in possession of such real property.</p> <p>(B) PROVISIONS APPLICABLE TO PURCHASER REMAINING IN POSSESSION- If any purchaser of real property under any contract described in subparagraph (A) remains in possession of such property pursuant to clause (ii) of such subparagraph--</p> <p>(i) the purchaser--</p> <p>(I) shall continue to make all payments due under the contract after the date of the repudiation of the contract; and</p> <p>(II) may offset against any such payments any damages which accrue after such date due to the nonperformance (after such date) of any obligation of the covered financial company under the contract; and</p> <p>(ii) the receiver shall--</p> <p>(I) not be liable to the purchaser for any</p>	<p><i>(6) CONTRACTS FOR THE SALE OF REAL PROPERTY-</i></p> <p><i>(A) IN GENERAL- If the receiver repudiates any contract (which meets the requirements of subsection (a)(6)) for the sale of real property, and the purchaser of such real property under such contract is in possession and is not, as of the date of such repudiation, in default, such purchaser may either--</i></p> <p><i>(i) treat the contract as terminated by such repudiation; or</i></p> <p><i>(ii) remain in possession of such real property.</i></p> <p><i>(B) PROVISIONS APPLICABLE TO PURCHASER REMAINING IN POSSESSION- If any purchaser of real property under any contract described in subparagraph (A) remains in possession of such property pursuant to clause (ii) of subparagraph (A)--</i></p> <p><i>(i) the purchaser--</i></p> <p><i>(I) shall continue to make all payments due under the contract after the date of the repudiation of the contract; and</i></p> <p><i>(II) may offset against any such payments any damages which accrue after such date due to the nonperformance (after such date) of any obligation of the covered financial company under the contract; and</i></p> <p><i>(ii) the Corporation as receiver shall--</i></p> <p><i>(I) not be liable to the purchaser for any</i></p>	

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<p>damages arising after such date as a result of the repudiation other than the amount of any offset allowed under clause (i)(II); (II) deliver title to the purchaser in accordance with the provisions of the contract; and (III) have no obligation under the contract other than the performance required under subclause (II).</p> <p>(C) ASSIGNMENT AND SALE ALLOWED-</p> <p>(i) IN GENERAL- No provision of this paragraph shall be construed as limiting the right of the receiver to assign the contract described in subparagraph (A) and sell the property subject to the contract and the provisions of this paragraph.</p> <p>(ii) NO LIABILITY AFTER ASSIGNMENT AND SALE- If an assignment and sale described in clause (i) is consummated, the receiver shall have no further liability under the contract described in subparagraph (A) or with respect to the real property which was the subject of such contract.</p>	<p><i>damages arising after such date as a result of the repudiation, other than the amount of any offset allowed under clause (i)(II); (II) deliver title to the purchaser in accordance with the provisions of the contract; and (III) have no obligation under the contract other than the performance required under subclause (II).</i></p> <p><i>(C) ASSIGNMENT AND SALE ALLOWED-</i></p> <p><i>(i) IN GENERAL- No provision of this paragraph shall be construed as limiting the right of the Corporation as receiver to assign the contract described in subparagraph (A) and sell the property, subject to the contract and the provisions of this paragraph.</i></p> <p><i>(ii) NO LIABILITY AFTER ASSIGNMENT AND SALE- If an assignment and sale described in clause (i) is consummated, the Corporation as receiver shall have no further liability under the contract described in subparagraph (A) or with respect to the real property which was the subject of such contract.</i></p>	
<p>(7) PROVISIONS APPLICABLE TO SERVICE CONTRACTS-</p> <p>(A) SERVICES PERFORMED BEFORE APPOINTMENT- In the case of any contract for services between any person and any covered financial company for which the Corporation has been appointed receiver, any claim of such person for services performed before the appointment of the receiver shall be--</p> <p>(i) a claim to be paid in accordance with subsections (a), (b), and (d); and (ii) deemed to have arisen as of the date the receiver was appointed.</p> <p>(B) SERVICES PERFORMED AFTER APPOINTMENT AND PRIOR TO REPUDIATION- If, in the case of any contract for services described in subparagraph (A), the receiver accepts performance by the other person before the receiver makes any determination to exercise the right of repudiation of such contract under this section--</p>	<p><i>(7) PROVISIONS APPLICABLE TO SERVICE CONTRACTS-</i></p> <p><i>(A) SERVICES PERFORMED BEFORE APPOINTMENT- In the case of any contract for services between any person and any covered financial company for which the Corporation has been appointed receiver, any claim of such person for services performed before the date of appointment shall be—</i></p> <p><i>(i) a claim to be paid in accordance with subsections (a), (b), and (d); and (ii) deemed to have arisen as of the date on which the receiver was appointed.</i></p> <p><i>(B) SERVICES PERFORMED AFTER APPOINTMENT AND PRIOR TO REPUDIATION- If, in the case of any contract for services described in subparagraph (A), the Corporation as receiver accepts performance by the other person before making any determination to exercise the right of repudiation of such contract under this section--</i></p>	

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<p>(i) the other party shall be paid under the terms of the contract for the services performed; and</p> <p>(ii) the amount of such payment shall be treated as an administrative expense of the receivership.</p> <p>(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION- The acceptance by any receiver of services referred to in subparagraph (B) in connection with a contract described in such subparagraph shall not affect the right of the receiver to repudiate such contract under this section at any time after such performance.</p>	<p><i>(i) the other party shall be paid under the terms of the contract for the services performed; and</i></p> <p><i>(ii) the amount of such payment shall be treated as an administrative expense of the receivership.</i></p> <p><i>(C) ACCEPTANCE OF PERFORMANCE NO BAR TO SUBSEQUENT REPUDIATION- The acceptance by the Corporation as receiver for services referred to in subparagraph (B) in connection with a contract described in subparagraph (B) shall not affect the right of the Corporation as receiver to repudiate such contract under this section at any time after such performance.</i></p>	
<p>(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS-</p> <p>(A) RIGHTS OF PARTIES TO CONTRACTS- Subject to paragraphs (9) and (10) of this subsection and notwithstanding any other provision of this section (other than subsection (a)(7)), any other Federal law, or the law of any State, no person shall be stayed or prohibited from exercising—</p> <p>(i) any right such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a covered financial company which arises upon the appointment of the Corporation as receiver for such covered financial company at any time after such appointment;</p> <p>(ii) any right under any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts described in clause (i);</p> <p>(iii) any right to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more contracts and agreements described in clause (i), including any master agreement for such contracts or agreements.</p> <p>(B) APPLICABILITY OF OTHER PROVISIONS- Subsection (a)(9) shall apply in the case of any judicial action or proceeding brought against any receiver referred to in subparagraph (A), or the covered financial company for which</p>	<p><i>(8) CERTAIN QUALIFIED FINANCIAL CONTRACTS-</i></p> <p><i>(A) RIGHTS OF PARTIES TO CONTRACTS- Subject to subsection (a)(8) and paragraphs (9) and (10) of this section, any other provision of Federal law, or the law of any State, no person shall be stayed or prohibited from exercising-</i></p> <p><i>(i) any right that such person has to cause the termination, liquidation, or acceleration of any qualified financial contract with a covered financial company which arises upon the date of appointment of the Corporation as receiver for such covered financial company at any time after such appointment;</i></p> <p><i>(ii) any right under any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts described in clause (i); or</i></p> <p><i>(iii) any right to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more contracts or agreements described in clause (i), including any master agreement for such contracts or agreements.</i></p> <p><i>(B) APPLICABILITY OF OTHER PROVISIONS- Subsection (a)(8) shall apply in the case of any judicial action or proceeding brought against the Corporation as receiver referred to in subparagraph (A), or the subject covered</i></p>	

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<p>such receiver was appointed, by any party to a contract or agreement described in subparagraph (A)(i) with such company.</p> <p>(C) CERTAIN TRANSFERS NOT AVOIDABLE-</p> <p>(i) IN GENERAL- Notwithstanding paragraph (11), section 5242 of the Revised Statutes of the United States or any other provision of Federal or State law relating to the avoidance of preferential or fraudulent transfers, the Corporation, whether acting as such or as receiver of a covered financial company, may not avoid any transfer of money or other property in connection with any qualified financial contract with a covered financial company.</p> <p>(ii) EXCEPTION FOR CERTAIN TRANSFERS- Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with a covered financial company if the Corporation determines that the transferee had actual intent to hinder, delay, or defraud such company, the creditors of such company, or any receiver appointed for such company.</p> <p>(D) CERTAIN CONTACTS AND AGREEMENTS DEFINED- For purposes of this subsection, the following definitions shall apply:</p> <p>(i) QUALIFIED FINANCIAL CONTRACT- The term `qualified financial contract' means any securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, and any similar agreement that the Corporation determines by regulation, resolution, or order to be a qualified financial contract for purposes of this paragraph.</p> <p>(ii) SECURITIES CONTRACT- The term `securities contract'--</p> <p>(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, any interest in a mortgage loan, a group or index of securities,</p>	<p><i>financial company, by any party to a contract or agreement described in subparagraph (A)(i) with such covered financial company.</i></p> <p><i>(C) CERTAIN TRANSFERS NOT AVOIDABLE-</i></p> <p><i>(i) IN GENERAL- Notwithstanding subsection (a)(11), (a)(12), or (c)(12), section 5242 of the Revised Statutes of the United States, or any other provision of Federal or State law relating to the avoidance of preferential or fraudulent transfers, the Corporation, whether acting as the Corporation or as receiver for a covered financial company, may not avoid any transfer of money or other property in connection with any qualified financial contract with a covered financial company.</i></p> <p><i>(ii) EXCEPTION FOR CERTAIN TRANSFERS- Clause (i) shall not apply to any transfer of money or other property in connection with any qualified financial contract with a covered financial company if the transferee had actual intent to hinder, delay, or defraud such company, the creditors of such company, or the Corporation as receiver appointed for such company.</i></p> <p><i>(D) CERTAIN CONTRACTS AND AGREEMENTS DEFINED- For purposes of this subsection, the following definitions shall apply:</i></p> <p><i>(i) QUALIFIED FINANCIAL CONTRACT- The term `qualified financial contract' means any securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, and any similar agreement that the Corporation determines by regulation, resolution, or order to be a qualified financial contract for purposes of this paragraph.</i></p> <p><i>(ii) SECURITIES CONTRACT- The term `securities contract'--</i></p> <p><i>(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, any interest in a mortgage loan, a group or index of securities,</i></p>	

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<p>certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage loan, interest, group or index, or option (whether or not such repurchase or reverse repurchase transaction is a `repurchase agreement,' as defined in clause (v));</p> <p>(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;</p> <p>(III) means any option entered into on a national securities exchange relating to foreign currencies;</p> <p>(IV) means the guarantee (including by novation) by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option (whether or not such settlement is in connection with any agreement or transaction referred to in subclauses (I) through (XII) (other than subclause (II));</p>	<p><i>certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage loan, interest, group or index, or option (whether or not such repurchase or reverse repurchase transaction is a `repurchase agreement', as defined in clause (v));</i></p> <p><i>(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;</i></p> <p><i>(III) means any option entered into on a national securities exchange relating to foreign currencies;</i></p> <p><i>(IV) means the guarantee (including by novation) by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit or mortgage loans or interests therein (including any interest therein or based on the value thereof) or an option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, mortgage loan, interest, group or index, or option (whether or not such settlement is in connection with any agreement or transaction referred to in subclauses (I) through (XII) (other than</i></p>	

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<p>(V) means any margin loan; (VI) means any extension of credit for the clearance or settlement of securities transactions; (VII) means any loan transaction coupled with a securities collar transaction, any prepaid securities forward transaction, or any total return swap transaction coupled with a securities sale transaction; (VIII) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause; (IX) means any combination of the agreements or transactions referred to in this clause; (X) means any option to enter into any agreement or transaction referred to in this clause; (XI) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), (VIII), (IX), or (X), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), (VIII), (IX), or (X); and (XII) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in</p>	<p><i>subclause (II))</i>; (V) means any margin loan; (VI) means any extension of credit for the clearance or settlement of securities transactions; (VII) means any loan transaction coupled with a securities collar transaction, any prepaid securities forward transaction, or any total return swap transaction coupled with a securities sale transaction; (VIII) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause; (IX) means any combination of the agreements or transactions referred to in this clause; (X) means any option to enter into any agreement or transaction referred to in this clause; (XI) means a master agreement that provides for an agreement or transaction referred to in any of subclauses (I) through (X), other than subclause (II), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in any of subclauses (I) through (X), other than subclause (II); and (XII) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in</p>	

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<p>connection with any agreement or transaction referred to in this clause.</p> <p>(iii) COMMODITY CONTRACT- The term 'commodity contract' means--</p> <p>(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;</p> <p>(II) with respect to a foreign futures commission merchant, a foreign future;</p> <p>(III) with respect to a leverage transaction merchant, a leverage transaction;</p> <p>(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;</p> <p>(V) with respect to a commodity options dealer, a commodity option;</p> <p>(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;</p> <p>(VII) any combination of the agreements or transactions referred to in this clause;</p> <p>(VIII) any option to enter into any agreement or transaction referred to in this clause;</p> <p>(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or</p>	<p><i>connection with any agreement or transaction referred to in this clause.</i></p> <p><i>(iii) COMMODITY CONTRACT- The term 'commodity contract' means--</i></p> <p><i>(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;</i></p> <p><i>(II) with respect to a foreign futures commission merchant, a foreign future;</i></p> <p><i>(III) with respect to a leverage transaction merchant, a leverage transaction;</i></p> <p><i>(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;</i></p> <p><i>(V) with respect to a commodity options dealer, a commodity option;</i></p> <p><i>(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;</i></p> <p><i>(VII) any combination of the agreements or transactions referred to in this clause;</i></p> <p><i>(VIII) any option to enter into any agreement or transaction referred to in this clause;</i></p> <p><i>(IX) a master agreement that provides for an agreement or transaction referred to in any of subclauses (I) through (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity</i></p>	

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<p>transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or</p> <p>(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.</p> <p>(iv) FORWARD CONTRACT- The term `forward contract' means--</p> <p>(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including a repurchase or reverse repurchase transaction (whether or not such repurchase or reverse repurchase transaction is a `repurchase agreement', as defined in clause (v)), consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;</p> <p>(II) any combination of agreements or transactions referred to in subclauses (I) and (III);</p> <p>(III) any option to enter into any agreement or transaction referred to in subclause (I) or</p>	<p><i>contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in any of subclauses (I) through (VIII); or</i></p> <p><i>(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause.</i></p> <p><i>(iv) FORWARD CONTRACT- The term `forward contract' means--</i></p> <p><i>(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date that is more than 10 days after the date on which the contract is entered into, including a repurchase or reverse repurchase transaction (whether or not such repurchase or reverse repurchase transaction is a `repurchase agreement', as defined in clause (v)), consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;</i></p> <p><i>(II) any combination of agreements or transactions referred to in subclauses (I) and (III);</i></p> <p><i>(III) any option to enter into any agreement or transaction referred to in subclause (I) or</i></p>	

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<p>(II); (IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or (V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.</p> <p>(v) REPURCHASE AGREEMENT- The term `repurchase agreement' (which definition also applies to a reverse repurchase agreement)-- (I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities (which for purposes of this clause shall mean a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development as</p>	<p>(II); (IV) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or (V) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.</p> <p>(v) REPURCHASE AGREEMENT- The term `repurchase agreement' (which definition also applies to a reverse repurchase agreement)-- (I) means an agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage related securities (as such term is defined in section 3 of the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities (which, for purposes of this clause, means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation</p>	

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<p>determined by regulation or order adopted by the Federal Reserve Board) or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;</p> <p>(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;</p> <p>(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);</p> <p>(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);</p> <p>(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a</p>	<p><i>and Development, as determined by regulation or order adopted by the Board of Governors), or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, mortgage loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;</i></p> <p><i>(II) does not include any repurchase obligation under a participation in a commercial mortgage loan, unless the Corporation determines, by regulation, resolution, or order to include any such participation within the meaning of such term;</i></p> <p><i>(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);</i></p> <p><i>(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);</i></p> <p><i>(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be</i></p>	

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<p>repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and</p> <p>(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.</p> <p>(vi) SWAP AGREEMENT- The term `swap agreement' means--</p> <p>(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange, precious metals, or other commodity agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a total return, credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; weather swap, option, future, or forward agreement; an emissions swap, option, future, or forward agreement; or an inflation swap, option, future, or forward agreement;</p> <p>(II) any agreement or transaction that is similar to any other agreement or transaction</p>	<p><i>a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and</i></p> <p><i>(VI) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V), including any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause.</i></p> <p><i>(vi) SWAP AGREEMENT- The term `swap agreement' means--</i></p> <p><i>(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange, precious metals, or other commodity agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a total return, credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; weather swap, option, future, or forward agreement; an emissions swap, option, future, or forward agreement; or an inflation swap, option, future, or forward agreement;</i></p> <p><i>(II) any agreement or transaction that is similar to any other agreement or</i></p>	

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<p>referred to in this clause and that is of a type that has been, is presently, or in the future becomes, the subject of recurrent dealings in the swap or other derivatives markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option or spot transaction on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial, or economic consequence, or economic or financial indices or measures of economic or financial risk or value;</p> <p>(III) any combination of agreements or transactions referred to in this clause;</p> <p>(IV) any option to enter into any agreement or transaction referred to in this clause;</p> <p>(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and</p> <p>(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subclause (I), (II), (III), (IV), or (V), including any guarantee or reimbursement</p>	<p><i>transaction referred to in this clause and that is of a type that has been, is presently, or in the future becomes, the subject of recurrent dealings in the swap or other derivatives markets (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, option, or spot transaction on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with an occurrence, extent of an occurrence, or contingency associated with a financial, commercial, or economic consequence, or economic or financial indices or measures of economic or financial risk or value;</i></p> <p><i>(III) any combination of agreements or transactions referred to in this clause;</i></p> <p><i>(IV) any option to enter into any agreement or transaction referred to in this clause;</i></p> <p><i>(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and</i></p> <p><i>(VI) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in any of clauses (I) through (V), including any guarantee or reimbursement obligation in</i></p>	

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<p>obligation in connection with any agreement or transaction referred to in any such subclause.</p> <p>(vii) DEFINITIONS RELATING TO DEFAULT- When used in this paragraph and paragraph (10)--</p> <p>(I) The term `default' shall mean, with respect to a covered financial company, any adjudication or other official determination by any court of competent jurisdiction, or other public authority pursuant to which a conservator, receiver, or other legal custodian is appointed; and</p> <p>(II) The term `in danger of default' shall mean a covered financial company with respect to which the Corporation or appropriate State authority has determined that--</p> <p>(aa) in the opinion of the Corporation or such authority--</p> <p>(AA) the covered financial company is not likely to be able to pay its obligations in the normal course of business; and</p> <p>(BB) there is no reasonable prospect that the covered financial company will be able to pay such obligations without Federal assistance; or</p> <p>(CC) in the opinion of the Corporation or such authority--</p> <p>(bb) the covered financial company has incurred or is likely to incur losses that will deplete all or substantially all of its capital; and</p> <p>(cc) there is no reasonable prospect that the capital will be replenished without Federal assistance.</p> <p>(viii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT- Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement</p>	<p><i>connection with any agreement or transaction referred to in any such clause.</i></p> <p><i>(vii) DEFINITIONS RELATING TO DEFAULT- When used in this paragraph and paragraph (10)--</i></p> <p><i>(I) the term `default' means, with respect to a covered financial company, any adjudication or other official decision by any court of competent jurisdiction, or other public authority pursuant to which the Corporation has been appointed receiver; and</i></p> <p><i>(II) the term `in danger of default' means a covered financial company with respect to which the Corporation or appropriate State authority has determined that--</i></p> <p><i>(aa) in the opinion of the Corporation or such authority--</i></p> <p><i>(AA) the covered financial company is not likely to be able to pay its obligations in the normal course of business; and</i></p> <p><i>(BB) there is no reasonable prospect that the covered financial company will be able to pay such obligations without Federal assistance; or</i></p> <p><i>(bb) in the opinion of the Corporation or such authority--</i></p> <p><i>(AA) the covered financial company has incurred or is likely to incur losses that will deplete all or substantially all of its capital; and</i></p> <p><i>(BB) there is no reasonable prospect that the capital will be replenished without Federal assistance.</i></p> <p><i>(viii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT- Any master agreement for any contract or agreement described in any of clauses (i) through (vi) (or any master agreement for such</i></p>	

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<p>for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.</p> <p>(ix) TRANSFER- The term `transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the covered financial company's equity of redemption.</p> <p>(x) PERSON- The term `person' includes any governmental entity in addition to any entity included in the definition of such term in section 1, title 1, United States Code.</p> <p>(E) CLARIFICATION- No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (c)(1) of this section.</p> <p>(F) WALKAWAY CLAUSES NOT EFFECTIVE-</p> <p>(i) IN GENERAL- Notwithstanding the provisions of subparagraph (A) and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of a covered financial company in default.</p> <p>(ii) LIMITED SUSPENSION OF CERTAIN OBLIGATIONS- In the case of a qualified financial contract referred to in clause (i), any payment or</p>	<p><i>master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.</i></p> <p><i>(ix) TRANSFER- The term `transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the equity of redemption of the covered financial company.</i></p> <p><i>(x) PERSON- The term `person' includes any governmental entity in addition to any entity included in the definition of such term in section 1, title 1, United States Code.</i></p> <p><i>(E) CLARIFICATION- No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (c)(1).</i></p> <p><i>(F) WALKAWAY CLAUSES NOT EFFECTIVE-</i></p> <p><i>(i) IN GENERAL- Notwithstanding the provisions of subparagraph (A) of this paragraph and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of a covered financial company in default.</i></p> <p><i>(ii) LIMITED SUSPENSION OF CERTAIN OBLIGATIONS- In the case of a qualified financial contract referred to in clause (i), any payment or</i></p>	

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<p>delivery obligations otherwise due from a party pursuant to the qualified financial contract shall be suspended from the time the receiver is appointed until the earlier of--</p> <p>(I) the time such party receives notice that such contract has been transferred pursuant to paragraph (10)(A); or</p> <p>(II) 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver.</p> <p>(iii) WALKAWAY CLAUSE DEFINED- For purposes of this subparagraph, the term 'walkaway clause' means any provision in a qualified financial contract that suspends, conditions, or extinguishes a payment obligation of a party, in whole or in part, or does not create a payment obligation of a party that would otherwise exist, solely because of such party's status as a nondefaulting party in connection with the insolvency of a covered financial company that is a party to the contract or the appointment of or the exercise of rights or powers by a receiver of such covered financial company, and not as a result of a party's exercise of any right to offset, setoff, or net obligations that exist under the contract, any other contract between those parties, or applicable law.</p>	<p><i>delivery obligations otherwise due from a party pursuant to the qualified financial contract shall be suspended from the time at which the Corporation is appointed as receiver until the earlier of--</i></p> <p><i>(I) the time at which such party receives notice that such contract has been transferred pursuant to paragraph (10)(A); or</i></p> <p><i>or</i></p> <p><i>(II) 5:00 p.m. (eastern time) on the 3rd business day following the date of the appointment of the Corporation as receiver.</i></p> <p><i>(iii) WALKAWAY CLAUSE DEFINED- For purposes of this subparagraph, the term 'walkaway clause' means any provision in a qualified financial contract that suspends, conditions, or extinguishes a payment obligation of a party, in whole or in part, or does not create a payment obligation of a party that would otherwise exist, solely because of the status of such party as a nondefaulting party in connection with the insolvency of a covered financial company that is a party to the contract or the appointment of or the exercise of rights or powers by the Corporation as receiver for such covered financial company, and not as a result of the exercise by a party of any right to offset, setoff, or net obligations that exist under the contract, any other contract between those parties, or applicable law.</i></p> <p><i>(iv) CERTAIN OBLIGATIONS TO CLEARING ORGANIZATIONS- In the event that the Corporation has been appointed as receiver for a covered financial company which is a party to any qualified financial contract cleared by or subject to the rules of a clearing organization (as defined in subsection (c)(9)(D)), the receiver shall use its best efforts to meet all margin, collateral, and settlement obligations of the covered financial company that arise under qualified financial contracts (other than any margin, collateral, or settlement obligation that is not enforceable against the receiver under</i></p>	

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<p>(G) RECORDKEEPING- The Corporation, in consultation with the Federal Reserve Board, may prescribe regulations requiring that the covered financial company maintain such records with respect to qualified financial contracts (including market valuations) as the Corporation determines to be necessary or appropriate in order to assist the receiver of the covered financial company in being able to exercise its rights and fulfill its obligations under this paragraph or paragraph (9) or (10).</p>	<p><i>paragraph (8)(F)(i) or paragraph (10)(B)), as required by the rules of the clearing organization when due, and such obligations shall not be suspended pursuant to paragraph (8)(F)(ii). Notwithstanding paragraph (8)(F)(ii) or (10)(B), if the receiver fails to satisfy any such margin, collateral, or settlement obligations under the rules of the clearing organization, the clearing organization shall have the immediate right to exercise, and shall not be stayed from exercising, all of its rights and remedies under its rules and applicable law with respect to any qualified financial contract of the covered financial company, including, without limitation, the right to liquidate all positions and collateral of such covered financial company under the company's qualified financial contracts, and suspend or cease to act for such covered financial company, all in accordance with the rules of the clearing organization.</i></p> <p>(G) RECORDKEEPING-</p> <p><i>(i) JOINT RULEMAKING- The Federal primary financial regulatory agencies shall jointly prescribe regulations requiring that financial companies maintain such records with respect to qualified financial contracts (including market valuations) that the Federal primary financial regulatory agencies determine to be necessary or appropriate in order to assist the Corporation as receiver for a covered financial company in being able to exercise its rights and fulfill its obligations under this paragraph or paragraph (9) or (10).</i></p> <p><i>(ii) TIMEFRAME- The Federal primary financial regulatory agencies shall prescribe joint final or interim final regulations not later than 24 months after the date of enactment of this Act.</i></p> <p><i>(iii) BACK-UP RULEMAKING AUTHORITY- If the Federal primary financial regulatory agencies do not prescribe joint final or interim final regulations within the time frame in clause (ii), the Chairperson</i></p>	

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	<p><i>of the Council shall prescribe, in consultation with the Corporation, the regulations required by clause (i).</i></p> <p><i>(iv) CATEGORIZATION AND TIERING- The joint regulations prescribed under clause (i) shall, as appropriate, differentiate among financial companies by taking into consideration their size, risk, complexity, leverage, frequency and dollar amount of qualified financial contracts, interconnectedness to the financial system, and any other factors deemed appropriate.</i></p>	
<p>(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS-</p> <p>(A) IN GENERAL- In making any transfer of assets or liabilities of a covered financial company in default which includes any qualified financial contract, the receiver for such covered financial company shall either--</p> <p>(i) transfer to one financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—</p> <p>(I) all qualified financial contracts between any person or any affiliate of such person and the covered financial company in default;</p> <p>(II) all claims of such person or any affiliate of such person against such covered financial company under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such company);</p> <p>(III) all claims of such covered financial company against such person or any affiliate of such person under any such contract; and</p> <p>(IV) all property securing or any other credit enhancement for any contract described in</p>	<p>(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS-</p> <p>(A) IN GENERAL- In making any transfer of assets or liabilities of a covered financial company in default, which includes any qualified financial contract, the Corporation as receiver for such covered financial company shall either--</p> <p>(i) transfer to one financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding-</p> <p>-</p> <p>(I) all qualified financial contracts between any person or any affiliate of such person and the covered financial company in default;</p> <p>(II) all claims of such person or any affiliate of such person against such covered financial company under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such company);</p> <p>(III) all claims of such covered financial company against such person or any affiliate of such person under any such contract; and</p> <p>(IV) all property securing or any other credit enhancement for any contract</p>	

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<p>subclause (I) or any claim described in subclause (II) or (III) under any such contract; or</p> <p>(ii) transfer none of the qualified financial contracts, claims, property or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).</p> <p>(B) TRANSFER TO FOREIGN BANK, FINANCIAL INSTITUTION, OR BRANCH OR AGENCY THEREOF- In transferring any qualified financial contracts and related claims and property under subparagraph (A)(i), the receiver for the covered financial company shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch or agency, to the qualified financial contracts, and to any netting contract, any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts, the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.</p> <p>(C) TRANSFER OF CONTRACTS SUBJECT TO THE RULES OF A CLEARING ORGANIZATION- In the event that a receiver transfers any qualified financial contract and related claims, property, and credit enhancements pursuant to subparagraph (A)(i) and such contract is cleared by or subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.</p> <p>(D) DEFINITIONS- For purposes of this paragraph, the term `financial institution' means a broker or dealer, a depository institution, a futures commission merchant, a bridge financial company, or any other institution determined by the Corporation by regulation to be a financial institution, and the term `clearing organization' has the same meaning as in section 402 of the Federal Deposit Insurance Corporation</p>	<p><i>described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or</i></p> <p><i>(ii) transfer none of the qualified financial contracts, claims, property or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).</i></p> <p><i>(B) TRANSFER TO FOREIGN BANK, FINANCIAL INSTITUTION, OR BRANCH OR AGENCY THEREOF- In transferring any qualified financial contracts and related claims and property under subparagraph (A)(i), the Corporation as receiver for the covered financial company shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch or agency, to the qualified financial contracts, and to any netting contract, any security agreement or arrangement or other credit enhancement related to one or more qualified financial contracts, the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.</i></p> <p><i>(C) TRANSFER OF CONTRACTS SUBJECT TO THE RULES OF A CLEARING ORGANIZATION- In the event that the Corporation as receiver for a financial institution transfers any qualified financial contract and related claims, property, or credit enhancement pursuant to subparagraph (A)(i) and such contract is cleared by or subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.</i></p> <p><i>(D) DEFINITIONS- For purposes of this paragraph--</i></p> <p><i>(i) the term `financial institution' means a broker or dealer, a depository institution, a futures commission merchant, a bridge financial company, or any other institution determined by the Corporation, by regulation, to be a financial institution; and</i></p> <p><i>(ii) the term `clearing organization' has the same</i></p>	

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Improvement Act of 1991.	<i>meaning as in section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991.</i>	
<p>(10) NOTIFICATION OF TRANSFER-</p> <p>(A) IN GENERAL- If--</p> <p>(i) the receiver for a covered financial company in default or in danger of default transfers any assets and liabilities of the covered financial company; and</p> <p>(ii) the transfer includes any qualified financial contract,</p> <p>the receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver.</p> <p>(B) CERTAIN RIGHTS NOT ENFORCEABLE-</p> <p>(i) RECEIVERSHIP- A person who is a party to a qualified financial contract with a covered financial company may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection solely by reason of or incidental to the appointment under this section of a receiver for the covered financial company (or the insolvency or financial condition of the covered financial company for which the receiver has been appointed)--</p> <p>(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or</p> <p>(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).</p> <p>(ii) NOTICE- For purposes of this paragraph, the receiver for a covered financial company shall be deemed to have notified a person who is a party to a qualified financial contract with such covered</p>	<p>(10) NOTIFICATION OF TRANSFER-</p> <p>(A) IN GENERAL-</p> <p>(i) NOTICE- <i>The Corporation shall provide notice in accordance with clause (ii), if--</i></p> <p>(I) <i>the Corporation as receiver for a covered financial company in default or in danger of default transfers any assets or liabilities of the covered financial company; and</i></p> <p>(II) <i>the transfer includes any qualified financial contract.</i></p> <p>(ii) TIMING- <i>The Corporation as receiver for a covered financial company shall notify any person who is a party to any contract described in clause (i) of such transfer not later than 5:00 p.m. (eastern time) on the 3rd business day following the date of the appointment of the Corporation as receiver.</i></p> <p>(B) CERTAIN RIGHTS NOT ENFORCEABLE-</p> <p>(i) RECEIVERSHIP- <i>A person who is a party to a qualified financial contract with a covered financial company may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) solely by reason of or incidental to the appointment under this section of the Corporation as receiver for the covered financial company (or the insolvency or financial condition of the covered financial company for which the Corporation has been appointed as receiver)--</i></p> <p>(I) <i>until 5:00 p.m. (eastern time) on the 3rd business day following the date of the appointment; or</i></p> <p>(II) <i>after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).</i></p> <p>(ii) NOTICE- <i>For purposes of this paragraph, the Corporation as receiver for a covered financial company shall be deemed to have notified a person who is a party to a qualified financial contract with</i></p>	

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<p>financial company if the receiver has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).</p> <p>(C) TREATMENT OF BRIDGE FINANCIAL COMPANY- For purposes of paragraph (9), a bridge financial company shall not be considered to be a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding.</p> <p>(D) BUSINESS DAY DEFINED- For purposes of this paragraph, the term `business day' means any day other than any Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.</p>	<p><i>such covered financial company, if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A).</i></p> <p><i>(C) TREATMENT OF BRIDGE FINANCIAL COMPANY- For purposes of paragraph (9), a bridge financial company shall not be considered to be a covered financial company for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed, or which is otherwise the subject of a bankruptcy or insolvency proceeding.</i></p> <p><i>(D) BUSINESS DAY DEFINED- For purposes of this paragraph, the term `business day' means any day other than any Saturday, Sunday, or any day on which either the New York Stock Exchange or the Federal Reserve Bank of New York is closed.</i></p>	
<p>(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS- In exercising the rights of disaffirmance or repudiation of a receiver with respect to any qualified financial contract to which a covered financial company is a party, the receiver for such covered financial shall either--</p> <p>(A) disaffirm or repudiate all qualified financial contracts between--</p> <p>(i) any person or any affiliate of such person; and</p> <p>(ii) the covered financial company in default; or</p> <p>(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).</p>	<p><i>(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS- In exercising the rights of disaffirmance or repudiation of the Corporation as receiver with respect to any qualified financial contract to which a covered financial company is a party, the Corporation shall either--</i></p> <p><i>(A) disaffirm or repudiate all qualified financial contracts between--</i></p> <p><i>(i) any person or any affiliate of such person; and</i></p> <p><i>(ii) the covered financial company in default; or</i></p> <p><i>(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).</i></p>	
<p>(12) CERTAIN SECURITY AND CUSTOMER INTERESTS NOT AVOIDABLE- No provision of this subsection shall be construed as permitting the avoidance of any--</p> <p>(A) legally enforceable or perfected security interest in any of the assets of any covered financial company except where such an interest is taken in contemplation of the company's insolvency or with the intent to hinder, delay, or defraud the company or the creditors of such company; or</p> <p>(B) legally enforceable interest in customer property.</p>	<p><i>(12) CERTAIN SECURITY AND CUSTOMER INTERESTS NOT AVOIDABLE- No provision of this subsection shall be construed as permitting the avoidance of any--</i></p> <p><i>(A) legally enforceable or perfected security interest in any of the assets of any covered financial company, except in accordance with subsection (a)(11); or</i></p> <p><i>(B) legally enforceable interest in customer property, security entitlements in respect of assets or property held by the covered financial company for any security entitlement holder.</i></p>	
<p>(13) AUTHORITY TO ENFORCE CONTRACTS-</p>	<p><i>(13) AUTHORITY TO ENFORCE CONTRACTS-</i></p>	

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<p>(A) IN GENERAL- The receiver may enforce any contract, other than a director's or officer's liability insurance contract or a financial institution bond, entered into by the covered financial company notwithstanding any provision of the contract providing for termination, default, acceleration, or exercise of rights upon, or solely by reason of, insolvency or the appointment of or the exercise of rights or powers by a receiver.</p> <p>(B) CERTAIN RIGHTS NOT AFFECTED- No provision of this paragraph may be construed as impairing or affecting any right of the receiver to enforce or recover under a director's or officer's liability insurance contract or financial institution bond under other applicable law.</p> <p>(C) CONSENT REQUIREMENT-</p> <p>(i) IN GENERAL- Except as otherwise provided by this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which the covered financial company is a party, or to obtain possession of or exercise control over any property of the covered financial company or affect any contractual rights of the covered financial company, without the consent of the receiver, as appropriate, of the covered financial company during the 90-day period beginning on the date of the appointment of the receiver, as applicable.</p> <p>(ii) CERTAIN EXCEPTIONS- No provision of this subparagraph shall apply to a director or officer liability insurance contract or a financial institution bond, to the rights of parties to certain qualified financial contracts pursuant to paragraph (8), or to the</p>	<p>(A) IN GENERAL- <i>The Corporation, as receiver for a covered financial company, may enforce any contract, other than a liability insurance contract of a director or officer, a financial institution bond entered into by the covered financial company, notwithstanding any provision of the contract providing for termination, default, acceleration, or exercise of rights upon, or solely by reason of, insolvency, the appointment of or the exercise of rights or powers by the Corporation as receiver, the filing of the petition pursuant to section 202(a)(1), or the issuance of the recommendations or determination, or any actions or events occurring in connection therewith or as a result thereof, pursuant to section 203.</i></p> <p>(B) CERTAIN RIGHTS NOT AFFECTED- <i>No provision of this paragraph may be construed as impairing or affecting any right of the Corporation as receiver to enforce or recover under a liability insurance contract of a director or officer or financial institution bond under other applicable law.</i></p> <p>(C) CONSENT REQUIREMENT AND IPSO FACTO CLAUSES-</p> <p>(i) IN GENERAL- <i>Except as otherwise provided by this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which the covered financial company is a party (and no provision in any such contract providing for such default, termination, or acceleration shall be enforceable), or to obtain possession of or exercise control over any property of the covered financial company or affect any contractual rights of the covered financial company, without the consent of the Corporation as receiver for the covered financial company during the 90 day period beginning from the appointment of the Corporation as receiver.</i></p> <p>(ii) EXCEPTIONS- <i>No provision of this subparagraph shall apply to a director or officer liability insurance contract or a financial institution bond, to the rights of parties to certain qualified financial contracts pursuant to paragraph (8), or to the</i></p>	

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<p>rights of parties to netting contracts pursuant to subtitle A of title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.), or shall be construed as permitting the receiver to fail to comply with otherwise enforceable provisions of such contract.</p>	<p><i>the rights of parties to netting contracts pursuant to subtitle A of title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.), or shall be construed as permitting the Corporation as receiver to fail to comply with otherwise enforceable provisions of such contract.</i></p> <p><i>(D) CONTRACTS TO EXTEND CREDIT- Notwithstanding any other provision in this title, if the Corporation as receiver enforces any contract to extend credit to the covered financial company or bridge financial company, any valid and enforceable obligation to repay such debt shall be paid by the Corporation as receiver, as an administrative expense of the receivership.</i></p>	
<p>(14) EXCEPTION FOR FEDERAL RESERVE BANKS AND CORPORATION SECURITY INTEREST- No provision of this subsection shall apply with respect to--</p> <p>(A) any extension of credit from any Federal Reserve bank or the Corporation to any covered financial company; or</p> <p>(B) any security interest in the assets of the covered financial company securing any such extension of credit.</p>	<p><i>(14) EXCEPTION FOR FEDERAL RESERVE BANKS AND CORPORATION SECURITY INTEREST- No provision of this subsection shall apply with respect to--</i></p> <p><i>(A) any extension of credit from any Federal reserve bank or the Corporation to any covered financial company; or</i></p> <p><i>(B) any security interest in the assets of the covered financial company securing any such extension of credit.</i></p>	
<p>(15) SAVINGS CLAUSE- The meanings of terms used in this subsection are applicable for purposes of this subsection only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including, but not limited, to the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.</p>	<p><i>(15) SAVINGS CLAUSE- The meanings of terms used in this subsection are applicable for purposes of this subsection only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.</i></p>	
<p>(16) AUTHORITY REGARDING COLLECTIVE BARGAINING AGREEMENTS- The Corporation as receiver for any covered financial company shall not disaffirm or repudiate any collective bargaining agreement to which the covered financial company is a party unless the Corporation determines that repudiation is necessary for the orderly resolution of the covered financial company after taking into consideration the cost to taxpayers and the financial stability of the United States.</p>		
	<p><i>(16) ENFORCEMENT OF CONTRACTS GUARANTEED BY THE COVERED FINANCIAL COMPANY-</i></p>	

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	<p><i>(A) IN GENERAL- The Corporation, as receiver for a covered financial company or as receiver for a subsidiary of a covered financial company (including an insured depository institution) shall have the power to enforce contracts of subsidiaries or affiliates of the covered financial company, the obligations under which are guaranteed or otherwise supported by or linked to the covered financial company, notwithstanding any contractual right to cause the termination, liquidation, or acceleration of such contracts based solely on the insolvency, financial condition, or receivership of the covered financial company, if--</i></p> <p style="padding-left: 40px;"><i>(i) such guaranty or other support and all related assets and liabilities are transferred to and assumed by a bridge financial company or a third party (other than a third party for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed, or which is otherwise the subject of a bankruptcy or insolvency proceeding) within the same period of time as the Corporation is entitled to transfer the qualified financial contracts of such covered financial company; or</i></p> <p style="padding-left: 40px;"><i>(ii) the Corporation, as receiver, otherwise provides adequate protection with respect to such obligations.</i></p> <p><i>(B) RULE OF CONSTRUCTION- For purposes of this paragraph, a bridge financial company shall not be considered to be a third party for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed, or which is otherwise the subject of a bankruptcy or insolvency proceeding.</i></p>	
<p>(d) Valuation of Claims in Default-</p> <p>(1) IN GENERAL- Notwithstanding any other provision of Federal law or the law of any State, and regardless of the method which the Corporation determines to utilize with respect to a covered financial company, including transactions authorized under subsection (h), this subsection shall govern the rights of the creditors of such covered financial company.</p> <p>(2) MAXIMUM LIABILITY- The maximum liability of the Corporation, acting as receiver or in any other capacity, to any person having a claim against the receiver or the covered financial company</p>	<p><i>(d) Valuation of Claims in Default-</i></p> <p><i>(1) IN GENERAL- Notwithstanding any other provision of Federal law or the law of any State, and regardless of the method utilized by the Corporation for a covered financial company, including transactions authorized under subsection (h), this subsection shall govern the rights of the creditors of any such covered financial company.</i></p> <p><i>(2) MAXIMUM LIABILITY- The maximum liability of the Corporation, acting as receiver for a covered financial company or in any other capacity, to any person having a claim against the Corporation as</i></p>	

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<p>for which such receiver is appointed shall equal the amount such claimant would have received if—</p> <p>(A) a determination had not been made under section 1603(b) with respect to the covered financial company; and</p> <p>(B) the covered financial company had been liquidated under title 11, United States Code, or any case related to title 11, United States Code (including a case initiated by the Securities Investor Protection Corporation with respect to a financial company subject to the Securities Investor Protection Act of 1970), or any State insolvency law.</p> <p>(3) ADDITIONAL PAYMENTS AUTHORIZED-</p> <p>(A) IN GENERAL- The Corporation may, as receiver and with the approval of the Secretary, make additional payments or credit additional amounts to or with respect to or for the account of any claimant or category of claimants of a covered financial company if the Corporation determines that such payments or credits are necessary or appropriate to--</p> <p>(i) minimize losses to the receiver from the dissolution of the covered financial company under this section; or</p> <p>(ii) prevent or mitigate serious adverse effects to financial stability or the United States economy.</p>	<p><i>receiver or the covered financial company for which the Corporation is appointed shall equal the amount that such claimant would have received if--</i></p> <p><i>(A) the Corporation had not been appointed receiver with respect to the covered financial company; and</i></p> <p><i>(B) the covered financial company had been liquidated under chapter 7 of the Bankruptcy Code, or any similar provision of State insolvency law applicable to the covered financial company.</i></p> <p><i>(3) SPECIAL PROVISION FOR ORDERLY LIQUIDATION BY SIPC- The maximum liability of the Corporation, acting as receiver or in its corporate capacity for any covered broker or dealer to any customer of such covered broker or dealer, with respect to customer property of such customer, shall be--</i></p> <p><i>(A) equal to the amount that such customer would have received with respect to such customer property in a case initiated by SIPC under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.); and</i></p> <p><i>(B) determined as of the close of business on the date on which the Corporation is appointed as receiver.</i></p> <p><i>(4) ADDITIONAL PAYMENTS AUTHORIZED-</i></p> <p><i>(A) IN GENERAL- Subject to subsection (o)(1)(E)(ii), the Corporation, with the approval of the Secretary, may make additional payments or credit additional amounts to or with respect to or for the account of any claimant or category of claimants of the covered financial company, if the Corporation determines that such payments or credits are necessary or appropriate to minimize losses to the Corporation as receiver from the orderly liquidation of the covered financial company under this section.</i></p> <p><i>(B) LIMITATIONS-</i></p> <p><i>(i) PROHIBITION- The Corporation shall not make any payments or credit amounts to any claimant or</i></p>	

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<p>(B) MANNER OF PAYMENT- The Corporation may make payments or credit amounts under subparagraph (A) directly to the claimants or may make such payments or credit such amounts to a company other than a covered financial company or a bridge financial company established with respect thereto in order to induce such other company to accept liability for such claims.</p>	<p><i>category of claimants that would result in any claimant receiving more than the face value amount of any claim that is proven to the satisfaction of the Corporation.</i></p> <p><i>(ii) NO OBLIGATION- Notwithstanding any other provision of Federal or State law, or the Constitution of any State, the Corporation shall not be obligated, as a result of having made any payment under subparagraph (A) or credited any amount described in subparagraph (A) to or with respect to, or for the account, of any claimant or category of claimants, to make payments to any other claimant or category of claimants.</i></p> <p><i>(C) MANNER OF PAYMENT- The Corporation may make payments or credit amounts under subparagraph (A) directly to the claimants or may make such payments or credit such amounts to a company other than a covered financial company or a bridge financial company established with respect thereto in order to induce such other company to accept liability for such claims.</i></p>	
<p>(e) Limitation on Court Action- Except as provided in this section or at the request of the receiver appointed for a covered financial company, no court may take any action to restrain or affect the exercise of powers or functions of the receiver hereunder.</p>	<p><i>(e) Limitation on Court Action- Except as provided in this title, no court may take any action to restrain or affect the exercise of powers or functions of the receiver hereunder, and any remedy against the Corporation or receiver shall be limited to money damages determined in accordance with this title.</i></p>	
<p>(f) Liability of Directors and Officers-</p> <p>(1) IN GENERAL- A director or officer of a covered financial company may be held personally liable for monetary damages in any civil action described in paragraph (2) by, on behalf of, or at the request or direction of the Corporation, which action is prosecuted wholly or partially for the benefit of the Corporation--</p> <p>(A) acting as receiver of such covered financial company;</p> <p>(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by such receiver; or</p> <p>(C) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed in whole or in part by a covered financial company or its affiliate in connection with assistance provided under section 1604.</p> <p>(2) ACTIONS COVERED- Paragraph (1) shall apply with respect to</p>	<p><i>(f) Liability of Directors and Officers-</i></p> <p><i>(1) IN GENERAL- A director or officer of a covered financial company may be held personally liable for monetary damages in any civil action described in paragraph (2) by, on behalf of, or at the request or direction of the Corporation, which action is prosecuted wholly or partially for the benefit of the Corporation--</i></p> <p><i>(A) acting as receiver for such covered financial company;</i></p> <p><i>(B) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed by the Corporation as receiver; or</i></p> <p><i>(C) acting based upon a suit, claim, or cause of action purchased from, assigned by, or otherwise conveyed in whole or in part by a covered financial company or its affiliate in connection with assistance provided under this title.</i></p> <p><i>(2) ACTIONS COVERED- Paragraph (1) shall apply with respect to</i></p>	

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<p>actions for gross negligence, including any similar conduct or conduct that demonstrates a greater disregard of a duty of care (than gross negligence) including intentional tortious conduct, as such terms are defined and determined under applicable State law.</p> <p>(3) SAVINGS CLAUSE- Nothing in this subsection shall impair or affect any right of the Corporation under other applicable law.</p>	<p><i>actions for gross negligence, including any similar conduct or conduct that demonstrates a greater disregard of a duty of care (than gross negligence) including intentional tortious conduct, as such terms are defined and determined under applicable State law.</i></p> <p><i>(3) SAVINGS CLAUSE- Nothing in this subsection shall impair or affect any right of the Corporation under other applicable law.</i></p>	
<p>(g) Damages- In any proceeding related to any claim against a covered financial company's director, officer, employee, agent, attorney, accountant, appraiser, or any other party employed by or providing services to a covered financial company, recoverable damages determined to result from the improvident or otherwise improper use or investment of any covered financial company's assets shall include principal losses and appropriate interest.</p>	<p><i>(g) Damages- In any proceeding related to any claim against a director, officer, employee, agent, attorney, accountant, or appraiser of a covered financial company, or any other party employed by or providing services to a covered financial company, recoverable damages determined to result from the improvident or otherwise improper use or investment of any assets of the covered financial company shall include principal losses and appropriate interest.</i></p>	
<p>(h) Bridge Financial Companies-</p> <p>(1) ORGANIZATION-</p> <p>(A) PURPOSE- The Corporation, as receiver of one or more covered financial companies may organize one or more bridge financial companies in accordance with this subsection.</p> <p>(B) AUTHORITIES- Upon the creation of a bridge financial company under subparagraph (A) with respect to a covered financial company, such bridge financial company may--</p> <p>(i) assume such liabilities (including liabilities associated with any trust or custody business but excluding any liabilities that count as regulatory capital) of such covered financial company as the Corporation may, in its discretion, determine to be appropriate;</p> <p>(ii) purchase such assets (including assets associated with any trust or custody business) of such covered financial company as the Corporation may, in its discretion, determine to be appropriate; and</p> <p>(iii) perform any other temporary function which the Corporation may, in its discretion, prescribe in accordance with this section.</p>	<p><i>(h) Bridge Financial Companies-</i></p> <p><i>(1) ORGANIZATION-</i></p> <p><i>(A) PURPOSE- The Corporation, as receiver for one or more covered financial companies or in anticipation of being appointed receiver for one or more covered financial companies, may organize one or more bridge financial companies in accordance with this subsection.</i></p> <p><i>(B) AUTHORITIES- Upon the creation of a bridge financial company under subparagraph (A) with respect to a covered financial company, such bridge financial company may--</i></p> <p><i>(i) assume such liabilities (including liabilities associated with any trust or custody business, but excluding any liabilities that count as regulatory capital) of such covered financial company as the Corporation may, in its discretion, determine to be appropriate;</i></p> <p><i>(ii) purchase such assets (including assets associated with any trust or custody business) of such covered financial company as the Corporation may, in its discretion, determine to be appropriate; and</i></p> <p><i>(iii) perform any other temporary function which the Corporation may, in its discretion, prescribe in accordance with this section.</i></p>	
<p>(2) CHARTER AND ESTABLISHMENT-</p> <p>(A) ESTABLISHMENT- If the Corporation is appointed as receiver for a covered financial company, the Corporation may</p>	<p><i>(2) CHARTER AND ESTABLISHMENT-</i></p> <p><i>(A) ESTABLISHMENT- Except as provided in subparagraph (H), where the covered financial company is a covered broker</i></p>	

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<p>grant a Federal charter to and approve articles of association for one or more bridge financial company or companies with respect to such covered financial company which shall, by operation of law and immediately upon issuance of its charter and approval of its articles of association, be established and operate in accordance with, and subject to, such charter, articles, and this section.</p> <p>(B) MANAGEMENT- Upon its establishment, a bridge financial company shall be under the management of a board of directors appointed by the Corporation.</p> <p>(C) ARTICLES OF ASSOCIATION- The articles of association and organization certificate of a bridge financial shall have such terms as the Corporation may provide, and shall be executed by such representatives as the Corporation may designate.</p> <p>(D) TERMS OF CHARTER; RIGHTS AND PRIVILEGES- Subject to and in accordance with the provisions of this subsection, the Corporation shall--</p> <p style="padding-left: 40px;">(i) establish the terms of the charter of a bridge financial company and the rights, powers, authorities and privileges of a bridge financial company granted by the charter or as an incident thereto; and</p> <p style="padding-left: 40px;">(ii) provide for, and establish the terms and conditions governing, the management (including, but not limited to, the bylaws and the number of directors of the board of directors) and operations of the bridge financial company.</p> <p>(E) TRANSFER OF RIGHTS AND PRIVILEGES OF COVERED FINANCIAL COMPANY-</p> <p style="padding-left: 40px;">(i) IN GENERAL- Notwithstanding any other provision of Federal law or the law of any State, the Corporation may provide for a bridge financial company to succeed to and assume any rights, powers, authorities or privileges of the covered financial company with respect to which the bridge financial company was established and, upon such determination by the Corporation, the bridge financial</p>	<p><i>or dealer, the Corporation, as receiver for a covered financial company, may grant a Federal charter to and approve articles of association for one or more bridge financial company or companies, with respect to such covered financial company which shall, by operation of law and immediately upon issuance of its charter and approval of its articles of association, be established and operate in accordance with, and subject to, such charter, articles, and this section.</i></p> <p><i>(B) MANAGEMENT- Upon its establishment, a bridge financial company shall be under the management of a board of directors appointed by the Corporation.</i></p> <p><i>(C) ARTICLES OF ASSOCIATION- The articles of association and organization certificate of a bridge financial company shall have such terms as the Corporation may provide, and shall be executed by such representatives as the Corporation may designate.</i></p> <p><i>(D) TERMS OF CHARTER; RIGHTS AND PRIVILEGES- Subject to and in accordance with the provisions of this subsection, the Corporation shall--</i></p> <p style="padding-left: 40px;"><i>(i) establish the terms of the charter of a bridge financial company and the rights, powers, authorities, and privileges of a bridge financial company granted by the charter or as an incident thereto; and</i></p> <p style="padding-left: 40px;"><i>(ii) provide for, and establish the terms and conditions governing, the management (including the bylaws and the number of directors of the board of directors) and operations of the bridge financial company.</i></p> <p><i>(E) TRANSFER OF RIGHTS AND PRIVILEGES OF COVERED FINANCIAL COMPANY-</i></p> <p style="padding-left: 40px;"><i>(i) IN GENERAL- Notwithstanding any other provision of Federal or State law, the Corporation may provide for a bridge financial company to succeed to and assume any rights, powers, authorities, or privileges of the covered financial company with respect to which the bridge financial company was established and, upon such determination by the Corporation, the bridge</i></p>	

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<p>company shall immediately and by operation of law succeed to and assume such rights, powers, authorities and privileges.</p> <p>(ii) EFFECTIVE WITHOUT APPROVAL- Any succession to or assumption by a bridge financial company of rights, powers, authorities or privileges of a covered financial company under clause (i) or otherwise shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.</p> <p>(F) CORPORATE GOVERNANCE AND ELECTION AND DESIGNATION OF BODY OF LAW- To the extent permitted by the Corporation and consistent with this section and any rules, regulations or directives issued by the Corporation under this section, a bridge financial company may elect to follow the corporate governance practices and procedures as are applicable to a corporation incorporated under the general corporation law of the State of Delaware, or the State of incorporation or organization of the covered financial company with respect to which the bridge financial company was established, as such law may be amended from time to time.</p> <p>(G) CAPITAL-</p> <p>(i) CAPITAL NOT REQUIRED- Notwithstanding any other provision of Federal or State law, a bridge financial company may, if permitted by the Corporation, operate without any capital or surplus, or with such capital or surplus as the Corporation may in its discretion determine to be appropriate.</p> <p>(ii) NO CONTRIBUTION BY THE CORPORATION REQUIRED- The Corporation is not required to pay capital into a bridge financial company or to issue any capital stock on behalf of a bridge financial company established under this subsection.</p> <p>(iii) AUTHORITY- If the Corporation determines that such action is advisable, the Corporation may cause capital stock or other securities of a bridge financial company established with respect to a</p>	<p><i>financial company shall immediately and by operation of law succeed to and assume such rights, powers, authorities, and privileges.</i></p> <p><i>(ii) EFFECTIVE WITHOUT APPROVAL- Any succession to or assumption by a bridge financial company of rights, powers, authorities, or privileges of a covered financial company under clause (i) or otherwise shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.</i></p> <p><i>(F) CORPORATE GOVERNANCE AND ELECTION AND DESIGNATION OF BODY OF LAW- To the extent permitted by the Corporation and consistent with this section and any rules, regulations, or directives issued by the Corporation under this section, a bridge financial company may elect to follow the corporate governance practices and procedures that are applicable to a corporation incorporated under the general corporation law of the State of Delaware, or the State of incorporation or organization of the covered financial company with respect to which the bridge financial company was established, as such law may be amended from time to time.</i></p> <p><i>(G) CAPITAL-</i></p> <p><i>(i) CAPITAL NOT REQUIRED- Notwithstanding any other provision of Federal or State law, a bridge financial company may, if permitted by the Corporation, operate without any capital or surplus, or with such capital or surplus as the Corporation may in its discretion determine to be appropriate.</i></p> <p><i>(ii) NO CONTRIBUTION BY THE CORPORATION REQUIRED- The Corporation is not required to pay capital into a bridge financial company or to issue any capital stock on behalf of a bridge financial company established under this subsection.</i></p> <p><i>(iii) AUTHORITY- If the Corporation determines that such action is advisable, the Corporation may cause capital stock or other securities of a bridge financial company established with respect to a covered</i></p>	

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<p>covered financial company to be issued and offered for sale in such amounts and on such terms and conditions as the Corporation may, in its discretion, determine.</p>	<p><i>financial company to be issued and offered for sale in such amounts and on such terms and conditions as the Corporation may, in its discretion, determine.</i></p> <p><i>(iv) OPERATING FUNDS IN LIEU OF CAPITAL AND IMPLEMENTATION PLAN- Upon the organization of a bridge financial company, and thereafter as the Corporation may, in its discretion, determine to be necessary or advisable, the Corporation may make available to the bridge financial company, subject to the plan described in subsection (n)(11), funds for the operation of the bridge financial company in lieu of capital.</i></p> <p><i>(H) BRIDGE BROKERS OR DEALERS-</i></p> <p><i>(i) IN GENERAL- The Corporation, as receiver for a covered broker or dealer, may approve articles of association for one or more bridge financial companies with respect to such covered broker or dealer, which bridge financial company or companies shall, by operation of law and immediately upon approval of its articles of association--</i></p> <p><i>(I) be established and deemed registered with the Commission under the Securities Exchange Act of 1934 and a member of SIPC;</i></p> <p><i>(II) operate in accordance with such articles and this section; and</i></p> <p><i>(III) succeed to any and all registrations and memberships of the covered financial company with or in any self-regulatory organizations.</i></p> <p><i>(ii) OTHER REQUIREMENTS- Except as provided in clause (i), and notwithstanding any other provision of this section, the bridge financial company shall be subject to the Federal securities laws and all requirements with respect to being a member of a self-regulatory organization, unless exempted from any such requirements by the Commission, as is necessary or appropriate in the public interest or for</i></p>	

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	<p><i>the protection of investors.</i></p> <p><i>(iii) TREATMENT OF CUSTOMERS- Except as otherwise provided by this title, any customer of the covered broker or dealer whose account is transferred to a bridge financial company shall have all the rights, privileges, and protections under section 205(f) and under the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.), that such customer would have had if the account were not transferred from the covered financial company under this subparagraph.</i></p> <p><i>(iv) OPERATION OF BRIDGE BROKERS OR DEALERS- Notwithstanding any other provision of this title, the Corporation shall not operate any bridge financial company created by the Corporation under this title with respect to a covered broker or dealer in such a manner as to adversely affect the ability of customers to promptly access their customer property in accordance with applicable law.</i></p>	
<p>(3) INTERESTS IN AND ASSETS AND OBLIGATIONS OF COVERED FINANCIAL COMPANY- Notwithstanding paragraph (1) or (2) or any other provision of law--</p> <p>(A) a bridge financial company shall assume, acquire, or succeed to the assets or liabilities of a covered financial company (including the assets or liabilities associated with any trust or custody business) only to the extent that such assets or liabilities are transferred by the Corporation to the bridge financial company in accordance with, and subject to the restrictions set forth in, paragraph (1)(B); and</p> <p>(B) a bridge financial company shall not assume, acquire, or succeed to any obligation that a covered financial company for which a receiver has been appointed may have to any shareholder, member, general partner, limited partner, or other person with an interest in the equity of the covered financial company that arises as a result of the status of that person having an equity claim in the covered financial company.</p>	<p><i>(3) INTERESTS IN AND ASSETS AND OBLIGATIONS OF COVERED FINANCIAL COMPANY- Notwithstanding paragraph (1) or (2) or any other provision of law--</i></p> <p><i>(A) a bridge financial company shall assume, acquire, or succeed to the assets or liabilities of a covered financial company (including the assets or liabilities associated with any trust or custody business) only to the extent that such assets or liabilities are transferred by the Corporation to the bridge financial company in accordance with, and subject to the restrictions set forth in, paragraph (1)(B); and</i></p> <p><i>(B) a bridge financial company shall not assume, acquire, or succeed to any obligation that a covered financial company for which the Corporation has been appointed receiver may have to any shareholder, member, general partner, limited partner, or other person with an interest in the equity of the covered financial company that arises as a result of the status of that person having an equity claim in the covered financial company. (4) BRIDGE FINANCIAL COMPANY TREATED AS BEING IN DEFAULT FOR CERTAIN PURPOSES- A bridge financial company shall be treated as a covered financial company in</i></p>	

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	<i>default at such times and for such purposes as the Corporation may, in its discretion, determine.</i>	
(4) BRIDGE FINANCIAL COMPANY TREATED AS BEING IN DEFAULT FOR CERTAIN PURPOSES- A bridge financial company shall be treated as a covered financial company in default at such times and for such purposes as the Corporation may, in its discretion, determine.	<i>(4) BRIDGE FINANCIAL COMPANY TREATED AS BEING IN DEFAULT FOR CERTAIN PURPOSES- A bridge financial company shall be treated as a covered financial company in default at such times and for such purposes as the Corporation may, in its discretion, determine.</i>	
<p>(5) TRANSFER OF ASSETS AND LIABILITIES-</p> <p>(A) TRANSFER OF ASSETS AND LIABILITIES- The Corporation, as receiver, may transfer any assets and liabilities of a covered financial company (including any assets or liabilities associated with any trust or custody business) to one or more bridge financial companies in accordance with and subject to the restrictions of paragraph (1)(B).</p> <p>(B) SUBSEQUENT TRANSFERS- At any time after the establishment of a bridge financial company with respect to a covered financial company, the Corporation, as receiver, may transfer any assets and liabilities of such covered financial company as the Corporation may, in its discretion, determine to be appropriate in accordance with and subject to the restrictions of paragraph (1)(B).</p> <p>(C) TREATMENT OF TRUST OR CUSTODY BUSINESS- For purposes of this paragraph, the trust or custody business, including fiduciary appointments, held by any covered financial company is included among its assets and liabilities.</p> <p>(D) EFFECTIVE WITHOUT APPROVAL- The transfer of any assets or liabilities, including those associated with any trust or custody business of a covered financial company to a bridge financial company shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.</p> <p>(E) EQUITABLE TREATMENT OF SIMILARLY SITUATED CREDITORS- The Corporation shall treat all creditors of a covered financial company that are similarly situated under subsection (b)(1) in a similar manner in exercising the authority of the Corporation under this subsection to transfer any assets or liabilities of the covered financial company to one or more bridge financial companies</p>	<p><i>(5) TRANSFER OF ASSETS AND LIABILITIES-</i></p> <p><i>(A) AUTHORITY OF CORPORATION- The Corporation, as receiver for a covered financial company, may transfer any assets and liabilities of a covered financial company (including any assets or liabilities associated with any trust or custody business) to one or more bridge financial companies, in accordance with and subject to the restrictions of paragraph (1).</i></p> <p><i>(B) SUBSEQUENT TRANSFERS- At any time after the establishment of a bridge financial company with respect to a covered financial company, the Corporation, as receiver, may transfer any assets and liabilities of such covered financial company as the Corporation may, in its discretion, determine to be appropriate in accordance with and subject to the restrictions of paragraph (1).</i></p> <p><i>(C) TREATMENT OF TRUST OR CUSTODY BUSINESS- For purposes of this paragraph, the trust or custody business, including fiduciary appointments, held by any covered financial company is included among its assets and liabilities.</i></p> <p><i>(D) EFFECTIVE WITHOUT APPROVAL- The transfer of any assets or liabilities, including those associated with any trust or custody business of a covered financial company, to a bridge financial company shall be effective without any further approval under Federal or State law, assignment, or consent with respect thereto.</i></p> <p><i>(E) EQUITABLE TREATMENT OF SIMILARLY SITUATED CREDITORS- The Corporation shall treat all creditors of a covered financial company that are similarly situated under subsection (b)(1), in a similar manner in exercising the authority of the Corporation under this subsection to transfer any assets or liabilities of the covered financial company to one or more bridge financial companies established with</i></p>	

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<p>established with respect to such covered financial company, except that the Corporation may take actions (including making payments) that do not comply with this subparagraph, if—</p> <p>(i) the Corporation determines that such actions are necessary to maximize the value of the assets of the covered financial company, to maximize the present value return from the sale or other disposition of the assets of the covered financial company, to minimize the amount of any loss realized upon the sale or other disposition of the assets of the covered financial company, or to contain or address serious adverse effects to financial stability or the United States economy; and</p> <p>(ii) all creditors that are similarly situated under subsection (b)(1) receive not less than the amount provided in subsection (d)(2).</p> <p>(F) LIMITATION ON TRANSFER OF LIABILITIES- Notwithstanding any other provision of law, the aggregate amount of liabilities of a covered financial company that are transferred to, or assumed by, a bridge financial company from a covered financial company may not exceed the aggregate amount of the assets of the covered financial company that are transferred to, or purchased by, the bridge financial company from the covered financial company.</p>	<p><i>respect to such covered financial company, except that the Corporation may take any action (including making payments, subject to subsection (o)(1)(D)(ii)) that does not comply with this subparagraph, if--</i></p> <p><i>(i) the Corporation determines that such action is necessary--</i></p> <p><i>(I) to maximize the value of the assets of the covered financial company;</i></p> <p><i>(II) to maximize the present value return from the sale or other disposition of the assets of the covered financial company; or</i></p> <p><i>(III) to minimize the amount of any loss realized upon the sale or other disposition of the assets of the covered financial company;</i></p> <p><i>and</i></p> <p><i>(ii) all creditors that are similarly situated under subsection (b)(1) receive not less than the amount provided under paragraphs (2) and (3) of subsection (d).</i></p> <p><i>(F) LIMITATION ON TRANSFER OF LIABILITIES- Notwithstanding any other provision of law, the aggregate amount of liabilities of a covered financial company that are transferred to, or assumed by, a bridge financial company from a covered financial company may not exceed the aggregate amount of the assets of the covered financial company that are transferred to, or purchased by, the bridge financial company from the covered financial company.</i></p>	
<p>(6) STAY OF JUDICIAL ACTION- Any judicial action to which a bridge financial company becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a covered financial company shall be stayed from further proceedings for a period of up to 45 days (or such longer period as may be agreed to upon the consent of all parties) at the request of the bridge financial company.</p>	<p><i>(6) STAY OF JUDICIAL ACTION- Any judicial action to which a bridge financial company becomes a party by virtue of its acquisition of any assets or assumption of any liabilities of a covered financial company shall be stayed from further proceedings for a period of not longer than 45 days (or such longer period as may be agreed to upon the consent of all parties) at the request of the bridge financial company.</i></p>	
<p>(7) AGREEMENTS AGAINST INTEREST OF THE BRIDGE FINANCIAL COMPANY- No agreement that tends to diminish or defeat the interest of the bridge financial company in any asset of a covered financial company acquired by the bridge financial company shall be valid against the bridge financial company unless such</p>	<p><i>(7) AGREEMENTS AGAINST INTEREST OF THE BRIDGE FINANCIAL COMPANY- No agreement that tends to diminish or defeat the interest of the bridge financial company in any asset of a covered financial company acquired by the bridge financial company shall be valid against the bridge financial company, unless such</i></p>	

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<p>agreement is in writing and executed by an authorized officer or representative of the covered financial company.</p>	<p><i>agreement--</i> <i>(A) is in writing;</i> <i>(B) was executed by an authorized officer or representative of the covered financial company or confirmed in the ordinary course of business by the covered financial company; and</i> <i>(C) has been on the official record of the company, since the time of its execution, or with which, the party claiming under the agreement provides documentation of such agreement and its authorized execution or confirmation by the covered financial company that is acceptable to the receiver.</i></p>	
<p>(8) NO FEDERAL STATUS-</p> <p>(A) AGENCY STATUS- A bridge financial company is not an agency, establishment, or instrumentality of the United States.</p> <p>(B) EMPLOYEE STATUS- Representatives for purposes of paragraph (1)(B), directors, officers, employees, or agents of a bridge financial company are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Corporation or of any Federal instrumentality who serves at the request of the Corporation as a representative for purposes of paragraph (1)(B), director, officer, employee, or agent of a bridge financial company shall not--</p> <p>(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law; or</p> <p>(ii) receive any salary or benefits for service in any such capacity with respect to a bridge financial company in addition to such salary or benefits as are obtained through employment with the Corporation or such Federal instrumentality.</p>	<p>(8) NO FEDERAL STATUS-</p> <p>(A) AGENCY STATUS- A bridge financial company is not an agency, establishment, or instrumentality of the United States.</p> <p>(B) EMPLOYEE STATUS- Representatives for purposes of paragraph (1)(B), directors, officers, employees, or agents of a bridge financial company are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Corporation or of any Federal instrumentality who serves at the request of the Corporation as a representative for purposes of paragraph (1)(B), director, officer, employee, or agent of a bridge financial company shall not--</p> <p>(i) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law; or</p> <p>(ii) receive any salary or benefits for service in any such capacity with respect to a bridge financial company in addition to such salary or benefits as are obtained through employment with the Corporation or such Federal instrumentality.</p>	
<p>(9) EXEMPT TAX STATUS-</p> <p>(A) EXEMPTION FROM FEDERAL INCOME TAX- Subsection (l) of section 501 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:</p> <p>(4) Any bridge financial company organized under section 1609(h) of the Financial Stability Improvement Act of 2009.‘.</p>	<p>(10) EXEMPT TAX STATUS- Notwithstanding any other provision of Federal or State law, a bridge financial company, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.</p>	

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<p>(B) EXEMPTION FROM CERTAIN OTHER TAXES- Notwithstanding any other provision of Federal or State law, a bridge financial company, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by any territory, dependency, or possession of the United States, or by any State, county, municipality, or local taxing authority.</p>		
<p>(10) FEDERAL AGENCY APPROVAL; ANTITRUST REVIEW- (A) IN GENERAL- If a transaction involving the merger or sale of a bridge financial company requires approval by a Federal agency, the transaction may not be consummated before the 5th calendar day after the date of approval by the Federal agency responsible for such approval with respect thereto. If, in connection with any such approval a report on competitive factors from the Attorney General is required, the Federal agency responsible for such approval shall promptly notify the Attorney General of the proposed transaction and the Attorney General shall provide the required report within 10 days of the request. If notification under section 7A of the Clayton Act is required with respect to such transaction, then the required waiting period shall end on the 15th day after the date on which the Attorney General and the Federal Trade Commission receive such notification, unless the waiting period is terminated earlier under subsection (b)(2) of such section, or is extended pursuant to subsection (e)(2) of such section.</p> <p>(B) EMERGENCY- If the Secretary, in consultation with the Chairman of the Federal Reserve Board, has found that the Corporation must act immediately to prevent the probable failure of the covered financial company involved, the approval and prior notification referred to in subparagraph (A) shall not be required and the transaction may be consummated immediately by the Corporation. The preceding sentence shall not otherwise modify, impair, or supercede the operation of any of the antitrust laws (as defined in subsection (a) of the first section of the Clayton Act, except that such term includes section 5 of the Federal Trade Commission Act to the extent that such section 5 relates to unfair methods of competition).</p>	<p><i>(11) FEDERAL AGENCY APPROVAL; ANTITRUST REVIEW- If a transaction involving the merger or sale of a bridge financial company requires approval by a Federal agency, the transaction may not be consummated before the 5th calendar day after the date of approval by the Federal agency responsible for such approval with respect thereto. If, in connection with any such approval a report on competitive factors from the Attorney General is required, the Federal agency responsible for such approval shall promptly notify the Attorney General of the proposed transaction and the Attorney General shall provide the required report within 10 days of the request. If a notification is required under section 7A of the Clayton Act with respect to such transaction, the required waiting period shall end on the 15th day after the date on which the Attorney General and the Federal Trade Commission receive such notification, unless the waiting period is terminated earlier under section 7A(b)(2) of the Clayton Act, or extended under section 7A(e)(2) of that Act.</i></p>	
<p>(11) DURATION OF BRIDGE FINANCIAL COMPANY- Subject to paragraphs (12), (13), and (14), the status of a bridge financial company</p>	<p><i>(12) DURATION OF BRIDGE FINANCIAL COMPANY- Subject to paragraphs (13) and (14), the status of a bridge financial company as</i></p>	

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<p>as such shall terminate at the end of the 2-year period following the date it was granted a charter. The Corporation may, in its discretion, extend the status of the bridge financial company as such for 3 additional 1-year periods.</p>	<p><i>such shall terminate at the end of the 2-year period following the date on which it was granted a charter. The Corporation may, in its discretion, extend the status of the bridge financial company as such for no more than 3 additional 1-year periods.</i></p>	
<p>(12) TERMINATION OF BRIDGE FINANCIAL COMPANY STATUS- The status of any bridge financial company as such shall terminate upon the earliest of--</p> <p>(A) the merger or consolidation of the bridge financial company with a company that is not a bridge financial company;</p> <p>(B) at the election of the Corporation, the sale of a majority of the capital stock of the bridge financial company to a company other than the Corporation and other than another bridge financial company;</p> <p>(C) the sale of 80 percent, or more, of the capital stock of the bridge financial company to a person other than the Corporation and other than another bridge financial company;</p> <p>(D) at the election of the Corporation, either the assumption of all or substantially all of the liabilities of the bridge financial company by a company that is not a bridge financial company, or the acquisition of all or substantially all of the assets of the bridge financial company by a company that is not a bridge financial company, or other entity as permitted under applicable law; and</p> <p>(E) the expiration of the period provided in paragraph (11), or the earlier dissolution of the bridge financial company as provided in paragraph (14).</p>	<p><i>(13) TERMINATION OF BRIDGE FINANCIAL COMPANY STATUS- The status of any bridge financial company as such shall terminate upon the earliest of--</i></p> <p><i>(A) the date of the merger or consolidation of the bridge financial company with a company that is not a bridge financial company;</i></p> <p><i>(B) at the election of the Corporation, the sale of a majority of the capital stock of the bridge financial company to a company other than the Corporation and other than another bridge financial company;</i></p> <p><i>(C) the sale of 80 percent, or more, of the capital stock of the bridge financial company to a person other than the Corporation and other than another bridge financial company;</i></p> <p><i>(D) at the election of the Corporation, either the assumption of all or substantially all of the liabilities of the bridge financial company by a company that is not a bridge financial company, or the acquisition of all or substantially all of the assets of the bridge financial company by a company that is not a bridge financial company, or other entity as permitted under applicable law; and</i></p> <p><i>(E) the expiration of the period provided in paragraph (12), or the earlier dissolution of the bridge financial company, as provided in paragraph (15).</i></p>	
<p>(13) EFFECT OF TERMINATION EVENTS-</p> <p>(A) MERGER OR CONSOLIDATION- A merger or consolidation as provided in paragraph (12)(A) shall be conducted in accordance with, and shall have the effect provided in, the provisions of applicable law. For the purpose of effecting such a merger or consolidation, the bridge financial company shall be treated as a corporation organized under the laws of the State of Delaware (unless the law of another State has been selected by the bridge financial company in accordance with paragraph (2)(F)), and the Corporation shall be treated as the sole shareholder thereof,</p>	<p><i>(14) EFFECT OF TERMINATION EVENTS-</i></p> <p><i>(A) MERGER OR CONSOLIDATION- A merger or consolidation, described in paragraph (12)(A) shall be conducted in accordance with, and shall have the effect provided in, the provisions of applicable law. For the purpose of effecting such a merger or consolidation, the bridge financial company shall be treated as a corporation organized under the laws of the State of Delaware (unless the law of another State has been selected by the bridge financial company in accordance with paragraph (2)(F)), and the Corporation shall be treated as the sole shareholder thereof,</i></p>	

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<p>notwithstanding any other provision of State or Federal law.</p> <p>(B) CHARTER CONVERSION- Following the sale of a majority of the capital stock of the bridge financial company as provided in paragraph (12)(B), the Corporation may amend the charter of the bridge financial company to reflect the termination of the status of the bridge financial company as such, whereupon the company shall have all of the rights, powers, and privileges under its constituent documents and applicable State or Federal law. In connection therewith, the Corporation may take such steps as may be necessary or convenient to reincorporate the bridge financial company under the laws of a State and, notwithstanding any provisions of State or Federal law, such State-chartered corporation shall be deemed to succeed by operation of law to such rights, titles, powers and interests of the bridge financial company as the Corporation may provide, with the same effect as if the bridge financial company had merged with the State-chartered corporation under provisions of the corporate laws of such State.</p> <p>(C) SALE OF STOCK- Following the sale of 80 percent or more of the capital stock of a bridge financial company as provided in paragraph (12)(C), the company shall have all of the rights, powers, and privileges under its constituent documents and applicable State or Federal law. In connection therewith, the Corporation may take such steps as may be necessary or convenient to reincorporate the bridge financial company under the laws of a State and, notwithstanding any provisions of State or Federal law, the State-chartered corporation shall be deemed to succeed by operation of law to such rights, titles, powers and interests of the bridge financial company as the Corporation may provide, with the same effect as if the bridge financial company had merged with the State-chartered corporation under provisions of the corporate laws of such State.</p> <p>(D) ASSUMPTION OF LIABILITIES AND SALE OF ASSETS- Following the assumption of all or substantially all of the liabilities of the bridge financial company, or the sale of all or substantially all of the assets of the bridge financial company, as provided in paragraph (12)(D), at the election of</p>	<p><i>notwithstanding any other provision of State or Federal law.</i></p> <p><i>(B) CHARTER CONVERSION- Following the sale of a majority of the capital stock of the bridge financial company, as provided in paragraph (13)(B), the Corporation may amend the charter of the bridge financial company to reflect the termination of the status of the bridge financial company as such, whereupon the company shall have all of the rights, powers, and privileges under its constituent documents and applicable Federal or State law. In connection therewith, the Corporation may take such steps as may be necessary or convenient to reincorporate the bridge financial company under the laws of a State and, notwithstanding any provisions of Federal or State law, such State-chartered corporation shall be deemed to succeed by operation of law to such rights, titles, powers, and interests of the bridge financial company as the Corporation may provide, with the same effect as if the bridge financial company had merged with the State-chartered corporation under provisions of the corporate laws of such State.</i></p> <p><i>(C) SALE OF STOCK- Following the sale of 80 percent or more of the capital stock of a bridge financial company, as provided in paragraph (13)(C), the company shall have all of the rights, powers, and privileges under its constituent documents and applicable Federal or State law. In connection therewith, the Corporation may take such steps as may be necessary or convenient to reincorporate the bridge financial company under the laws of a State and, notwithstanding any provisions of Federal or State law, the State-chartered corporation shall be deemed to succeed by operation of law to such rights, titles, powers and interests of the bridge financial company as the Corporation may provide, with the same effect as if the bridge financial company had merged with the State-chartered corporation under provisions of the corporate laws of such State.</i></p> <p><i>(D) ASSUMPTION OF LIABILITIES AND SALE OF ASSETS- Following the assumption of all or substantially all of the liabilities of the bridge financial company, or the sale of all or substantially all of the assets of the bridge financial company, as provided in paragraph (13)(D), at the election of the</i></p>	

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<p>the Corporation the bridge financial company may retain its status as such for the period provided in paragraph (11) or may be dissolved at the election of the Corporation.</p> <p>(E) AMENDMENTS TO CHARTER- Following the consummation of a transaction described in subparagraph (A), (B), (C), or (D) of paragraph (12), the charter of the resulting company shall be amended to reflect the termination of bridge financial company status, if appropriate.</p>	<p><i>Corporation, the bridge financial company may retain its status as such for the period provided in paragraph (12) or may be dissolved at the election of the Corporation.</i></p> <p><i>(E) AMENDMENTS TO CHARTER- Following the consummation of a transaction described in subparagraph (A), (B), (C), or (D) of paragraph (13), the charter of the resulting company shall be amended to reflect the termination of bridge financial company status, if appropriate.</i></p>	
<p>(14) DISSOLUTION OF BRIDGE FINANCIAL COMPANY-</p> <p>(A) IN GENERAL- Notwithstanding any other provision of State or Federal law, if a bridge financial company's status as such has not previously been terminated by the occurrence of an event specified in subparagraph (A), (B), (C), or (D) of paragraph (12)--</p> <p>(i) the Corporation may, in its discretion, dissolve the bridge financial company in accordance with this paragraph at any time; and</p> <p>(ii) the Corporation shall promptly commence dissolution proceedings in accordance with this paragraph upon the expiration of the 2-year period following the date the bridge financial company was chartered, or any extension thereof, as provided in paragraph (11).</p> <p>(B) PROCEDURES- The Corporation shall remain the receiver of a bridge financial company for the purpose of dissolving the bridge financial company. The Corporation as such receiver shall wind up the affairs of the bridge financial company in conformity with the provisions of law relating to the liquidation of covered financial companies. With respect to any such bridge financial company, the Corporation as receiver shall have all the rights, powers, and privileges and shall perform the duties related to the exercise of such rights, powers, or privileges granted by law to a receiver of a covered financial company and, notwithstanding any other provision of law, in the exercise of such rights, powers, and privileges the Corporation shall not be subject to the direction or supervision of any State agency or other Federal agency.</p>	<p><i>(15) DISSOLUTION OF BRIDGE FINANCIAL COMPANY-</i></p> <p><i>(A) IN GENERAL- Notwithstanding any other provision of Federal or State law, if the status of a bridge financial company as such has not previously been terminated by the occurrence of an event specified in subparagraph (A), (B), (C), or (D) of paragraph (13)--</i></p> <p><i>(i) the Corporation may, in its discretion, dissolve the bridge financial company in accordance with this paragraph at any time; and</i></p> <p><i>(ii) the Corporation shall promptly commence dissolution proceedings in accordance with this paragraph upon the expiration of the 2-year period following the date on which the bridge financial company was chartered, or any extension thereof, as provided in paragraph (12).</i></p> <p><i>(B) PROCEDURES- The Corporation shall remain the receiver for a bridge financial company for the purpose of dissolving the bridge financial company. The Corporation as receiver for a bridge financial company shall wind up the affairs of the bridge financial company in conformity with the provisions of law relating to the liquidation of covered financial companies under this title. With respect to any such bridge financial company, the Corporation as receiver shall have all the rights, powers, and privileges and shall perform the duties related to the exercise of such rights, powers, or privileges granted by law to the Corporation as receiver for a covered financial company under this title and, notwithstanding any other provision of law, in the exercise of such rights, powers, and privileges, the Corporation shall not be subject to the direction or supervision of any State agency or other Federal agency.</i></p>	

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<p>(15) AUTHORITY TO OBTAIN CREDIT-</p> <p>(A) IN GENERAL- A bridge financial company may obtain unsecured credit and issue unsecured debt.</p> <p>(B) INABILITY TO OBTAIN CREDIT- If a bridge financial company is unable to obtain unsecured credit or issue unsecured debt, the Corporation may authorize the obtaining of credit or the issuance of debt by the bridge financial company--</p> <p>(i) with priority over any or all of the obligations of the bridge financial company;</p> <p>(ii) secured by a lien on property of the bridge financial company that is not otherwise subject to a lien; or</p> <p>(iii) secured by a junior lien on property of the bridge financial company that is subject to a lien.</p> <p>(C) LIMITATIONS-</p> <p>(i) IN GENERAL- The Corporation, after notice and a hearing, may authorize the obtaining of credit or the issuance of debt by a bridge financial company that is secured by a senior or equal lien on property of the bridge financial company that is subject to a lien only if--</p> <p>(I) the bridge financial company is unable to otherwise obtain such credit or issue such debt; and</p> <p>(II) there is adequate protection of the interest of the holder of the lien on the property with respect to which such senior or equal lien is proposed to be granted.</p> <p>(D) BURDEN OF PROOF- In any hearing under this subsection, the Corporation has the burden of proof on the issue of adequate protection.</p>	<p>(16) AUTHORITY TO OBTAIN CREDIT-</p> <p>(A) IN GENERAL- A bridge financial company may obtain unsecured credit and issue unsecured debt.</p> <p>(B) INABILITY TO OBTAIN CREDIT- If a bridge financial company is unable to obtain unsecured credit or issue unsecured debt, the Corporation may authorize the obtaining of credit or the issuance of debt by the bridge financial company--</p> <p>(i) with priority over any or all of the obligations of the bridge financial company;</p> <p>(ii) secured by a lien on property of the bridge financial company that is not otherwise subject to a lien; or</p> <p>(iii) secured by a junior lien on property of the bridge financial company that is subject to a lien.</p> <p>(C) LIMITATIONS-</p> <p>(i) IN GENERAL- The Corporation, after notice and a hearing, may authorize the obtaining of credit or the issuance of debt by a bridge financial company that is secured by a senior or equal lien on property of the bridge financial company that is subject to a lien, only if--</p> <p>(I) the bridge financial company is unable to otherwise obtain such credit or issue such debt; and</p> <p>(II) there is adequate protection of the interest of the holder of the lien on the property with respect to which such senior or equal lien is proposed to be granted.</p> <p>(ii) HEARING- The hearing required pursuant to this subparagraph shall be before a court of the United States, which shall have jurisdiction to conduct such hearing.</p> <p>(D) BURDEN OF PROOF- In any hearing under this paragraph, the Corporation has the burden of proof on the issue of adequate protection.</p> <p>(E) QUALIFIED FINANCIAL CONTRACTS- No credit or debt obtained or issued by a bridge financial company may contain terms that impair the rights of a counterparty to a</p>	

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	<p><i>qualified financial contract upon a default by the bridge financial company, other than the priority of such counterparty's unsecured claim (after the exercise of rights) relative to the priority of the bridge financial company's obligations in respect of such credit or debt, unless such counterparty consents in writing to any such impairment.</i></p>	
<p>(16) EFFECT ON DEBTS AND LIENS- The reversal or modification on appeal of an authorization under this subsection to obtain credit or issue debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so issued, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the issuance of such debt, or the granting of such priority or lien, were stayed pending appeal.</p>	<p><i>(17) EFFECT ON DEBTS AND LIENS- The reversal or modification on appeal of an authorization under this subsection to obtain credit or issue debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so issued, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the issuance of such debt, or the granting of such priority or lien, were stayed pending appeal.</i></p>	
	<p><i>(9) FUNDING AUTHORIZED- The Corporation may, subject to the plan described in subsection (n)(11), provide funding to facilitate any transaction described in subparagraph (A), (B), (C), or (D) of paragraph (13) with respect to any bridge financial company, or facilitate the acquisition by a bridge financial company of any assets, or the assumption of any liabilities, of a covered financial company for which the Corporation has been appointed receiver.</i></p>	
<p>(i) Sharing Records- Whenever the Corporation has been appointed as receiver for a covered financial company, the Federal Reserve Board and the company's primary appropriate regulatory agency, if any, shall each make all records relating to the company available to the receiver which may be used by the receiver in any manner the receiver determines to be appropriate.</p>	<p><i>(i) Sharing Records- If the Corporation has been appointed as receiver for a covered financial company, other Federal regulators shall make all records relating to the covered financial company available to the Corporation, which may be used by the Corporation in any manner that the Corporation determines to be appropriate.</i></p>	
<p>(j) Expedited Procedures for Certain Claims-</p> <p>(1) TIME FOR FILING NOTICE OF APPEAL- The notice of appeal of any order, whether interlocutory or final, entered in any case brought by the Corporation against a covered financial company's director, officer, employee, agent, attorney, accountant, or appraiser or any other person employed by or providing services to a covered financial company shall be filed not later than 30 days after the date of entry of the order. The hearing of the appeal shall be held not later than 120 days after the date of the notice of appeal. The appeal shall be decided not later than 180 days after the date of the notice of appeal.</p> <p>(2) SCHEDULING- A court of the United States shall expedite the consideration of any case brought by the Corporation against a covered financial company's director, officer, employee, agent, attorney,</p>	<p><i>(j) Expedited Procedures for Certain Claims-</i></p> <p><i>(1) TIME FOR FILING NOTICE OF APPEAL- The notice of appeal of any order, whether interlocutory or final, entered in any case brought by the Corporation against a director, officer, employee, agent, attorney, accountant, or appraiser of the covered financial company, or any other person employed by or providing services to a covered financial company, shall be filed not later than 30 days after the date of entry of the order. The hearing of the appeal shall be held not later than 120 days after the date of the notice of appeal. The appeal shall be decided not later than 180 days after the date of the notice of appeal.</i></p> <p><i>(2) SCHEDULING- The court shall expedite the consideration of any case brought by the Corporation against a director, officer, employee, agent, attorney, accountant, or appraiser of a covered financial</i></p>	

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<p>accountant, or appraiser or any other person employed by or providing services to a covered financial company. As far as practicable, the court shall give such case priority on its docket.</p> <p>(3) JUDICIAL DISCRETION- The court may modify the schedule and limitations stated in paragraphs (1) and (2) in a particular case, based on a specific finding that the ends of justice that would be served by making such a modification would outweigh the best interest of the public in having the case resolved expeditiously.</p>	<p><i>company or any other person employed by or providing services to a covered financial company. As far as practicable, the court shall give such case priority on its docket.</i></p> <p><i>(3) JUDICIAL DISCRETION- The court may modify the schedule and limitations stated in paragraphs (1) and (2) in a particular case, based on a specific finding that the ends of justice that would be served by making such a modification would outweigh the best interest of the public in having the case resolved expeditiously.</i></p>	
<p>(k) Foreign Investigations- The Corporation, as receiver of any covered financial company and for purposes of carrying out any power, authority, or duty with respect to a covered financial company--</p> <p>(1) may request the assistance of any foreign financial authority and provide assistance to any foreign financial authority in accordance with section 8(v) of the Federal Deposit Insurance Act as if the covered financial company were an insured depository institution, the Corporation were the appropriate Federal banking agency for the company and any foreign financial authority were the foreign banking authority; and</p> <p>(2) may maintain an office to coordinate foreign investigations or investigations on behalf of foreign financial authorities.</p>	<p><i>(k) Foreign Investigations- The Corporation, as receiver for any covered financial company, and for purposes of carrying out any power, authority, or duty with respect to a covered financial company--</i></p> <p><i>(1) may request the assistance of any foreign financial authority and provide assistance to any foreign financial authority in accordance with section 8(v) of the Federal Deposit Insurance Act, as if the covered financial company were an insured depository institution, the Corporation were the appropriate Federal banking agency for the company, and any foreign financial authority were the foreign banking authority; and</i></p> <p><i>(2) may maintain an office to coordinate foreign investigations or investigations on behalf of foreign financial authorities.</i></p>	
<p>(l) Prohibition on Entering Secrecy Agreements and Protective Orders- The Corporation may not enter into any agreement or approve any protective order which prohibits the Corporation from disclosing the terms of any settlement of an administrative or other action for damages or restitution brought by the Corporation in its capacity as receiver for a covered financial company.</p>	<p><i>(l) Prohibition on Entering Secrecy Agreements and Protective Orders- The Corporation may not enter into any agreement or approve any protective order which prohibits the Corporation from disclosing the terms of any settlement of an administrative or other action for damages or restitution brought by the Corporation in its capacity as receiver for a covered financial company.</i></p>	
<p>(m) Liquidation of Certain Covered Financial Companies or Bridge Financial Companies- Notwithstanding any other provision of law (other than a conflicting provision of this section), the Corporation, in connection with the liquidation of any covered financial company or bridge financial company with respect to which the Corporation has been appointed as receiver, shall—</p> <p>(1) in the case of any covered financial company or bridge financial company that is or has a subsidiary that is a stockbroker (as that term is defined in section 101 of title 11 of the United States Code) but is not a member of the Securities Investor Protection Corporation, apply the provisions of subchapter III of chapter 7 of title 11 of the United States Code in respect of the distribution to any `customer' of all `customer name securities' and `customer property' (as such terms are defined in</p>	<p><i>(m) Liquidation of Certain Covered Financial Companies or Bridge Financial Companies-</i></p> <p><i>(1) IN GENERAL- Except as specifically provided in this section, and notwithstanding any other provision of law, the Corporation, in connection with the liquidation of any covered financial company or bridge financial company with respect to which the Corporation has been appointed as receiver, shall--</i></p> <p><i>(A) in the case of any covered financial company or bridge financial company that is or has a subsidiary that is a stockbroker, but is not a member of the Securities Investor Protection Corporation, apply the provisions of subchapter III of chapter 7 of the Bankruptcy Code, in respect of the distribution to any customer of all customer name securities and customer property, as if such covered financial company</i></p>	

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<p>section 741 of such title 11) as if such covered financial company or bridge financial company were a debtor for purposes of such subchapter; or</p> <p>(2) in the case of any covered financial company or bridge financial company that is a commodity broker (as that term is defined in section 101 of title 11 of the United States Code), apply the provisions of subchapter IV of chapter 7 of title 11 of the United States Code in respect of the distribution to any `customer' of all `customer property' (as such terms are defined in section 761 of such title 11) as if such covered financial company or bridge financial company were a debtor for purposes of such subchapter.</p>	<p><i>or bridge financial company were a debtor for purposes of such subchapter; or</i></p> <p><i>(B) in the case of any covered financial company or bridge financial company that is a commodity broker, apply the provisions of subchapter IV of chapter 7 the Bankruptcy Code, in respect of the distribution to any customer of all customer property, as if such covered financial company or bridge financial company were a debtor for purposes of such subchapter.</i></p> <p><i>(2) DEFINITIONS- For purposes of this subsection--</i> <i>(A) the terms `customer', `customer name securities', and `customer property' have the same meanings as in section 741 of title 11, United States Code; and</i> <i>(B) the terms `commodity broker' and `stockbroker' have the same meanings as in section 101 of the Bankruptcy Code.</i></p>	
<p>(n) Systemic Dissolution Fund-</p> <p>(1) ESTABLISHMENT AND PURPOSE-</p> <p>(A) IN GENERAL- There is established in the Treasury a separate fund to be known as the `Systemic Dissolution Fund'-</p> <p>-</p> <p>(i) to facilitate and provide for the orderly and complete dissolution of any failed financial company or companies that pose a systemic threat to the financial markets or economy, as determined under 1603(b); and</p> <p>(ii) to ensure that any taxpayer funds utilized to facilitate such liquidations are fully repaid from assessments levied on financial companies that have assets of \$50,000,000,000, adjusted for inflation, or more.</p> <p>(B) ADJUSTMENT OF THRESHOLD- The threshold referred to in subparagraph (A)(ii) shall be adjusted on an annual basis, based on the growth of assets owned or managed by financial companies (as defined in section 1602(9)).</p>	<p><i>(n) Orderly Liquidation Fund-</i></p> <p><i>(1) ESTABLISHMENT- There is established in the Treasury of the United States a separate fund to be known as the `Orderly Liquidation Fund', which shall be available to the Corporation to carry out the authorities contained in this title, for the cost of actions authorized by this title, including the orderly liquidation of covered financial companies, payment of administrative expenses, the payment of principal and interest by the Corporation on obligations issued under paragraph (6), and the exercise of the authorities of the Corporation under this title.</i></p> <p><i>(6) MAXIMUM OBLIGATION LIMITATION- The Corporation may not, in connection with the orderly liquidation of a covered financial company, issue or incur any obligation, if, after issuing or incurring the obligation, the aggregate amount of such obligations outstanding under this subsection for each covered financial company would exceed--</i> <i>(A) an amount that is equal to 10 percent of the total consolidated assets of the covered financial company, based on the most recent financial statement available, during the 30-day period immediately following the date of appointment of the Corporation as receiver (or a shorter time period if the Corporation has calculated the amount described under</i></p>	

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	<p><i>subparagraph (B)); and</i> <i>(B) the amount that is equal to 90 percent of the fair value of the total consolidated assets of each covered financial company that are available for repayment, after the time period described in subparagraph (A).</i></p>	
<p>(2) AUTHORITY- The Systemic Dissolution Fund shall be administered by the Corporation, which shall have exclusive authority to--</p> <p>(A) impose assessments on covered financial companies in accordance with paragraphs (6) through (8);</p> <p>(B) maintain and administer the Fund in a manner so as to make clear to the general public that such Fund is unrelated to any other Fund maintained and administered by the Corporation, including the Deposit Insurance Fund;</p> <p>(C) utilize the Fund to facilitate the dissolution of a covered financial company (as defined by section 1602(5)) as provided in paragraph (3), or take such other actions as are authorized by this subtitle;</p> <p>(D) invest the Fund in accordance with section 13(a) of the Federal Deposit Insurance Act; and</p> <p>(E) exercise borrowing authority as prescribed in subsection (o).</p>	<p><i>(n) Orderly Liquidation Fund-</i></p> <p><i>(3) MANAGEMENT- The Corporation shall manage the Fund in accordance with this subsection and the policies and procedures established under section 203(d).</i></p> <p><i>(4) INVESTMENTS- At the request of the Corporation, the Secretary may invest such portion of amounts held in the Fund that are not, in the judgment of the Corporation, required to meet the current needs of the Corporation, in obligations of the United States having suitable maturities, as determined by the Corporation. The interest on and the proceeds from the sale or redemption of such obligations shall be credited to the Fund.</i></p>	
<p>(3) USES-</p> <p>(A) The Fund shall be available to the Corporation for use with respect to the dissolution of a covered financial company to--</p> <p>(i) cover the costs incurred by the Corporation, including as receiver, in exercising its rights, authorities, and powers and fulfilling its obligations and responsibilities under this section;</p> <p>(ii) repay such funds in accordance with subsection (o)(6); and</p> <p>(iii) cover the costs of systemic stabilization actions, pursuant to subsections (d) and (f) of section 1604.</p> <p>(B) The Fund shall not be used in any manner to benefit any officer or director of such company removed pursuant to section 1604(f)(6).</p>	<p><i>(n) Orderly Liquidation Fund-</i></p> <p><i>(9) ORDERLY LIQUIDATION PLAN- Amounts in the Fund shall be available to the Corporation with regard to a covered financial company for which the Corporation is appointed receiver after the Corporation has developed an orderly liquidation plan that is acceptable to the Secretary with regard to such covered financial company, including the provision and use of funds, including taking any actions specified under section 204(d) and subsection (h)(2)(G)(iv) and (h)(9) of this section, and payments to third parties. The Corporation may, at any time, amend any orderly liquidation plan approved by the Secretary with the concurrence of the Secretary.</i></p>	
<p>(4) DEPOSITS TO FUND- All amounts assessed against a financial</p>	<p><i>(n) Orderly Liquidation Fund-</i></p> <p><i>(2) PROCEEDS- Amounts received by the Corporation, including</i></p>	

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company under this section shall be deposited into the Fund.	<i>assessments received under subsection (o), proceeds of obligations issued under paragraph (6), interest and other earnings from investments, and repayments to the Corporation by covered financial companies, shall be deposited into the Fund.</i>	
(5) SIZE OF FUND- The Corporation shall, by rule, establish the minimum size of the Fund consistent with subparagraphs (C) and (D) of paragraph (6).	<i>(n) Orderly Liquidation Fund- (7) RULEMAKING- The Corporation and the Secretary shall jointly, in consultation with the Council, prescribe regulations governing the calculation of the maximum obligation limitation defined in this paragraph.</i>	
(6) ASSESSMENTS- (A) ASSESSMENTS TO MAINTAIN FUND- The Corporation shall impose risk-based assessments on financial companies in such amount and manner and subject to such terms and conditions that the Corporation determines, by regulation and in consultation with the Council, are necessary for the amount in the Fund to at least equal the minimum size established pursuant to paragraph (5). (B) ASSESSMENTS TO REPLENISH THE FUND- If the Fund falls below the minimum size established pursuant to paragraph (5), the Corporation shall impose assessments on financial companies in such amounts and manner and subject to such terms and conditions as the Corporation determines, by regulation and in consultation with the Council, are necessary to replenish the fund subject to the limitations in subparagraph (D). (C) MINIMUM ASSESSMENT THRESHOLD- (i) IN GENERAL- The Corporation shall not assess financial companies with less than \$50,000,000,000, adjusted for inflation, of assets on a consolidated basis, subject to any differentiation as permitted in paragraph (8) and shall assess financial companies with \$50,000,000,000, adjusted for inflation, or more in assets in accordance with paragraphs (7) and (8). (ii) HEDGE FUNDS- The Corporation shall not assess financial companies that manage hedge funds (as defined by the Corporation for the purpose of this section, in consultation with the Securities and Exchange Commission) with less than \$10,000,000,000, adjusted for inflation, of assets,	<i>(o) Assessments- (1) RISK-BASED ASSESSMENTS- (A) ELIGIBLE FINANCIAL COMPANIES DEFINED- For purposes of this subsection, the term `eligible financial company' means any bank holding company with total consolidated assets equal to or greater than \$50,000,000,000 and any nonbank financial company supervised by the Board of Governors. (B) ASSESSMENTS- The Corporation shall charge one or more risk-based assessments in accordance with the provisions of subparagraph (D), if such assessments are necessary to pay in full the obligations issued by the Corporation to the Secretary within 60 months of the date of issuance of such obligations. (C) EXTENSIONS AUTHORIZED- The Corporation may, with the approval of the Secretary, extend the time period under subparagraph (C)(iii), if the Corporation determines that an extension is necessary to avoid a serious adverse effect on the financial system of the United States. (D) APPLICATION OF ASSESSMENTS- To meet the requirements of subparagraph (C), the Corporation shall-- (i) impose assessments, as soon as practicable, on any claimant that received additional payments or amounts from the Corporation pursuant to subsection (b)(4), (d)(4), or (h)(5)(E), except for payments or amounts necessary to initiate and continue operations essential to implementation of the receivership or any bridge financial company, to recover on a cumulative basis, the entire difference between--</i>	

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<p>under management on a consolidated basis, subject to any differentiation as permitted in paragraph (8) and shall assess any financial companies that manage hedge funds with \$10,000,000,000 or more of assets under management in accordance with paragraphs (7) and (8).</p> <p>(D) MAXIMUM SIZE OF FUND VIA ASSESSMENTS-</p> <p>(i) IN GENERAL- The Corporation shall suspend assessments on financial companies on the day after the date on which the total of the assessments, excluding interest or other earnings from investments made pursuant to paragraph (2)(D), equals \$150,000,000,000.</p> <p>(ii) EXCEPTIONS- Any suspension of assessments under clause (i)--</p> <p>(I) may be set aside if the Fund falls below \$150,000,000,000; and</p> <p>(II) shall be set aside if the Fund falls below the minimum level established in subparagraph (C).</p> <p>(E) ADDITIONAL AUTHORIZED ASSESSMENTS- The Corporation is authorized to conduct risk-based assessments on financial companies in such amount and manner and subject to terms and conditions that the Corporation determines, with the concurrence of the Secretary of the Treasury and the Federal Reserve Board, are necessary to pay any shortfall in the Troubled Asset Relief Program established by the Emergency Economic Stabilization Act of 2008 that would add to the deficit or national debt, as identified by the Director of the Office of Management and Budget, in consultation with the Director of the Congressional Budget Office pursuant to section 134 of such Act (12 U.S.C. 5239).</p>	<p>(I) the aggregate value the claimant received from the Corporation on a claim pursuant to this title (including pursuant to subsection (b)(4), (d)(4), and (h)(5)(E)), as of the date on which such value was received; and</p> <p>(II) the value the claimant was entitled to receive from the Corporation on such claim solely from the proceeds of the liquidation of the covered financial company under this title; and</p> <p>(ii) if the amounts to be recovered on a cumulative basis under clause (i) are insufficient to meet the requirements of subparagraph (C), after taking into account the considerations set forth in paragraph (4), impose assessments on--</p> <p>(I) eligible financial companies; and</p> <p>(II) financial companies with total consolidated assets equal to or greater than \$50,000,000,000 that are not eligible financial companies.</p> <p>(E) PROVISION OF FINANCING- Payments or amounts necessary to initiate and continue operations essential to implementation of the receivership or any bridge financial company described in subparagraph (E)(i) shall not include the provision of financing, as defined by rule of the Corporation, to third parties.</p> <p>(2) GRADUATED ASSESSMENT RATE- The Corporation shall impose assessments on a graduated basis, with financial companies having greater assets being assessed at a higher rate.</p> <p>(3) NOTIFICATION AND PAYMENT- The Corporation shall notify each financial company of that company's assessment under this subsection. Any financial company subject to assessment under this subsection shall pay such assessment in accordance with the regulations prescribed pursuant to paragraph (6).</p> <p>(5) COLLECTION OF INFORMATION- The Corporation may impose on covered financial companies such collection of information requirements as the Corporation deems necessary to carry out this subsection after the appointment of the Corporation as receiver under</p>	

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<p>(7) FACTORS- The Corporation, in consultation with the Council shall establish a risk matrix to be used in establishing assessments that takes into account--</p> <p>(A) the actual or expected risk of losses to the Fund;</p> <p>(B) economic conditions generally affecting financial companies so as to allow assessments and the Fund to increase during more favorable economic conditions and to decrease during less favorable economic conditions;</p> <p>(C) any assessments imposed on a financial company or an affiliate of a financial company that--</p> <p>(i) is an insured depository institution, assessed pursuant to section 7 or 13(c)(4)(G) of the Federal Deposit Insurance Act;</p> <p>(ii) is a member of the Securities Investor Protection Corporation, assessed pursuant to section 4 of the Securities Investor Protection Act of 1970 (15 U.S.C. 78ddd);</p> <p>(iii) is an insured credit union, assessed pursuant to section 202(c)(1)(A)(i) of the Federal Credit Union Act (12 U.S.C. 1782(c)(1)(A)(i)); or</p> <p>(iv) is an insurance company, assessed pursuant to applicable State law to cover (or reimburse payments made to cover) the costs of the rehabilitation, liquidation or other State insolvency proceeding with respect to 1 or more insurance companies;</p> <p>(D) the risks presented by the financial company to the financial system and the extent to which the financial company has benefitted, or likely would benefit, from the dissolution of a financial company under this title, including--</p>	<p><i>this title.</i></p> <p><i>(o) Assessments-</i></p> <p><i>(4) RISK-BASED ASSESSMENT CONSIDERATIONS- In imposing assessments under this subsection, the Corporation shall--</i></p> <p><i>(A) take into account economic conditions generally affecting financial companies, so as to allow assessments to be lower during less favorable economic conditions;</i></p> <p><i>(B) take into account any assessments imposed on--</i></p> <p><i>(i) an insured depository institution subsidiary of a financial company pursuant to section 7 or section 13(c)(4)(G) of the Federal Deposit Insurance Act (12 U.S.C. 1817, 1823(c)(4)(G));</i></p> <p><i>(ii) a financial company or subsidiary of such company that is a member of SIPC pursuant to section 4 of the Securities Investor Protection Act of 1970 (15 U.S.C. 78ddd); and</i></p> <p><i>(iii) a financial company or subsidiary of such company that is an insurance company pursuant to applicable State law to cover (or reimburse payments made to cover) the costs of rehabilitation, liquidation, or other State insolvency proceeding with respect to one or more insurance companies;</i></p> <p><i>(C) take into account the financial condition of the financial company, including the extent and type of off-balance-sheet exposures of the financial company;</i></p> <p><i>(D) take into account the risks presented by the financial company to the financial stability of the United States economy;</i></p> <p><i>(E) take into account the extent to which the financial company or group of financial companies has benefitted, or likely would benefit, from the orderly liquidation of a covered financial company and the use of the Fund under this title;</i></p>	

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<p>(i) the amount, different categories, and concentrations of assets of the financial company and its affiliates, including both on-balance sheet and off-balance sheet assets;</p> <p>(ii) the activities of the financial company and its affiliates;</p> <p>(iii) the relevant market share of the financial company and its affiliates;</p> <p>(iv) the extent to which the financial company is leveraged;</p> <p>(v) the potential exposure to sudden calls on liquidity precipitated by economic distress;</p> <p>(vi) the amount, maturity, volatility, and stability of the company's financial obligations to, and relationship with, other financial companies;</p> <p>(vii) the amount, maturity, volatility, and stability of the company's liabilities, including the degree of reliance on short-term funding, taking into consideration existing systems for measuring a company's risk-based capital;</p> <p>(viii) the stability and variety of the company's sources of funding;</p> <p>(ix) the company's importance as a source of credit for households, businesses, and State and local governments and as a source of liquidity for the financial system;</p> <p>(x) the extent to which assets are simply managed and not owned by the financial company and the extent to which ownership of assets under management is diffuse; and</p> <p>(xi) the amount, different categories, and concentrations of liabilities, both insured and uninsured, contingent and noncontingent, including both on-balance sheet and off-balance sheet liabilities, of the financial company and its affiliates; and</p> <p>(E) such other factors as the Corporation, in consultation with</p>	<p><i>(F) distinguish among different classes of assets or different types of financial companies (including distinguishing among different types of financial companies, based on their levels of capital and leverage) in order to establish comparable assessment bases among financial companies subject to this subsection;</i></p> <p><i>(G) establish the parameters for the graduated assessment requirement in paragraph (2); and</i></p> <p><i>(H) take into account such other factors as the Corporation, in</i></p>	

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<p>the Council, may determine to be appropriate.</p> <p>(8) REQUIREMENT FOR EQUITABLE TREATMENT IN ASSESSMENTS- In establishing the assessment system for the Fund, the Corporation, by regulation and in consultation with the Council, shall differentiate among financial companies based on complexity of operations or organization, interconnectedness, size, direct or indirect activities, and any other factors the Corporation or the Council may deem appropriate to ensure that the assessments charged equitably reflect the risk posed to the Fund by particular classes of financial companies.</p> <p>(9) MINIMUM COMMENT PERIOD- In order to ensure sufficient opportunity for public and congressional review and evaluation of any assessment system, any proposed regulations regarding the implementation of the assessment system under this subtitle shall provide an opportunity for public comment during a period of not less than 60 days.</p>	<p><i>consultation with the Secretary, deems appropriate.</i></p> <p><i>(o) Assessments-</i></p> <p><i>(6) RULEMAKING-</i></p> <p><i>(A) IN GENERAL- The Corporation shall prescribe regulations to carry out this subsection. The Corporation shall consult with the Secretary in the development and finalization of such regulations.</i></p> <p><i>(B) EQUITABLE TREATMENT- The regulations prescribed under subparagraph (A) shall take into account the differences in risks posed to the financial stability of the United States by financial companies, the differences in the liability structures of financial companies, and the different bases for other assessments that such financial companies may be required to pay, to ensure that assessed financial companies are treated equitably and that assessments under this subsection reflect such differences.</i></p>	
<p>(o) Borrowing Authority-</p> <p>(1) BORROWING FROM TREASURY-</p> <p>(A) IN GENERAL- Subject to paragraphs (3), (4), and (5), the Corporation may borrow from the Treasury, and the Secretary of the Treasury is authorized to lend to the Corporation on such terms as may be fixed by the Corporation and the Secretary, such funds as in the judgment of the Board of Directors of the Corporation are required, in addition to the funds available in the Systemic Dissolution Fund, to permit the orderly dissolution of 1 or more covered systemically significant financial companies, covered affiliates, or covered subsidiaries under this title.</p> <p>(B) RATE OF INTEREST- The rate of interest to be charged in connection with any loan made pursuant to this subsection shall not be less than an amount determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United</p>	<p><i>(n) Orderly Liquidation Fund-</i></p> <p><i>(5) AUTHORITY TO ISSUE OBLIGATIONS-</i></p> <p><i>(A) CORPORATION AUTHORIZED TO ISSUE OBLIGATIONS- Upon appointment by the Secretary of the Corporation as receiver for a covered financial company, the Corporation is authorized to issue obligations to the Secretary.</i></p> <p><i>(B) SECRETARY AUTHORIZED TO PURCHASE OBLIGATIONS- The Secretary may, under such terms and conditions as the Secretary may require, purchase or agree to purchase any obligations issued under subparagraph (A), and for such purpose, the Secretary is authorized to use as a public debt transaction the proceeds of the sale of any securities issued under chapter 31 of title 31, United States Code, and the purposes for which securities may be issued under chapter 31 of title 31, United States Code, are extended to include such purchases.</i></p>	

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<p data-bbox="478 228 822 253">States of comparable maturities.</p> <p data-bbox="379 837 1137 1045">(2) PUBLIC DEBT ISSUANCES- For the purposes described in subsection (1), the Secretary of the Treasury may use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under chapter 31 of title 31, and the purposes for which securities may be issued under chapter 31 of title 31 are extended to include such loans. All loans and repayments under this subsection shall be treated as public-debt transactions of the United States.</p> <p data-bbox="379 1052 1147 1109">(3) BORROWING AUTHORITY WHEN FUND ASSETS ARE LESS THAN \$150,000,000,000-</p> <p data-bbox="478 1115 1137 1172">(A) Subject to paragraph (B), the borrowing authority granted in paragraph (1) shall be available to the Corporation where--</p> <ul style="list-style-type: none"> <li data-bbox="575 1179 956 1230">(i) the value of the Fund is less than \$150,000,000,000; <li data-bbox="575 1237 1137 1352">(ii) the Corporation determines that the immediate dissolution of a financial company or financial companies requires more funds than are available in the Fund; and <li data-bbox="575 1359 1137 1411">(iii) the Corporation has provided a specific plan for repayment under paragraph (7)(A). 	<p data-bbox="1467 321 2131 558"><i>(C) INTEREST RATE- Each purchase of obligations by the Secretary under this paragraph shall be upon such terms and conditions as to yield a return at a rate determined by the Secretary, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturity, plus an interest rate surcharge to be determined by the Secretary, which shall be greater than the difference between--</i></p> <ul style="list-style-type: none"> <li data-bbox="1564 565 2131 621"><i>(i) the current average rate on an index of corporate obligations of comparable maturity; and</i> <li data-bbox="1564 628 2059 711"><i>(ii) the current average rate on outstanding marketable obligations of the United States of comparable maturity.</i> <p data-bbox="1467 717 2139 833"><i>(D) SECRETARY AUTHORIZED TO SELL OBLIGATIONS- The Secretary may sell, upon such terms and conditions as the Secretary shall determine, any of the obligations acquired under this paragraph.</i></p> <p data-bbox="1467 839 2139 1045"><i>(E) PUBLIC DEBT TRANSACTIONS- All purchases and sales by the Secretary of such obligations under this paragraph shall be treated as public debt transactions of the United States, and the proceeds from the sale of any obligations acquired by the Secretary under this paragraph shall be deposited into the Treasury of the United States as miscellaneous receipts.</i></p>	

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<p>(B) The Corporation may borrow, and the Secretary may lend, any amount of funds that, when added to the amount available in the Fund on the date the Corporation makes a request to borrow funds, would not exceed \$150,000,000,000.</p> <p>(C) For purposes of paragraph (1), the Corporation's total debt may not exceed \$150,000,000,000 (not including any funds borrowed pursuant to subsection (s)).</p> <p>(4) ADDITIONAL BORROWING AUTHORITY-</p> <p>(A) If at any time the Corporation anticipates that the dissolution of any financial company or financial companies will require funds in excess of \$150,000,000,000--</p> <p>(i) the Corporation shall submit to the Secretary and the President a written request for additional borrowing authority subject to the limitation in subparagraph (5), which shall be accompanied by a certification indicating the anticipated amount needed, the basis on which such amount was determined, and any such information as the Secretary may deem necessary; and</p> <p>(ii) the President shall transmit a request to the House of Representatives and the Senate requesting the additional borrowing authority, which shall include the certification referred to in clause (i) and which includes a repayment schedule as outlined in paragraph (7).</p> <p>(B) Any request for borrowing authority under paragraph (A) shall be effective only if approved by affirmative vote of the House of Representatives and the Senate in accordance with subsection (s).</p> <p>(5) LIMITATIONS ON ADDITIONAL BORROWING AUTHORITY-</p> <p>(A) No request for borrowing authority is permitted under paragraph (4) unless the President, in consultation with the Council, certifies to the House of Representatives and the Senate that the borrowing authority is necessary to avoid or mitigate an imminent financial emergency.</p> <p>(B) The amount of borrowing authority requested under subparagraph (A)(i) may not exceed \$50,000,000,000.</p> <p>(6) PROCEEDS FROM LIQUIDATION, REPAYMENT OF FUNDS-</p>		

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<p>(A) IN GENERAL- The Corporation shall take such measures as may be appropriate to maximize the amount of funds from any dissolution that may be available for repayment under subparagraph (B) consistent with systemic concerns.</p> <p>(B) REPAYMENT PRIORITY- Amounts realized from the dissolution of any financial company under this subtitle that are not otherwise utilized by the Corporation to dissolve a financial company under subsection (n)(3)(A) shall be paid--</p> <ul style="list-style-type: none"> (i) first, to repay any costs incurred in exercising the borrowing authority granted in paragraph (1); and (ii) second, to recapitalize the Fund, subject to the requirements of section 1604(g), to such level as the Corporation deems necessary, but not to exceed \$150,000,000,000. <p>(7) REPAYMENT PLAN AND SCHEDULES REQUIRED FOR ANY BORROWING-</p> <p>(A) IN GENERAL- No amount may be provided by the Secretary of the Treasury to the Corporation under paragraph (1) unless an agreement is in effect between the Secretary and the Corporation which--</p> <ul style="list-style-type: none"> (i) provides a specific plan and schedule for assessments under (n)(6) to achieve the repayment of the outstanding amount of any borrowing under such subsection; and (ii) demonstrates that income to the Corporation from assessments under this section will be sufficient to amortize the outstanding balance within the period established in the repayment schedule and pay the interest accruing on such balance. <p>(B) CONSULTATION WITH AND REPORT TO CONGRESS- The Secretary of the Treasury and the Corporation shall--</p> <ul style="list-style-type: none"> (i) consult with the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the terms of any repayment schedule agreement; and (ii) submit a copy of each repayment schedule agreement to the Committee on Financial Services of 		

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<p>the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate before the end of the 30-day period beginning on the date any amount is provided by the Secretary of the Treasury to the Corporation under paragraph (1).</p>	<p><i>(8) RULE OF CONSTRUCTION-</i></p> <p><i>(A) IN GENERAL- Nothing in this section shall be construed to affect the authority of the Corporation under subsection (a) or (b) of section 14 or section 15(c)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1824, 1825(c)(5)), the management of the Deposit Insurance Fund by the Corporation, or the resolution of insured depository institutions, provided that--</i></p> <p><i>(i) the authorities of the Corporation contained in this title shall not be used to assist the Deposit Insurance Fund or to assist any financial company under applicable law other than this Act;</i></p> <p><i>(ii) the authorities of the Corporation relating to the Deposit Insurance Fund, or any other responsibilities of the Corporation under applicable law other than this title, shall not be used to assist a covered financial company pursuant to this title; and</i></p> <p><i>(iii) the Deposit Insurance Fund may not be used in any manner to otherwise circumvent the purposes of this title.</i></p> <p><i>(B) VALUATION- For purposes of determining the amount of obligations under this subsection--</i></p> <p><i>(i) the Corporation shall include as an obligation any contingent liability of the Corporation pursuant to this title; and</i></p> <p><i>(ii) the Corporation shall value any contingent liability at its expected cost to the Corporation.</i></p>	
<p>(p) Information Gathering and Verification; Payments-</p> <p>(1) IN GENERAL- The Corporation may require each financial company to make available such information as the Corporation may require--</p> <p>(A) for purposes of--</p> <p>(i) determining the financial company's assessment under this section;</p>		

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<p>(ii) verifying the accuracy of information; and (iii) preparing for dissolution, including a dissolution plan as required by this section; and (B) for such other purposes as may be appropriate and necessary to promote the orderly dissolution of the financial company.</p> <p>(2) USE OF EXISTING REPORTS- The Corporation shall, to the fullest extent possible, accept-- (A) reports that a financial company has provided or been required to provide to other Federal or State supervisors or to appropriate self-regulatory organizations; (B) information that is otherwise required to be reported publicly; and (C) externally audited financial statements.</p> <p>(3) AUTHORITY FOR ON-SITE INSPECTION- The Corporation may make on-site inspections of a financial company's books and records as necessary to carry out the purposes of this subsection.</p> <p>(4) RULEMAKING- The Corporation may promulgate such rules or regulations as are necessary or appropriate to implement this subsection.</p> <p>(5) PAYMENTS OF ASSESSMENTS REQUIRED-- (A) IN GENERAL- Any financial company subject to an assessment under this section shall pay to the Corporation such assessment. (B) FORM OF PAYMENT- The payments required under this section shall be made in such manner and at such time or times as the Corporation, in consultation with the Council, shall prescribe by regulation.</p> <p>(6) PENALTY FOR FAILURE TO TIMELY PAY ASSESSMENTS- Any financial company that fails or refuses to pay any assessment under this section shall be subject to a penalty under section 18(h) of the Federal Deposit Insurance Act, as if that financial company were an insured depository institution.</p>		
<p>(q) Assessment Actions-- (1) IN GENERAL- The Corporation, in any court of competent jurisdiction, shall be entitled to recover from any financial company the amount of any unpaid assessment lawfully payable by such company. (2) STATUTE OF LIMITATIONS- Notwithstanding any other provision in Federal law, or the law of any State--</p>		

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<p>(A) any action by a financial company to recover from the Corporation the overpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to subparagraph (C);</p> <p>(B) any action by the Corporation to recover from a financial company the underpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to subparagraph (C); and</p> <p>(C) if a financial company has made a false or fraudulent statement with intent to evade any or all of its assessment, the Corporation shall have until 3 years after the date of discovery of the false or fraudulent statement in which to bring an action to recover the underpaid amount.</p>		
<p>(r) Requirement to Maintain Systemic Dissolution Fund as Separate Fund- The Systemic Dissolution Fund shall at all times be administered in a manner that is separate and distinct from the Deposit Insurance Fund, and the Corporation shall take such actions as may be necessary to ensure that such distinction is made with respect to internal processes and procedures as well as with regard to any public information, discussion or other communications involving either Fund.</p>		
<p>(s) Congressional Approval of Additional Borrowing Authority-</p> <p>(1) INTRODUCTION- On the day on which the request of the President is received by the House of Representatives and the Senate under subsection (o)(4)(A)(ii), a joint resolution specified in paragraph (5) shall be introduced in the House by the majority leader of the House and in the Senate by the majority leader of the Senate. If either House is not in session on the day on which such a request is received, the joint resolution with respect to such request shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session.</p> <p>(2) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES-</p> <p>(A) REPORTING AND DISCHARGE- Any committee of the House of Representatives to which a joint resolution introduced under paragraph (1) is referred shall report such joint resolution to the House not later than 5 calendar days after the applicable date of introduction of the joint resolution. If a committee fails to report such joint resolution within that period, the committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be referred to the appropriate calendar.</p>		

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<p>(B) PROCEEDING TO CONSIDERATION- After all committees authorized to consider a joint resolution have reported such joint resolution to the House or have been discharged from its consideration, it shall be in order, not later than the sixth day after the applicable date of introduction of the joint resolution, for the majority leader to move to proceed to consider the joint resolution in the House. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution and shall not be in order if the House has received a message from the Senate under paragraph (4)(C). The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.</p> <p>(C) CONSIDERATION- The joint resolution shall be considered in the House and shall be considered as read. All points of order against a joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to its passage without intervening motion except two hours of debate equally divided and controlled by the proponent and an opponent. A motion to reconsider the vote on passage of a joint resolution shall not be in order.</p> <p>(3) CONSIDERATION IN THE SENATE-</p> <p>(A) PLACEMENT ON CALENDAR- Upon introduction in the Senate, the joint resolution shall be placed immediately on the calendar.</p> <p>(B) FLOOR CONSIDERATION-</p> <p>(i) IN GENERAL- Notwithstanding rule XXII of the Standing Rules of the Senate, it is in order at any time during the period beginning on the fourth day after the applicable date of introduction in the Senate and ending on the sixth day after the applicable date of introduction in the Senate (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not</p>		

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<p>debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the joint resolution shall remain the unfinished business until disposed of.</p> <p>(ii) DEBATE- Debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority leaders or their designees. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.</p> <p>(iii) VOTE ON PASSAGE- The vote on passage shall occur immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate.</p> <p>(iv) RULINGS OF THE CHAIR ON PROCEDURE- Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution shall be decided without debate.</p> <p>(4) RULES RELATING TO SENATE AND HOUSE OF REPRESENTATIVES-</p> <p>(A) COORDINATION WITH ACTION BY OTHER HOUSE- If, before the passage by one House of a joint resolution of that House, that House receives from the other House a joint resolution, then the following procedures shall apply:</p> <p>(i) The joint resolution of the other House shall not be referred to a committee.</p> <p>(ii) With respect to the joint resolution of the House receiving the resolution, the procedure in that House shall be the same as if no such joint resolution had been received from the other House; but the vote on</p>		

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<p>passage shall be on the joint resolution of the other House.</p> <p>(B) TREATMENT OF COMPANION MEASURES- If, following passage of a joint resolution in the Senate, the Senate then receives the companion measure from the House of Representatives, the companion measure shall not be debatable.</p> <p>(C) FAILURE OF JOINT RESOLUTION IN THE SENATE-</p> <p>(i) If, in the Senate, the motion to proceed to the consideration of the joint resolution fails on adoption, the Secretary of the Senate shall transmit a message to that effect to the House of Representatives.</p> <p>(ii) If, in the Senate, the joint resolution fails on passage, the Secretary of the Senate shall transmit a message to that effect to the House of Representatives.</p> <p>(D) RULES OF HOUSE OF REPRESENTATIVES AND SENATE- This paragraph and the preceding paragraphs are enacted by Congress--</p> <p>(i) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution, and it supersedes other rules only to the extent that it is inconsistent with such rules; and</p> <p>(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.</p> <p>(5) DEFINITION- In this section, the term `joint resolution' means only a joint resolution--</p> <p>(A) which does not have a preamble;</p> <p>(B) the title of which is as follows: `Joint resolution relating to the approval of request for borrowing authority under the Financial Stability Improvement Act of 2009.'; and</p> <p>(C) the sole matter after the resolving clause of which is as</p>		

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<p>follows: 'That the Congress approves the request for additional borrowing authority transmitted to the Congress on XXX by the President under section 1609(o)(4)(A)(ii) of the Financial Stability Improvement Act of 2009.', the blank space being filled with the appropriate date.</p>		
<p>(t) No Federal Status-</p> <p>(1) AGENCY STATUS- A covered financial company (or any covered subsidiary thereof) that is placed into receivership is not a department, agency, or instrumentality of the United States for purposes of statutes that confer powers on or impose obligations on government entities.</p> <p>(2) EMPLOYEE STATUS- Interim directors, directors, officers, employees, or agents of a covered financial company that is placed into receivership are not, solely by virtue of service in any such capacity, officers or employees of the United States. Any employee of the Corporation, acting as receiver or of any Federal agency who serves at the request of the receiver as an interim director, director, officer, employee, or agent of a covered financial company that is placed into receivership shall not--</p> <p>(A) solely by virtue of service in any such capacity lose any existing status as an officer or employee of the United States for purposes of title 5, United States Code, or any other provision of law, or;</p> <p>(B) receive any salary or benefits for service in any such capacity with respect to a covered financial company that is placed into receivership in addition to such salary or benefits as are obtained through employment with the Corporation or other Federal agency.</p>		
<p>(u) Study of Payment of Consumer Claims- Not later than 6 months following the dissolution of a covered financial company under section 1603(b), the Comptroller General of the United States shall carry out a study, and report on such study to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate and the Committee on Financial Services and the Committee on the Judiciary of the House of Representatives, regarding the satisfaction of claims arising from violations of the provisions of the Truth in Lending Act, if any, in instances where any assets were transferred from such covered financial company.</p>		
<p>SEC. 1610. CLARIFICATION OF PROHIBITION REGARDING CONCEALMENT OF ASSETS FROM RECEIVER OR LIQUIDATING AGENT.</p>	<p><i>SEC. 211. MISCELLANEOUS PROVISIONS.</i></p>	

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<p>(a) In General- Section 1032 of title 18, United States Code, is amended in paragraph (1) by deleting `or' before `the National Credit Union Administration Board,' and by inserting immediately thereafter `or the Corporation, as defined in section 1602 of the Dissolution Authority for Large, Interconnected Financial Companies Act of 2009,'.</p> <p>(b) Conforming Change- The heading of section 1032 of title 18, United States Code, is amended by striking `of financial institution'.</p>	<p>(a) Clarification of Prohibition Regarding Concealment of Assets From Receiver or Liquidating Agent- Section 1032(1) of title 18, United States Code, is amended by inserting `the Federal Deposit Insurance Corporation acting as receiver for a covered financial company, in accordance with title II of the Restoring American Financial Stability Act of 2010,' before `or the National Credit'.</p> <p>(b) Conforming Amendment- Section 1032 of title 18, United States Code, is amended in the section heading, by striking `of financial institution'.</p> <p>(c) Federal Deposit Insurance Corporation Improvement Act of 1991- Section 403(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403(a)) is amended by inserting `section 210(c) of the Restoring American Financial Stability Act of 2010, section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617(d)),' after `section 11(e) of the Federal Deposit Insurance Act,'.</p>	
<p>SEC. 1611. OFFICE OF DISSOLUTION.</p> <p>(a) Trigger of and Plan for Establishment-</p> <p>(1) TRIGGER- If the Secretary appoints the Corporation as receiver for a financial company under section 1604, the Inspector General of the Corporation shall, as soon as possible after such appointment, establish in accordance with this section the Office of Dissolution as an office within the Office of the Inspector General of the Corporation.</p> <p>(2) PLAN- The Inspector General of the Corporation shall, in consultation with the Council of Inspectors General on Financial Oversight established under section 1702, formulate and maintain a plan to allow for the timely establishment of an Office of Dissolution in accordance with paragraph (1). The Inspector General of the Corporation shall make such plan available to the Financial Services Oversight Council established under section 1001.</p> <p>(b) Special Deputy Inspector General- The head of the Office of Dissolution is the Special Deputy Inspector General for Dissolution (in this section referred to as the `Special Deputy Inspector General'), who shall be appointed by and report to the Inspector General of the Corporation.</p> <p>(c) Duties-</p> <p>(1) AUDITS AND INVESTIGATIONS- It shall be the duty of the Special Deputy Inspector General, in consultation with and subject to the approval of the Inspector General of the Corporation, to conduct, supervise, and coordinate audits and investigations of the activities of the Corporation in its capacity as receiver for a financial company</p>	<p>SEC. 211. MISCELLANEOUS PROVISIONS.</p> <p>(d) FDIC Inspector General Reviews-</p> <p>(1) SCOPE- The Inspector General of the Corporation shall conduct, supervise, and coordinate audits and investigations of the liquidation of any covered financial company by the Corporation as receiver under this title, including collecting and summarizing--</p> <p>(A) a description of actions taken by the Corporation as receiver;</p> <p>(B) a description of any material sales, transfers, mergers, obligations, purchases, and other material transactions entered into by the Corporation;</p> <p>(C) an evaluation of the adequacy of the policies and procedures of the Corporation under section 203(d) and orderly liquidation plan under section 210(n)(14);</p> <p>(D) an evaluation of the utilization by the Corporation of the private sector in carrying out its functions, including the adequacy of any conflict-of-interest reviews; and</p> <p>(E) an evaluation of the overall performance of the Corporation in liquidating the covered financial company, including administrative costs, timeliness of liquidation process, and impact on the financial system.</p> <p>(2) FREQUENCY- Not later than 6 months after the date of appointment of the Corporation as receiver under this title and every 6 months thereafter, the Inspector General of the Corporation shall</p>	

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<p>under section 1604, including by collecting the following information:</p> <p>(A) A description of each financial company for which the Corporation has been appointed as receiver under section 1604.</p> <p>(B) A description of the activities and future plans of the Corporation with respect to each financial company for which it has been appointed as receiver, and an analysis of whether such activities and plans conform to the requirements of this subtitle and other applicable law and are in the best interest of the overall stability of the financial system.</p> <p>(C) Such other information as the Special Deputy Inspector General considers appropriate, in consultation with and subject to the approval of the Inspector General of the Corporation.</p> <p>(2) ADDITIONAL DUTIES-</p> <p>(A) SYSTEMS, PROCEDURES, AND CONTROLS- The Special Deputy Inspector General shall establish, maintain, and oversee such systems, procedures, and controls as the Special Deputy Inspector General considers appropriate, in consultation with and subject to the approval of the Inspector General of the Corporation, to discharge the duties under paragraph (1).</p> <p>(B) REPORTING OF CRIMINAL VIOLATIONS TO ATTORNEY GENERAL- If the Special Deputy Inspector General, in carrying out this section, discovers facts that give the Special Deputy Inspector General reasonable grounds to believe there has been a violation of Federal criminal law, the Special Deputy Inspector General shall expeditiously report such facts to the Attorney General.</p> <p>(C) MINIMIZING DUPLICATION OF EFFORT- The Inspector General of the Corporation and the Special Deputy Inspector General shall coordinate to minimize duplication of effort in the oversight of the Corporation's activities as receiver for financial companies under section 1604.</p> <p>(3) DUTIES UNDER THE INSPECTOR GENERAL ACT OF 1978- In addition to the duties specified in paragraphs (1) and (2), the Special Deputy Inspector General shall assist the Inspector General of the Corporation in carrying out such duties and responsibilities of inspectors general under the Inspector General Act of 1978 as the Inspector General of the Corporation considers appropriate.</p>	<p><i>conduct the audit and investigation described in paragraph (1).</i></p> <p><i>(3) REPORTS AND TESTIMONY- The Inspector General of the Corporation shall include in the semiannual reports required by section 5(a) of the Inspector General Act of 1978 (5 U.S.C. App.), a summary of the findings and evaluations under paragraph (1), and shall appear before the appropriate committees of Congress, if requested, to present each such report.</i></p> <p><i>(4) FUNDING-</i></p> <p><i>(A) INITIAL FUNDING- The expenses of the Inspector General of the Corporation in carrying out this subsection shall be considered administrative expenses of the receivership.</i></p> <p><i>(B) ADDITIONAL FUNDING- If the maximum amount available to the Corporation as receiver under this title is insufficient to enable the Inspector General of the Corporation to carry out the duties under this subsection, the Corporation shall pay such additional amounts from assessments imposed under section 210.</i></p> <p><i>(5) TERMINATION OF RESPONSIBILITIES- The duties and responsibilities of the Inspector General of the Corporation under this subsection shall terminate 1 year after the date of termination of the receivership under this title.</i></p> <p><i>(e) Treasury Inspector General Reviews-</i></p> <p><i>(1) SCOPE- The Inspector General of the Department of the Treasury shall conduct, supervise, and coordinate audits and investigations of actions taken by the Secretary related to the liquidation of any covered financial company under this title, including collecting and summarizing--</i></p> <p><i>(A) a description of actions taken by the Secretary under this title;</i></p> <p><i>(B) an analysis of the approval by the Secretary of the policies and procedures of the Corporation under section 203 and acceptance of the orderly liquidation plan of the Corporation under section 210; and</i></p> <p><i>(C) an assessment of the terms and conditions underlying the purchase by the Secretary of obligations of the Corporation under section 210.</i></p> <p><i>(2) FREQUENCY- Not later than 6 months after the date of appointment of the Corporation as receiver under this title and every 6</i></p>	

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<p>(d) Authorities Under the Inspector General Act of 1978- The Inspector General of the Corporation may confer on the Special Deputy Inspector General such authorities provided to the Inspector General of the Corporation in section 6 of the Inspector General Act of 1978 as the Inspector General of the Corporation considers necessary to enable the Special Deputy Inspector General to carry out the duties specified in subsection (c).</p> <p>(e) Personnel, Facilities, and Other Resources-</p> <p>(1) IN GENERAL- The Special Deputy Inspector General may, in consultation with and subject to the approval of the Inspector General of the Corporation, expend such amounts from the fund established under section 1609(n) as are necessary to carry out the duties described in subsection (c) and to submit the reports required by subsection (h).</p> <p>(2) ADDITIONAL FUNDS- If the fund established under section 1609(n) is insufficient to enable the Special Deputy Inspector General to begin carrying out the duties of the Special Deputy Inspector General in a timely fashion or later becomes insufficient to enable the Special Deputy Inspector General to carry out such duties, the Inspector General of the Corporation shall detail the necessary personnel, facilities, or other resources to the Special Deputy Inspector General.</p> <p>(f) Corrective Responses to Audit Problems- The Chairman of the Corporation shall--</p> <p>(1) take action to address deficiencies identified by a report or investigation of the Special Deputy Inspector General; or</p> <p>(2) certify to the appropriate committees of Congress that no action is necessary or appropriate.</p> <p>(g) Cooperation and Coordination With Other Entities- In carrying out the duties, responsibilities, and authorities of the Special Deputy Inspector General under this section, the Special Deputy Inspector General shall work with each of the inspectors general who is a member of the Council of Inspectors General on Financial Oversight established under section 1703(a)(1), in order to avoid duplication of effort and ensure comprehensive oversight of the Corporation's activities as a receiver appointed under section 1604.</p> <p>(h) Reports-</p> <p>(1) IN GENERAL- In lieu of the semiannual reports required by section 5(a) of the Inspector General Act of 1978, the Special Deputy Inspector General shall submit to the appropriate committees of Congress at the following times a report prepared in consultation with and approved by the Inspector General of the Corporation:</p> <p>(A) Not later than 30 days after the appointment of the Special</p>	<p><i>months thereafter, the Inspector General of the Department of the Treasury shall conduct the audit and investigation described in paragraph (1).</i></p> <p><i>(3) REPORTS AND TESTIMONY- The Inspector General of the Department of the Treasury shall include in the semiannual reports required by section 5(a) of the Inspector General Act of 1978 (5 U.S.C. App.), a summary of the findings and assessments under paragraph (1), and shall appear before the appropriate committees of Congress, if requested, to present each such report.</i></p> <p><i>(4) TERMINATION OF RESPONSIBILITIES- The duties and responsibilities of the Inspector General of the Department of the Treasury under this subsection shall terminate 1 year after the date on which the obligations purchased by the Secretary from the Corporation under section 210 are fully redeemed.</i></p> <p><i>(f) Primary Financial Regulatory Agency Inspector General Reviews-</i></p> <p><i>(1) SCOPE- Upon the appointment of the Corporation as receiver for a covered financial company supervised by a Federal primary financial regulatory agency or the Board of Governors under section 165, the Inspector General of the agency or the Board of Governors shall make a written report reviewing the supervision by the agency or the Board of Governors of the covered financial company, which shall--</i></p> <p><i>(A) evaluate the effectiveness of the agency or the Board of Governors in carrying out its supervisory responsibilities with respect to the covered financial company;</i></p> <p><i>(B) identify any acts or omissions on the part of agency or Board of Governors officials that contributed to the covered financial company being in default or in danger of default;</i></p> <p><i>(C) identify any actions that could have been taken by the agency or the Board of Governors that would have prevented the company from being in default or in danger of default; and</i></p> <p><i>(D) recommend appropriate administrative or legislative action.</i></p> <p><i>(2) REPORTS AND TESTIMONY- Not later than 1 year after the date of appointment of the Corporation as receiver under this title, the Inspector General of the Federal primary financial regulatory agency or the Board of Governors shall provide the report required by paragraph (1) to such agency or the Board of Governors, and along with such agency or the Board of Governors, as applicable, shall appear before the appropriate committees of Congress, if requested, to</i></p>	

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<p>Deputy Inspector General.</p> <p>(B) During the first 3 years after such appointment, not later than 30 days after the end of each fiscal quarter during which the Corporation acts as receiver for a financial company under section 1604.</p> <p>(C) During the 4th year after such appointment and each year thereafter, not later than 30 days after the end of the 2nd and the 4th fiscal quarters, if the Corporation acts as receiver for a financial company under section 1604 during such semiannual period.</p> <p>(2) CONTENT OF REPORTS- Each report required by paragraph (1) shall include a summary, for the period since the last required report (or, in the case of the first report, for the period since the Corporation was first appointed as a receiver under section 1604) of--</p> <p>(A) the activities of the Special Deputy Inspector General; and</p> <p>(B) the activities and future plans of the Corporation with respect to each financial company for which it served as receiver.</p> <p>(i) Termination- The Office of Dissolution shall terminate 6 months after the Corporation ceases to serve as a receiver for any financial company under section 1604, subject to reestablishment pursuant to subsection (a)(1).</p>	<p><i>present the report required by paragraph (1). Not later than 90 days after the date of receipt of the report required by paragraph (1), such agency or the Board of Governors, as applicable, shall provide a written report to Congress describing any actions taken in response to the recommendations in the report, and if no such actions were taken, describing the reasons why no actions were taken.</i></p>	
<p>SEC. 1612. MISCELLANEOUS PROVISIONS.</p> <p>(a) Bankruptcy Code Amendments-</p> <p>(1) Section 109(b)(2) of title 11 of the United States Code is amended by inserting `covered financial company (as that term is defined in section 1602(5) of the Dissolution Authority for Large, Interconnected Financial Companies Act of 2009),' after `a domestic insurance company,'.</p> <p>(2) Section 303 of title 11, United States Code, is amended--</p> <p>(A) in subsection (h)--</p> <p>(i) by striking `or' at the end of paragraph (1);</p> <p>(ii) by striking the period at the end of paragraph (2) and inserting `; or'; and</p> <p>(iii) by adding at the end the following new paragraph:</p> <p>`(3) an involuntary case is filed against a covered financial company, as defined in section 1602(5) of the Dissolution Authority for Large, Interconnected Financial Companies Act of 2009, by the Federal</p>		

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<p>Deposit Insurance Corporation under section 1607 of that Act.'; and (B) by adding at the end the following new subsection: `(m) Notwithstanding subsections (a) and (b) of this section and section 109(b)(2), an involuntary case may be commenced by the Federal Deposit Insurance Corporation against a covered financial company (as defined in section 1602(5) of the Dissolution Authority for Large, Interconnected Financial Companies Act of 2009). Such involuntary case may be commenced by the Federal Deposit Insurance Corporation in accordance with section 1607 of that Act.'</p> <p>(3) Title 11, United States Code, is amended by inserting after section 303 the following new section:</p> <p>SEC. 304. CASES INVOLVING FDIC DISSOLUTION AUTHORITY.</p> <p>`(a) Appointment- In any case commenced by the Federal Deposit Insurance Corporation under section 303(m), on the request of the Federal Deposit Insurance Corporation, such Corporation shall be appointed to serve as trustee in such case, notwithstanding any other provision of this title. `(b) Qualification- Sections 321, 322, 324, and 326 shall not apply with respect to the appointment or service of such Corporation as trustee in any case so commenced.'</p> <p>(b) Federal Deposit Insurance Act and Federal Deposit Insurance Corporation Improvement Act of 1991-</p> <p>(1) Section 18(c)(4)(G)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(i)) is amended by inserting at the end the following new sentence: `The determination with regard to the Corporation's exercise of authority under this subparagraph shall apply to only an insured depository institution except when severe financial conditions exist which threaten the stability of a significant number of insured depository institutions.'</p> <p>(2) Section 403(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403(a)) is amended by inserting `section 1609(c) of the Dissolution Authority for Large, Interconnected Financial Companies Act of 2009, section 1367 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4617(d)),' after `section 11(e) of the Federal Deposit Insurance Act,'</p>		

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<p>SEC. 1613. AMENDMENT TO FEDERAL DEPOSIT INSURANCE ACT.</p> <p>The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 11A the following new section:</p> <p>SEC. 11B. SYSTEMIC DISSOLUTION AUTHORITY AND FUND.</p> <p>(a) Systemic Dissolution Authority- The Corporation shall establish a Systemic Dissolution Authority, which shall function as a subsidiary of the Corporation.</p> <p>(b) Systemic Dissolution Fund- Any fund established for the purpose of facilitating the dissolution of a financial company under subtitle G of the Financial Stability Improvement Act shall be called the Systemic Dissolution Fund, which shall be managed by the Corporation, through the Systemic Dissolution Authority.</p> <p>(c) Management of Fund-</p> <p>(1) SEPARATE MAINTENANCE- The Systemic Dissolution Fund shall be separately maintained and not commingled with any other fund of the Corporation.</p> <p>(2) TREATMENT OF AND ACCOUNTING FOR ASSETS- The assets and liabilities of the Systemic Dissolution Fund--</p> <p>(A) shall be the assets and liabilities of the Fund and not of the Corporation; and</p> <p>(B) shall not be consolidated with the assets and liabilities of the Deposit Insurance Fund or the Corporation for accounting, reporting, or any other purpose.</p> <p>(d) Rights, Powers, and Duties-</p> <p>(1) IN GENERAL- The Corporation, in addition to any rights, powers, and duties under this Act or any other law, shall, through the Systemic Dissolution Authority, have all rights, powers, and duties necessary to implement and maintain the Systemic Dissolution Fund in accordance with subtitle G of the Financial Stability Improvement Act of 2009.</p> <p>(2) POWERS AS RECEIVER FOR COVERED FINANCIAL COMPANY- When acting as receiver with respect to any covered financial company, as defined in subtitle G of the Financial Stability Improvement Act of 2009, the Corporation, through the Systemic Dissolution Authority, shall have all rights, powers, and duties that the Corporation has as receiver under such subtitle.</p> <p>(3) SPECIFIC AND INCIDENTAL POWERS- The Corporation,</p>		

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<p>through the Systemic Dissolution Authority, or any duly authorized officer or agent of the Authority, may exercise all powers specifically granted by the provisions of this Act and subtitle G of the Financial Stability Improvement Act and such incidental powers as shall be necessary to carry out the powers so granted and accomplish the purposes of subtitle G of the Financial Stability Improvement Act.</p> <p>(e) Staff and Resources-</p> <p>(1) IN GENERAL- The Corporation shall assign such staff, and provide such administrative and other support services to the Systemic Dissolution Authority as is necessary to fulfill the statutory responsibilities of the Authority.</p> <p>(2) ADMINISTRATIVE EXPENSES- The cost of all personnel, services, and resources provided on behalf of the Systemic Dissolution Authority shall be paid from the Systemic Dissolution Fund.'</p>		
<p>SEC. 1614. APPLICATION OF EXECUTIVE COMPENSATION LIMITATIONS.</p> <p>At any time that the Corporation has borrowed from the Treasury pursuant to section 1609(o) to resolve a covered financial company, the Corporation shall apply the executive compensation limits under section 111 of the Emergency Economic Stabilization Act of 2008 to such company for so long as such company is in receivership.</p>	<p>SEC. 213. BAN ON SENIOR EXECUTIVES AND DIRECTORS.</p> <p>(a) Prohibition Authority- The Board of Governors or, if the covered financial company was not supervised by the Board of Governors, the Corporation, may exercise the authority provided by this section.</p> <p>(b) Authority To Issue Order- The appropriate agency described in subsection (a) may take any action authorized by subsection (c), if the agency determines that--</p> <p>(1) a senior executive or a director of the covered financial company, prior to the appointment of the Corporation as receiver, has, directly or indirectly--</p> <p>(A) violated--</p> <p>(i) any law or regulation;</p> <p>(ii) any cease-and-desist order which has become final;</p> <p>(iii) any condition imposed in writing by a Federal agency in connection with any action on any application, notice, or request by such company or senior executive; or</p> <p>(iv) any written agreement between such company and such agency;</p> <p>(B) engaged or participated in any unsafe or unsound practice in connection with any financial company; or</p> <p>(C) committed or engaged in any act, omission, or practice which constitutes a breach of the fiduciary duty of such senior</p>	

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	<p><i>executive or director;</i></p> <p><i>(2) by reason of the violation, practice, or breach described in any clause of paragraph (1), such senior executive or director has received financial gain or other benefit by reason of such violation, practice, or breach and such violation, practice, or breach contributed to the failure of the company; and</i></p> <p><i>(3) such violation, practice, or breach--</i></p> <p><i>(A) involves personal dishonesty on the part of such senior executive or director; or</i></p> <p><i>(B) demonstrates willful or continuing disregard by such senior executive or director for the safety or soundness of such company.</i></p> <p><i>(c) Authorized Actions-</i></p> <p><i>(1) IN GENERAL- The appropriate agency for a financial company, as described in subsection (a), may serve upon a senior executive or director described in subsection (b) a written notice of the intention of the agency to prohibit any further participation by such person, in any manner, in the conduct of the affairs of any financial company for a period of time determined by the appropriate agency to be commensurate with such violation, practice, or breach, provided such period shall be not less than 2 years.</i></p> <p><i>(2) PROCEDURES- The due process requirements and other procedures under section 8(e) of the Federal Deposit Insurance Act shall apply to actions under this section as if the covered financial company were an insured depository institution and the senior executive or director were an institution-affiliated party, as those terms are defined in that Act.</i></p> <p><i>(d) Regulations- The Corporation and the Board of Governors, in consultation with the Council, shall jointly prescribe rules or regulations to administer and carry out this section, including rules, regulations, or guidelines to further define the term senior executive for the purposes of this section.</i></p>	
<p>SEC. 1615. STUDY ON THE EFFECT OF SAFE HARBOR PROVISIONS IN INSOLVENCY CASES.</p> <p>(a) Study- The Comptroller General of the United States shall conduct a study of the safe harbor provisions under Federal law for derivatives, swaps, and securities transactions addressing--</p> <p>(1) how the safe harbor provisions have been applied in insolvency cases;</p>	<p>SEC. 202. JUDICIAL REVIEW.</p> <p><i>(e) Study of Bankruptcy and Orderly Liquidation Process for Financial Companies-</i></p> <p><i>(1) STUDY-</i></p> <p><i>(A) IN GENERAL- The Administrative Office of the United States Courts and the Comptroller General of the United</i></p>	

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<p>(2) how such provisions impact the rights of parties in interest in insolvency cases;</p> <p>(3) whether these provisions impede or interfere with allowing a debtor a reasonable period of time to pursue rehabilitation and reorganization; and</p> <p>(4) whether these provisions had an adverse impact on the financial marketplace.</p> <p>(b) Report to the Congress- Not later than 180 days after the date of the enactment of this title, the Comptroller General shall submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report on the results of the study conducted under subsection (a), together with any recommendations for legislation to address any adverse impacts presented by the Federal safe harbor provisions.</p> <p>SEC. 1616. TREASURY STUDY.</p> <p>(a) Study Required- The Secretary shall carry out a study analyzing how the resolution authority provided under this subtitle should be funded. Such study shall consider the following factors:</p> <p>(1) The consequences of any assessments on the overall recovery of the economy of the United States.</p> <p>(2) Any immediate or continuing consequences of assessments on other aspects of the economy of the United States, including job creation, public and private investments, small business loans, and general credit availability.</p> <p>(3) The consequences of any assessments on individual sectors of the financial services industry.</p> <p>(4) The consequences of any assessments on the financial integrity on individual firms within each sector of the financial services industry.</p> <p>(5) The appropriateness and effect of assessments on firms that are subject to separate assessments under existing State or Federal depositor, policyholder, or investor protection mechanisms and the consequences of any such assessments on these mechanisms themselves.</p> <p>(6) The implications of assessments on all relevant stakeholders, including taxpayers, depositors, insurance policyholders, investors, counterparties, and creditors.</p> <p>(7) Evaluation of the appropriate assessment base, including but not limited to factors such as assets and liabilities, assets under</p>	<p><i>States shall each monitor the activities of the Court, and each such Office shall conduct separate studies regarding the bankruptcy and orderly liquidation process for financial companies under the Bankruptcy Code.</i></p> <p><i>(B) ISSUES TO BE STUDIED- In conducting the study under subparagraph (A), the Administrative Office of the United States Courts and the Comptroller General of the United States each shall evaluate--</i></p> <p><i>(i) the effectiveness of chapter 7 or chapter 11 of the Bankruptcy Code in facilitating the orderly liquidation or reorganization of financial companies;</i></p> <p><i>(ii) ways to maximize the efficiency and effectiveness of the Court; and</i></p> <p><i>(iii) ways to make the orderly liquidation process under the Bankruptcy Code for financial companies more effective.</i></p> <p><i>(2) REPORTS- Not later than 1 year after the date of enactment of this Act, in each successive year until the third year, and every fifth year after that date of enactment, the Administrative Office of the United States Courts and the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate and the Committee on Financial Services and the Committee on the Judiciary of the House of Representatives separate reports summarizing the results of the studies conducted under paragraph (1).</i></p> <p><i>(f) Study of International Coordination Relating to Bankruptcy Process for Financial Companies-</i></p> <p><i>(1) STUDY-</i></p> <p><i>(A) IN GENERAL- The Comptroller General of the United States shall conduct a study regarding international coordination relating to the orderly liquidation of financial companies under the Bankruptcy Code.</i></p> <p><i>(B) ISSUES TO BE STUDIED- In conducting the study under subparagraph (A), the Comptroller General of the United States shall evaluate, with respect to the bankruptcy process for financial companies--</i></p> <p><i>(i) the extent to which international coordination currently exists;</i></p> <p><i>(ii) current mechanisms and structures for facilitating</i></p>	

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<p>management, policyholder reserves, other reserves, statutory and regulatory capital requirements, trusteed assets, and deposits and inflationary factors.</p> <p>(b) Report- Not later than the end of the 6-month period beginning on the date of the enactment of this subtitle, the Secretary shall issue a report to the Congress containing all determinations and conclusions made by the Secretary in carrying out the study required under subsection (a).</p>	<p><i>international cooperation;</i> <i>(iii) barriers to effective international coordination;</i> <i>and</i> <i>(iv) ways to increase and make more effective international coordination.</i></p> <p><i>(2) REPORT- Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate and the Committee on Financial Services and the Committee on the Judiciary of the House of Representatives and the Secretary a report summarizing the results of the study conducted under paragraph (1).</i></p> <p><i>(g) Study of Prompt Corrective Action Implementation by the Appropriate Federal Agencies-</i></p> <p><i>(1) STUDY- The Comptroller General of the United States shall conduct a study regarding the implementation of prompt corrective action by the appropriate Federal banking agencies.</i></p> <p><i>(2) ISSUES TO BE STUDIED- In conducting the study under paragraph (1), the Comptroller General shall evaluate--</i></p> <p><i>(A) the effectiveness of implementation of prompt corrective action by the appropriate Federal banking agencies and the resolution of insured depository institutions by the Corporation; and</i></p> <p><i>(B) ways to make prompt corrective action a more effective tool to resolve the insured depository institutions at the least possible long-term cost to the Deposit Insurance Fund.</i></p> <p><i>(3) REPORT TO COUNCIL- Not later than 1 years after the date of enactment of this Act, the Comptroller General shall submit a report to the Council on the results of the study conducted under this subsection.</i></p> <p><i>(4) COUNCIL REPORT OF ACTION- Not later than 6 months after the date of receipt of the report from the Comptroller General under paragraph (3), the Council shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on actions taken in response to the report, including any recommendations made to the Federal primary financial regulatory agencies under section 120.</i></p>	
<p>SEC. 1617. PRIORITY OF CLAIMS IN FEDERAL DEPOSIT INSURANCE ACT.</p> <p>Section 11(d)(11)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(11)(A)) is amended--</p>		

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<p>(1) by redesignating clauses (iii) through (v) as clauses (iv) through (vi), respectively; and</p> <p>(2) by inserting after clause (ii) the following new clause (iii):</p> <p style="padding-left: 40px;">(iii) Any obligation of the institution owed to the Corporation as a result of the institution's default on a Corporation-guaranteed debt.'</p>		
	<p>SEC. 211. MISCELLANEOUS PROVISIONS.</p> <p><i>(p) Unenforceability of Certain Agreements-</i></p> <p><i>(1) IN GENERAL- No provision described in paragraph (2) shall be enforceable against or impose any liability on any person, as such enforcement or liability shall be contrary to public policy.</i></p> <p><i>(2) PROHIBITED PROVISIONS- A provision described in this paragraph is any term contained in any existing or future standstill, confidentiality, or other agreement that, directly or indirectly--</i></p> <p style="padding-left: 40px;"><i>(A) affects, restricts, or limits the ability of any person to offer to acquire or acquire;</i></p> <p style="padding-left: 40px;"><i>(B) prohibits any person from offering to acquire or acquiring; or</i></p> <p style="padding-left: 40px;"><i>(C) prohibits any person from using any previously disclosed information in connection with any such offer to acquire or acquisition of,</i></p> <p><i>all or part of any covered financial company, including any liabilities, assets, or interest therein, in connection with any transaction in which the Corporation exercises its authority under this title.</i></p> <p><i>(q) Other Exemptions-</i></p> <p><i>(1) IN GENERAL- When acting as a receiver under this title--</i></p> <p style="padding-left: 40px;"><i>(A) the Corporation, including its franchise, its capital, reserves and surplus, and its income, shall be exempt from all taxation imposed by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed, except that, notwithstanding the failure of any person to challenge an assessment under State law of the value of such property, such value, and the tax thereon, shall be determined as of the period for which such tax is imposed;</i></p> <p style="padding-left: 40px;"><i>(B) no property of the Corporation shall be subject to levy,</i></p>	

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	<p><i>attachment, garnishment, foreclosure, or sale without the consent of the Corporation, nor shall any involuntary lien attach to the property of the Corporation; and</i></p> <p><i>(C) the Corporation shall not be liable for any amounts in the nature of penalties or fines, including those arising from the failure of any person to pay any real property, personal property, probate, or recording tax or any recording or filing fees when due; and</i></p> <p><i>(D) the Corporation shall be exempt from all prosecution by the United States or any State, county, municipality, or local authority for any criminal offense arising under Federal, State, county, municipal, or local law, which was allegedly committed by the covered financial company, or persons acting on behalf of the covered financial company, prior to the appointment of the Corporation as receiver.</i></p> <p><i>(2) LIMITATION- Paragraph (1) shall not apply with respect to any tax imposed (or other amount arising) under the Internal Revenue Code of 1986.</i></p> <p><i>(r) Certain Sales of Assets Prohibited-</i></p> <p><i>(1) PERSONS WHO ENGAGED IN IMPROPER CONDUCT WITH, OR CAUSED LOSSES TO, COVERED FINANCIAL COMPANIES- The Corporation shall prescribe regulations which, at a minimum, shall prohibit the sale of assets of a covered financial company by the Corporation to--</i></p> <p><i>(A) any person who--</i></p> <p><i>(i) has defaulted, or was a member of a partnership or an officer or director of a corporation that has defaulted, on 1 or more obligations, the aggregate amount of which exceeds \$1,000,000, to such covered financial company;</i></p> <p><i>(ii) has been found to have engaged in fraudulent activity in connection with any obligation referred to in clause (i); and</i></p> <p><i>(iii) proposes to purchase any such asset in whole or in part through the use of the proceeds of a loan or advance of credit from the Corporation or from any covered financial company;</i></p> <p><i>(B) any person who participated, as an officer or director of such covered financial company or of any affiliate of such</i></p>	

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	<p><i>company, in a material way in any transaction that resulted in a substantial loss to such covered financial company; or</i></p> <p><i>(C) any person who has demonstrated a pattern or practice of defalcation regarding obligations to such covered financial company.</i></p> <p><i>(2) CONVICTED DEBTORS- Except as provided in paragraph (3), a person may not purchase any asset of such institution from the receiver, if that person--</i></p> <p><i>(A) has been convicted of an offense under section 215, 656, 657, 1005, 1006, 1007, 1008, 1014, 1032, 1341, 1343, or 1344 of title 18, United States Code, or of conspiring to commit such an offense, affecting any covered financial company; and</i></p> <p><i>(B) is in default on any loan or other extension of credit from such covered financial company which, if not paid, will cause substantial loss to the Fund or the Corporation.</i></p> <p><i>(3) SETTLEMENT OF CLAIMS- Paragraphs (1) and (2) shall not apply to the sale or transfer by the Corporation of any asset of any covered financial company to any person, if the sale or transfer of the asset resolves or settles, or is part of the resolution or settlement, of 1 or more claims that have been, or could have been, asserted by the Corporation against the person.</i></p> <p><i>(4) DEFINITION OF DEFAULT- For purposes of this subsection, the term `default' means a failure to comply with the terms of a loan or other obligation to such an extent that the property securing the obligation is foreclosed upon.</i></p>	