

**\*\* House Offer \*\***

**Title: Title I**  
**Matter: Financial Stability**

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The House proposes the following amendments to the Base Text:

**Strike Senate Title I, except for § 171, which is revised** to provide for greater flexibility in application, and **replace with House provisions** that contain corresponding subject matter. (Replace Senate bill §§ 101-170, Page 23, line 20 – Page 128, line 2) with House bill §§ 1000, 1001-1008, 1100-1108, 1112-1113, 1115-1119, and a portion of §1301; revise section 171(Page 124, line 3 – Page 128, line 2)).

The provisions of the House bill being substituted:

- Include the NCUA, Federal Insurance Office and representatives of state financial regulators on the Financial Services Oversight Council.
- Ensure that standards for subjecting a company to stricter regulation—
  - Allow companies to be brought within stricter regulation based on the nature of their activities as well as the impact of their material financial distress; and
  - Ensure that size is not determinative of stricter regulation.
- Prevent arbitrage opportunities by—
  - Requiring Council action (based on consideration of risks) to subject any company to stricter regulation;
  - Providing limited Fed authority to reach the foreign parent of a foreign-based firm;
  - Allowing regulators to deny U.S. access to companies with inadequate home-country regimes; and
  - Requiring President and financial regulators to make efforts to insist that no other country undercuts our standards.
- Ensure strong, but appropriately focused, regulation of companies with mixed financial/commercial activities by
  - Being clear that stricter standards are *required* once Council makes its decision;
  - Requiring financial activities of a company that has some commercial activities to be conducted through an intermediate holding company that is separate from the company's commercial activities, and being clear that Fed regulates only the financial part on a day-to-day basis; and
  - Requiring that stricter standards be adapted to a company's business model.
- Includes a 15-1 leverage limit for companies subject to stricter standards, with an exemption for Federal Home Loan Banks (this would be in addition to revised § 171 that addresses capital standards more broadly).
- Preserve House language regarding breaking up companies that pose grave threats to financial stability, stress testing, and rapid resolution plans.