

SHERMAN

AMENDMENT TO THE
"OVER-THE-COUNTER DERIVATIVES MARKETS ACT OF 2009"
DISCUSSION DRAFT OF OCTOBER 2, 2009

OFFERED BY MR. SHERMAN OF CALIFORNIA

At the end of the title, insert the following new section:

SEC. ____ . PROHIBITION AGAINST GOVERNMENT ASSISTANCE.

(A) IN GENERAL.—No provision of this title or any other Act, including the Federal Reserve Act, the Federal Deposit Insurance Act, the Bank Holding Company Act or any future Act, shall be construed to authorize federal assistance to support the clearing operations or liquidation of a derivatives clearing organization described in the Commodity Exchange Act, except where explicitly authorized by an Act of Congress.

(B) DEFINITION.—For the purposes of this section, the term 'federal assistance' shall be defined as the use of public funds for the purposes of:

- (i) making loans to, or purchasing any debt obligation of, a derivatives clearing organization or a subsidiary;
- (ii) purchasing assets of a derivatives clearing organization or a subsidiary;
- (iii) assuming or guaranteeing the obligations of a derivatives clearing organization or a subsidiary; or
- (iv) acquiring any type of equity interest or security of a derivatives clearing organization or a subsidiary.