

[COMMITTEE PRINT]

June 3, 2002

[Showing H.R. 3951, as Adopted by the Subcommittee on  
Financial Institutions and Consumer Credit]

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3951**

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IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2002

Mrs. CAPITO (for herself, Mr. SANDLIN, Mr. OXLEY, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

[Strike out all after the enacting clause and insert in lieu thereof the part printed in roman]

[For text of introduced bill, see copy of bill as introduced on March 13, 2002]

**A BILL**

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

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Financial Services Regulatory Relief Act of 2002”.



1 (B) TABLE OF CONTENTS.—The table of contents for  
2 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—NATIONAL BANK PROVISIONS

- Sec. 101. National bank directors.
- Sec. 102. Voting in shareholder elections.
- Sec. 103. Simplifying dividend calculations for national banks.
- Sec. 104. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.
- Sec. 105. Repeal of intrastate branch capital requirements.
- Sec. 106. Clarification of waiver of publication requirements for bank merger notices.
- Sec. 107. Capital equivalency deposits for Federal branches and agencies of foreign banks.
- Sec. 108. Equal treatment for Federal agencies of foreign banks.
- Sec. 109. Maintenance of a Federal branch and a Federal agency in the same State.

TITLE II—SAVINGS ASSOCIATION PROVISIONS

- Sec. 201. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.
- Sec. 202. Investments by Federal savings associations authorized to promote the public welfare.
- Sec. 203. Merger and consolidation of Federal savings associations with non-depository institution affiliates.
- Sec. 204. Repeal of statutory dividend notice requirement for savings association subsidiaries of savings and loan holding companies.
- Sec. 205. Modernizing statutory authority for trust ownership of savings associations.
- Sec. 206. Repeal of overlapping rules governing purchased mortgage servicing rights.
- Sec. 207. Expanded authority for Federal savings associations to invest in small business investment companies.
- Sec. 208. Removal of limitation on investments in auto loans.
- Sec. 209. Funeral- and cemetery-related fiduciary services.
- Sec. 210. Repeal of qualified thrift lender requirement with respect to out-of-State branches.

TITLE III—CREDIT UNION PROVISIONS

- Sec. 301. Privately insured credit unions authorized to become members of a Federal home loan bank.
- Sec. 302. Leases of land on Federal facilities for credit unions.
- Sec. 303. Investments in securities by Federal credit unions.
- Sec. 304. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.
- Sec. 305. Increase in 1 percent investment limit in credit union service organizations.
- Sec. 306. Member business loan exclusion for loans to nonprofit religious organizations.



- Sec. 307. Sale of checks to persons in the field of membership of the credit union.
- Sec. 308. Voluntary mergers and conversions involving multiple common-bond credit unions without numerical limitation.
- Sec. 309. Credit union governance.

TITLE IV—DEPOSITORY INSTITUTION PROVISIONS

- Sec. 401. Easing restrictions on interstate branching and mergers.
- Sec. 402. Statute of limitations for judicial review of appointment of a receiver for depository institutions.
- Sec. 403. Reporting requirements relating to insider lending.
- Sec. 404. Amendment to provide an inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.
- Sec. 405. Enhancing the safety and soundness of insured depository institutions.
- Sec. 406. Investments by insured savings associations in bank service companies authorized.
- Sec. 407. Cross guarantee authority.
- Sec. 408. Golden parachute authority and nonbank holding companies.

TITLE V—DEPOSITORY INSTITUTION AFFILIATES PROVISIONS

- Sec. 501. Clarification of cross marketing provision.
- Sec. 502. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.
- Sec. 503. Eliminating geographic limits on thrift service companies.

TITLE VI—BANKING AGENCY PROVISIONS

- Sec. 601. Waiver of examination schedule in order to allocate examiner resources.
- Sec. 602. Credit card accounts permitted for bank examiners on same terms as other consumers.
- Sec. 603. Interagency data sharing.
- Sec. 604. Unauthorized participation by convicted individual at uninsured depository institutions subject to penalty.
- Sec. 605. Amendment permitting the destruction of old records of a depository institution by the FDIC after the appointment of the FDIC as receiver.
- Sec. 606. Modernization of FDIC recordkeeping requirement.
- Sec. 607. Repeal of minimum antitrust review period with the agreement of the Attorney General.
- Sec. 608. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.
- Sec. 609. Streamlining depository institution merger application requirements.
- Sec. 610. Inclusion of Director of the Office of Thrift Supervision in list of banking agencies regarding insurance customer protection regulations.

TITLE VII—CLERICAL AND TECHNICAL AMENDMENTS

- Sec. 701. Clerical amendments to the Home Owners' Loan Act.



Sec. 702. Technical corrections to the Federal Credit Union Act.  
Sec. 702. Other technical corrections.

1           **TITLE I—NATIONAL BANK**  
2                                   **PROVISIONS**

3   **SEC. 101. NATIONAL BANK DIRECTORS.**

4           Section 5146 of the Revised Statutes of the United  
5 States (12 U.S.C. 72) is amended—

6                   (1) by striking “SEC. 5146. Every director  
7           must during” and inserting the following:

8   **“SEC. 5146. REQUIREMENTS FOR BANK DIRECTORS.**

9           “(a) RESIDENCY REQUIREMENTS.—Every director of  
10 a national bank shall, during”;

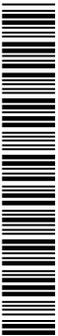
11                   (2) by striking “total number of directors.  
12 Every director must own in his or her own right”  
13 and inserting “total number of directors.

14   “(b) INVESTMENT REQUIREMENT.—

15                   “(1) IN GENERAL.—Every director of a na-  
16 tional bank shall own, in his or her own right,”; and

17                   (3) by adding at the end the following new  
18 paragraph:

19                   “(2) EXCEPTION FOR SUBORDINATED DEBT IN  
20 CERTAIN CASES.—In lieu of the requirements of  
21 paragraph (1) relating to the ownership of capital  
22 stock in the national bank, the Comptroller of the  
23 Currency may, by regulation or order, permit an in-  
24 dividual to serve as a director of a national bank



1 that has elected, or notifies the Comptroller of the  
2 bank's intention to elect, to operate as a S corpora-  
3 tion pursuant to section 1362(a) of the Internal  
4 Revenue Code of 1986, if that individual holds debt  
5 of at least \$1,000 issued by the national bank that  
6 is subordinated to the interests of depositors and  
7 other general creditors of the national bank.”.

8 **SEC. 102. VOTING IN SHAREHOLDER ELECTIONS.**

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

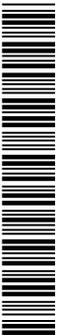
11 (1) by striking “or to cumulate” and inserting  
12 “or, if so provided by the articles of association of  
13 the national bank, to cumulate”;

14 (2) by striking the comma after “his shares  
15 shall equal”; and

16 (3) by adding at the end the following new sen-  
17 tence: “The Comptroller of the Currency may pre-  
18 scribe such regulations to carry out the purposes of  
19 this section as the Comptroller determines to be ap-  
20 propriate.”.

21 **SEC. 103. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-**  
22 **TIONAL BANKS.**

23 Section 5199 of the Revised Statutes of the United  
24 States (12 U.S.C. 60) is amended to read as follows:



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

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

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

17 **SEC. 104. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**  
18 **AUTHORITY OF THE COMPTROLLER OF THE**  
19 **CURRENCY.**

20 Section 8(e)(4) of the Federal Deposit Insurance Act  
21 (12 U.S.C. 1818(e)(4)) is amended by striking the 5th  
22 sentence.

23 **SEC. 105. REPEAL OF INTRASTATE BRANCH CAPITAL RE-**  
24 **QUIREMENTS.**

25 Section 5155(c) of the Revised Statutes of the United  
26 States (12 U.S.C. 36(c)) is amended—



1 (1) in the 2nd sentence, by striking “, without  
2 regard to the capital requirements of this section,”;  
3 and

4 (2) by striking the last sentence.

5 **SEC. 106. CLARIFICATION OF WAIVER OF PUBLICATION RE-**  
6 **QUIREMENTS FOR BANK MERGER NOTICES.**

7 The last sentence of sections 2(a) and 3(a)(2) of the  
8 National Bank Consolidation and Merger Act (12 U.S.C.  
9 215(a) and 215a(a)(2), respectively) are each amended to  
10 read as follows: “Publication of notice may be waived if  
11 the Comptroller determines that an emergency exists justi-  
12 fying such waiver or if the shareholders of the association  
13 or State bank agree by unanimous action to waive the pub-  
14 lication requirement for their respective institutions.”.

15 **SEC. 107. CAPITAL EQUIVALENCY DEPOSITS FOR FEDERAL**  
16 **BRANCHES AND AGENCIES OF FOREIGN**  
17 **BANKS.**

18 Section 4(g) of the International Banking Act of  
19 1978 (12 U.S.C. 3102(g)) is amended to read as follows:

20 “(g) CAPITAL EQUIVALENCY DEPOSIT.—

21 “(1) IN GENERAL.—Upon the opening of a  
22 Federal branch or agency of a foreign bank in any  
23 State and thereafter, the foreign bank, in addition to  
24 any deposit requirements imposed under section 6,  
25 shall keep on deposit investment securities, dollar



1 deposits, or other similar types of assets approved by  
2 the Comptroller of the Currency in such amounts as  
3 the Comptroller of the Currency determines to be  
4 necessary for the protection of depositors and other  
5 investors and to be consistent with the principles of  
6 safety and soundness.

7 “(2) REGULATIONS REQUIRED.—The Comp-  
8 troller of the Currency shall prescribe such regula-  
9 tions as the Comptroller determines to be necessary  
10 or appropriate for implementing the requirements  
11 established under paragraph (1), in consultation  
12 with the Financial Institutions Examination Council.

13 “(3) SUMMARY OF CONSULTATION.—In pub-  
14 lishing any proposed or final regulation under para-  
15 graph (2), the Comptroller of the Currency shall in-  
16 clude a description of the issues taken into account  
17 in developing such regulation, a summary of the  
18 comments of the Financial Institutions Examination  
19 Council with respect to such regulation, and a state-  
20 ment describing the manner in which such comments  
21 were addressed by the Comptroller.”.

22 **SEC. 108. EQUAL TREATMENT FOR FEDERAL AGENCIES OF**  
23 **FOREIGN BANKS.**

24 The 1st sentence of section 4(d) of the International  
25 Banking Act of 1978 (12 U.S.C. 3102(d)) is amended by



1 inserting “from citizens or residents of the United States”  
2 after “deposits”.

3 **SEC. 109. MAINTENANCE OF A FEDERAL BRANCH AND A**  
4 **FEDERAL AGENCY IN THE SAME STATE.**

5 Section 4(e) of the International Banking Act of  
6 1978 (12 U.S.C. 3102(e)) is amended by inserting “if the  
7 maintenance of both an agency and a branch in the State  
8 is prohibited under the law of such State” before the pe-  
9 riod at the end.

10 **TITLE II—SAVINGS ASSOCIATION**  
11 **PROVISIONS**

12 **SEC. 201. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**  
13 **SECURITIES EXCHANGE ACT OF 1934 AND**  
14 **THE INVESTMENT ADVISERS ACT OF 1940.**

15 (a) SECURITIES EXCHANGE ACT OF 1934.—

16 (1) DEFINITION OF BANK.—Section 3(a)(6) of  
17 the Securities Exchange Act of 1934 (15 U.S.C.  
18 78c(a)(6)) is amended by striking “(A) a banking  
19 institution organized under the laws of the United  
20 States” and inserting “(A) a depository institution  
21 (as defined in section 3 of the Federal Deposit In-  
22 surance Act) or a branch or agency of a foreign  
23 bank (as such terms are defined in section 1(b) of  
24 the International Banking Act of 1978)”.



1           (2) INCLUDE OTS UNDER THE DEFINITION OF  
2           APPROPRIATE REGULATORY AGENCY FOR CERTAIN  
3           PURPOSES.—Section 3(a)(34) of such Act (15  
4           U.S.C. 78c(a)(34)) is amended—

5                   (A) in subparagraph (A)—

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

8                           (ii) by striking “and” at the end of  
9                           clause (iii);

10                          (iii) by redesignating clause (iv) as  
11                          clause (v); and

12                          (iv) by inserting the following new  
13                          clause after clause (iii):

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

24                          (B) in subparagraph (B)—



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

3 (ii) by striking “and” at the end of  
4 clause (iii);

5 (iii) by redesignating clause (iv) as  
6 clause (v); and

7 (iv) by inserting the following new  
8 clause after clause (iii):

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

18 (C) in subparagraph (C)—

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

21 (ii) by striking “and” at the end of  
22 clause (iii);

23 (iii) by redesignating clause (iv) as  
24 clause (v); and



1 (iv) by inserting the following new  
2 clause after clause (iii):

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

14 (D) in subparagraph (D)—

15 (i) by striking “and” at the end of  
16 clause (ii);

17 (ii) by redesignating clause (iii) as  
18 clause (iv); and

19 (iii) by inserting the following new  
20 clause after clause (ii):

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



1 insured by the Federal Deposit Insurance  
2 Corporation; and”;

3 (E) in subparagraph (F)—

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

7 (ii) by inserting the following new  
8 clause after clause (i):

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

16 (F) at the end of the last undesignated  
17 paragraph, by inserting the following new sen-  
18 tence: “As used in this paragraph, the term  
19 ‘savings and loan holding company’ has the  
20 meaning given it in section 10(a) of the Home  
21 Owners’ Loan Act (12 U.S.C. 1467a(a)).”.

22 (b) INVESTMENT ADVISERS ACT OF 1940.—

23 (1) DEFINITION OF BANK.—Section 202(a)(2)  
24 of the Investment Advisers Act of 1940 (15 U.S.C.  
25 80b-2(a)(2)) is amended by striking “(A) a banking



1 institution organized under the laws of the United  
2 States” and inserting “(A) a depository institution  
3 (as defined in section 3 of the Federal Deposit In-  
4 surance Act) or a branch or agency of a foreign  
5 bank (as such terms are defined in section 1(b) of  
6 the International Banking Act of 1978)”.

7 (2) CONFORMING AMENDMENTS.—Subsections  
8 (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b) of section  
9 210A of such Act (15 U.S.C. 80b–10a), as added by  
10 section 220 of the Gramm-Leach-Bliley Act, are  
11 each amended by striking “bank holding company”  
12 each place it occurs and inserting “bank holding  
13 company or savings and loan holding company”.

14 (c) CONFORMING AMENDMENT TO THE INVESTMENT  
15 COMPANY ACT OF 1940.—Section 10(c) of the Investment  
16 Company Act of 1940 (15 U.S.C. 80a–10(c)), as amended  
17 by section 213(c) of the Gramm-Leach-Bliley Act, is  
18 amended by inserting after “1956)” the following: “or any  
19 one savings and loan holding company (together with its  
20 affiliates and subsidiaries) (as such terms are defined in  
21 section 10 of the Home Owners’ Loan Act)”.



1 **SEC. 202. INVESTMENTS BY FEDERAL SAVINGS ASSOCIA-**  
2 **TIONS AUTHORIZED TO PROMOTE THE PUB-**  
3 **LIC WELFARE.**

4 (a) IN GENERAL.—Section 5(c)(3) of the Home Own-  
5 ers' Loan Act (12 U.S.C. 1464(c)) is amended by adding  
6 at the end the following new subparagraph:

7 “(E) DIRECT INVESTMENTS TO PROMOTE  
8 THE PUBLIC WELFARE.—

9 “(i) IN GENERAL.—A Federal savings  
10 association may make investments de-  
11 signed primarily to promote the public wel-  
12 fare, including the welfare of low- and  
13 moderate-income communities or families  
14 through the provision of housing, services,  
15 and jobs.

16 “(ii) DIRECT INVESTMENTS OR ACQUI-  
17 SITION OF INTEREST IN OTHER COMPA-  
18 NIES.—Investments under clause (i) may  
19 be made directly or by purchasing interests  
20 in an entity primarily engaged in making  
21 such investments.

22 “(iii) PROHIBITION ON UNLIMITED LI-  
23 ABILITY.—No investment may be made  
24 under this subparagraph which would sub-  
25 ject a Federal savings association to unlim-  
26 ited liability to any person.



1                   “(iv) SINGLE INVESTMENT LIMITA-  
2                   TION TO BE ESTABLISHED BY DIREC-  
3                   TOR.—Subject to clauses (v) and (vi), the  
4                   Director shall establish, by order or regula-  
5                   tion, limits on—

6                               “(I) the amount any savings as-  
7                               sociation may invest in any 1 project;  
8                               and

9                               “(II) the aggregate amount of in-  
10                              vestment of any savings association  
11                              under this subparagraph.

12                             “(v) FLEXIBLE AGGREGATE INVEST-  
13                             MENT LIMITATION.—The aggregate  
14                             amount of investments of any savings asso-  
15                             ciation under this subparagraph may not  
16                             exceed an amount equal to the sum of 5  
17                             percent of the savings association’s capital  
18                             stock actually paid in and unimpaired and  
19                             5 percent of the savings association’s  
20                             unimpaired surplus, unless—

21                               “(I) the Director determines that  
22                               the savings association is adequately  
23                               capitalized; and

24                               “(II) the Federal Deposit Insur-  
25                               ance Corporation determines, by



1 order, that the aggregate amount of  
2 investments in a higher amount than  
3 the limit under this clause will pose  
4 no significant risk to the affected de-  
5 posit insurance fund.

6 “(vi) MAXIMUM AGGREGATE INVEST-  
7 MENT LIMITATION.—Notwithstanding  
8 clause (v), the aggregate amount of invest-  
9 ments of any savings association under  
10 this subparagraph may not exceed an  
11 amount equal to the sum of 10 percent of  
12 the savings association’s capital stock actu-  
13 ally paid in and unimpaired and 10 per-  
14 cent of the savings association’s  
15 unimpaired surplus.

16 “(vii) INVESTMENTS NOT SUBJECT TO  
17 OTHER LIMITATION ON QUALITY OF IN-  
18 VESTMENTS.—No obligation a Federal sav-  
19 ings association acquires or retains under  
20 this subparagraph shall be taken into ac-  
21 count for purposes of the limitation con-  
22 tained in section 28(d) of the Federal De-  
23 posit Insurance Act on the acquisition and  
24 retention of any corporate debt security  
25 not of investment grade.”.



1 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
2 Section 5(c)(3)(A) is amended to read as follows:

3 “(A) Repealed”.

4 **SEC. 203. MERGERS AND CONSOLIDATIONS OF FEDERAL**  
5 **SAVINGS ASSOCIATIONS WITH NONDEPOSI-**  
6 **TORY INSTITUTION AFFILIATES.**

7 Section 5(d)(3) of the Home Owners’ Loan Act (12  
8 U.S.C. 1464(d)(3)) is amended—

9 (1) by redesignating subparagraph (B) as sub-  
10 paragraph (C); and

11 (2) by inserting after subparagraph (A) the fol-  
12 lowing new subparagraph:

13 “(B) MERGERS AND CONSOLIDATIONS  
14 WITH NONDEPOSITORY INSTITUTION AFFILI-  
15 ATES.—

16 “(i) IN GENERAL.—Upon the approval  
17 of the Director, a Federal savings associa-  
18 tion may merge with any nondepository in-  
19 stitution affiliate of the savings associa-  
20 tion.

21 “(ii) RULE OF CONSTRUCTION.—No  
22 provision of clause (i) shall be construed  
23 as—



1                   “(I) affecting the applicability of  
2                   section 18(c) of the Federal Deposit  
3                   Insurance Act; or

4                   “(II) granting a Federal savings  
5                   association any power or any author-  
6                   ity to engage in any activity that is  
7                   not authorized for a Federal savings  
8                   association under any other provision  
9                   of this Act or any other provision of  
10                  law.”.

11 **SEC. 204. REPEAL OF STATUTORY DIVIDEND NOTICE RE-**  
12 **QUIREMENT FOR SAVINGS ASSOCIATION SUB-**  
13 **SIDIARIES OF SAVINGS AND LOAN HOLDING**  
14 **COMPANIES.**

15                  Section 10(f) of the Home Owners’ Loan Act (12  
16 U.S.C. 1467a(f)) is amended to read as follows:

17                  “(f) **DECLARATION OF DIVIDEND.**—The Director  
18                  may—

19                         “(1) require a savings association that is a sub-  
20                         sidiary of a savings and loan holding company to  
21                         give prior notice to the Director of the intent of the  
22                         savings association to pay a dividend on its guar-  
23                         anty, permanent, or other nonwithdrawable stock;  
24                         and



1           “(2) establish conditions on the payment of  
2           dividends by such a savings association.”.

3 **SEC. 205. MODERNIZING STATUTORY AUTHORITY FOR**  
4           **TRUST OWNERSHIP OF SAVINGS ASSOCIA-**  
5           **TIONS.**

6           (a) IN GENERAL.—Section 10(a)(1)(C) of the Home  
7 Owners’ Loan Act (12 U.S.C. 1467a(a)(1)(C)) is  
8 amended—

9           (1) by striking “trust,” and inserting “business  
10          trust,”; and

11          (2) by inserting “or any other trust unless by  
12          its terms it must terminate within 25 years or not  
13          later than 21 years and 10 months after the death  
14          of individuals living on the effective date of the  
15          trust,” after “or similar organization,”.

16          (b) TECHNICAL AND CONFORMING AMENDMENT.—  
17 Section 10(a)(3) of the Home Owners’ Loan Act (12  
18 U.S.C. 1467a(a)(3)) is amended—

19          (1) by striking “does not include—” and all  
20          that follows through “any company by virtue” where  
21          such term appears in subparagraph (A) and insert-  
22          ing “does not include any company by virtue”;

23          (2) by striking “; and” at the end of subpara-  
24          graph (A) and inserting a period; and

25          (3) by striking subparagraph (B).



1 **SEC. 206. REPEAL OF OVERLAPPING RULES GOVERNING**  
2 **PURCHASED MORTGAGE SERVICING RIGHTS.**

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

5 (1) by striking paragraph (4) and inserting the  
6 following new paragraph:

7 “(4) Repealed”; and

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

11 **SEC. 207. RESTATEMENT OF AUTHORITY FOR FEDERAL**  
12 **SAVINGS ASSOCIATIONS TO INVEST IN SMALL**  
13 **BUSINESS INVESTMENT COMPANIES.**

14 Subparagraph (D) of section 5(c)(4) of the Home  
15 Owners' Loan Act (12 U.S.C. 1464(c)(4)) is amended to  
16 read as follows:

17 “(D) SMALL BUSINESS INVESTMENT COM-  
18 PANIES.—Any Federal savings association may  
19 invest in 1 or more small business investment  
20 companies, or in any entity established to invest  
21 solely in small business investment companies  
22 formed under the Small Business Investment  
23 Act of 1958, except that the total amount of in-  
24 vestments under this subparagraph may not at  
25 any time exceed the amount equal to 5 percent  
26 of capital and surplus of savings association.”.



1 **SEC. 208. REMOVAL OF LIMITATION ON INVESTMENTS IN**  
2 **AUTO LOANS.**

3 (a) IN GENERAL.—Section 5(c)(1) of the Home Own-  
4 ers' Loan Act ((12 United States Code, 1464(c)(1)) is  
5 amended by adding at the end the following new subpara-  
6 graph:

7 “(V) AUTO LOANS.—Loans and leases for  
8 motor vehicles acquired for personal, family, or  
9 household purposes.”.

10 (b) TECHNICAL AND CONFORMING AMENDMENT RE-  
11 LATING TO QUALIFIED THRIFT INVESTMENTS.—Section  
12 10(m)(4)(C)(ii) of the Home Owners' Loan Act (12  
13 U.S.C. 1467a(m)(4)(C)(ii)) is amended by adding at the  
14 end the following new subclause:

15 “(VIII) Loans and leases for  
16 motor vehicles acquired for personal,  
17 family, or household purposes.”.

18 **SEC. 209. FUNERAL- AND CEMETERY-RELATED FIDUCIARY**  
19 **SERVICES.**

20 Section 5(n) of the Home Owners' Loan Act (12  
21 U.S.C. 1464(n)) is amended by adding at the end the fol-  
22 lowing new paragraph:

23 “(11) FUNERAL- AND CEMETERY-RELATED FI-  
24 DUCIARY SERVICES.—

25 “(A) IN GENERAL.—A funeral director or  
26 cemetery operator, when acting in such capac-



1           ity, (or any other person in connection with a  
2           contract or other agreement with a funeral di-  
3           rector or cemetery operator) may engage any  
4           Federal savings association, regardless of where  
5           the association is located, to act in any fidu-  
6           ciary capacity in which the savings association  
7           has the right to act in accordance with this sec-  
8           tion, including holding funds deposited in trust  
9           or escrow by the funeral director or cemetery  
10          operator (or by such other party), and the sav-  
11          ings association may act in such fiduciary ca-  
12          pacity on behalf of the funeral director or ceme-  
13          tery operator (or such other person).

14               “(B) DEFINITIONS.—For purposes of this  
15          paragraph, the following definitions shall apply:

16                   “(i) CEMETERY.—The term ‘ceme-  
17                   tery’ means any land or structure used, or  
18                   intended to be used, for the internment of  
19                   human remains in any form.

20                   “(ii) CEMETERY OPERATOR.—The  
21                   term ‘cemetery operator’ means any person  
22                   who contracts or accepts payment for mer-  
23                   chandise, endowment, or perpetual care  
24                   services in connection with a cemetery.



1                   “(iii) FUNERAL DIRECTOR.—The term  
2                   ‘funeral director’ means any person who  
3                   contracts or accepts payment to provide or  
4                   arrange—

5                   “(I) services for the final disposi-  
6                   tion of human remains; or

7                   “(II) funeral services, property,  
8                   or merchandise (including cemetery  
9                   services, property, or merchandise).”.

10 **SEC. 210. REPEAL OF QUALIFIED THRIFT REQUIREMENT**  
11 **WITH RESPECT TO OUT-OF-STATE BRANCHES.**

12           Section 5(r)(1) of the Home Owners’ Loan Act (12  
13 U.S.C. 1464(r)(1)) is amended by striking the ultimate  
14 sentence.

15 **TITLE III—CREDIT UNION**  
16 **PROVISIONS**

17 **SEC. 301. PRIVATELY INSURED CREDIT UNIONS AUTHOR-**  
18 **IZED TO BECOME MEMBERS OF A FEDERAL**  
19 **HOME LOAN BANK.**

20           Section 4(a) of the Federal Home Loan Bank Act  
21 (12 U.S.C. 1424(a)) is amended by adding at the end the  
22 following new paragraph:

23                   “(5) CERTAIN PRIVATELY INSURED CREDIT  
24                   UNIONS.—A credit union which has been deter-  
25                   mined, in accordance with section 43(e)(1) of the



1 Federal Deposit Insurance Act, to meet all eligibility  
2 requirements for Federal deposit insurance shall be  
3 treated as an insured depository institution for pur-  
4 poses of determining the eligibility of such credit  
5 union for membership in a Federal home loan bank  
6 under paragraphs (1), (2), and (3).”.

7 **SEC. 302. LEASES OF LAND ON FEDERAL FACILITIES FOR**  
8 **CREDIT UNIONS.**

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

11 (1) by striking “Upon application by any credit  
12 union” and inserting “Notwithstanding any other  
13 provision of law, upon application by any credit  
14 union”;

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

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

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



1 (b) CLERICAL AMENDMENT.—The heading for sec-  
2 tion 124 is amended by inserting “OR FEDERAL LAND”  
3 after “BUILDING”.

4 **SEC. 303. INVESTMENTS IN SECURITIES BY FEDERAL CRED-**  
5 **IT UNIONS.**

6 Section 107 of the Federal Credit Union Act (12  
7 U.S.C. 1757(7)(K)) is amended—

8 (1) in the matter preceding paragraph (1) by  
9 striking “A Federal credit union” and inserting “(a)  
10 IN GENERAL.—Any Federal credit union”; and

11 (2) by adding at the end the following new sub-  
12 section:

13 “(b) INVESTMENT FOR THE CREDIT UNION’S OWN  
14 ACCOUNT.—

15 “(1) IN GENERAL.—A Federal credit union may  
16 purchase and hold for its own account such invest-  
17 ment securities as the Board may authorize by regu-  
18 lation, subject to such limitations and restrictions as  
19 the Board may prescribe in the regulations.

20 “(2) PERCENTAGE LIMITATION.—In no event  
21 may the total amount of investment securities of any  
22 single obligor or maker held by a Federal credit  
23 union for the credit union’s own account exceed at  
24 any time an amount equal to 10 percent of the  
25 unimpaired capital and surplus of the credit union.



1 “(3) INVESTMENT SECURITY DEFINED.—

2 “(A) IN GENERAL.—For purposes of this  
3 subsection, the term ‘investment security’  
4 means marketable obligations evidencing the in-  
5 debtedness of any person in the form of bonds,  
6 notes, or debentures and other instruments  
7 commonly referred to as investment securities.

8 “(B) FURTHER DEFINITION BY BOARD.—  
9 The Board may further define the term ‘invest-  
10 ment security’.

11 “(4) CLARIFICATION OF PROHIBITION ON  
12 STOCK OWNERSHIP.—No provision of this sub-  
13 section shall be construed as authorizing a Federal  
14 credit union to purchase shares of stock of any cor-  
15 poration for the credit union’s own account, except  
16 as otherwise permitted by law.”.

17 **SEC. 304. INCREASE IN GENERAL 12-YEAR LIMITATION OF**  
18 **TERM OF FEDERAL CREDIT UNION LOANS TO**  
19 **15 YEARS.**

20 Section 107(a)(5) of the Federal Credit Union Act  
21 (12 U.S.C. 1757(5)) (as so designated by section 303 of  
22 this title) is amended—

23 (1) in the matter preceding subparagraph (A),  
24 by striking “to make loans, the maturities of which  
25 shall not exceed twelve years except as otherwise



1 provided herein” and inserting “to make loans, the  
2 maturities of which shall not exceed 15 years or any  
3 longer maturity as the Board may allow, in regula-  
4 tions, except as otherwise provided in this Act”;

5 (2) in subparagraph (A), by striking clause(ii);

6 (3) by redesignating clauses (iii) through (x) as  
7 clauses (ii) through (ix), respectively; and

8 (4) by inserting “and” after the semicolon at  
9 the end of clause (viii) (as so redesignated).

10 **SEC. 305. INCREASE IN 1 PERCENT INVESTMENT LIMIT IN**  
11 **CREDIT UNION SERVICE ORGANIZATIONS.**

12 Section 107(a)(7)(I) of the Federal Credit Union Act  
13 (12 U.S.C. 1757(7)(I)) (as so designated by section 303  
14 of this title) is amended by striking “up to 1 per centum  
15 of the total paid” and inserting “up to 3 percent of the  
16 total paid”.

17 **SEC. 306. MEMBER BUSINESS LOAN EXCLUSION FOR LOANS**  
18 **TO NONPROFIT RELIGIOUS ORGANIZATIONS.**

19 Section 107A(a) of the Federal Credit Union Act (12  
20 U.S.C. 1757a(a)) is amended by inserting “, excluding  
21 loans made to nonprofit religious organizations,” after  
22 “total amount of such loans”.



1 **SEC. 307. SALE OF CHECKS TO PERSONS IN THE FIELD OF**  
2 **MEMBERSHIP OF THE CREDIT UNION.**

3 Subsection (a) (as so designated by section 303 of  
4 this title) of section 107 of the Federal Credit Union Act  
5 (12 U.S.C. 1757) is amended—

6 (1) by redesignating paragraphs (13), (14),  
7 (15), (16), and (17) as paragraphs (14), (15), (16),  
8 (17), and (18), respectively; and

9 (2) by inserting after paragraph (12) the fol-  
10 lowing new paragraph:

11 “(13) in accordance with regulations prescribed  
12 by the Board, to sell to persons in the field of mem-  
13 bership of the credit union negotiable checks (includ-  
14 ing travelers checks), and to cash checks for persons  
15 in the field of membership, for a fee;”.

16 **SEC. 308. VOLUNTARY MERGERS AND CONVERSIONS IN-**  
17 **VOLVING MULTIPLE COMMON-BOND CREDIT**  
18 **UNIONS WITHOUT NUMERICAL LIMITATION.**

19 (a) IN GENERAL.—Section 109 of the Federal Credit  
20 Union Act (12 U.S.C. 1759) is amended by adding at the  
21 end the following new subsection:

22 “(h) MERGER OR CONVERSIONS INVOLVING MUL-  
23 TIPLE COMMON-BOND CREDIT UNIONS.—In the case of—

24 “(1) a merger involving a Federal credit union  
25 described in subsection (b)(2) approved by the  
26 Board on or after August 7, 1998; or



1           “(2) a conversion of a Federal credit union de-  
2           scribed in subsection (b)(2) to a credit union de-  
3           scribed in subsection (b)(3) and approved by the  
4           Board on or after August 7, 1998,  
5           the numerical limitation contained in subsection (d)(1)  
6           shall not apply to such merger or conversion, and the re-  
7           sulting Federal credit union may retain in the membership  
8           field of such credit union all groups that were served by  
9           a merging or converting Federal credit union at the time  
10          of the merger or conversion.”.

11          (b) TECHNICAL AND CONFORMING AMENDMENTS.—

12           (1) Section 109(d)(1) of the Federal Credit  
13           Union Act (12 U.S.C. 1759(d)(1)) is amended by in-  
14           serting “and subsection (h)” after “provided in  
15           paragraph (2)”.

16           (2) Section 109(d)(2) of the Federal Credit  
17           Union Act (12 U.S.C. 1759(d)(2)) is amended—

18                   (A) by inserting “or” after the semicolon  
19                   at the end of subparagraph (A);

20                   (B) by striking subparagraph (B); and

21                   (C) by redesignating subparagraph (C) as  
22                   subparagraph (B).



1 **SEC. 309. CREDIT UNION GOVERNANCE.**

2 (a) **EXPULSION OF MEMBERS FOR JUST CAUSE.—**

3 Subsection (b) of section 118 of the Federal Credit Union  
4 Act (12 U.S.C. 1764(b)) is amended to read as follows:

5 “(b) **POLICY AND ACTIONS OF BOARDS OF DIREC-**  
6 **TORS OF FEDERAL CREDIT UNIONS.—**

7 “(1) **EXPULSION OF MEMBERS FOR NON-**  
8 **PARTICIPATION OR FOR JUST CAUSE.—**The board of  
9 directors of a Federal credit union may, by majority  
10 vote of a quorum of directors, adopt and enforce a  
11 policy with respect to expulsion from membership  
12 based on just cause, including disruption of credit  
13 union operations, or on nonparticipation by a mem-  
14 ber in the affairs of the credit union.

15 “(2) **WRITTEN NOTICE OF POLICY TO MEM-**  
16 **BERS.—**If a policy described in paragraph (1) is  
17 adopted, written notice of the policy as adopted and  
18 the effective date of such policy shall be provided  
19 to—

20 “(A) each existing member of the credit  
21 union not less than 30 days prior to the effec-  
22 tive date of such policy; and

23 “(B) each new member prior to or upon  
24 applying for membership.”.

25 (b) **TERM LIMITS AUTHORIZED FOR BOARD MEM-**  
26 **BERS OF FEDERAL CREDIT UNIONS.—**Section 111(a) of



1 the Federal Credit Union Act (12 U.S.C. 1761(a)) is  
2 amended by adding at the end the following new sentence:  
3 “The bylaws of a Federal credit union may limit the num-  
4 ber of consecutive terms any person may serve on the  
5 board of directors of such credit union.”.

6 (c) REIMBURSEMENT FOR LOST WAGES DUE TO  
7 SERVICE ON CREDIT UNION BOARD NOT TREATED AS  
8 COMPENSATION.—Section 111(c) of the Federal Credit  
9 Union Act (12 U.S.C. 1761(c)) is amended by inserting  
10 “, including lost wages,” after “the reimbursement of rea-  
11 sonable expenses”.

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

14 **SEC. 401. EASING RESTRICTIONS ON INTERSTATE BRANCH-**  
15 **ING AND MERGERS.**

16 (a) DE NOVO INTERSTATE BRANCHES OF NATIONAL  
17 BANKS.—

18 (1) IN GENERAL.—Section 5155(g)(1) of the  
19 Revised Statutes of the United States (12 U.S.C.  
20 36(g)(1)) is amended by striking “maintain a  
21 branch if—‘ and all that follows through the end of  
22 subparagraph (B) and inserting “maintain a  
23 branch.”.

24 (2) CLERICAL AMENDMENT.—The heading for  
25 subsection (g) of section 5155 of the Revised Stat-



1       utes of the United States is amended by striking  
2       “STATE ‘OPT-IN’ ELECTION TO PERMIT”.

3       (b) DE NOVO INTERSTATE BRANCHES OF STATE  
4 NONMEMBER BANKS.—

5           (1) IN GENERAL.—Section 18(d)(4)(A) of the  
6       Federal Deposit Insurance Act (12 U.S.C.  
7       1828(d)(4)(A)) is amended by striking “maintain a  
8       branch if—‘ and all that follows through the end of  
9       clause (ii) and inserting “maintain a branch.”.

10          (2) CLERICAL AMENDMENT.—The heading for  
11       paragraph (4) of section 18(d) of the Federal De-  
12       posit Insurance Act is amended by striking “STATE  
13       ‘OPT-IN’ ELECTION TO PERMIT INTERSTATE” and in-  
14       serting “INTERSTATE”.

15       (c) DE NOVO INTERSTATE BRANCHES OF STATE  
16 MEMBER BANKS.—The 3rd undesignated paragraph of  
17 section 9 of the Federal Reserve Act (12 U.S.C. 321) is  
18 amended by adding at the end the following new sen-  
19 tences: “A State member bank may establish and operate  
20 a de novo branch in a host State (as such terms are de-  
21 fined in section 18(d) of the Federal Deposit Insurance  
22 Act) on the same terms and conditions and subject to the  
23 same limitations and restrictions as are applicable to the  
24 establishment of a de novo branch of a national bank in  
25 a host State under section 5155(g) of the Revised Statutes



1 of the United States. Such section 5155(g) shall be ap-  
2 plied for purposes of the preceding sentence by sub-  
3 stituting ‘Board of Governors of the Federal Reserve Sys-  
4 tem’ for ‘Comptroller of the Currency’ and ‘State member  
5 bank’ for ‘national bank’.’.

6 (d) INTERSTATE MERGER OF BANKS.—

7 (1) MERGER OF INSURED BANK WITH ANOTHER  
8 BANK OR TRUST COMPANY.—Section 44(a)(1) of the  
9 Federal Deposit Insurance Act (12 U.S.C.  
10 1831u(a)(1)) is amended)—

11 (1) by striking “After June 1, 1997, the” and  
12 inserting “The”; and

13 (2) by striking “insured banks with different  
14 home States” and inserting “an insured bank and a  
15 bank or trust company with a different home State  
16 than the resulting insured bank”.

17 (2) NATIONAL BANK TRUST COMPANY MERGER  
18 WITH OTHER TRUST COMPANY.—Subsection (b) of  
19 section 4 of the National Bank Consolidation and  
20 Merger Act (12 U.S.C. 215a–1(b)) is amended to  
21 read as follows:

22 “(b) MERGER OF NATIONAL BANK TRUST COMPANY  
23 WITH ANOTHER TRUST COMPANY.—A national bank  
24 trust company may engage in a consolidation or merger  
25 under this Act with any trust company with a different



1 home State, upon the approval of the Comptroller of the  
2 Currency, to the same extent that such consolidation or  
3 merger would be permissible under section 44 of the Fed-  
4 eral Deposit Insurance Act if the trust companies involved  
5 were insured banks.”.

6 (e) INTERSTATE FIDUCIARY ACTIVITY.—Section  
7 18(d) of the Federal Deposit Insurance Act (12 U.S.C.  
8 1828(d)) is amended by adding at the end the following  
9 new paragraph:

10 “(5) INTERSTATE FIDUCIARY ACTIVITY.—

11 “(A) AUTHORITY OF STATE BANK SUPER-  
12 VISOR.—The State bank supervisor of a State  
13 bank may approve an application by the State  
14 bank, when not in contravention of home State  
15 or host State law, to act as trustee, executor,  
16 administrator, registrar of stocks and bonds,  
17 guardian of estates, assignee, receiver, com-  
18 mittee of estates of lunatics, or in any other fi-  
19 duciary capacity in a host State in which State  
20 banks or other corporations which come into  
21 competition with national banks are permitted  
22 to act under the laws of such host State.

23 “(B) NONCONTRAVENTION OF HOST STATE  
24 LAW.—Whenever the laws of a host State au-  
25 thorize or permit the exercise of any or all of



1 the foregoing powers by State banks or other  
2 corporations which compete with national  
3 banks, the granting to and the exercise of such  
4 powers by a State bank as provided in this  
5 paragraph shall not be deemed to be in con-  
6 travention of host State law within the meaning  
7 of this paragraph.

8 “(C) STATE BANK INCLUDES TRUST COM-  
9 PANIES.—For purposes of this paragraph, the  
10 term ‘State bank’ includes trust companies (as  
11 defined in section 44(g).

12 “(D) OTHER DEFINITIONS.—For purposes  
13 of this paragraph, the term ‘home State’ and  
14 ‘host State’ have the meanings given such  
15 terms in section 44.”.

16 (f) TECHNICAL AND CONFORMING AMENDMENTS.—

17 (1) Section 44 of the Federal Deposit Insurance  
18 Act (12 U.S.C. 1831u) is amended—

19 (A) in subsection (a)—

20 (i) by striking paragraph (4) and in-  
21 serting the following new paragraph:

22 “(4) TREATMENT OF BRANCHES IN CONNEC-  
23 TION WITH CERTAIN INTERSTATE MERGER TRANS-  
24 ACTIONS.—In the case of an interstate merger  
25 transaction which involves the acquisition of a



1 branch of an insured bank without the acquisition of  
2 the bank, the branch shall be treated, for purposes  
3 of this section, as an insured bank the home State  
4 of which is the State in which the branch is lo-  
5 cated.”; and

6 (ii) by striking paragraphs (5) and  
7 (6);

8 (B) in subsection (e), by striking “para-  
9 graph (2), (4), or (5)” and inserting “para-  
10 graph (2)”;

11 (C) in subsection (g)(10), by striking “sec-  
12 tion 18(c)(2)” and inserting “paragraph (1) or  
13 (2) of section 18(c), as appropriate,”; and

14 (D) in subsection (g), by adding at the end  
15 the following new paragraph:

16 “(12) TRUST COMPANY.—The term ‘trust com-  
17 pany’ means—

18 “(A) any national bank;

19 “(B) any savings association; and

20 “(C) any bank, banking association, trust  
21 company, savings bank, or other banking insti-  
22 tution which is incorporated under the laws of  
23 any State,

24 that is authorized to act in 1 or more fiduciary ca-  
25 pacities but is not in the business of receiving depos-



1 its other than trust funds (as defined in section 3  
2 (p)).”.

3 (2) Section 3(d) of the Bank Holding Company  
4 Act of 1956 (12 U.S.C. 1842(d)) is amended—

5 (A) in paragraph (1)—

6 (i) by striking subparagraphs (B) and  
7 (C); and

8 (ii) by redesignating subparagraph  
9 (D) as subparagraph (B); and

10 (B) in paragraph (5), by striking “sub-  
11 paragraph (B) or (D)” and inserting “subpara-  
12 graph (B)”.

13 (3) The ultimate sentence of section 2(d) of the  
14 National Bank Consolidation and Merger Act (12  
15 U.S.C. 215) is amended by inserting “except in the  
16 case of a consolidation authorized in accordance with  
17 section 4” before the period at the end.

18 (4) The penultimate sentence of section 3(d) of  
19 the National Bank Consolidation and Merger Act  
20 (12 U.S.C. 215a(d)) is amended by inserting “except  
21 in the case of a consolidation authorized in accord-  
22 ance with section 4” before the period at the end.

23 (5) Subsection (c) of section 4 of the National  
24 Bank Consolidation and Merger Act (12 U.S.C.  
25 215a-1(c)) is amended—



1 (A) by striking “(c) DEFINITIONS.—The  
2 terms” and inserting the following:

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

5 “(1) HOME STATE; OUT-OF-STATE BANK;  
6 TRUST COMPANY.—The terms”;

7 (B) in paragraph (1), (as so redesignated)  
8 by striking “and” and inserting “, ‘trust com-  
9 pany’ and,”; and

10 (C) by adding at the end the following new  
11 paragraphs:

12 “(2) NONINSURED NATIONAL BANK.—The term  
13 ‘noninsured national bank’ means a national bank  
14 that is a noninsured bank.

15 “(3) NONINSURED BANK.—The term ‘non-  
16 insured bank’ has the same meaning as in section  
17 3(h) of the Federal Deposit Insurance Act.”.

18 **SEC. 402. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**  
19 **OF APPOINTMENT OF A RECEIVER FOR DE-**  
20 **POSITORY INSTITUTIONS.**

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

23 (1) by striking “SECTION 2. The Comptroller of  
24 the Currency” and inserting the following:



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

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

5 (2) by adding at the end the following new sub-  
6 section:

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

17 (b) INSURED DEPOSITORY INSTITUTIONS.—Section  
18 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.  
19 1821(c)(7)) is amended to read as follows:

20 “(7) JUDICIAL REVIEW.—If the Corporation is  
21 appointed (including the appointment of the Cor-  
22 poration as receiver by the Board of Directors) as  
23 conservator or receiver of a depository institution  
24 under paragraph (4), (9), or (10), the depository in-  
25 stitution may, within 30 days thereafter, bring an  
26 action in the United States district court for the ju-



1       dicial district in which the home office of such de-  
2       pository institution is located, or in the United  
3       States District Court for the District of Columbia,  
4       for an order requiring the Corporation to be re-  
5       moved as the conservator or receiver (regardless of  
6       how such appointment was made), and the court  
7       shall, upon the merits, dismiss such action or direct  
8       the Corporation to be removed as the conservator or  
9       receiver.”.

10       (c) EXPANSION OF PERIOD FOR CHALLENGING THE  
11       APPOINTMENT OF A LIQUIDATING AGENT.—Subpara-  
12       graph (B) of section 207(a)(1) of the Federal Credit  
13       Union Act (12 U.S.C. 1787(a)(1)) is amended by striking  
14       “10 days” and inserting “30 days”.

15       (d) EFFECTIVE DATE.—The amendments made by  
16       subsections (a), (b), and (c) shall apply with respect to  
17       conservators, receivers, or liquidating agents appointed on  
18       or after the date of the enactment of this Act.

19       **SEC. 403. REPORTING REQUIREMENTS RELATING TO IN-**  
20       **SIDER LENDING.**

21       (a) REPORTING REQUIREMENTS REGARDING LOANS  
22       TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section  
23       22(g) of the Federal Reserve Act (12 U.S.C. 375a) is  
24       amended—

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



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

3 (b) REPORTING REQUIREMENTS REGARDING LOANS  
4 FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-  
5 CERS AND SHAREHOLDERS OF INSURED BANKS.—Section  
6 106(b)(2) of the Bank Holding Company Act Amend-  
7 ments of 1970 (12 U.S.C. 1972(2)) is amended—

8 (1) by striking subparagraph (G); and  
9 (2) by redesignating subparagraphs (H) and (I)  
10 as subparagraphs (G) and (H), respectively.

11 **SEC. 404. AMENDMENT TO PROVIDE AN INFLATION AD-**  
12 **JUSTMENT FOR THE SMALL DEPOSITORY IN-**  
13 **STITUTION EXCEPTION UNDER THE DEPOSI-**  
14 **TORY INSTITUTION MANAGEMENT INTER-**  
15 **LOCKS ACT.**

16 Section 203(1) of the Depository Institution Manage-  
17 ment Interlocks Act (12 U.S.C. 3202(1)) is amended by  
18 striking “\$20,000,000” and inserting “\$100,000,000”.

19 **SEC. 405. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**  
20 **SURED DEPOSITORY INSTITUTIONS.**

21 (a) CLARIFICATION RELATING TO THE ENFORCE-  
22 ABILITY OF AGREEMENTS AND CONDITIONS.—The Fed-  
23 eral Deposit Insurance Act (12 U.S.C. 1811 et seq.) is  
24 amended by adding at the end the following new section:



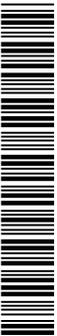
1 **“SEC. 49. ENFORCEMENT OF AGREEMENTS.**

2 (a) IN GENERAL.—Notwithstanding clause (i) or (ii)  
3 of section 8(b)(6)(A) or section 38(e)(2)(E), an appro-  
4 priate Federal banking agency may enforce, under section  
5 8, the terms of—

6 “(1) any condition imposed in writing by the  
7 agency on a depository institution or an institution-  
8 affiliated party (including a bank holding company)  
9 in connection with the granting of any application or  
10 other request concerning a depository institution; or

11 “(2) any written agreement entered into be-  
12 tween the agency and an institution-affiliated party  
13 (including a bank holding company).

14 “(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—  
15 After the appointment of the Corporation as the receiver  
16 or conservator for any insured depository institution, the  
17 Corporation may enforce any condition or agreement de-  
18 scribed in paragraph (1) or (2) of subsection (a) involving  
19 such institution or any institution-affiliated party (includ-  
20 ing a bank holding company), through an action brought  
21 in an appropriate United States district court.”.



22 (b) PROTECTION OF CAPITAL OF INSURED DEPOSI-  
23 TORY INSTITUTIONS.—Paragraph (1) of section 18(u) of  
24 the Federal Deposit Insurance Act (12 U.S.C. 1828(u))  
25 is amended by striking subparagraph (B) and by redesign-  
26 ating subparagraph (C) as subparagraph (B).

1 **SEC. 406. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**  
2 **TIONS IN BANK SERVICE COMPANIES AU-**  
3 **THORIZED.**

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

8 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

9 (1) Section 1(b)(4) of the Bank Service Com-  
10 pany Act (12 U.S.C. 1861(b)(4)) is amended—

11 (A) by inserting “, except when such term  
12 appears in connection with the term ‘insured  
13 depository institution’,” after “means”; and

14 (B) by striking “Federal Home Loan Bank  
15 Board” and inserting “Director of the Office of  
16 Thrift Supervision”.

17 (2) Section 1(b) of the Bank Service Company  
18 Act (12 U.S.C. 1861(b)) is amended—

19 (A) by striking paragraph (5) and insert-  
20 ing the following new paragraph:

21 “(5) INSURED DEPOSITORY INSTITUTION.—The  
22 term ‘insured depository institution’ has the mean-  
23 ing given the term in section 3(c) of the Federal De-  
24 posit Insurance Act;”;

25 (B) by striking “and” at the end of para-  
26 graph (7);



1 (C) by striking the period at the end of  
2 paragraph (8) and inserting “; and”; and

3 (D) by adding at the end the following new  
4 paragraph:

5 “(9) the terms ‘State depository institution’,  
6 ‘Federal depository institution’, ‘State savings asso-  
7 ciation’ and ‘Federal savings association’ have the  
8 meanings given the terms in section 3 of the Federal  
9 Deposit Insurance Act.”.

10 (3) The 1st sentence of section 5(c)(4)(B) of  
11 the Home Owners’ Loan Act (12 U.S.C.  
12 1464(c)(4)(B)) is amended by striking “by savings  
13 associations of such State and by Federal associa-  
14 tions” and inserting “by State and Federal depository  
15 institutions”.

16 (4) Subparagraph (A)(ii) and subparagraph  
17 (B)(ii) of section 1(b)(2) of the Bank Service Com-  
18 pany Act (12 U.S.C. 1861(b)(2)) are each amended  
19 by striking “insured banks” and inserting “insured  
20 depository institutions”.

21 (5) Section 1(b)(8) of the Bank Service Com-  
22 pany Act (12 U.S.C. 1861(b)(8)) is further  
23 amended—

24 (A) by striking “insured bank” and insert-  
25 ing “insured depository institution”



1 (B) by striking “insured banks” each place  
2 such term appears and inserting “insured de-  
3 pository institutions”; and

4 (C) by striking “the bank’s” and inserting  
5 “the depository institution’s”.

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

12 (7) Section 4(c) of the Bank Service Company  
13 Act (12 U.S.C. 1864(c)) is amended by inserting “or  
14 State savings association” after “State bank” each  
15 place such term appears.

16 (8) Section 4(d) of the Bank Service Company  
17 Act (12 U.S.C. 1864(d)) is amended by inserting  
18 “or Federal savings association” after “national  
19 bank” each place such term appears.

20 (9) Section 4(e) of the Bank Service Company  
21 Act (12 U.S.C. 1864(e)) is amended to read as fol-  
22 lows:

23 “(e) A bank service company may perform—

24 “(1) only those services that each depository in-  
25 stitution shareholder or member is otherwise author-



1        ized to perform under any applicable Federal or  
2        State law; and

3            “(2) such services only at locations in a State  
4        in which each such shareholder or member could be  
5        authorized to perform such services.”.

6            (10) Section 4(f) of the Bank Service Company  
7        Act (12 U.S.C. 1864(f)) is amended—

8            (A) by inserting “or savings associations”  
9        after “location of banks”; and

10          (B) by inserting “or is permissible for a  
11        savings and loan holding company under section  
12        10 of the Home Owners’ Loan Act” before the  
13        period at the end.

14          (11) Section 5 of the Bank Service Company  
15        Act (12 U.S.C. 1865) is amended—

16          (A) in subsection (a)—

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

20            (ii) by striking “bank’s” and inserting  
21        “institution’s”.

22          (B) in subsection (b), by striking “insured  
23        bank” and inserting “insured depository insti-  
24        tution”; and

25          (C) in subsection (c)—



1 (i) by striking “the bank or banks”  
2 and inserting “any depository institution”;  
3 and

4 “(ii) by striking “capability of the  
5 bank” and inserting “capability of the de-  
6 pository institution”.

7 (12) Section 7 of the Bank Service Company  
8 Act (12 U.S.C. 1867) is amended—

9 (A) in subsection (b), by striking “insured  
10 bank” and inserting “insured depository insti-  
11 tution”;

12 (B) in subsection (c)—

13 (i) by striking “a bank” each place  
14 such term appears and inserting “a deposi-  
15 tory institution”; and

16 (ii) by striking “the bank” each place  
17 such term appears and inserting “the de-  
18 pository institution”.

19 **SEC. 407. CROSS GUARANTEE AUTHORITY.**

20 Subparagraph (A) of section 5(e)(9) of the Federal  
21 Deposit Insurance Act (12 U.S.C. 1815(e)(9)(A)) is  
22 amended to read as follows:

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



1 **SEC. 408. GOLDEN PARACHUTE AUTHORITY AND NONBANK**  
2 **HOLDING COMPANIES.**

3 Subsection (k) of section 18 of the Federal Deposit  
4 Insurance Act (12 U.S.C. 1828(k)) is amended—

5 (1) in paragraph (2)(A), by striking “or deposi-  
6 tory institution holding company” and inserting “or  
7 covered company”;

8 (2) by striking subparagraph (B) of (p) (2) and  
9 inserting the following new subparagraph:

10 “(B) Whether there is a reasonable basis  
11 to believe that the institution-affiliated party is  
12 substantially responsible for—

13 “(i) the insolvency of the depository  
14 institution or covered company;

15 “(ii) the appointment of a conservator  
16 or receiver for the depository institution; or

17 “(iii) the depository institution’s trou-  
18 bled condition (as defined in the regula-  
19 tions prescribed pursuant to section  
20 32(f)).”;

21 (3) in paragraph (2)(F), by striking “depository  
22 institution holding company” and inserting “covered  
23 company,”;

24 (4) in paragraph (3) in the matter preceding  
25 subparagraph (A), by striking “depository institu-



1       tion holding company” and inserting “covered com-  
2       pany”;

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

5           (6) in paragraph (4)(A)—

6           (A) by striking “depository institution  
7       holding company” each place such term appears  
8       and inserting “covered company”; and

9           (B) by striking “holding company” each  
10       place such term appears (other than in connec-  
11       tion with the term referred to in subparagraph  
12       (A)) and inserting “covered company”;

13          (7) in paragraph (5)(A), by striking “depository  
14       institution holding company” and inserting “covered  
15       company”;

16          (8)) in paragraph (5), by adding at the end the  
17       following new subparagraphs:

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

25          (9) in paragraph (6)—



1 (A) by striking “depository institution  
2 holding company” and inserting “covered com-  
3 pany,”; and

4 (B) by striking “or holding company” and  
5 inserting “or covered company”.

6 **TITLE V—DEPOSITORY INSTITU-**  
7 **TION AFFILIATES PROVI-**  
8 **SIONS**

9 **SEC. 501. CLARIFICATION OF CROSS MARKETING PROVI-**  
10 **SION.**

11 Section 4(n)(5) of the Bank Holding Company Act  
12 of 1956 (12 U.S.C. 1843(n)(5)(A)) is amended—

13 (1) in subparagraph (B), by striking “sub-  
14 section (k)(4)(I)” and inserting “subparagraph (H)  
15 or (I) of subsection (k)(4)”;

16 (2) by adding at the end the following new sub-  
17 paragraph:

18 “(C) THRESHOLD OF CONTROL.—Subpara-  
19 graph (A) shall not apply with respect to a  
20 company described or referred to in clause (i)  
21 or (ii) of such subparagraph if the financial  
22 holding company does not own or control 25  
23 percent or more of the total equity or any class  
24 of voting securities of such company.”.



1 **SEC. 502. AMENDMENT TO PROVIDE THE FEDERAL RE-**  
2 **SERVE BOARD WITH DISCRETION CON-**  
3 **CERNING THE IMPUTATION OF CONTROL OF**  
4 **SHARES OF A COMPANY BY TRUSTEES.**

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

11 **SEC. 503. ELIMINATING GEOGRAPHIC LIMITS ON THRIFT**  
12 **SERVICE COMPANIES.**

13 (a) IN GENERAL.—The 1st sentence of section  
14 5(c)(4)(B) of the Home Owners’ Loan Act (12 U.S.C.  
15 1464(c)(4)(B)) (as amended by section 406(b)(3) of this  
16 Act) is amended by striking “corporation organized” and  
17 all that follows through “is available for purchase” and  
18 inserting “company, if the entire capital of the company  
19 is available for purchase.”.

20 (b) TECHNICAL CORRECTIONS.—

21 (1) The heading for subparagraph (B) of sec-  
22 tion 5(c)(4) of the Home Owners’ Loan Act (12  
23 U.S.C. 1464(c)(4)(B)) is amended by striking “COR-  
24 PORATIONS” and inserting “COMPANIES”.

25 (2) The 2nd sentence of section 5(n)(1) of the  
26 Home Owners’ Loan Act (12 U.S.C. 1464(n)(1)) is



1 amended by striking “service corporations” and in-  
2 serting “service companies”.

3 (4) Section 10(m)(4)(C)(iii)(II) of the Home  
4 Owners’ Loan Act (12 U.S.C.  
5 1467a(m)(4)(C)(iii)(II)) is amended by striking  
6 “service corporation” each place such term appears  
7 and inserting “service company”.

8 (3) Section 5(q)(1) of the Home Owners’ Loan  
9 Act (12 U.S.C. 1464(q)(1)) is amended by striking  
10 “service corporation” each place such term appears  
11 in subparagraphs (A), (B), and (C) and inserting  
12 “service company”.

## 13 **TITLE VI—BANKING AGENCY** 14 **PROVISIONS**

### 15 **SEC. 601. WAIVER OF EXAMINATION SCHEDULE IN ORDER** 16 **TO ALLOCATE EXAMINER RESOURCES.**

17 Section 10(d) of the Federal Deposit Insurance Act  
18 (12 U.S.C. 1820(d)) is amended—

19 (1) by redesignating paragraphs (5), (6), (7),  
20 (8), (9), and (10) as paragraphs (6), (7), (8), (9),  
21 (10), and (11), respectively;

22 (2) by inserting after paragraph (4), the fol-  
23 lowing new paragraph:

24 “(5) WAIVER OF SCHEDULE WHEN NECESSARY  
25 TO ACHIEVE SAFE AND SOUND ALLOCATION OF EX-



1 AMINER RESOURCES.—Notwithstanding paragraphs  
2 (1), (2), (3), and (4), an appropriate Federal bank-  
3 ing agency may make adjustments in the examina-  
4 tion cycle for an insured depository institution if  
5 necessary to allocate available resources of exam-  
6 iners in a manner that provides for the safety and  
7 soundness of, and the effective examination and su-  
8 pervision of, insured depository institutions.”; and  
9 (3) in paragraphs (8) and (9), as so redesign-  
10 nated, by striking “paragraph (6)” and inserting  
11 “paragraph (7)”.

12 **SEC. 602. CREDIT CARD ACCOUNTS PERMITTED FOR BANK**  
13 **EXAMINERS ON SAME TERMS AS OTHER CON-**  
14 **SUMERS.**

15 Section 212 of title 18, United States Code, is  
16 amended by adding at the end the following new para-  
17 graph:

18 “With respect to any employee of a Federal banking  
19 agency (as defined in section 3 of the Federal Deposit In-  
20 surance Act) including any examiner or assistant exam-  
21 iner, the provisions of this section and section 213 shall  
22 not prohibit such employee from applying for, or being a  
23 cardholder under, any credit card account under an open  
24 end consumer credit plan (as such terms are defined in  
25 the Truth in Lending Act), to the extent the terms and



1 conditions applicable with respect to such account, and  
2 any credit extended under such account, are no more fa-  
3 vorable to the employee than the terms and conditions that  
4 are generally applicable to credit card accounts established  
5 under open end consumer credit plans for other con-  
6 sumers.”.

7 **SEC. 603. INTERAGENCY DATA SHARING.**

8 (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)  
9 of the Federal Deposit Insurance Act (12 U.S.C.  
10 1817(a)(2)) is amended by adding at the end the following  
11 new subparagraph:

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



1 institution or other entity examined by such  
2 agency under authority of any Federal law,  
3 to—

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

8 “(ii) to any officer, director, or re-  
9 ceiver of such depository institution or en-  
10 tity; and

11 “(iii) any other institution-affiliated  
12 party of such depository institution or enti-  
13 ty the Federal banking agency determines  
14 to be appropriate.”.

15 (b) NATIONAL CREDIT UNION ADMINISTRATION.—  
16 Section 202(a) of the Federal Credit Union Act (12  
17 U.S.C. 1782(a)) is amended by adding at the end the fol-  
18 lowing new paragraph:

19 “(8) DATA SHARING WITH OTHER AGENCIES  
20 AND PERSONS.—In addition to reports of examina-  
21 tion, reports of condition, and other reports required  
22 to be regularly provided to the Board (with respect  
23 to all insured credit unions, including a credit union  
24 for which the Corporation has been appointed con-  
25 servator or liquidating agent) or an appropriate



1 State commission, board, or authority having super-  
2 vision of a State-chartered credit union, the Board  
3 may, in the Board's discretion, furnish any report  
4 of examination or other confidential supervisory in-  
5 formation concerning any credit union or other enti-  
6 ty examined by the Board under authority of any  
7 Federal law, to—

8 “(i) any other Federal or State agen-  
9 cy or authority with supervisory or regu-  
10 latory authority over the credit union or  
11 other entity;

12 “(ii) to any officer, director, or re-  
13 ceiver of such credit union or entity; and

14 “(iii) any other institution-affiliated  
15 party of such credit union or entity the  
16 Board determines to be appropriate.”.

17 **SEC. 604. PENALTY FOR UNAUTHORIZED PARTICIPATION**  
18 **BY CONVICTED INDIVIDUAL.**

19 Section 19 of the Federal Deposit Insurance Act (12  
20 U.S.C. 1829) is amended by adding at the end the fol-  
21 lowing new subsection:

22 “(c) NONINSURED BANKS.—

23 “(1) IN GENERAL.—Subsections (a) and (b)  
24 shall apply to a noninsured national bank and a  
25 noninsured State member bank, and any agency or



1 noninsured branch (as such terms are defined in sec-  
2 tion 1(b) of the International Banking Act of 1978)  
3 of a foreign bank as if such bank, branch, or agency  
4 were an insured depository institution, except such  
5 subsections shall be applied for purposes of this sub-  
6 section by substituting the agency determined under  
7 the following paragraphs for ‘Corporation’ each  
8 place such term appears in such subsections:

9 “(1) The Comptroller of the Currency, in the  
10 case of a noninsured national bank or any Federal  
11 agency or noninsured Federal branch of a foreign  
12 bank.

13 “(2) The Board of Governors of the Federal  
14 Reserve System, in the case of a noninsured State  
15 member bank or any State agency or noninsured  
16 State branch of a foreign bank.”.

17 **SEC. 605. AMENDMENT PERMITTING THE DESTRUCTION OF**  
18 **OLD RECORDS OF A DEPOSITORY INSTITU-**  
19 **TION BY THE FDIC AFTER THE APPOINTMENT**  
20 **OF THE FDIC AS RECEIVER.**

21 Section 11(d)(15)(D) of the Federal Deposit Insur-  
22 ance Act (12 U.S.C. 1821(d)(15)(D)) is amended—

23 (1) by striking “RECORDKEEPING REQUIRE-  
24 MENT.—After the end of the 6-year period” and in-  
25 serting “RECORDKEEPING REQUIREMENT.—



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

4                   (2) by adding at the end the following new  
5                   clause:

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

16 **SEC. 606. MODERNIZATION OF FDIC RECORDKEEPING RE-**  
17 **QUIREMENT.**

18                  Subsection (f) of section 10 of the Federal Deposit  
19                  Insurance Act (12 U.S.C. 1820(f)) is amended to read as  
20                  follows:

21                  “(f) PRESERVATION OF AGENCY RECORDS.—

22                         “(1) IN GENERAL.— The Corporation may  
23                         cause any and all records, papers, or documents kept  
24                         by the Corporation or in the possession or custody  
25                         of the Corporation to be—



1           “(A) photographed or microphotographed  
2 or otherwise reproduced upon film; or

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

5                 “(i) being read or scanned by com-  
6 puter; and

7                 “(ii) being reproduced from such elec-  
8 tronic medium or format by printing or  
9 any other form of reproduction of elec-  
10 tronically stored data.

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

21           “(3) AUTHORITY OF THE BOARD OF DIREC-  
22 TORS.—Any photographs, microphotographs, or pho-  
23 tographic film or copies thereof described in para-  
24 graph (1)(A) or reproduction of electronically stored  
25 data described in paragraph (1)(B) shall be pre-



1 served in such manner as the Board of Directors  
2 shall prescribe and the original records, papers, or  
3 documents may be destroyed or otherwise disposed  
4 of as the Board of Directors may direct.”.

5 **SEC. 607. REPEAL OF MINIMUM ANTITRUST REVIEW PE-**  
6 **RIOD WITH THE AGREEMENT OF THE ATTOR-**  
7 **NEY GENERAL.**

8 (a) ANTITRUST REVIEWS UNDER THE BANK HOLD-  
9 ING COMPANY ACT OF 1956.—The 4th sentence of section  
10 11(b) of the Bank Holding Company Act of 1956 (12  
11 U.S.C. 1849(b) is amended by striking “, but in no event  
12 less than fifteen calendar days after the date of approval”.

13 (b) ANTITRUST REVIEWS UNDER THE FEDERAL DE-  
14 POSIT INSURANCE ACT.—The last sentence of section  
15 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C.  
16 1828(c)(6)) is amended by striking “, but in no event less  
17 than 15 calendar days after the date of approval”.

18 **SEC. 608. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**  
19 **MOVAL, AND PROHIBITION AUTHORITY OF**  
20 **FEDERAL BANKING AGENCIES IN CASES OF**  
21 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**  
22 **ATED PARTIES.**

23 (a) INSURED DEPOSITORY INSTITUTION.—



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

4                   (A) in subparagraph (A), by striking “the  
5           depository” each place such term appears and  
6           inserting “any depository”;

7                   (B) in subparagraph (B), by inserting “of  
8           which the subject of the order is an institution-  
9           affiliated party” before the period at the end;

10                   (C) in subparagraph (C), by striking “the  
11           depository” each place such term appears and  
12           inserting “any depository”;

13                   (D) in subparagraph (D)(i), by inserting  
14           “of which the subject of the order is an institu-  
15           tion-affiliated party” after “upon the depository  
16           institution”; and

17                   (E) by adding at the end the following new  
18           subparagraph:

19                   “(E) CONTINUATION OF AUTHORITY.—A  
20           Federal banking agency may issue an order  
21           under this paragraph with respect to an indi-  
22           vidual who is an institution-affiliated party at a  
23           depository institution at the time of an offense  
24           described in subparagraph (A) without regard  
25           to—



1           “(A) whether such individual is an institu-  
2           tion-affiliated party at any depository institu-  
3           tion at the time the order is considered or  
4           issued by the agency; or

5           “(B) whether the depository institution at  
6           which the individual was an institution-affili-  
7           ated party at the time of the offense remains in  
8           existence at the time the order is considered or  
9           issued by the agency.”.

10           (2) CLERICAL AMENDMENT.—Section 8(g) of  
11           the Federal Deposit Insurance Act (12 U.S.C.  
12           1818(g) is amended by striking “(g)” and inserting  
13           the following new subsection heading:

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

17           (b) INSURED CREDIT UNIONS.—

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

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

24           (B) in subparagraph (B)(i), by inserting  
25           “of which the subject of the order is, or most



1 recently was, an institution-affiliated party” be-  
2 fore the period at the end;

3 (C) in subparagraph (C), by striking “the  
4 credit union” each place such term appears and  
5 inserting “any credit union”;

6 (D) in subparagraph (D)(i), by striking  
7 “upon such credit union” and inserting “upon  
8 the credit union of which the subject of the  
9 order is, or most recently was, an institution-af-  
10 filiated party”; and

11 (E) by adding at the end the following new  
12 subparagraph:

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

19 “(i) whether such individual is an in-  
20 stitution-affiliated party at any credit  
21 union at the time the order is considered  
22 or issued by the Board; or

23 “(ii) whether the credit union at  
24 which the individual was an institution-af-  
25 filiated party at the time of the offense re-



1                   mains in existence at the time the order is  
2                   considered or issued by the Board.”.

3                   (2) CLERICAL AMENDMENT.—Section 206(i) of  
4                   the Federal Credit Union Act (12 U.S.C. 1786(i)) is  
5                   amended by striking “(i)” at the beginning and in-  
6                   serting the following new subsection heading:

7                   “(i) SUSPENSION, REMOVAL, AND PROHIBITION  
8 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
9 CRIMINAL OFFENSES.—”.

10 **SEC. 609. STREAMLINING DEPOSITORY INSTITUTION MERG-**  
11 **ER APPLICATION REQUIREMENTS.**

12                   (a) IN GENERAL.—Paragraph (4) of section 18(e) of  
13 the Federal Deposit Insurance Act (12 U.S.C. 1828(e))  
14 is amended to read as follows:

15                   “(4) REPORTS ON COMPETITIVE FACTORS.—

16                   “(A) REQUEST FOR REPORT.—In the in-  
17 terests of uniform standards, before acting on  
18 any application for approval of a merger trans-  
19 action, the responsible agency, unless the agen-  
20 cy finds that it must act immediately in order  
21 to prevent the probable failure of a depository  
22 institution involved, shall—

23                   “(i) request a report on the competi-  
24 tive factors involved from the Attorney  
25 General; and



1                   “(ii) provide a copy of the request to  
2                   the Corporation (when the Corporation is  
3                   not the responsible agency).

4                   “(B) FURNISHING OF REPORT.—The re-  
5                   port requested under subparagraph (A) shall be  
6                   furnished by the Attorney General to the re-  
7                   sponsible agency—

8                   “(i) not more than 30 calendar days  
9                   after the date on which the Attorney Gen-  
10                  eral received the request; or

11                  “(ii) not more than 10 calendar days  
12                  after such date, if the requesting agency  
13                  advises the Attorney General that an emer-  
14                  gency exists requiring expeditious action.”.

15                  (b) TECHNICAL AND CONFORMING AMENDMENT.—  
16                  The penultimate sentence of section 18(e)(6) of the Fed-  
17                  eral Deposit Insurance Act (12 U.S.C. 1828(e)(6)) is  
18                  amended to read as follows: “If the agency has advised  
19                  the Attorney General under paragraph (4)(B) of the exist-  
20                  ence of an emergency requiring expeditious action and has  
21                  requested a report on the competitive factors within 10  
22                  days, the transaction may not be consummated before the  
23                  fifth calendar day after the date of approval by the agen-  
24                  cy.”.



1 **SEC. 610. INCLUSION OF DIRECTOR OF THE OFFICE OF**  
2 **THRIFT SUPERVISION IN LIST OF BANKING**  
3 **AGENCIES REGARDING INSURANCE CUS-**  
4 **TOMER PROTECTION REGULATIONS.**

5 Section 47(g)(2)(B)(i) of the Federal Deposit Insur-  
6 ance Act (12 U.S.C. 1831x(g)(2)(B)(i)) is amended by in-  
7 serting “the Director of the Office of Thrift Supervision,”  
8 after “Comptroller of the Currency,”.

9 **TITLE VII—CLERICAL AND**  
10 **TECHNICAL AMENDMENTS**

11 **SEC. 701. CLERICAL AMENDMENTS TO THE HOME OWNERS’**  
12 **LOAN ACT.**

13 (a) AMENDMENT TO TABLE OF CONTENTS.—The  
14 table of contents in section 1 of the Home Owners’ Loan  
15 Act (12 U.S.C. 1461) is amended by striking the item re-  
16 lating to section 6 and inserting the following new item:  
“Sec. 6. [Repealed]”.

17 (b) CLERICAL AMENDMENTS TO HEADINGS.—

18 (1) The heading for section 4(a) of the Home  
19 Owners’ Loan Act (12 U.S.C. 1463(a)) is amended  
20 by striking “(a) FEDERAL SAVINGS ASSOCIA-  
21 TIONS.—” and inserting “(a) GENERAL RESPON-  
22 SIBILITIES OF THE DIRECTOR.—”.

23 (2) The section heading for section 5 of the  
24 Home Owners’ Loan Act (12 U.S.C. 1464) is  
25 amended to read as follows:



1 **“SEC. 5. SAVINGS ASSOCIATIONS.”.**

2 **SEC. 702. TECHNICAL CORRECTIONS TO THE FEDERAL**  
3 **CREDIT UNION ACT.**

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

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

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

11 (3) In section 107(a)(5)(A)(ix), insert “and”  
12 after the semicolon.

13 (4) In section 107(a)(5)(E), strike the period at  
14 the end and insert a semicolon.

15 (5) In paragraphs (6) and (7) of section  
16 107(a), strike the period at the end and insert a  
17 semicolon.

18 (6) In section 107(a)(7)(D), strike “the Federal  
19 Savings and Loan Insurance Corporation or”.

20 (7) In section 107(a)(7)(E), strike “the Federal  
21 Home Loan Bank Board,” and insert “the Federal  
22 Housing Finance Board,”.

23 (8) In section 107(a)(9), strike “subchapter  
24 III” and insert “title III”.

25 (9) In section 107(a)(13), strike the “and”  
26 after the semicolon at the end.



1           (10) In section 109(e)(2)(i), strike “(12 U.S.C.  
2           4703(16))”.

3           (11) In section 120(h), strike “under the Act  
4           approved July 30, 1947 (6 U.S.C., secs. 6–13),” and  
5           insert “chapter 93 of title 31, United States Code,”.

6           (12) In section 201(b)(5), strike “section 116  
7           of”.

8           (13) In section 202(h)(3), strike “section  
9           207(c)(1)” and insert “section 207(k)(1)”.

10          (14) In section 204(b), strike “such others pow-  
11          ers” and insert “such other powers”.

12          (15) In section 206(e)(3)(D), strike “and” after  
13          the semicolon at the end.

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

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

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

20          (19) In section 206(t)(2)(C), strike “material  
21          affect” and insert “material effect”.

22          (20) In section 206(t)(4)(A)(ii)(II), strike “or”  
23          after the semicolon at the end.

24          (21) In section 206A(a)(2)(A), strike “regulator  
25          agency” and insert “regulatory agency”.



1           (22) In section 207(e)(5)(B)(i)(I), insert “and”  
2 after the semicolon at the end.

3           (23) In section 207(c)(8)(D)(ii)(I), insert a  
4 closing parenthesis after “Act of 1934”.

5           (24) In the heading for subparagraph (A) of  
6 section 207(d)(3), strike “TO” and insert “WITH”.

7           (25) In section 207(f)(3)(A), strike “category  
8 or claimants” and insert “category of claimants”.

9           (26) In section 209(a)(8), strike the period at  
10 the end and insert a semicolon.

11           (27) In section 216(n), insert “any action” be-  
12 fore “that is required”.

13           (28) In section 304(b)(3), strike “the affairs or  
14 such credit union” and insert “the affairs of such  
15 credit union”.

16           (29) In section 310, strike “section 102(e)” and  
17 insert “section 102(d)”.

18 **SEC. 703. OTHER TECHNICAL CORRECTIONS.**

19           Section 1306 of title 18, United States Code, is  
20 amended by striking “5136A” and inserting “5136B”.

