

Calendar No. 50

111TH CONGRESS
1ST SESSION

H. R. 1664

IN THE SENATE OF THE UNITED STATES

APRIL 2, 2009

Received

APRIL 22, 2009

Read the first time

APRIL 23, 2009

Read the second time and placed on the calendar

AN ACT

To amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards.

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. PROHIBITION ON CERTAIN COMPENSATION.**

4 (a) PROHIBITION ON CERTAIN COMPENSATION NOT
5 BASED ON PERFORMANCE STANDARDS.—Section 111 of
6 the Emergency Economic Stabilization Act of 2008 (12
7 U.S.C. 5221) is amended by redesignating subsections (e)

1 through (h) as subsections (f) through (i), and inserting
2 after subsection (d) the following:

3 “(e) PROHIBITION ON CERTAIN COMPENSATION NOT
4 BASED ON PERFORMANCE STANDARDS.—

5 “(1) PROHIBITION.—No financial institution
6 that has received or receives a direct capital invest-
7 ment under the Troubled Assets Relief Program
8 under this title, or with respect to the Federal Na-
9 tional Mortgage Association, the Federal Home
10 Loan Mortgage Corporation, or a Federal home loan
11 bank, under the amendments made by section 1117
12 of the Housing and Economic Recovery Act of 2008,
13 may, while that capital investment remains out-
14 standing, make a compensation payment, other than
15 a longevity bonus or a payment in the form of re-
16 stricted stock, to any executive or employee under
17 any existing compensation arrangement, or enter
18 into a new compensation payment arrangement, if
19 such compensation payment or compensation pay-
20 ment arrangement—

21 “(A) provides for compensation that is un-
22 reasonable or excessive, as defined in standards
23 established by the Secretary, in consultation
24 with the Chairperson of the Congressional

1 Oversight Panel established under section 125,
2 in accordance with paragraph (2); or

3 “(B) includes any bonus or other supple-
4 mental payment, whether payable before em-
5 ployment, during employment, or after termi-
6 nation of employment, that is not directly based
7 on performance-based measures set forth in
8 standards established by the Secretary in ac-
9 cordance with paragraph (2).

10 An institution shall not become subject to the re-
11 quirements of this paragraph as a result of doing
12 business with a recipient of a direct capital invest-
13 ment under the TARP or under the amendments
14 made by the Housing and Economic Recovery Act of
15 2008.

16 “(2) STANDARDS.—Not later than 30 days
17 after the date of enactment of this subsection, the
18 Secretary, with the approval of the agencies that are
19 members of the Federal Financial Institutions Ex-
20 amination Council, and in consultation with the
21 Chairperson of the Congressional Oversight Panel
22 established under section 125, shall establish the fol-
23 lowing:

24 “(A) UNREASONABLE AND EXCESSIVE
25 COMPENSATION STANDARDS.—Standards that

1 define 'unreasonable or excessive' for purposes
2 of subparagraph (1)(A).

3 “(B) PERFORMANCE-BASED STANDARDS.—
4 Standards for performance-based measures that
5 a financial institution must apply when deter-
6 mining whether it may provide a bonus or re-
7 tention payment under paragraph (1)(B). Such
8 performance measures shall include—

9 “(i) the stability of the financial insti-
10 tution and its ability to repay or begin re-
11 paying the United States for any capital
12 investment received under this title;

13 “(ii) the performance of the individual
14 executive or employee to whom the pay-
15 ment relates;

16 “(iii) adherence by executives and em-
17 ployees to appropriate risk management
18 requirements; and

19 “(iv) other standards which provide
20 greater accountability to shareholders and
21 taxpayers.

22 “(3) CLARIFICATION RELATING TO SEVERANCE
23 PAY.—For purposes of this subsection, a compensa-
24 tion payment or compensation payment arrangement
25 shall not include a severance payment paid by an

FINAL VOTE RESULTS FOR ROLL CALL 182

(Democrats in roman; Republicans in *italic*; Independents underlined)

H R 1664 RECORDED VOTE 1-Apr-2009 6:23 PM

QUESTION: On Passage

BILL TITLE: To amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards

	<u>AYES</u>	<u>NOES</u>	<u>PRES</u>	<u>NY</u>
DEMOCRATIC	237	8		8
REPUBLICAN	10	163	1	4
INDEPENDENT				
TOTALS	247	171	1	12

--- AYES 247 ---

Abercrombie	Fudge	Murtha
Ackerman	Giffords	Nadler (NY)
Adler (NJ)	Gonzalez	Napolitano
Altmire	Gordon (TN)	Neal (MA)
Andrews	Grayson	Nye
Arcuri	Green, Al	Oberstar
Baca	Green, Gene	Obey
Baird	Griffith	Olver
Baldwin	Grijalva	Ortiz
Barrow	Gutierrez	Pastor (AZ)
Bean	Hall (NY)	Payne
Becerra	Halvorson	Perlmutter
Berkley	Hare	Perriello
Berman	Harman	Peters
Berry	Hastings (FL)	Peterson
<i>Bilirakis</i>	Heinrich	Pingree (ME)
Bishop (GA)	Herseth Sandlin	Polis (CO)
Bishop (NY)	Higgins	Pomeroy
Blumenauer	Hill	Price (NC)
Bocchieri	Himes	Rahall
Boren	Hinchey	Rangel
Boswell	Hinojosa	Reyes
Boucher	Hirono	Richardson
Boyd	Hodes	Rodriguez
Brady (PA)	Holden	<i>Rohrabacher</i>
Bright	Holt	<i>Ros-Lehtinen</i>
Brown, Corrine	Honda	Ross
<i>Brown-Waite, Ginny</i>	Hoyer	Rothman (NJ)
Butterfield	Inslee	Roybal-Allard

Record vote no. FC-9

Representative	Aye	Nay	Present	Representative	Aye	Nay	Present
Mr. Frank	X			Mr. Bachus		X	
Mr. Kanjorski	X			Mr. Castle			
Ms. Waters				Mr. King (NY)		X	
Mrs. Maloney	X			Mr. Royce	X		
Mr. Gutierrez	X			Mr. Lucas		X	
Ms. Velázquez	X			Mr. Paul		X	
Mr. Watt	X			Mr. Manzullo		X	
Mr. Ackerman	X			Mr. Jones	X		
Mr. Sherman	X			Mrs. Biggert		X	
Mr. Meeks	X			Mr. Miller (CA)			
Mr. Moore (KS)	X			Mrs. Capito		X	
Mr. Capuano	X			Mr. Hensarling		X	
Mr. Hinojosa				Mr. Garrett (NJ)		X	
Mr. Clay				Mr. Barrett (SC)		X	
Mrs. McCarthy	X			Mr. Gerlach		X	
Mr. Baca				Mr. Neugebauer		X	
Mr. Lynch	X			Mr. Price (GA)		X	
Mr. Miller (NC)	X			Mr. McHenry			
Mr. Scott	X			Mr. Campbell		X	
Mr. Green	X			Mr. Putnam		X	
Mr. Cleaver	X			Mrs. Bachmann			
Ms. Bean	X			Mr. Marchant		X	
Ms. Moore (WI)	X			Mr. McCotter		X	
Mr. Hodes	X			Mr. McCarthy		X	
Mr. Ellison				Mr. Posey		X	
Mr. Klein	X			Ms. Jenkins		X	
Mr. Wilson	X			Mr. Lee		X	
Mr. Perlmutter	X			Mr. Paulsen			
Mr. Donnelly	X			Mr. Lance		X	
Mr. Foster	X						
Mr. Carson	X						
Ms. Speier	X						
Mr. Childers	X						
Mr. Minnick	X						
Mr. Adler	X						
Ms. Kilroy	X						
Mr. Driehaus	X						
Ms. Kosmas							
Mr. Grayson	X						
Mr. Himes	X						
Mr. Peters	X						
Mr. Maffei	X						