

**AMENDMENT TO THE COMMITTEE PRINT OF
OCTOBER 29, 2009
OFFERED BY MR. FRANK OF MASSACHUSETTS**

Page 30, after line 2, insert the following new sub-paragraph:

1 (C) CONSULTATION WITH FEDERAL FI-
2 NANCIAL REGULATORY AGENCIES.—The Board,
3 in developing stricter prudential standards
4 under this subsection, shall consult with other
5 Federal financial regulatory agencies with re-
6 spect to any standard that is likely to have a
7 significant impact on a functionally regulated
8 subsidiary, or a subsidiary depository institu-
9 tion, of a financial holding company that is sub-
10 ject to stricter prudential standards under this
11 title.

Page 30, strike line 17, and insert the following:

12 (5) MITIGATION OF SYSTEMIC RISK.—
13 (A) AUTHORITY TO RESTRICT OPERATIONS
14 AND ACTIVITIES.—If the

Page 31, after line 5, insert the following new sub-paragraph:

1 (B) CONSULTATION WITH FEDERAL FI-
2 NANCIAL REGULATORY AGENCIES.—The Board,
3 in determining whether to impose any require-
4 ment under this paragraph that is likely to have
5 a significant impact on a functionally regulated
6 subsidiary, or a subsidiary depository institu-
7 tion, of a financial holding company that is sub-
8 ject to stricter prudential standards under this
9 Act, shall consult with the Federal financial
10 regulatory agency for any such subsidiary.

Page 32, line 12, strike “primary” and insert “Federal”.

Page 32, line 17, strike “**【section 2(6)】**” and insert “section 1000(b)(6)”.

Page 32, line 20, strike “primary” and insert “Federal”.

Page 32, line 21, strike “primary” and insert “Federal”.

Page 33, line 4, strike “primary” and insert “Federal”.

Page 33, line 6, insert “in accordance with paragraph (1)” after “the Board”.

Page 33, strike line 10 and all that follows through page 34, line 12, and insert the following new paragraph:

1 (4) FEDERAL FINANCIAL REGULATORY AGENCY
 2 RESPONSE; NOTICE TO COUNCIL AND BOARD.—A
 3 Federal financial regulatory agency shall notify the
 4 Council and the Board in writing on whether and to
 5 what extent the agency has imposed the stricter pru-
 6 dential standards described in paragraph (3) within
 7 60 days of the Board’s recommendation under para-
 8 graph (1). A Federal financial regulatory agency
 9 that fails to impose such standards shall provide
 10 specific justification for such failure to act in the
 11 written notice from the agency to the Council and
 12 Board.

Page 63, strike line 9 and all that follows through line 13 and insert the following:

13 **SEC. 1107. STRICTER REGULATION OF ACTIVITIES AND**
 14 **PRACTICES FOR FINANCIAL STABILITY PUR-**
 15 **POSES.**

16 (a) PRUDENTIAL STANDARDS.—

17 (1) BOARD AUTHORITY TO RECOMMEND.—

18 (A) IN GENERAL.—To mitigate the risks

Page 63, line 16, strike “or the Board”.

Page 63, beginning on line 17, strike “heightened prudential scrutiny in accordance with section 1103” and insert “stricter prudential standards under section 1106”.

Page 63, after line 21, insert the following new subparagraph:

1 (B) CONSULTATION WITH PRIMARY FINAN-
2 CIAL REGULATORY AGENCIES.—The Board, in
3 developing recommendations under this sub-
4 section, shall consult with the relevant primary
5 financial regulatory agencies with respect to
6 any standard that is likely to have a significant
7 effect on entities described in section
8 1000(b)(5).

Page 64, line 17, strike “[section 2(6)]” and insert “section 1000(b)(6)”.

Page 65, strike line 10 and all that follows through page 66, line 14 and insert the following:

9 (3) PRIMARY FINANCIAL REGULATORY AGENCY
10 RESPONSE.—A primary financial regulatory agency
11 shall notify the Council and the Board in writing on
12 whether and to what extent the agency has imposed
13 the stricter prudential standards described in para-
14 graph (2) within 60 days of the Board’s rec-

1 ommendation. A primary financial regulatory agency
2 that fails to impose such standards shall provide
3 specific justification for such failure to act in the
4 written notice from the agency to the Council and
5 Board.

