

# [COMMITTEE PRINT]

April 9, 2003

[Showing H.R. 1375, As Adopted by the Subcommittee on  
Financial Institutions and Consumer Credit]

108TH CONGRESS  
1ST SESSION

# H. R. 1375

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2003

Mrs. CAPITO (for herself, Mr. OXLEY, Mr. BACHUS, and Mr. ROSS) 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 20, 2003]

## 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 2003”.

6 (b) TABLE OF CONTENTS.—The table of contents for  
7 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.
- Sec. 110. Business organization flexibility for national banks.
- Sec. 111. Clarification of the main place of business of a national bank.

#### 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. Mergers and consolidations 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. Restatement of authority for Federal savings associations to invest in small business investment companies.
- Sec. 208. Removal of limitation on investments in auto loans.
- Sec. 209. Selling and offering of deposit products.
- Sec. 210. Funeral- and cemetery-related fiduciary services.
- Sec. 211. Repeal of qualified thrift lender requirement with respect to out-of-state branches.
- Sec. 212. Small business and other commercial loans.
- Sec. 213. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.
- Sec. 214. Clarification of applicability of certain procedural doctrines.

#### 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.



## 3

- Sec. 306. Member business loan exclusion for loans to nonprofit religious organizations.
- Sec. 307. Check cashing and money transfer services offered within the field of membership.
- Sec. 308. Voluntary mergers involving multiple common-bond credit unions.
- Sec. 309. Conversions involving common-bond credit unions.
- Sec. 310. Credit union governance.
- Sec. 311. Providing the National Credit Union Administration with greater flexibility in responding to market conditions.
- Sec. 312. Exemption from pre-merger notification requirement of the Clayton Act.
- Sec. 313. Treatment of credit unions as depository institutions under securities laws.

## 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.
- Sec. 409. Amendments relating to change in bank control.

## 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.
- Sec. 504. Clarification of scope of applicable rate provision.

## TITLE VI—BANKING AGENCY PROVISIONS

- Sec. 601. Waiver of examination schedule in order to allocate examiner resources.
- Sec. 602. Interagency data sharing.
- Sec. 603. Penalty for unauthorized participation by convicted individual.
- Sec. 604. Amendment permitting the destruction of old records of a depository institution by the FDIC after the appointment of the FDIC as receiver.
- Sec. 605. Modernization of recordkeeping requirement.
- Sec. 606. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.
- Sec. 607. Streamlining depository institution merger application requirements.



- Sec. 608. Inclusion of Director of the Office of Thrift Supervision in list of banking agencies regarding insurance customer protection regulations.
- Sec. 609. Shortening of post-approval antitrust review period with the agreement of the Attorney General.
- Sec. 610. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.
- Sec. 611. Prohibition on the participation in the affairs of bank holding company or Edge Act or agreement corporations by convicted individual.
- Sec. 612. Clarification that notice after separation from service may be made by an order.
- Sec. 613. Examiners of financial institutions.
- Sec. 614. Parity in standards for institution-affiliated parties.
- Sec. 615. Enforcement against misrepresentations regarding FDIC deposit insurance coverage.
- Sec. 616. Compensation of Federal home loan bank directors.
- Sec. 617. Extension of terms of Federal home loan bank directors.
- Sec. 618. Bi-annual reports on the status of agency employment of minorities and women.

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. 703. Other technical corrections.
- Sec. 704. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.

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”;



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

4 “(b) INVESTMENT REQUIREMENT.—

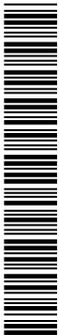
5 “(1) IN GENERAL.—Every director of a na-  
6 tional bank shall own, in his or her own right,”; and

7 (3) by adding at the end the following new  
8 paragraph:

9 “(2) EXCEPTION FOR SUBORDINATED DEBT IN  
10 CERTAIN CASES.—In lieu of the requirements of  
11 paragraph (1) relating to the ownership of capital  
12 stock in the national bank, the Comptroller of the  
13 Currency may, by regulation or order, permit an in-  
14 dividual to serve as a director of a national bank  
15 that has elected, or notifies the Comptroller of the  
16 bank’s intention to elect, to operate as a S corpora-  
17 tion pursuant to section 1362(a) of the Internal  
18 Revenue Code of 1986, if that individual holds debt  
19 of at least \$1,000 issued by the national bank that  
20 is subordinated to the interests of depositors and  
21 other general creditors of the national bank.”.

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

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



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

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

6 (3) by adding at the end the following new sen-  
7 tence: “The Comptroller of the Currency may pre-  
8 scribe such regulations to carry out the purposes of  
9 this section as the Comptroller determines to be ap-  
10 propriate.”.

11 **SEC. 103. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-**  
12 **TIONAL BANKS.**

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

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

16 “(a) **IN GENERAL.**—Subject to subsection (b), the di-  
17 rectors of any national bank may declare a dividend of  
18 so much of the undivided profits of the bank as the direc-  
19 tors judge to be expedient.

20 “(b) **APPROVAL REQUIRED UNDER CERTAIN CIR-**  
21 **CUMSTANCES.**—A national bank may not declare and pay  
22 dividends in any year in excess of an amount equal to the  
23 sum of the total of the net income of the bank for that  
24 year and the retained net income of the bank in the pre-  
25 ceding two years, minus any transfers required by the



1 Comptroller of the Currency (including any transfers re-  
2 quired to be made to a fund for the retirement of any  
3 preferred stock), unless the Comptroller of the Currency  
4 approves the declaration and payment of dividends in ex-  
5 cess of such amount.”.

6 **SEC. 104. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**  
7 **AUTHORITY OF THE COMPTROLLER OF THE**  
8 **CURRENCY.**

9 Section 8(e)(4) of the Federal Deposit Insurance Act  
10 (12 U.S.C. 1818(e)(4)) is amended by striking the 5th  
11 sentence.

12 **SEC. 105. REPEAL OF INTRASTATE BRANCH CAPITAL RE-**  
13 **QUIREMENTS.**

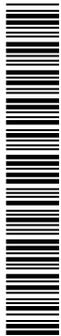
14 Section 5155(c) of the Revised Statutes of the United  
15 States (12 U.S.C. 36(c)) is amended—

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

19 (2) by striking the last sentence.

20 **SEC. 106. CLARIFICATION OF WAIVER OF PUBLICATION RE-**  
21 **QUIREMENTS FOR BANK MERGER NOTICES.**

22 The last sentence of sections 2(a) and 3(a)(2) of the  
23 National Bank Consolidation and Merger Act (12 U.S.C.  
24 215(a) and 215a(a)(2), respectively) are each amended by  
25 striking “Publication of notice may be waived, in cases



1 where the Comptroller determines that an emergency ex-  
2 ists justifying such waiver, by unanimous action of the  
3 shareholders of the association or State bank” and insert-  
4 ing “Publication of notice may be waived if the Comp-  
5 troller determines that an emergency exists justifying such  
6 waiver or if the shareholders of the association or State  
7 bank agree by unanimous action to waive the publication  
8 requirement for their respective institutions”.

9 **SEC. 107. CAPITAL EQUIVALENCY DEPOSITS FOR FEDERAL**  
10 **BRANCHES AND AGENCIES OF FOREIGN**  
11 **BANKS.**

12 Section 4(g) of the International Banking Act of  
13 1978 (12 U.S.C. 3102(g)) is amended to read as follows:

14 “(g) CAPITAL EQUIVALENCY DEPOSIT.—

15 “(1) IN GENERAL.—Upon the opening of a  
16 Federal branch or agency of a foreign bank in any  
17 State and thereafter, the foreign bank, in addition to  
18 any deposit requirements imposed under section 6,  
19 shall keep on deposit, in accordance with such regu-  
20 lations as the Comptroller of the Currency may pre-  
21 scribe in accordance with paragraph (2), dollar de-  
22 posits, investment securities, or other assets in such  
23 amounts as the Comptroller of the Currency deter-  
24 mines to be necessary for the protection of deposi-



1       tors and other investors and to be consistent with  
2       the principles of safety and soundness.

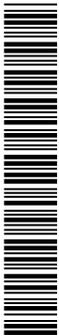
3           “(2) LIMITATION.—Notwithstanding paragraph  
4       (1), regulations prescribed under such paragraph  
5       shall not permit a foreign bank to keep assets on de-  
6       posit in an amount that is less than the amount re-  
7       quired for a State licensed branch or agency of a  
8       foreign bank under the laws and regulations of the  
9       State in which the Federal agency or branch is lo-  
10      cated.”.

11 **SEC. 108. EQUAL TREATMENT FOR FEDERAL AGENCIES OF**  
12 **FOREIGN BANKS.**

13       The 1st sentence of section 4(d) of the International  
14 Banking Act of 1978 (12 U.S.C. 3102(d)) is amended by  
15 inserting “from citizens or residents of the United States”  
16 after “deposits”.

17 **SEC. 109. MAINTENANCE OF A FEDERAL BRANCH AND A**  
18 **FEDERAL AGENCY IN THE SAME STATE.**

19       Section 4(e) of the International Banking Act of  
20 1978 (12 U.S.C. 3102(e)) is amended by inserting “if the  
21 maintenance of both an agency and a branch in the State  
22 is prohibited under the law of such State” before the pe-  
23 riod at the end.



1 **SEC. 110. BUSINESS ORGANIZATION FLEXIBILITY FOR NA-**  
2 **TIONAL BANKS.**

3 (a) IN GENERAL.—Chapter one of title LXII of the  
4 Revised Statutes of the United States (12 U.S.C. 21 et  
5 seq.) is amended by inserting after section 5136B the fol-  
6 lowing new section:

7 **“SEC. 5136C. ALTERNATIVE BUSINESS ORGANIZATION.**

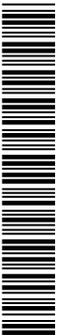
8 “(a) IN GENERAL.—The Comptroller of the Currency  
9 may prescribe regulations—

10 “(1) to permit a national bank to be organized  
11 other than as a body corporate; and

12 “(2) to provide requirements for the organiza-  
13 tional characteristics of a national bank organized  
14 and operating other than as a body corporate, con-  
15 sistent with the safety and soundness of the national  
16 bank.

17 “(b) EQUAL TREATMENT.—Except as provided in  
18 regulations prescribed under subsection (a), a national  
19 bank that is operating other than as a body corporate shall  
20 have the same rights and privileges and shall be subject  
21 to the same duties, restrictions, penalties, liabilities, condi-  
22 tions, and limitations as a national bank that is organized  
23 as a body corporate.”.

24 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
25 Section 5136 of the Revised Statutes of the United States  
26 (12 U.S.C. 24) is amended, in the matter preceding the



1 paragraph designated as the “First”, by inserting “or  
2 other form of business organization provided under regula-  
3 tions prescribed by the Comptroller of the Currency under  
4 section 5136C” after “a body corporate”.

5 (c) CLERICAL AMENDMENT.—The table of sections  
6 for chapter one of title LXII of the Revised Statutes of  
7 the United States (12 U.S.C. 21 et seq.) is amended by  
8 inserting after the item relating to section 5136B the fol-  
9 lowing new item:

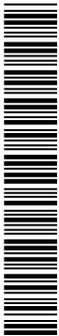
“5136C. Alternative business organization.”.

10 **SEC. 111. CLARIFICATION OF THE MAIN PLACE OF BUSI-**  
11 **NESS OF A NATIONAL BANK.**

12 Title LXII of the Revised Statutes of the United  
13 States is amended—

14 (1) in the paragraph designated the “Second”  
15 of section 5134 (12 U.S.C. 22), by striking “The  
16 place where its operations of discount and deposit  
17 are to be carried on” and inserting “The place  
18 where the main office of the national bank is, or is  
19 to be, located”; and

20 (2) in section 5190 (12 U.S.C. 81), by striking  
21 “the place specified in its organization certificate”  
22 and inserting “the main office of the national bank”.



1 **TITLE II—SAVINGS ASSOCIATION**  
2 **PROVISIONS**

3 **SEC. 201. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**  
4 **SECURITIES EXCHANGE ACT OF 1934 AND**  
5 **THE INVESTMENT ADVISERS ACT OF 1940.**

6 (a) SECURITIES EXCHANGE ACT OF 1934.—

7 (1) DEFINITION OF BANK.—Section 3(a)(6) of  
8 the Securities Exchange Act of 1934 (15 U.S.C.  
9 78c(a)(6)) is amended—

10 (A) in subparagraph (A), by inserting “or  
11 a Federal savings association, as defined in sec-  
12 tion 2(5) of the Home Owners’ Loan Act” after  
13 “a banking institution organized under the laws  
14 of the United States”; and

15 (B) in subparagraph (C)—

16 (i) by inserting “or savings associa-  
17 tion as defined in section 2(4) of the Home  
18 Owners’ Loan Act,” after “banking insti-  
19 tution,”; and

20 (ii) by inserting “or savings associa-  
21 tions” after “having supervision over  
22 banks”.

23 (2) INCLUDE OTS UNDER THE DEFINITION OF  
24 APPROPRIATE REGULATORY AGENCY FOR CERTAIN



1 PURPOSES.—Section 3(a)(34) of such Act (15  
2 U.S.C. 78c(a)(34)) is amended—

3 (A) in subparagraph (A)—

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

6 (ii) by striking “and” at the end of  
7 clause (iii);

8 (iii) by redesignating clause (iv) as  
9 clause (v); and

10 (iv) by inserting the following new  
11 clause after clause (iii):

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

22 (B) in subparagraph (B)—

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



1 (ii) by striking “and” at the end of  
2 clause (iii);

3 (iii) by redesignating clause (iv) as  
4 clause (v); and

5 (iv) by inserting the following new  
6 clause after clause (iii):

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

16 (C) in subparagraph (C)—

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

19 (ii) by striking “and” at the end of  
20 clause (iii);

21 (iii) by redesignating clause (iv) as  
22 clause (v); and

23 (iv) by inserting the following new  
24 clause after clause (iii):



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

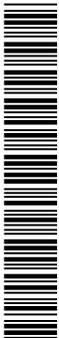
12 (D) in subparagraph (D)—

13           (i) by striking “and” at the end of  
14 clause (ii);

15           (ii) by redesignating clause (iii) as  
16 clause (iv); and

17           (iii) by inserting the following new  
18 clause after clause (ii):

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



1 (E) in subparagraph (F)—

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

5 (ii) by inserting the following new  
6 clause after clause (i):

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

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

20 (b) INVESTMENT ADVISERS ACT OF 1940.—

21 (1) DEFINITION OF BANK.—Section 202(a)(2)  
22 of the Investment Advisers Act of 1940 (15 U.S.C.  
23 80b-2(a)(2)) is amended—

24 (A) in subparagraph (A) by inserting “or  
25 a Federal savings association, as defined in sec-



1           tion 2(5) of the Home Owners' Loan Act" after  
2           "a banking institution organized under the laws  
3           of the United States"; and

4                   (B) in subparagraph (C)—

5                       (i) by inserting ", savings association  
6                       as defined in section 2(4) of the Home  
7                       Owners' Loan Act," after "banking insti-  
8                       tution"; and

9                       (ii) by inserting "or savings associa-  
10                      tions" after "having supervision over  
11                      banks".

12           (2) CONFORMING AMENDMENTS.—Subsections  
13           (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b) of section  
14           210A of such Act (15 U.S.C. 80b–10a), as added by  
15           section 220 of the Gramm-Leach-Bliley Act, are  
16           each amended by striking "bank holding company"  
17           each place it occurs and inserting "bank holding  
18           company or savings and loan holding company".

19           (c) CONFORMING AMENDMENT TO THE INVESTMENT  
20           COMPANY ACT OF 1940.—Section 10(c) of the Investment  
21           Company Act of 1940 (15 U.S.C. 80a–10(c)), as amended  
22           by section 213(c) of the Gramm-Leach-Bliley Act, is  
23           amended by inserting after "1956)" the following: "or any  
24           one savings and loan holding company (together with its



1 affiliates and subsidiaries) (as such terms are defined in  
2 section 10 of the Home Owners' Loan Act)".

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

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

9 (D) DIRECT INVESTMENTS TO PROMOTE  
10 THE PUBLIC WELFARE.—

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

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

24 (iii) PROHIBITION ON UNLIMITED LI-  
25 ABILITY.—No investment may be made



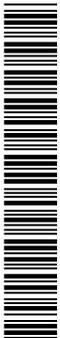
1 under this subparagraph which would sub-  
2 ject a Federal savings association to unlim-  
3 ited liability to any person.

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

9 “(I) the amount any savings as-  
10 sociation may invest in any 1 project;  
11 and

12 “(II) the aggregate amount of in-  
13 vestment of any savings association  
14 under this subparagraph.

15 “(v) FLEXIBLE AGGREGATE INVEST-  
16 MENT LIMITATION.—The aggregate  
17 amount of investments of any savings asso-  
18 ciation under this subparagraph may not  
19 exceed an amount equal to the sum of 5  
20 percent of the savings association’s capital  
21 stock actually paid in and unimpaired and  
22 5 percent of the savings association’s  
23 unimpaired surplus, unless—



1                   “(I) the Director determines that  
2                   the savings association is adequately  
3                   capitalized; and

4                   “(II) the Director determines, by  
5                   order, that the aggregate amount of  
6                   investments in a higher amount than  
7                   the limit under this clause will pose  
8                   no significant risk to the affected de-  
9                   posit insurance fund.

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

20                  “(vii) INVESTMENTS NOT SUBJECT TO  
21                  OTHER LIMITATION ON QUALITY OF IN-  
22                  VESTMENTS.—No obligation a Federal sav-  
23                  ings association acquires or retains under  
24                  this subparagraph shall be taken into ac-  
25                  count for purposes of the limitation con-



1                   tained in section 28(d) of the Federal De-  
 2                   posit Insurance Act on the acquisition and  
 3                   retention of any corporate debt security  
 4                   not of investment grade.”.

5           (b) TECHNICAL AND CONFORMING AMENDMENT.—  
 6 Section 5(c)(3)(A) of the Home Owners’ Loan Act (12  
 7 U.S.C. 1464(c)(3)(A)) is amended to read as follows:

8                   “(A) [Repealed.]”.

9   **SEC. 203. MERGERS AND CONSOLIDATIONS OF FEDERAL**  
 10                   **SAVINGS ASSOCIATIONS WITH NONDEPOSI-**  
 11                   **TORY INSTITUTION AFFILIATES.**

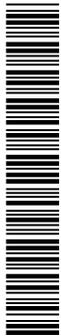
12           Section 5(d)(3) of the Home Owners’ Loan Act (12  
 13 U.S.C. 1464(d)(3)) is amended—

14                   (1) by redesignating subparagraph (B) as sub-  
 15                   paragraph (C); and

16                   (2) by inserting after subparagraph (A) the fol-  
 17                   lowing new subparagraph:

18                   “(B) MERGERS AND CONSOLIDATIONS  
 19                   WITH NONDEPOSITORY INSTITUTION AFFILI-  
 20                   ATES.—

21                   “(i) IN GENERAL.—Upon the approval  
 22                   of the Director, a Federal savings associa-  
 23                   tion may merge with any nondepository in-  
 24                   stitution affiliate of the savings associa-  
 25                   tion.



1                   “(ii) RULE OF CONSTRUCTION.—No  
2                   provision of clause (i) shall be construed  
3                   as—

4                   “(I) affecting the applicability of  
5                   section 18(c) of the Federal Deposit  
6                   Insurance Act; or

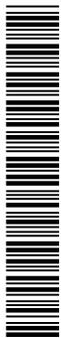
7                   “(II) granting a Federal savings  
8                   association any power or any author-  
9                   ity to engage in any activity that is  
10                  not authorized for a Federal savings  
11                  association under any other provision  
12     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

14 **SEC. 204. REPEAL OF STATUTORY DIVIDEND NOTICE RE-**  
15 **QUIREMENT FOR SAVINGS ASSOCIATION SUB-**  
16 **SIDIARIES OF SAVINGS AND LOAN HOLDING**  
17 **COMPANIES.**

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

20                  “(f) DECLARATION OF DIVIDEND.—The Director  
21                  may—

22                  “(1) require a savings association that is a sub-  
23                  sidiary of a savings and loan holding company to  
24                  give prior notice to the Director of the intent of the  
25                  savings association to pay a dividend on its guar-



1 anty, permanent, or other nonwithdrawable stock;  
2 and

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

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

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

11 (1) by striking “trust,” and inserting “business  
12 trust,”; and

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

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

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



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

3 (3) by striking subparagraph (B).

4 **SEC. 206. REPEAL OF OVERLAPPING RULES GOVERNING**  
5 **PURCHASED MORTGAGE SERVICING RIGHTS.**

6 Section 5(t) of the Home Owners’ Loan Act (12  
7 U.S.C. 1464(t)) is amended—

8 (1) by striking paragraph (4) and inserting the  
9 following new paragraph:

10 “(4) [Repealed.]”; and

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

14 **SEC. 207. RESTATEMENT OF AUTHORITY FOR FEDERAL**  
15 **SAVINGS ASSOCIATIONS TO INVEST IN SMALL**  
16 **BUSINESS INVESTMENT COMPANIES.**

17 Subparagraph (D) of section 5(c)(4) of the Home  
18 Owners’ Loan Act (12 U.S.C. 1464(c)(4)) is amended to  
19 read as follows:

20 “(D) SMALL BUSINESS INVESTMENT COM-  
21 PANIES.—Any Federal savings association may  
22 invest in 1 or more small business investment  
23 companies, or in any entity established to invest  
24 solely in small business investment companies  
25 formed under the Small Business Investment



1 Act of 1958, except that the total amount of in-  
2 vestments under this subparagraph may not at  
3 any time exceed the amount equal to 5 percent  
4 of capital and surplus of the savings associa-  
5 tion.”.

6 **SEC. 208. REMOVAL OF LIMITATION ON INVESTMENTS IN**  
7 **AUTO LOANS.**

8 (a) IN GENERAL.—Section 5(c)(1) of the Home Own-  
9 ers’ Loan Act (12 U.S.C. 1464(c)(1)) is amended by add-  
10 ing at the end the following new subparagraph:

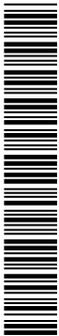
11 “(V) AUTO LOANS.—Loans and leases for  
12 motor vehicles acquired for personal, family, or  
13 household purposes.”.

14 (b) TECHNICAL AND CONFORMING AMENDMENT RE-  
15 LATING TO QUALIFIED THRIFT INVESTMENTS.—Section  
16 10(m)(4)(C)(ii) of the Home Owners’ Loan Act (12  
17 U.S.C. 1467a(m)(4)(C)(ii)) is amended by adding at the  
18 end the following new subclause:

19 “(VIII) Loans and leases for  
20 motor vehicles acquired for personal,  
21 family, or household purposes.”.

22 **SEC. 209. SELLING AND OFFERING OF DEPOSIT PRODUCTS.**

23 Section 15(h) of the Securities Exchange Act of  
24 1934 (15 U.S.C. 78o(h)) is amended by adding at  
25 the end the following new paragraph:



1           “(4) SELLING AND OFFERING OF DEPOSIT  
2           PRODUCTS.—No law, rule, regulation, or order, or  
3           other administrative action of any State or political  
4           subdivision thereof shall directly or indirectly require  
5           any individual who is an agent of 1 Federal savings  
6           association (as such term is defined in section 2(5)  
7           of the Home Owners’ Loan Act (12 U.S.C. 1462(5))  
8           in selling or offering deposit (as such term is defined  
9           in section 3 of the Federal Deposit Insurance Act  
10          (12 U.S.C. 1813(l)) products issued by such associa-  
11          tion to qualify or register as a broker, dealer, associ-  
12          ated person of a broker, or associated person of a  
13          dealer, or to qualify or register in any other similar  
14          status or capacity, if the individual does not—

15                 “(A) accept deposits or make withdrawals  
16                 on behalf of any customer of the association;

17                 “(B) offer or sell a deposit product as an  
18                 agent for another entity that is not subject to  
19                 supervision and examination by a Federal bank-  
20                 ing agency (as defined in section 3(z) of the  
21                 Federal Deposit Insurance Act (12 U.S.C.  
22                 1813(z)), the National Credit Union Adminis-  
23                 tration, or any officer, agency, or other entity  
24                 of any State which has primary regulatory au-



1           thority over State banks, State savings associa-  
2           tions, or State credit unions;

3           “(C) offer or sell a deposit product that is  
4           not an insured deposit (as defined in section  
5           3(m) of the Federal Deposit Insurance Act (12  
6           U.S.C. 1813(m));

7           “(D) offer or sell a deposit product which  
8           contains a feature that makes it callable at the  
9           option of such Federal savings association; or

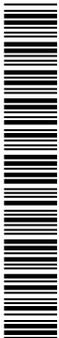
10           “(E) create a secondary market with re-  
11           spect to a deposit product or otherwise add en-  
12           hancements or features to such product inde-  
13           pendent of those offered by the association.”.

14   **SEC. 210. FUNERAL- AND CEMETERY-RELATED FIDUCIARY**  
15           **SERVICES.**

16           Section 5(n) of the Home Owners’ Loan Act (12  
17   U.S.C. 1464(n)) is amended by adding at the end the fol-  
18   lowing new paragraph:

19           “(11) FUNERAL- AND CEMETERY-RELATED FI-  
20           DUCIARY SERVICES.—

21           “(A) IN GENERAL.—A funeral director or  
22           cemetery operator, when acting in such capac-  
23           ity, (or any other person in connection with a  
24           contract or other agreement with a funeral di-  
25           rector or cemetery operator) may engage any



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

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

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

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

22 “(iii) FUNERAL DIRECTOR.—The term  
23 ‘funeral director’ means any person who  
24 contracts or accepts payment to provide or  
25 arrange—



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

3 “(II) funeral services, property,  
4 or merchandise (including cemetery  
5 services, property, or merchandise).”.

6 **SEC. 211. REPEAL OF QUALIFIED THRIFT LENDER RE-**  
7 **QUIREMENT WITH RESPECT TO OUT-OF-**  
8 **STATE BRANCHES.**

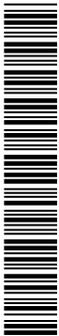
9 Section 5(r)(1) of the Home Owners’ Loan Act (12  
10 U.S.C. 1464(r)(1)) is amended by striking the ultimate  
11 sentence.

12 **SEC. 212. SMALL BUSINESS AND OTHER COMMERCIAL**  
13 **LOANS.**

14 (a) **ELIMINATION OF LENDING LIMIT ON SMALL**  
15 **BUSINESS LOANS.**—Section 5(c)(1) of the Home Owners’  
16 Loan Act (12 U.S.C. 1464(c)(1)) is amended by inserting  
17 after subparagraph (V) (as added by section 208 of this  
18 title) the following new subparagraph:

19 “(W) **SMALL BUSINESS LOANS.**—Small  
20 business loans, as defined in regulations which  
21 the Director shall prescribe.”

22 (b) **INCREASE IN LENDING LIMIT ON OTHER BUSI-**  
23 **NESS LOANS.**—Section 5(c)(2)(A) of the Home Owners’  
24 Loan Act (12 U.S.C. 1464(c)(2)(A)) is amended by strik-



1 ing “, and amounts in excess of 10 percent” and all that  
2 follows through “by the Director”.

3 **SEC. 213. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**  
4 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**  
5 **DICTION.**

6 Section 5 of the Home Owners’ Loan Act (12 U.S.C.  
7 1464) is amended by adding at the end the following new  
8 subsection:

9 “(x) HOME STATE CITIZENSHIP.—In determining  
10 whether a Federal court has diversity jurisdiction over a  
11 case in which a Federal savings association is a party, the  
12 Federal savings association shall be considered to be a cit-  
13 izen only of the State in which such savings association  
14 has its main office.”.

15 **SEC. 214. CLARIFICATION OF APPLICABILITY OF CERTAIN**  
16 **PROCEDURAL DOCTRINES.**

17 Section 11A(d) of the Federal Deposit Insurance Act  
18 (12 U.S.C. 1821a(d)) is amended—

19 (1) by striking “LEGAL PROCEEDINGS.—Any  
20 judgment” and inserting “LEGAL PROCEEDINGS.—

21 “(1) IN GENERAL.—Any judgment”; and

22 (2) by adding at the end the following new  
23 paragraph:

24 “(2) CLARIFICATION OF APPLICABILITY OF  
25 CERTAIN PROCEDURAL DOCTRINES.—In any pro-



1       ceeding seeking a monetary recovery against the  
2       United States, or an agency or official thereof, based  
3       upon actions of the Federal Savings and Loan In-  
4       surance Corporation prior to its dissolution, or the  
5       Federal Home Loan Bank Board prior to its dis-  
6       solution, and arising from the Financial Institutions  
7       Reform, Recovery, and Enforcement Act of 1989 or  
8       its implementation, and where any monetary recov-  
9       ery in such proceeding would be paid from the  
10      FSLIC Resolution Fund or any supplements there-  
11      to, neither the United States Court of Federal  
12      Claims, the United States Court of Appeals for the  
13      Federal Circuit, nor any other court of competent  
14      jurisdiction shall dismiss, or affirm on appeal the  
15      dismissal of, the claims of any party seeking such  
16      monetary recovery, on the basis of res judicata, col-  
17      lateral estoppel, or any similar doctrine, defense, or  
18      rule of law, based upon any decision, opinion, or  
19      order of judgment entered by any court prior to July  
20      1, 1996. Unless some other defense is applicable, in  
21      any such proceeding, the United States Court of  
22      Federal Claims, the United States Court of Appeals  
23      for the Federal Circuit, and any other court of com-  
24      petent jurisdiction shall review the merits of the



1 claims of the party seeking such monetary relief and  
2 shall enter judgment accordingly.”.

3 **TITLE III—CREDIT UNION**  
4 **PROVISIONS**

5 **SEC. 301. PRIVATELY INSURED CREDIT UNIONS AUTHOR-**  
6 **IZED TO BECOME MEMBERS OF A FEDERAL**  
7 **HOME LOAN BANK.**

8 (a) IN GENERAL.—Section 4(a) of the Federal Home  
9 Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding  
10 at the end the following new paragraph:

11 “(5) CERTAIN PRIVATELY INSURED CREDIT  
12 UNIONS.—

13 “(A) IN GENERAL.—A credit union which  
14 has been determined, in accordance with section  
15 43(e)(1) of the Federal Deposit Insurance Act  
16 and subject to the requirements of subpara-  
17 graph (B), to meet all eligibility requirements  
18 for Federal deposit insurance shall be treated  
19 as an insured depository institution for pur-  
20 poses of determining the eligibility of such cred-  
21 it union for membership in a Federal home loan  
22 bank under paragraphs (1), (2), and (3).

23 “(B) CERTIFICATION BY APPROPRIATE SU-  
24 PERVISOR.—



1           “(i) IN GENERAL.—For purposes of  
2           this paragraph and subject to clause (ii), a  
3           credit union which lacks Federal deposit  
4           insurance and which has applied for mem-  
5           bership in a Federal home loan bank may  
6           be treated as meeting all the eligibility re-  
7           quirements for Federal deposit insurance  
8           only if the appropriate supervisor of the  
9           State in which the credit union is char-  
10          tered has determined that the credit union  
11          meets all the eligibility requirements for  
12          Federal deposit insurance as of the date of  
13          the application for membership.

14           “(ii) CERTIFICATION DEEMED  
15          VALID.—If, in the case of any credit union  
16          to which clause (i) applies, the appropriate  
17          supervisor of the State in which such cred-  
18          it union is chartered fails to make a deter-  
19          mination pursuant to such clause by the  
20          end of the 6-month period beginning on  
21          the date of the application, the credit  
22          union shall be deemed to have met the re-  
23          quirements of clause (i).

24           “(C) SECURITY INTERESTS OF FEDERAL  
25          HOME LOAN BANK NOT AVOIDABLE.—Notwith-



1 standing any provision of State law authorizing  
2 a conservator or liquidating agent of a credit  
3 union to repudiate contracts, no such provision  
4 shall apply with respect to—

5 “(i) any extension of credit from any  
6 Federal home loan bank to any credit  
7 union which is a member of any such bank  
8 pursuant to this paragraph; or

9 “(ii) any security interest in the as-  
10 sets of such credit union securing any such  
11 extension of credit.”.

12 (b) COPIES OF AUDITS OF PRIVATE INSURERS OF  
13 CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE  
14 PROVIDED TO SUPERVISORY AGENCIES.—Section  
15 43(a)(2) of the Federal Deposit Insurance Act (12 U.S.C.  
16 1831t(a)(2)) is amended—

17 (1) by striking “and” at the end of subpara-  
18 graph (A)(i);

19 (2) by striking the period at the end of clause  
20 (ii) of subparagraph (A) and inserting a semicolon;

21 (3) by inserting the following new clauses at the  
22 end of subparagraph (A):

23 “(iii) in the case of depository institu-  
24 tions described in subsection (f)(2)(A) the  
25 deposits of which are insured by the pri-



1 vate insurer, the National Credit Union  
2 Administration, not later than 7 days after  
3 that audit is completed; and

4 “(iv) in the case of depository institu-  
5 tions described in subsection (f)(2)(A) the  
6 deposits of which are insured by the pri-  
7 vate insurer which are members of a Fed-  
8 eral home loan bank, the Federal Housing  
9 Finance Board, not later than 7 days after  
10 that audit is completed.”; and

11 (4) by adding at the end of such section  
12 43(a)(2) the following new subparagraph:

13 “(C) CONSULTATION.—The appropriate  
14 supervisory agency of each State in which a pri-  
15 vate deposit insurer insures deposits in an insti-  
16 tution described in subsection (f)(2)(A) which—

17 “(i) lacks Federal deposit insurance;  
18 and

19 “(ii) has become a member of a Fed-  
20 eral home loan bank,

21 shall provide the National Credit Union Admin-  
22 istration, upon request, with the results of any  
23 examination and reports related thereto con-  
24 cerning the private deposit insurer to which  
25 such agency may have in its possession.”.



1 **SEC. 302. LEASES OF LAND ON FEDERAL FACILITIES FOR**  
2 **CREDIT UNIONS.**

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

5 (1) by striking “Upon application by any credit  
6 union” and inserting “Notwithstanding any other  
7 provision of law, upon application by any credit  
8 union”;

9 (2) by inserting “on lands reserved for the use  
10 of, and under the exclusive or concurrent jurisdiction  
11 of, the United States or” after “officer or agency of  
12 the United States charged with the allotment of  
13 space”;

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

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

19 (b) CLERICAL AMENDMENT.—The heading for sec-  
20 tion 124 is amended by inserting “OR FEDERAL LAND”  
21 after “BUILDINGS”.

22 **SEC. 303. INVESTMENTS IN SECURITIES BY FEDERAL CRED-**  
23 **IT UNIONS.**

24 Section 107 of the Federal Credit Union Act (12  
25 U.S.C. 1757) is amended—



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

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

6 “(b) INVESTMENT FOR THE CREDIT UNION’S OWN  
7 ACCOUNT.—

8 “(1) IN GENERAL.—A Federal credit union may  
9 purchase and hold for its own account such invest-  
10 ment securities of investment grade as the Board  
11 may authorize by regulation, subject to such limita-  
12 tions and restrictions as the Board may prescribe in  
13 the regulations.

14 “(2) PERCENTAGE LIMITATIONS.—

15 “(A) SINGLE OBLIGOR.—In no event may  
16 the total amount of investment securities of any  
17 single obligor or maker held by a Federal credit  
18 union for the credit union’s own account exceed  
19 at any time an amount equal to 10 percent of  
20 the net worth of the credit union.

21 “(B) AGGREGATE INVESTMENTS.—In no  
22 event may the aggregate amount of investment  
23 securities held by a Federal credit union for the  
24 credit union’s own account exceed at any time



1 an amount equal to 10 percent of the assets of  
2 the credit union.

3 “(3) INVESTMENT SECURITY DEFINED.—

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

10 “(B) FURTHER DEFINITION BY BOARD.—

11 The Board may further define the term ‘invest-  
12 ment security’.

13 “(4) INVESTMENT GRADE DEFINED.—The term  
14 ‘investment grade’ means with respect to an invest-  
15 ment security purchased by a credit union for its  
16 own account, an investment security that at the time  
17 of such purchase is rated in one of the 4 highest rat-  
18 ing categories by at least 1 nationally recognized  
19 statistical rating organization.

20 “(5) CLARIFICATION OF PROHIBITION ON  
21 STOCK OWNERSHIP.—No provision of this sub-  
22 section shall be construed as authorizing a Federal  
23 credit union to purchase shares of stock of any cor-  
24 poration for the credit union’s own account, except  
25 as otherwise permitted by law.”.



1 **SEC. 304. INCREASE IN GENERAL 12-YEAR LIMITATION OF**  
2 **TERM OF FEDERAL CREDIT UNION LOANS TO**  
3 **15 YEARS.**

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

7 (1) in the matter preceding subparagraph (A),  
8 by striking “to make loans, the maturities of which  
9 shall not exceed twelve years except as otherwise  
10 provided herein” and inserting “to make loans, the  
11 maturities of which shall not exceed 15 years or any  
12 longer maturity as the Board may allow, in regula-  
13 tions, except as otherwise provided in this Act”;

14 (2) in subparagraph (A)—

15 (A) by striking clause (ii);

16 (B) by redesignating clauses (iii) through  
17 (x) as clauses (ii) through (ix), respectively; and

18 (C) by inserting “and” after the semicolon  
19 at the end of clause (viii) (as so redesignated).

20 **SEC. 305. INCREASE IN 1 PERCENT INVESTMENT LIMIT IN**  
21 **CREDIT UNION SERVICE ORGANIZATIONS.**

22 Section 107(a)(7)(I) of the Federal Credit Union Act  
23 (12 U.S.C. 1757(7)(I)) (as so designated by section 303  
24 of this title) is amended by striking “up to 1 per centum  
25 of the total paid” and inserting “up to 3 percent of the  
26 total paid”.



1 **SEC. 306. MEMBER BUSINESS LOAN EXCLUSION FOR LOANS**  
2 **TO NONPROFIT RELIGIOUS ORGANIZATIONS.**

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

7 **SEC. 307. CHECK CASHING AND MONEY TRANSFER SERV-**  
8 **ICES OFFERED WITHIN THE FIELD OF MEM-**  
9 **BERSHIP.**

10 Paragraph (12) of section 107(a) of the Federal  
11 Credit Union Act (12 U.S.C. 1757(12)) (as so designated  
12 by section 303 of this title) is amended to read as follows:

13 “(12) in accordance with regulations prescribed  
14 by the Board—

15 “(A) to sell, to persons in the field of  
16 membership, negotiable checks (including trav-  
17 elers checks), money orders, and other similar  
18 money transfer instruments (including elec-  
19 tronic fund transfers); and

20 “(B) to cash checks and money orders and  
21 receive electronic fund transfers for persons in  
22 the field of membership for a fee;”.

23 **SEC. 308. VOLUNTARY MERGERS INVOLVING MULTIPLE**  
24 **COMMON-BOND CREDIT UNIONS.**

25 Section 109(d)(2) of the Federal Credit Union Act  
26 (12 U.S.C. 1759(d)(2)) is amended—



1 (1) by striking “or” at the end of clause (ii) of  
2 subparagraph (B);

3 (2) by striking the period at the end of sub-  
4 paragraph (C) and inserting “; or”; and

5 (3) by adding at the end the following new sub-  
6 paragraph:

7 “(D) a merger involving any such Federal  
8 credit union approved by the Board on or after  
9 August 7, 1998.”.

10 **SEC. 309. CONVERSIONS INVOLVING COMMON-BOND CRED-**  
11 **IT UNIONS.**

12 Section 109(g) of the Federal Credit Union Act (12  
13 U.S.C. 1759(g)) is amended by inserting after paragraph  
14 (2) the following new paragraph:

15 “(3) CRITERIA FOR CONTINUED MEMBERSHIP  
16 OF CERTAIN MEMBER GROUPS IN COMMUNITY CHAR-  
17 TER CONVERSIONS.—In the case of a voluntary con-  
18 version of a common-bond credit union described in  
19 paragraph (1) or (2) of subsection (b) into a com-  
20 munity credit union described in subsection (b)(3),  
21 the Board shall prescribe, by regulation, the criteria  
22 under which the Board may determine that a mem-  
23 ber group or other portion of a credit union’s exist-  
24 ing membership, that is located outside the well-de-  
25 fined local community, neighborhood, or rural dis-



1        trict that shall constitute the community charter,  
2        can be satisfactorily served by the credit union and  
3        remain within the community credit union's field of  
4        membership.”.

5        **SEC. 310. CREDIT UNION GOVERNANCE.**

6        (a) EXPULSION OF MEMBERS FOR JUST CAUSE.—

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

9        “(b) POLICY AND ACTIONS OF BOARDS OF DIREC-  
10       TORS OF FEDERAL CREDIT UNIONS.—

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

20        “(2) WRITTEN NOTICE OF POLICY TO MEM-  
21       BERS.—If a policy described in paragraph (1) is  
22       adopted, written notice of the policy as adopted and  
23       the effective date of such policy shall be provided  
24       to—





1 inserting “6-month period or that prevailing interest rate  
2 levels”.

3 **SEC. 312. EXEMPTION FROM PRE-MERGER NOTIFICATION**  
4 **REQUIREMENT OF THE CLAYTON ACT.**

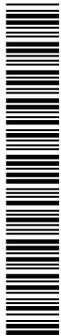
5 Section 7A(c)(7) of the Clayton Act (15 U.S.C.  
6 18a(c)(7)) is amended by inserting “205(b)(3) of the Fed-  
7 eral Credit Union Act (12 U.S.C. 1785(b)(3),” before “or  
8 section 3”.

9 **SEC. 313. TREATMENT OF CREDIT UNIONS AS DEPOSITORY**  
10 **INSTITUTIONS UNDER SECURITIES LAWS.**

11 (a) DEFINITION OF BANK UNDER THE SECURITIES  
12 EXCHANGE ACT OF 1934.—Section 3(a)(6) of the Securi-  
13 ties Exchange Act of 1934 (15 U.S.C. 78c(a)(6)) (as  
14 amended by section 201(a)(1) of this Act) is amended—

15 (1) by striking “this title, and (D) a receiver”  
16 and inserting “this title, (D) an insured credit union  
17 (as defined in section 101(7) of the Federal Credit  
18 Union Act) but only for purposes of paragraphs (4)  
19 and (5) of this subsection and only for activities oth-  
20 erwise authorized by applicable laws to which such  
21 credit unions are subject, and (E) a receiver”; and

22 (2) in subparagraph (E) (as so redesignated by  
23 paragraph (1) of this subsection) by striking “(A),  
24 (B), or (C)” and inserting “(A), (B), (C), or (D)”.



1 (b) DEFINITION OF BANK UNDER THE INVESTMENT  
2 ADVISERS ACT OF 1940.—Section 202(a)(2) of the In-  
3 vestment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(2))  
4 (as amended by section 201(b)(1) of this Act) is  
5 amended—

6 (1) by striking “this title, and (D) a receiver”  
7 and inserting “this title, (D) an insured credit union  
8 (as defined in section 101(7) of the Federal Credit  
9 Union Act) but only for activities otherwise author-  
10 ized by applicable laws to which such credit unions  
11 are subject, and (E) a receiver”; and

12 (2) in subparagraph (E) (as so redesignated by  
13 paragraph (1) of this subsection) by striking “(A),  
14 (B), or (C)” and inserting “(A), (B), (C), or (D)”.

15 (c) DEFINITION OF APPROPRIATE FEDERAL BANK-  
16 ING AGENCY.—Section 210A(c) of the Investment Advis-  
17 ers Act of 1940 (15 U.S.C. 80b-10a(c)) is amended by  
18 inserting “and includes the National Credit Union Admin-  
19 istration Board, in the case of an insured credit union (as  
20 defined in section 101(7) of the Federal Credit Union  
21 Act)” before the period at the end.



1                   **TITLE IV—DEPOSITORY**  
2                   **INSTITUTION PROVISIONS**

3   **SEC. 401. EASING RESTRICTIONS ON INTERSTATE BRANCH-**  
4                   **ING AND MERGERS.**

5           (a) DE NOVO INTERSTATE BRANCHES OF NATIONAL  
6 BANKS.—

7               (1) IN GENERAL.—Section 5155(g)(1) of the  
8 Revised Statutes of the United States (12 U.S.C.  
9 36(g)(1)) is amended by striking “maintain a  
10 branch if—” and all that follows through the end of  
11 subparagraph (B) and inserting “maintain a  
12 branch.”.

13              (2) CLERICAL AMENDMENT.—The heading for  
14 subsection (g) of section 5155 of the Revised Stat-  
15 utes of the United States is amended by striking  
16 “STATE ‘OPT-IN’ ELECTION TO PERMIT”.

17           (b) DE NOVO INTERSTATE BRANCHES OF STATE  
18 NONMEMBER BANKS.—

19               (1) IN GENERAL.—Section 18(d)(4)(A) of the  
20 Federal Deposit Insurance Act (12 U.S.C.  
21 1828(d)(4)(A)) is amended by striking “maintain a  
22 branch if—” and all that follows through the end of  
23 clause (ii) and inserting “maintain a branch.”.

24              (2) CLERICAL AMENDMENT.—The heading for  
25 paragraph (4) of section 18(d) of the Federal De-

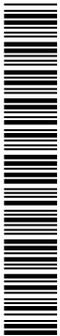


1       posit Insurance Act is amended by striking “STATE  
2       ‘OPT-IN’ ELECTION TO PERMIT INTERSTATE” and in-  
3       serting “INTERSTATE”.

4       (c) DE NOVO INTERSTATE BRANCHES OF STATE  
5       MEMBER BANKS.—The 3rd undesignated paragraph of  
6       section 9 of the Federal Reserve Act (12 U.S.C. 321) is  
7       amended by adding at the end the following new sen-  
8       tences: “A State member bank may establish and operate  
9       a de novo branch in a host State (as such terms are de-  
10      fined in section 18(d) of the Federal Deposit Insurance  
11      Act) on the same terms and conditions and subject to the  
12      same limitations and restrictions as are applicable to the  
13      establishment of a de novo branch of a national bank in  
14      a host State under section 5155(g) of the Revised Statutes  
15      of the United States. Such section 5155(g) shall be ap-  
16      plied for purposes of the preceding sentence by sub-  
17      stituting ‘Board of Governors of the Federal Reserve Sys-  
18      tem’ for ‘Comptroller of the Currency’ and ‘State member  
19      bank’ for ‘national bank’.”.

20      (d) INTERSTATE MERGER OF BANKS.—

21           (1) MERGER OF INSURED BANK WITH ANOTHER  
22      DEPOSITORY INSTITUTION OR TRUST COMPANY.—  
23      Section 44(a)(1) of the Federal Deposit Insurance  
24      Act (12 U.S.C. 1831u(a)(1)) is amended—



1 (A) by striking “Beginning on June 1,  
2 1997, the” and inserting “The”; and

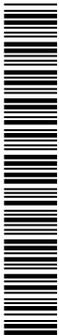
3 (B) by striking “insured banks with dif-  
4 ferent home States” and inserting “an insured  
5 bank and another insured depository institution  
6 or trust company with a different home State  
7 than the resulting insured bank”.

8 (2) NATIONAL BANK TRUST COMPANY MERGER  
9 WITH OTHER TRUST COMPANY.—Subsection (b) of  
10 section 4 of the National Bank Consolidation and  
11 Merger Act (12 U.S.C. 215a-1(b)) is amended to  
12 read as follows:

13 “(b) MERGER OF NATIONAL BANK TRUST COMPANY  
14 WITH ANOTHER TRUST COMPANY.—A national bank that  
15 is a trust company may engage in a consolidation or merg-  
16 er under this Act with any trust company with a different  
17 home State, under the same terms and conditions that  
18 would apply if the trust companies were located within the  
19 same State.”.

20 (e) INTERSTATE FIDUCIARY ACTIVITY.—Section  
21 18(d) of the Federal Deposit Insurance Act (12 U.S.C.  
22 1828(d)) is amended by adding at the end the following  
23 new paragraph:

24 “(5) INTERSTATE FIDUCIARY ACTIVITY.—



1           “(A) AUTHORITY OF STATE BANK SUPER-  
2           VISOR.—The State bank supervisor of a State  
3           bank may approve an application by the State  
4           bank, when not in contravention of home State  
5           or host State law, to act as trustee, executor,  
6           administrator, registrar of stocks and bonds,  
7           guardian of estates, assignee, receiver, com-  
8           mittee of estates of lunatics, or in any other fi-  
9           ducuary capacity in a host State in which State  
10          banks or other corporations which come into  
11          competition with national banks are permitted  
12          to act under the laws of such host State.

13          “(B) NONCONTRAVENTION OF HOST STATE  
14          LAW.—Whenever the laws of a host State au-  
15          thorize or permit the exercise of any or all of  
16          the foregoing powers by State banks or other  
17          corporations which compete with national  
18          banks, the granting to and the exercise of such  
19          powers by a State bank as provided in this  
20          paragraph shall not be deemed to be in con-  
21          travention of host State law within the meaning  
22          of this paragraph.

23          “(C) STATE BANK INCLUDES TRUST COM-  
24          PANIES.—For purposes of this paragraph, the



1 term 'State bank' includes any State-chartered  
2 trust company (as defined in section 44(g)).

3 “(D) OTHER DEFINITIONS.—For purposes  
4 of this paragraph, the term 'home State' and  
5 'host State' have the meanings given such  
6 terms in section 44.”.

7 (f) TECHNICAL AND CONFORMING AMENDMENTS.—

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

10 (A) in subsection (a)—

11 (i) by striking paragraph (4) and in-  
12 serting the following new paragraph:

13 “(4) TREATMENT OF BRANCHES IN CONNEC-  
14 TION WITH CERTAIN INTERSTATE MERGER TRANS-  
15 ACTIONS.—In the case of an interstate merger  
16 transaction which involves the acquisition of a  
17 branch of an insured depository institution or trust  
18 company without the acquisition of the insured de-  
19 pository institution or trust company, the branch  
20 shall be treated, for purposes of this section, as an  
21 insured depository institution or trust company the  
22 home State of which is the State in which the  
23 branch is located.”; and

24 (ii) by striking paragraphs (5) and  
25 (6);



1 (B) in subsection (b)—

2 (i) by striking “bank” each place such  
3 term appears in paragraph (2)(B)(i) and  
4 inserting “insured depository institution”;

5 (ii) by striking “banks” where such  
6 term appears in paragraph (2)(E) and in-  
7 serting “insured depository institutions or  
8 trust companies”;

9 (iii) by striking “bank affiliate” each  
10 place such term appears in that portion of  
11 paragraph (3) that precedes subparagraph  
12 (A) and inserting “insured depository insti-  
13 tution affiliate”;

14 (iv) by striking “any bank” where  
15 such term appears in paragraph (3)(B)  
16 and inserting “any insured depository in-  
17 stitution”;

18 (v) by striking “bank” where such  
19 term appears in paragraph (4)(A) and in-  
20 serting “insured depository institution and  
21 trust company”; and

22 (vi) by striking “all banks” where  
23 such term appears in paragraph (5) and  
24 inserting “all insured depository institu-  
25 tions and trust companies”;



1 (C) in subsection (d)(1), by striking “any  
2 bank” and inserting “any insured depository in-  
3 stitution or trust company”;

4 (D) in subsection (e)—

5 (i) by striking “1 or more banks” and  
6 inserting “1 or more insured depository in-  
7 stitutions”; and

8 (ii) by striking “paragraph (2), (4), or  
9 (5)” and inserting “paragraph (2)”;

10 (E) by striking clauses (i) and (ii) of sub-  
11 section (g)(4)(A) and inserting the following  
12 new clauses:

13 “(i) with respect to a national bank or  
14 Federal savings association, the State in  
15 which the main office of the bank or sav-  
16 ings association is located; and

17 “(ii) with respect to a State bank,  
18 State savings association, or State-char-  
19 tered trust company, the State by which  
20 the bank, savings association, or trust  
21 company is chartered; and”;

22 (F) by striking paragraph (5) of subsection  
23 (g) and inserting the following new paragraph:

24 “(5) HOST STATE.—The term ‘host State’  
25 means—



1           “(A) with respect to a bank, a State, other  
2 than the home State of the bank, in which the  
3 bank maintains, or seeks to establish and main-  
4 tain, a branch; and

5           “(B) with respect to a trust company and  
6 solely for purposes of section 18(d)(5), a State,  
7 other than the home State of the trust com-  
8 pany, in which the trust company acts, or seeks  
9 to act, in 1 or more fiduciary capacities.”;

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

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

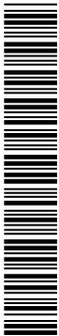
15           “(12) TRUST COMPANY.—The term ‘trust com-  
16 pany’ means—

17           “(A) any national bank;

18           “(B) any savings association; and

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

23           that is authorized to act in 1 or more fiduciary ca-  
24 pacities but is not engaged in the business of receiv-



1 ing deposits other than trust funds (as defined in  
2 section 3(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) Subsection (c) of section 4 of the National  
14 Bank Consolidation and Merger Act (12 U.S.C.  
15 215a-1(c)) is amended to read as follows:

16 “(c) DEFINITIONS.—For purposes of this section, the  
17 terms ‘home State’, ‘out-of-State bank’, and ‘trust com-  
18 pany’ each have the same meaning as in section 44(g) of  
19 the Federal Deposit Insurance Act.”.

20 (g) CLERICAL AMENDMENTS.—

21 (1) The heading for section 44(b)(2)(E) of the  
22 Federal Deposit Insurance Act (12 U.S.C.  
23 1831u(b)(2)(E)) is amended by striking “BANKS”  
24 and inserting “INSURED DEPOSITORY INSTITUTIONS  
25 AND TRUST COMPANIES”.



1           (2) The heading for section 44(e) of the Fed-  
2           eral Deposit Insurance Act (12 U.S.C. 1831u(e)) is  
3           amended by striking “BANKS” and inserting “IN-  
4           SURED DEPOSITORY INSTITUTIONS”.

5   **SEC. 402. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**  
6                           **OF APPOINTMENT OF A RECEIVER FOR DE-**  
7                           **POSITORY INSTITUTIONS.**

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

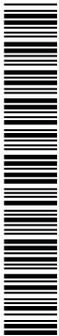
10           (1) by striking “SECTION 2. The Comptroller of  
11           the Currency” and inserting the following:

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

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

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

18           “(b) JUDICIAL REVIEW.—If the Comptroller of the  
19   Currency appoints a receiver under subsection (a), the na-  
20   tional bank may, within 30 days thereafter, bring an ac-  
21   tion in the United States district court for the judicial dis-  
22   trict in which the home office of such bank is located, or  
23   in the United States District Court for the District of Co-  
24   lumbia, for an order requiring the Comptroller of the Cur-  
25   rency to remove the receiver, and the court shall, upon

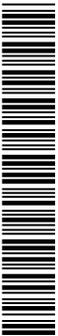


1 the merits, dismiss such action or direct the Comptroller  
2 of the Currency to remove the receiver.”.

3 (b) INSURED DEPOSITORY INSTITUTIONS.—Section  
4 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.  
5 1821(c)(7)) is amended to read as follows:

6 “(7) JUDICIAL REVIEW.—If the Corporation is  
7 appointed (including the appointment of the Cor-  
8 poration as receiver by the Board of Directors) as  
9 conservator or receiver of a depository institution  
10 under paragraph (4), (9), or (10), the depository in-  
11 stitution may, within 30 days thereafter, bring an  
12 action in the United States district court for the ju-  
13 dicial district in which the home office of such de-  
14 pository institution is located, or in the United  
15 States District Court for the District of Columbia,  
16 for an order requiring the Corporation to be re-  
17 moved as the conservator or receiver (regardless of  
18 how such appointment was made), and the court  
19 shall, upon the merits, dismiss such action or direct  
20 the Corporation to be removed as the conservator or  
21 receiver.”.

22 (c) EXPANSION OF PERIOD FOR CHALLENGING THE  
23 APPOINTMENT OF A LIQUIDATING AGENT.—Subpara-  
24 graph (B) of section 207(a)(1) of the Federal Credit



1 Union Act (12 U.S.C. 1787(a)(1)) is amended by striking  
2 “10 days” and inserting “30 days”.

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

7 **SEC. 403. REPORTING REQUIREMENTS RELATING TO IN-**  
8 **SIDER LENDING.**

9 (a) REPORTING REQUIREMENTS REGARDING LOANS  
10 TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section  
11 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is  
12 amended—

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

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

16 (b) REPORTING REQUIREMENTS REGARDING LOANS  
17 FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-  
18 CERS AND SHAREHOLDERS OF INSURED BANKS.—Section  
19 106(b)(2) of the Bank Holding Company Act Amend-  
20 ments of 1970 (12 U.S.C. 1972(2)) is amended—

21 (1) by striking subparagraph (G); and

22 (2) by redesignating subparagraphs (H) and (I)  
23 as subparagraphs (G) and (H), respectively.



1 **SEC. 404. AMENDMENT TO PROVIDE AN INFLATION AD-**  
 2 **JUSTMENT FOR THE SMALL DEPOSITORY IN-**  
 3 **STITUTION EXCEPTION UNDER THE DEPOSI-**  
 4 **TORY INSTITUTION MANAGEMENT INTER-**  
 5 **LOCKS ACT.**

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

9 **SEC. 405. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**  
 10 **SURED DEPOSITORY INSTITUTIONS.**

11 (a) **CLARIFICATION RELATING TO THE ENFORCE-**  
 12 **ABILITY OF AGREEMENTS AND CONDITIONS.**—The Fed-  
 13 eral Deposit Insurance Act (12 U.S.C. 1811 et seq.) is  
 14 amended by adding at the end the following new section:  
 15 **“SEC. 49. ENFORCEMENT OF AGREEMENTS.**

16 “(a) **IN GENERAL.**—Notwithstanding clause (i) or  
 17 (ii) of section 8(b)(6)(A) or section 38(e)(2)(E), an appro-  
 18 priate Federal banking agency may enforce, under section  
 19 8, the terms of—

20 “(1) any condition imposed in writing by the  
 21 agency on a depository institution or an institution-  
 22 affiliated party (including a bank holding company)  
 23 in connection with any action on any application, no-  
 24 tice, or other request concerning a depository insti-  
 25 tution; or





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

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

6 (B) by striking “Federal Home Loan Bank  
7 Board” and inserting “Director of the Office of  
8 Thrift Supervision”.

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

11 (A) by striking paragraph (5) and insert-  
12 ing the following new paragraph:

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

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

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

21 (D) by adding at the end the following new  
22 paragraph:

23 “(9) the terms ‘State depository institution’,  
24 ‘Federal depository institution’, ‘State savings asso-  
25 ciation’ and ‘Federal savings association’ have the



1 meanings given the terms in section 3 of the Federal  
2 Deposit Insurance Act.”.

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

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

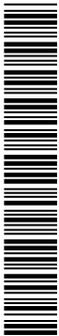
14 (5) Section 1(b)(8) of the Bank Service Com-  
15 pany Act (12 U.S.C. 1861(b)(8)) is further  
16 amended—

17 (A) by striking “insured bank” and insert-  
18 ing “insured depository institution”

19 (B) by striking “insured banks” each place  
20 such term appears and inserting “insured de-  
21 pository institutions”; and

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

24 (6) Section 2 of the Bank Service Company Act  
25 (12 U.S.C. 1862) is amended by inserting “or sav-



1       ings associations, other than the limitation on the  
2       amount of investment by a Federal savings associa-  
3       tion contained in section 5(c)(4)(B) of the Home  
4       Owners' Loan Act" after "relating to banks".

5               (7) Section 4(c) of the Bank Service Company  
6       Act (12 U.S.C. 1864(c)) is amended by inserting "or  
7       State savings association" after "State bank" each  
8       place such term appears.

9               (8) Section 4(d) of the Bank Service Company  
10      Act (12 U.S.C. 1864(d)) is amended by inserting  
11      "or Federal savings association" after "national  
12      bank" each place such term appears.

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

16      "(e) A bank service company may perform—

17              "(1) only those services that each depository in-  
18      stitution shareholder or member is otherwise author-  
19      ized to perform under any applicable Federal or  
20      State law; and

21              "(2) such services only at locations in a State  
22      in which each such shareholder or member is author-  
23      ized to perform such services."



1           (10) Section 4(f) of the Bank Service Company  
2 Act (12 U.S.C. 1864(f)) is amended by inserting “or  
3 savings associations” after “location of banks”.

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

6           (A) in subsection (a)—

7                 (i) by striking “insured bank” and in-  
8 sserting “insured depository institution”;  
9 and

10                (ii) by striking “bank’s” and inserting  
11 “institution’s”.

12           (B) in subsection (b), by striking “insured  
13 bank” and inserting “insured depository insti-  
14 tution”; and

15           (C) in subsection (c)—

16                 (i) by striking “the bank or banks”  
17 and inserting “any depository institution”;  
18 and

19                 (ii) by striking “capability of the  
20 bank” and inserting “capability of the de-  
21 pository institution”.

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



1 (A) in subsection (b), by striking “insured  
2 bank” and inserting “insured depository insti-  
3 tution”;

4 (B) in subsection (c)—

5 (i) by striking “a bank” each place  
6 such term appears and inserting “a depository  
7 institution”; and

8 (ii) by striking “the bank” each place  
9 such term appears and inserting “the de-  
10 pository institution”.

11 **SEC. 407. CROSS GUARANTEE AUTHORITY.**

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

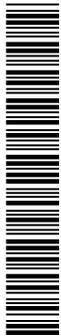
15 “(A) such institutions are controlled by the  
16 same company; or”.

17 **SEC. 408. GOLDEN PARACHUTE AUTHORITY AND NONBANK  
18 HOLDING COMPANIES.**

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

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

24 (2) by striking subparagraph (B) of paragraph  
25 (2) and inserting the following new subparagraph:



1           “(B) Whether there is a reasonable basis  
2           to believe that the institution-affiliated party is  
3           substantially responsible for—

4                   “(i) the insolvency of the depository  
5                   institution or covered company;

6                   “(ii) the appointment of a conservator  
7                   or receiver for the depository institution; or

8                   “(iii) the depository institution’s trou-  
9                   bled condition (as defined in the regula-  
10                  tions prescribed pursuant to section  
11                  32(f)).”;

12           (3) in paragraph (2)(F), by striking “depository  
13           institution holding company” and inserting “covered  
14           company,”;

15           (4) in paragraph (3) in the matter preceding  
16           subparagraph (A), by striking “depository institu-  
17           tion holding company” and inserting “covered com-  
18           pany”;

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

21           (6) in paragraph (4)(A)—

22                   (A) by striking “depository institution  
23                   holding company” each place such term appears  
24                   and inserting “covered company”; and



1 (B) by striking “holding company” each  
2 place such term appears (other than in connec-  
3 tion with the term referred to in subparagraph  
4 (A)) and inserting “covered company”;

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

8 (8) in paragraph (5), by adding at the end the  
9 following new subparagraph:

10 “(D) COVERED COMPANY.—The term ‘cov-  
11 ered company’ means any depository institution  
12 holding company (including any company re-  
13 quired to file a report under section 4(f)(6) of  
14 the Bank Holding Company Act of 1956), or  
15 any other company that controls an insured de-  
16 pository institution.”; and

17 (9) in paragraph (6)—

18 (A) by striking “depository institution  
19 holding company” and inserting “covered com-  
20 pany,”; and

21 (B) by striking “or holding company” and  
22 inserting “or covered company”.



1 **SEC. 409. AMENDMENTS RELATING TO CHANGE IN BANK**  
2 **CONTROL.**

3 Section 7(j) of the Federal Deposit Insurance Act (12  
4 U.S.C. 1817(j)) is amended—

5 (1) in paragraph (1)(D)—

6 (A) by striking “is needed to investigate”  
7 and inserting “is needed—

8 “(i) to investigate”;

9 (B) by striking “United States Code.” and  
10 inserting “United States Code; or”; and

11 (C) by adding at the end the following new  
12 clause:

13 “(ii) to analyze the safety and sound-  
14 ness of any plans or proposals described in  
15 paragraph (6)(E) or the future prospects  
16 of the institution.”; and

17 (2) in paragraph (7)(C), by striking “the finan-  
18 cial condition of any acquiring person” and inserting  
19 “either the financial condition of any acquiring per-  
20 son or the future prospects of the institution”.



1 **TITLE V—DEPOSITORY INSTITU-**  
2 **TION AFFILIATES PROVI-**  
3 **SIONS**

4 **SEC. 501. CLARIFICATION OF CROSS MARKETING PROVI-**  
5 **SION.**

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

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

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

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

20 **SEC. 502. AMENDMENT TO PROVIDE THE FEDERAL RE-**  
21 **SERVE BOARD WITH DISCRETION CON-**  
22 **CERNING THE IMPUTATION OF CONTROL OF**  
23 **SHARES OF A COMPANY BY TRUSTEES.**

24 Section 2(g)(2) of the Bank Holding Company Act  
25 of 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting



1 “, unless the Board determines that such treatment is not  
2 appropriate in light of the facts and circumstances of the  
3 case and the purposes of this Act” before the period at  
4 the end.

5 **SEC. 503. ELIMINATING GEOGRAPHIC LIMITS ON THRIFT**  
6 **SERVICE COMPANIES.**

7 (a) IN GENERAL.—The 1st sentence of section  
8 5(c)(4)(B) of the Home Owners’ Loan Act (12 U.S.C.  
9 1464(c)(4)(B)) (as amended by section 406(b)(3) of this  
10 Act) is amended—

11 (1) by striking “corporation organized” and all  
12 that follows through “is available for purchase” and  
13 inserting “company, if the entire capital of the com-  
14 pany is available for purchase”; and

15 (2) by striking “having their home offices in  
16 such State”.

17 (b) TECHNICAL CORRECTIONS.—

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

22 (2) The 2nd sentence of section 5(n)(1) of the  
23 Home Owners’ Loan Act (12 U.S.C. 1464(n)(1)) is  
24 amended by striking “service corporations” and in-  
25 serting “service companies”.



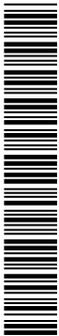
1           (3) Section 5(q)(1) of the Home Owners' Loan  
2 Act (12 U.S.C. 1464(q)(1)) is amended by striking  
3 "service corporation" each place such term appears  
4 in subparagraphs (A), (B), and (C) and inserting  
5 "service company".

6           (4) Section 10(m)(4)(C)(iii)(II) of the Home  
7 Owners' Loan Act (12 U.S.C.  
8 1467a(m)(4)(C)(iii)(II)) is amended by striking  
9 "service corporation" each place such term appears  
10 and inserting "service company".

11 **SEC. 504. CLARIFICATION OF SCOPE OF APPLICABLE RATE**  
12 **PROVISION.**

13 Section 44(f) of the Federal Deposit Insurance Act  
14 (12 U.S.C. 1831u(f)) is amended by adding at the end  
15 the following new paragraphs:

16           “(3) OTHER LENDERS.—In the case of any  
17 other lender doing business in the State described in  
18 paragraph (1), the maximum interest rate or  
19 amount of interest, discount points, finance charges,  
20 or other similar charges that may be charged, taken,  
21 received, or reserved from time to time in any loan,  
22 discount, or credit sale made, or upon any note, bill  
23 of exchange, financing transaction, or other evidence  
24 of debt issued to or acquired by any other lender  
25 shall be equal to not more than the greater of the



1 rates described in subparagraph (A) or (B) of para-  
2 graph (1).

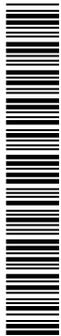
3 “(4) OTHER LENDER DEFINED.—For purposes  
4 of paragraph (3), the term ‘other lender’ means any  
5 person engaged in the business of selling or financ-  
6 ing the sale of personal property (and any services  
7 incidental to the sale of personal property) in such  
8 State, except that, with regard to any person or en-  
9 tity described in such paragraph, such term does not  
10 include—

11 “(A) an insured depository institution; or

12 “(B) any person or entity engaged in the  
13 business of providing a short-term cash advance  
14 to any consumer in exchange for—

15 “(i) a consumer’s personal check or  
16 share draft, in the amount of the advance  
17 plus a fee, where presentment or negotia-  
18 tion of such check or share draft is de-  
19 ferred by agreement of the parties until a  
20 designated future date; or

21 “(ii) a consumer authorization to  
22 debit the consumer’s transaction account,  
23 in the amount of the advance plus a fee,  
24 where such account will be debited on or  
25 after a designated future date.”.



1           **TITLE VI—BANKING AGENCY**  
2                           **PROVISIONS**

3   **SEC. 601. WAIVER OF EXAMINATION SCHEDULE IN ORDER**  
4                           **TO ALLOCATE EXAMINER RESOURCES.**

5           Section 10(d) of the Federal Deposit Insurance Act  
6 (12 U.S.C. 1820(d)) is amended—

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

10                   (2) by inserting after paragraph (4), the fol-  
11                   lowing new paragraph:

12                   “(5) WAIVER OF SCHEDULE WHEN NECESSARY  
13                   TO ACHIEVE SAFE AND SOUND ALLOCATION OF EX-  
14                   AMINER RESOURCES.—Notwithstanding paragraphs  
15                   (1), (2), (3), and (4), an appropriate Federal bank-  
16                   ing agency may make adjustments in the examina-  
17                   tion cycle for an insured depository institution if  
18                   necessary to allocate available resources of exam-  
19                   iners in a manner that provides for the safety and  
20                   soundness of, and the effective examination and su-  
21                   pervision of, insured depository institutions.”; and

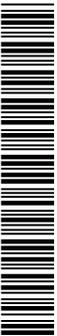
22                   (3) in paragraphs (8) and (9), as so redesign-  
23                   ated, by striking “paragraph (6)” and inserting  
24                   “paragraph (7)”.



1 **SEC. 602. INTERAGENCY DATA SHARING.**

2 (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)  
3 of the Federal Deposit Insurance Act (12 U.S.C.  
4 1817(a)(2)) is amended by adding at the end the following  
5 new subparagraph:

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



23 “(i) any other Federal or State agen-  
24 cy or authority with supervisory or regu-  
25 latory authority over the depository institu-  
26 tion or other entity;

1                   “(ii) any officer, director, or receiver  
2                   of such depository institution or entity;  
3                   and

4                   “(iii) any other person the Federal  
5                   banking agency determines to be appro-  
6                   priate.”.

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

11                   “(8) DATA SHARING WITH OTHER AGENCIES  
12                   AND PERSONS.—In addition to reports of examina-  
13                   tion, reports of condition, and other reports required  
14                   to be regularly provided to the Board (with respect  
15                   to all insured credit unions, including a credit union  
16                   for which the Corporation has been appointed con-  
17                   servator or liquidating agent) or an appropriate  
18                   State commission, board, or authority having super-  
19                   vision of a State-chartered credit union, the Board  
20                   may, in the Board’s discretion, furnish any report  
21                   of examination or other confidential supervisory in-  
22                   formation concerning any credit union or other enti-  
23                   ty examined by the Board under authority of any  
24                   Federal law, to—



1           “(A) any other Federal or State agency or  
2 authority with supervisory or regulatory author-  
3 ity over the credit union or other entity;

4           “(B) any officer, director, or receiver of  
5 such credit union or entity; and

6           “(C) any other institution-affiliated party  
7 of such credit union or entity the Board deter-  
8 mines to be appropriate.”.

9 **SEC. 603. PENALTY FOR UNAUTHORIZED PARTICIPATION**  
10 **BY CONVICTED INDIVIDUAL.**

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

14       “(c) NONINSURED BANKS.—Subsections (a) and (b)  
15 shall apply to a noninsured national bank and a non-  
16 insured State member bank, and any agency or non-  
17 insured branch (as such terms are defined in section 1(b)  
18 of the International Banking Act of 1978) of a foreign  
19 bank as if such bank, branch, or agency were an insured  
20 depository institution, except such subsections shall be ap-  
21 plied for purposes of this subsection by substituting the  
22 agency determined under the following paragraphs for  
23 ‘Corporation’ each place such term appears in such sub-  
24 sections:



1           “(1) The Comptroller of the Currency, in the  
2 case of a noninsured national bank or any Federal  
3 agency or noninsured Federal branch of a foreign  
4 bank.

5           “(2) The Board of Governors of the Federal  
6 Reserve System, in the case of a noninsured State  
7 member bank or any State agency or noninsured  
8 State branch of a foreign bank.”.

9 **SEC. 604. AMENDMENT PERMITTING THE DESTRUCTION OF**  
10 **OLD RECORDS OF A DEPOSITORY INSTITU-**  
11 **TION BY THE FDIC AFTER THE APPOINTMENT**  
12 **OF THE FDIC AS RECEIVER.**

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

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

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

21           (2) by adding at the end the following new  
22 clause:

23                   “(ii) OLD RECORDS.—In the case of  
24 records of an insured depository institution  
25 which are at least 10 years old as of the



1 date the Corporation is appointed as the  
2 receiver of such depository institution, the  
3 Corporation may destroy such records in  
4 accordance with clause (i) any time after  
5 such appointment is final without regard  
6 to the 6-year period of limitation contained  
7 in such clause.”.

8 **SEC. 605. MODERNIZATION OF RECORDKEEPING REQUIRE-**  
9 **MENT.**

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

13 “(f) PRESERVATION OF AGENCY RECORDS.—

14 “(1) IN GENERAL.—A Federal banking agency  
15 may cause any and all records, papers, or documents  
16 kept by the agency or in the possession or custody  
17 of the agency to be—

18 “(A) photographed or microphotographed  
19 or otherwise reproduced upon film; or

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

22 “(i) being read or scanned by com-  
23 puter; and

24 “(ii) being reproduced from such elec-  
25 tronic medium or format by printing or



1           any other form of reproduction of elec-  
2           tronically stored data.

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

13          “(3) AUTHORITY OF THE FEDERAL BANKING  
14          AGENCIES.—Any photographs, microphotographs, or  
15          photographic film or copies thereof described in  
16          paragraph (1)(A) or reproduction of electronically  
17          stored data described in paragraph (1)(B) shall be  
18          preserved in such manner as the Federal banking  
19          agency shall prescribe and the original records, pa-  
20          pers, or documents may be destroyed or otherwise  
21          disposed of as the Federal banking agency may di-  
22          rect.”.



1 **SEC. 606. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**  
2 **MOVAL, AND PROHIBITION AUTHORITY OF**  
3 **FEDERAL BANKING AGENCIES IN CASES OF**  
4 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**  
5 **ATED PARTIES.**

6 (a) INSURED DEPOSITORY INSTITUTION.—

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

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

13 (B) in subparagraph (B)(i), by inserting  
14 “of which the subject of the order is an institu-  
15 tion-affiliated party” before the period at the  
16 end;

17 (C) in subparagraph (C), by striking “the  
18 depository” each place such term appears and  
19 inserting “any depository”;

20 (D) in subparagraph (D)(i), by inserting  
21 “of which the subject of the order is an institu-  
22 tion-affiliated party” after “upon the depository  
23 institution”; and

24 (E) by adding at the end the following new  
25 subparagraph:



1           “(E) CONTINUATION OF AUTHORITY.—A  
2           Federal banking agency may issue an order  
3           under this paragraph with respect to an indi-  
4           vidual who is an institution-affiliated party at a  
5           depository institution at the time of an offense  
6           described in subparagraph (A) without regard  
7           to—

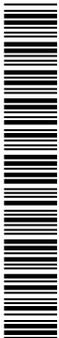
8                   “(i) whether such individual is an in-  
9                   stitution-affiliated party at any depository  
10                  institution at the time the order is consid-  
11                  ered or issued by the agency; or

12                   “(ii) whether the depository institu-  
13                  tion at which the individual was an institu-  
14                  tion-affiliated party at the time of the of-  
15                  fense remains in existence at the time the  
16                  order is considered or issued by the agen-  
17                  cy.”.

18           (2) CLERICAL AMENDMENT.—Section 8(g) of  
19           the Federal Deposit Insurance Act (12 U.S.C.  
20           1818(g) is amended by striking “(g)” and inserting  
21           the following new subsection heading:

22                   “(g) SUSPENSION, REMOVAL, AND PROHIBITION  
23           FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
24           CRIMINAL OFFENSES.—”.

25           (b) INSURED CREDIT UNIONS.—



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

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

7           (B) in subparagraph (B)(i), by inserting  
8 “of which the subject of the order is, or most  
9 recently was, an institution-affiliated party” be-  
10 fore the period at the end;

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

14           (D) in subparagraph (D)(i), by striking  
15 “upon such credit union” and inserting “upon  
16 the credit union of which the subject of the  
17 order is, or most recently was, an institution-af-  
18 filiated party”; and

19           (E) by adding at the end the following new  
20 subparagraph:

21           “(E) CONTINUATION OF AUTHORITY.—The  
22 Board may issue an order under this paragraph  
23 with respect to an individual who is an institu-  
24 tion-affiliated party at a credit union at the



1 time of an offense described in subparagraph  
2 (A) without regard to—

3 “(i) whether such individual is an in-  
4 stitution-affiliated party at any credit  
5 union at the time the order is considered  
6 or issued by the Board; or

7 “(ii) whether the credit union at  
8 which the individual was an institution-af-  
9 filiated party at the time of the offense re-  
10 mains in existence at the time the order is  
11 considered or issued by the Board.”.

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

16 “(i) SUSPENSION, REMOVAL, AND PROHIBITION  
17 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
18 CRIMINAL OFFENSES.—”.

19 **SEC. 607. STREAMLINING DEPOSITORY INSTITUTION MERG-  
20 ER APPLICATION REQUIREMENTS.**

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

24 “(4) REPORTS ON COMPETITIVE FACTORS.—



1           “(A) REQUEST FOR REPORT.—In the in-  
2           terests of uniform standards, before acting on  
3           any application for approval of a merger trans-  
4           action, the responsible agency, unless the agen-  
5           cy finds that it must act immediately in order  
6           to prevent the probable failure of a depository  
7           institution involved, shall—

8                   “(i) request a report on the competi-  
9                   tive factors involved from the Attorney  
10                  General; and

11                  “(ii) provide a copy of the request to  
12                  the Corporation (when the Corporation is  
13                  not the responsible agency).

14           “(B) FURNISHING OF REPORT.—The re-  
15           port requested under subparagraph (A) shall be  
16           furnished by the Attorney General to the re-  
17           sponsible agency—

18                   “(i) not more than 30 calendar days  
19                   after the date on which the Attorney Gen-  
20                   eral received the request; or

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



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

11 **SEC. 608. INCLUSION OF DIRECTOR OF THE OFFICE OF**  
12 **THRIFT SUPERVISION IN LIST OF BANKING**  
13 **AGENCIES REGARDING INSURANCE CUS-**  
14 **TOMER PROTECTION REGULATIONS.**

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

19 **SEC. 609. SHORTENING OF POST-APPROVAL ANTITRUST RE-**  
20 **VIEW PERIOD WITH THE AGREEMENT OF THE**  
21 **ATTORNEY GENERAL.**

22 (a) ANTITRUST REVIEWS UNDER THE BANK HOLD-  
23 ING COMPANY ACT OF 1956.—The 4th sentence of section  
24 11(b) of the Bank Holding Company Act of 1956 (12



1 U.S.C. 1849(b) is amended by striking “15 calendar  
2 days” and inserting “5 calendar days”.

3 (b) ANTITRUST REVIEWS UNDER THE FEDERAL DE-  
4 POSIT INSURANCE ACT.—The last sentence of section  
5 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C.  
6 1828(c)(6)) is amended by striking “15 calendar days”  
7 and inserting “5 calendar days”.

8 **SEC. 610. PROTECTION OF CONFIDENTIAL INFORMATION**  
9 **RECEIVED BY FEDERAL BANKING REGU-**  
10 **LATORS FROM FOREIGN BANKING SUPER-**  
11 **VISORS.**

12 Section 15 of the International Banking Act of 1978  
13 (12 U.S.C. 3109) is amended by adding at the end the  
14 following new subsection:

15 “(c) CONFIDENTIAL INFORMATION RECEIVED FROM  
16 FOREIGN SUPERVISORS.—

17 “(1) IN GENERAL.—Except as provided in  
18 paragraph (3), a Federal banking agency may not be  
19 compelled to disclose information received from a  
20 foreign regulatory or supervisory authority if—

21 “(A) the foreign regulatory or supervisory  
22 authority has, in good faith, determined and  
23 represented to such Federal banking agency  
24 that public disclosure of the information would



1 violate the laws applicable to that foreign regu-  
2 latory or supervisory authority; and

3 “(B) the relevant Federal banking agency  
4 obtained such information pursuant to—

5 “(i) such procedures as the Federal  
6 banking agency may establish for use in  
7 connection with the administration and en-  
8 forcement of Federal banking laws; or

9 “(ii) a memorandum of understanding  
10 or other similar arrangement between the  
11 Federal banking agency and the foreign  
12 regulatory or supervisory authority.

13 “(2) TREATMENT UNDER TITLE 5, UNITED  
14 STATES CODE.—For purposes of section 552 of title  
15 5, United States Code, this subsection shall be treat-  
16 ed as a statute described in subsection (b)(3)(B) of  
17 such section.

18 “(3) SAVINGS PROVISION.—No provision of this  
19 section shall be construed as—

20 “(A) authorizing any Federal banking  
21 agency to withhold any information from any  
22 duly authorized committee of the House of Rep-  
23 resentatives or the Senate; or

24 “(B) preventing any Federal banking  
25 agency from complying with an order of a court



1 of the United States in an action commenced by  
2 the United States or such agency.

3 “(4) FEDERAL BANKING AGENCY DEFINED.—

4 For purposes of this subsection, the term ‘Federal  
5 banking agency’ means the Board, the Comptroller,  
6 the Federal Deposit Insurance Corporation, and the  
7 Director of the Office of Thrift Supervision.”.

8 **SEC. 611. PROHIBITION ON PARTICIPATION BY CONVICTED**  
9 **INDIVIDUAL.**

10 Section 19 of the Federal Deposit Insurance Act (12  
11 U.S.C. 1829) is amended by inserting after subsection (c)  
12 (as added by section 603 of this title) the following new  
13 subsections:

14 “(d) BANK HOLDING COMPANIES.—Subsections (a)  
15 and (b) shall apply to any bank holding company, any sub-  
16 sidiary (other than a bank) of a bank holding company,  
17 and any organization organized and operated under sec-  
18 tion 25A of the Federal Reserve Act or operating under  
19 section 25 of the Federal Reserve Act as if such bank  
20 holding company, subsidiary, or organization were an in-  
21 sured depository institution, except such subsections shall  
22 be applied for purposes of this subsection by substituting  
23 “Board of Governors of the Federal Reserve System” for  
24 “Corporation” each place such term appears in such sub-  
25 sections.



1       “(e) SAVINGS AND LOAN HOLDING COMPANIES.—  
2 Subsections (a) and (b) shall apply to any savings and  
3 loan holding company and any subsidiary (other than a  
4 savings association) of a savings and loan holding com-  
5 pany as if such savings and loan holding company or sub-  
6 sidiary were an insured depository institution, except such  
7 subsections shall be applied for purposes of this subsection  
8 by substituting “Director of the Office of Thrift Super-  
9 vision” for “Corporation” each place such term appears  
10 in such subsections.”.

11 **SEC. 612. CLARIFICATION THAT NOTICE AFTER SEPARA-**  
12                   **TION FROM SERVICE MAY BE MADE BY AN**  
13                   **ORDER.**

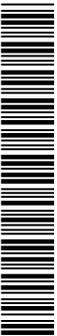
14       Section 8(i)(3) of the Federal Deposit Insurance Act  
15 (12 U.S.C. 1818(i)(3)) is amended by inserting “or order”  
16 after “notice” each place such term appears.

17 **SEC. 613. EXAMINERS OF FINANCIAL INSTITUTIONS.**

18       (a) OFFER OF CREDIT TO BANK EXAMINER.—Sec-  
19 tion 212 of title 18, United States Code, is amended to  
20 read as follows:

21 **“§ 212. Offer of credit to bank examiner**

22       “(a) Subject to section 213(b), whoever being an offi-  
23 cer, director or employee of a financial institution extends  
24 credit to any examiner which the examiner is prohibited  
25 from accepting under section 213 shall be fined under this



1 title or imprisoned not more than one year, or both; and  
2 may be fined a further sum equal to the amount of the  
3 credit extended.

4 “(b) For purposes of this section, the following defini-  
5 tions shall apply:

6 “(1) The term ‘financial institution’ does not  
7 include a credit union, a Federal reserve bank, a  
8 Federal home loan bank, or a depository institution  
9 holding company.

10 “(2) The term ‘examiner’ means any person—

11 “(A) appointed by a Federal financial in-  
12 stitution regulatory agency or pursuant to the  
13 laws of any State to examine a financial institu-  
14 tion; or

15 “(B) elected under the law of any State to  
16 conduct examinations of any financial institu-  
17 tion.

18 “(3) The term ‘Federal financial institution  
19 regulatory agency’ means—

20 “(A) the Comptroller of the Currency;

21 “(B) the Board of Governors of the Fed-  
22 eral Reserve System;

23 “(C) the Director of the Office of Thrift  
24 Supervision;



1                   “(D) the Federal Deposit Insurance Cor-  
2                   poration;

3                   “(E) the Federal Housing Finance Board;

4                   “(F) the Farm Credit Administration;

5                   “(G) the Farm Credit System Insurance  
6                   Corporation; and

7                   “(H) the Small Business Administration.”.

8                   (b) ACCEPTANCE OF CREDIT BY A BANK EXAM-  
9                   INER.—Section 213 of title 18, United States Code, is  
10                  amended to read as follows:

11                  **“§ 213. Acceptance of credit by bank examiner**

12                  “(a) Whoever, being an examiner, accepts an exten-  
13                  sion of credit from any financial institution that the exam-  
14                  iner examines or has authority to examine, or from any  
15                  person connected with any such financial institution, shall  
16                  be fined under this title or imprisoned not more than one  
17                  year, or both; and may be fined a further sum equal to  
18                  the amount of the credit extended, and shall be disquali-  
19                  fied from holding office as such examiner.

20                  “(b) Notwithstanding subsection (a) or section 212,  
21                  a Federal financial institution regulatory agency may, by  
22                  regulation or by order on a case-by-case basis, permit a  
23                  financial institution to extend credit to an examiner, and  
24                  permit an examiner to accept an extension of credit from  
25                  a financial institution, if the agency determines that the



1 extension of credit would not likely affect the integrity of  
2 any examination of a financial institution. Before pre-  
3 scribing regulations or issuing any order under this sub-  
4 section, a Federal financial institution regulatory agency  
5 shall consult with each other Federal financial institution  
6 regulatory agency with regard to any such regulation or  
7 order. Any regulation prescribed by a Federal financial in-  
8 stitution regulatory agency under this subsection, may ex-  
9 empt certain classes or categories of credit from the scope  
10 of this section or section 212, and shall provide procedures  
11 for examiners and financial institutions to request case-  
12 by-case exemption orders under this subsection, subject to  
13 subsection (c).

14 “(c) In considering any request by a financial institu-  
15 tion or examiner for a case-by-case exemption order under  
16 subsection (b), a Federal financial institution regulatory  
17 agency shall consider such factors as the agency deter-  
18 mines to be appropriate, including—

19 “(1) whether the terms and conditions of the  
20 credit being offered the examiner are generally com-  
21 parable to those offered by the financial institution  
22 in connection with similar types of credit extended  
23 to other customers in similar circumstances;

24 “(2) the nature and extent of any other rela-  
25 tionship the examiner has with the financial institu-



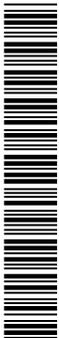
1       tion or any officer, director, or employee of the fi-  
2       nancial institution;

3           “(3) the proximity in time between any exam-  
4       ination of the financial institution in which the ex-  
5       aminer participated, or is scheduled to participate,  
6       and the extension, or the offer of an extension, of  
7       credit;

8           “(4) whether there are any other circumstances  
9       involving the transaction, or the proposed trans-  
10      action, that may be perceived as providing the exam-  
11      iner with preferential treatment; and

12          “(5) any other fact or circumstance the agency  
13      may consider to be appropriate under the cir-  
14      cumstances.

15      “(d) Notwithstanding subsection (a) or section 212,  
16      an examiner employed by a Federal financial institution  
17      regulatory agency may apply for and receive a credit card,  
18      or otherwise be approved as a cardholder, under any credit  
19      card account under an open end consumer credit plan, to  
20      the extent the terms and conditions applicable with respect  
21      to such account, and any credit extended under such ac-  
22      count, are no more favorable generally to the examiner  
23      than the terms and conditions that are generally applica-  
24      ble to credit card accounts offered by the same financial



1 institution to other cardholders under open end consumer  
2 credit plans.

3 “(e) For purposes of this section, the following defini-  
4 tions shall apply:

5 “(1) The terms ‘examiner’, ‘Federal financial  
6 institution regulatory agency’, and ‘financial institu-  
7 tion’ have the same meaning as in section 212.

8 “(2) The term ‘credit’ means the right granted  
9 by a creditor to a debtor to defer payment of debt  
10 or to incur debt and defer its payment.

11 “(3) The term ‘creditor’ refers only to a person  
12 who both (A) regularly extends, whether in connec-  
13 tion with loans, sales of property or services, or oth-  
14 erwise, consumer credit which is payable by agree-  
15 ment in more than four installments or for which  
16 the payment of a finance charge is or may be re-  
17 quired, and (B) is the person to whom the debt aris-  
18 ing from the consumer credit transaction is initially  
19 payable on the face of the evidence of indebtedness  
20 or, if there is no such evidence of indebtedness, by  
21 agreement. Notwithstanding the preceding sentence,  
22 in the case of an open-end credit plan involving a  
23 credit card, the card issuer and any person who hon-  
24 ors the credit card and offers a discount which is a  
25 finance charge are creditors.

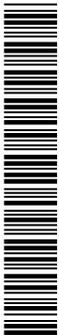


1           “(4) The term ‘consumer’, when used with ref-  
2           erence to an open end credit plan, means a credit  
3           plan under which the party to whom credit is offered  
4           or extended is a natural person, and the money,  
5           property, or services which are the subject of any  
6           transaction under the plan are primarily for per-  
7           sonal, family, or household purposes.

8           “(5) The term ‘open end credit plan’ means a  
9           plan under which the creditor reasonably con-  
10          templates repeated transactions, which prescribes  
11          the terms of such transactions, and which provides  
12          for a finance charge which may be computed from  
13          time to time on the outstanding unpaid balance. A  
14          credit plan which is an open end credit plan within  
15          the meaning of the preceding sentence is an open  
16          end credit plan even if credit information is verified  
17          from time to time.

18          “(6) The term ‘credit card’ means any card,  
19          plate, coupon book or other credit device existing for  
20          the purpose of obtaining money, property, labor, or  
21          services on credit.

22          “(7) The term ‘cardholder’ means any person to  
23          whom a credit card is issued or any person who has  
24          agreed with the card issuer to pay obligations aris-



1 ing from the issuance of a credit card to another  
2 person.

3 “(8) The term ‘card issuer’ means any person  
4 who issues a credit card, or the agent of such person  
5 with respect to such card.”.

6 (c) CLERICAL AMENDMENTS.—The table of sections  
7 for chapter 11 of title 18, United States Code, is amended  
8 by striking the items relating to sections 212 and 213 and  
9 inserting the following new items:

- “212. Offer of credit to bank examiner.
- “213. Acceptance of credit by bank examiner.”.

10 **SEC. 614. PARITY IN STANDARDS FOR INSTITUTION-AFFILI-**  
11 **ATED PARTIES.**

12 Section 3(u)(4) of the Federal Deposit Insurance Act  
13 (12 U.S.C. 1813(u)(4)) is amended by striking “know-  
14 ingly or recklessly”.

15 **SEC. 615. ENFORCEMENT AGAINST MISREPRESENTATIONS**  
16 **REGARDING FDIC DEPOSIT INSURANCE COV-**  
17 **ERAGE.**

18 (a) IN GENERAL.—Section 8 of the Federal Deposit  
19 Insurance Act (12 U.S.C. 1818) is amended by adding at  
20 the end the following new subsection:

21 “(x) MISREPRESENTATION REGARDING DEPOSIT IN-  
22 SURANCE COVERAGE.—

23 “(1) IN GENERAL.—Any person who knowingly  
24 violates the third undesignated paragraph of section



1 709 of title 18, United States Code, shall be liable  
2 to the United States Government for a civil penalty  
3 in an amount not to exceed \$1,000,000 for each day  
4 during which such violation occurs or continues.

5 “(2) TIME LIMITATIONS FOR ASSESSMENTS  
6 AND COMMENCEMENT OF CIVIL ACTIONS.—

7 “(A) ASSESSMENTS.—The Corporation  
8 may assess a civil penalty under paragraph (1)  
9 at any time before the end of the 6-year period  
10 beginning on the later of—

11 “(i) the date the violation occurred; or

12 “(ii) in the case of a continuing viola-  
13 tion, the last day the continuing violation  
14 occurred.

15 “(B) CIVIL ACTIONS.—The Corporation  
16 may commence a civil action to recover a civil  
17 penalty assessed under this subsection at any  
18 time before the end of the 2-year period begin-  
19 ning on the later of—

20 “(i) the date the penalty was assessed;

21 or

22 “(ii) the date any judgment becomes  
23 final in any criminal action under section  
24 709 of title 18, United States Code, in



1 connection with the same violation with re-  
2 spect to which the penalty is assessed.

3 “(3) CRIMINAL PENALTY NOT EXCLUSIVE OF  
4 CIVIL PENALTY.—A civil money penalty may be im-  
5 posed under this subsection with respect to any vio-  
6 lation of the third undesignated paragraph of section  
7 709 of title 18, United States Code, notwithstanding  
8 the fact that a criminal penalty is imposed with re-  
9 spect to the same violation.”.

10 **SEC. 616. COMPENSATION OF FEDERAL HOME LOAN BANK**  
11 **DIRECTORS.**

12 Section 7(i) of the Federal Home Loan Bank Act (12  
13 U.S.C. 1427(i)) is amended to read as follows:

14 “(i) DIRECTORS’ COMPENSATION.—

15 “(1) IN GENERAL.—Each Federal home loan  
16 bank may pay the directors on the board of directors  
17 of the bank reasonable compensation for the time re-  
18 quired of such directors, and reasonable expenses in-  
19 curred by the directors, in connection with service on  
20 the board of directors, in accordance with resolutions  
21 adopted by the board of directors and subject to the  
22 approval of the board.

23 “(2) ANNUAL REPORT BY THE BOARD.—Infor-  
24 mation regarding compensation and expenses paid  
25 by the Federal home loan banks to the directors on



1 the boards of directors of the banks shall be included  
2 in the annual report submitted to the Congress by  
3 the Board pursuant to section 2B(d).”.

4 **SEC. 617. EXTENSION OF TERMS OF FEDERAL HOME LOAN**  
5 **BANK DIRECTORS.**

6 Section 7(d) of the Federal Home Loan Bank Act  
7 (12 U.S.C. 1427(d)) is amended—

8 (1) in the first sentence, by striking “3 years”  
9 and inserting “4 years”; and

10 (2) in the 2nd sentence—

11 (A) by striking “Federal Home Loan Bank  
12 System Modernization Act of 1999” and insert-  
13 ing “Financial Services Regulatory Relief Act  
14 of 2003”; and

15 (B) by striking “1/3” and inserting “1/4”.

16 **SEC. 618. BI-ANNUAL REPORTS ON THE STATUS OF AGENCY**  
17 **EMPLOYMENT OF MINORITIES AND WOMEN.**

18 (a) **IN GENERAL.**—Before December 31, 2003, and  
19 the end of each 2-year period beginning after such date,  
20 each Federal banking agency shall submit a report to the  
21 Congress on the status of the employment by the agency  
22 of minority individuals and women.

23 (b) **FACTORS TO BE INCLUDED.**—The report shall  
24 include a detailed assessment of each of the following:



1           (1) The extent of hiring of minority individuals  
2           and women by the agency as of the time the report  
3           is prepared.

4           (2) The successes achieved and challenges faced  
5           by the agency in operating minority and women out-  
6           reach programs.

7           (3) Challenges the agency may face in finding  
8           qualified minority individual and women applicants.

9           (4) Such other information, findings, and con-  
10          clusions, and recommendations for legislative or  
11          agency action, as the agency may determine to be  
12          appropriate to include in the report.

13          (c) DEFINITIONS.—For purposes of this section, the  
14          following definitions shall apply:

15           (1) FEDERAL BANKING AGENCY.—The term  
16           “Federal banking agency”—

17           (A) has the same meaning as in section  
18           3(z) of the Federal Deposit Insurance Act; and

19           (B) includes the National Credit Union  
20           Administration.

21           (2) MINORITY.—The term “minority” has the  
22           same meaning as in section 1204(c)(3) of the Finan-  
23           cial Institutions Reform, Recovery, and Enforcement  
24           Act of 1989.



1 **TITLE VII—CLERICAL AND**  
2 **TECHNICAL AMENDMENTS**

3 **SEC. 701. CLERICAL AMENDMENTS TO THE HOME OWNERS’**  
4 **LOAN ACT.**

5 (a) AMENDMENT TO TABLE OF CONTENTS.—The  
6 table of contents in section 1 of the Home Owners’ Loan  
7 Act (12 U.S.C. 1461) is amended by striking the items  
8 relating to sections 5 and 6 and inserting the following  
9 new items:

“Sec. 5. Savings associations.  
“Sec. 6. [Repealed.]”.

10 (b) CLERICAL AMENDMENTS TO HEADINGS.—

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

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

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

20 **SEC. 702. TECHNICAL CORRECTIONS TO THE FEDERAL**  
21 **CREDIT UNION ACT.**

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



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

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

6 (3) In section 107(a)(5)(E) (as so designated  
7 by section 303 of this Act), strike the period at the  
8 end and insert a semicolon.

9 (4) In paragraphs (6) and (7) of section 107(a)  
10 (as so designated by section 303 of this Act), strike  
11 the period at the end and insert a semicolon.

12 (5) In section 107(a)(7)(D) (as so designated  
13 by section 303 of this Act), strike “the Federal Sav-  
14 ings and Loan Insurance Corporation or”.

15 (6) In section 107(a)(7)(E) (as so designated  
16 by section 303 of this Act), strike “the Federal  
17 Home Loan Bank Board,” and insert “the Federal  
18 Housing Finance Board,”.

19 (7) In section 107(a)(9) (as so designated by  
20 section 303 of this Act), strike “subchapter III” and  
21 insert “title III”.

22 (8) In section 107(a)(13) (as so designated by  
23 section 303 of this Act), strike the “and” after the  
24 semicolon at the end.



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

3 (10) 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 (11) In section 201(b)(5), strike “section 116  
7 of”.

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

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

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

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

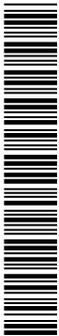
16 (16) In section 206(g)(7)(D), strike “and sub-  
17 section (1)”.

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

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

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

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



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

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

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

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

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

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

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

16 (28) 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”.

21 **SEC. 704. REPEAL OF OBSOLETE PROVISIONS OF THE BANK**

22 **HOLDING COMPANY ACT OF 1956.**

23 (a) IN GENERAL.—Section 2 of the Bank Holding  
24 Company Act of 1956 (12 U.S.C. 1841) is amended—



1 (1) in subsection (c)(2), by striking subpara-  
2 graphs (I) and (J); and

3 (2) by striking subsection (m) and inserting the  
4 following new subsection:

5 “(m) [Repealed]”.

6 (b) TECHNICAL AND CONFORMING AMENDMENTS.—  
7 Paragraphs (1) and (2) of section 4(h) of the Bank Hold-  
8 ing Company Act of 1956 (12 U.S.C. 1843(h)) are each  
9 amended by striking “(G), (H), (I), or (J) of section  
10 2(c)(2)” and inserting “(G), or (H) of section 2(c)(2)”.

