

- Sec. 1101. Repeal of the Federal Insurance Office; Creation of the Office of the Independent Insurance Advocate.
- Sec. 1102. Treatment of covered agreements.

TITLE XII—TECHNICAL CORRECTIONS

- Sec. 1201. Table of contents; Definitional corrections.
- Sec. 1202. Antitrust savings clause corrections.
- Sec. 1203. Title I corrections.
- Sec. 1204. Title III corrections.
- Sec. 1205. Title IV correction.
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1 **TITLE I—ENDING “TOO BIG TO**
2 **FAIL” AND BANK BAILOUTS**
3 **Subtitle A—Repeal of the Orderly**
4 **Liquidation Authority**

5 **SEC. 111. REPEAL OF THE ORDERLY LIQUIDATION AU-**
6 **THORITY.**

7 (a) IN GENERAL.—Title II of the Dodd-Frank Wall
8 Street Reform and Consumer Protection Act is hereby re-
9 pealed and any Federal law amended by such title shall,
10 on and after the effective date of this Act, be effective
11 as if title II of the Dodd-Frank Wall Street Reform and
12 Consumer Protection Act had not been enacted.

13 (b) CONFORMING AMENDMENTS.—

14 (1) DODD-FRANK WALL STREET REFORM AND
15 CONSUMER PROTECTION ACT.—The Dodd-Frank
16 Wall Street Reform and Consumer Protection Act is
17 amended—

1 (A) in the table of contents for such Act,
2 by striking all items relating to title II;

3 (B) in section 165(d)—

4 (i) in paragraph (1), by striking “, the
5 Council, and the Corporation” and insert-
6 ing “and the Council”;

7 (ii) in paragraph (2), by striking “,
8 the Council, and the Corporation” and in-
9 serting “and the Council”;

10 (iii) in paragraph (3), by striking
11 “and the Corporation”;

12 (iv) in paragraph (4)—

13 (I) by striking “and the Corpora-
14 tion jointly determine” and inserting
15 “determines”;

16 (II) by striking “their” and in-
17 serting “its”;

18 (III) in subparagraph (A), by
19 striking “and the Corporation”; and

20 (IV) in subparagraph (B), by
21 striking “and the Corporation”;

22 (v) in paragraph (5)—

23 (I) in subparagraph (A), by strik-
24 ing “and the Corporation may jointly”
25 and inserting “may”; and

- 1 (II) in subparagraph (B)—
- 2 (aa) by striking “and the
- 3 Corporation” each place such
- 4 term appears;
- 5 (bb) by striking “may joint-
- 6 ly” and inserting “may”;
- 7 (cc) by striking “have joint-
- 8 ly” and inserting “has”;
- 9 (vi) in paragraph (6), by striking “, a
- 10 receiver appointed under title II,”; and
- 11 (vii) by amending paragraph (8) to
- 12 read as follows:

13 “(8) RULES.—Not later than 12 months after

14 enactment of this paragraph, the Board of Gov-

15 ernors shall issue final rules implementing this sec-

16 tion.”; and

17 (C) in section 716(g), by striking “or a

18 covered financial company under title II”.

19 (2) FEDERAL DEPOSIT INSURANCE ACT.—Sec-

20 tion 10(b)(3) of the Federal Deposit Insurance Act

21 (12 U.S.C. 1820(b)(3)) is amended by striking “, or

22 of such nonbank financial company supervised by

23 the Board of Governors or bank holding company

24 described in section 165(a) of the Financial Stability

25 Act of 2010, for the purpose of implementing its au-

1 thority to provide for orderly liquidation of any such
2 company under title II of that Act”.

3 (3) FEDERAL RESERVE ACT.—Section 13(3) of
4 the Federal Reserve Act is amended—

5 (A) in subparagraph (B)—

6 (i) in clause (ii), by striking “, resolu-
7 tion under title II of the Dodd-Frank Wall
8 Street Reform and Consumer Protection
9 Act, or” and inserting “or is subject to
10 resolution under”; and

11 (ii) in clause (iii), by striking “, reso-
12 lution under title II of the Dodd-Frank
13 Wall Street Reform and Consumer Protec-
14 tion Act, or” and inserting “or resolution
15 under”; and

16 (B) by striking subparagraph (E).

17 **Subtitle B—Financial Institution**
18 **Bankruptcy**

19 **SEC. 121. GENERAL PROVISIONS RELATING TO COVERED**
20 **FINANCIAL CORPORATIONS.**

21 (a) DEFINITION.—Section 101 of title 11, United
22 States Code, is amended by inserting the following after
23 paragraph (9):

24 “(9A) The term ‘covered financial corporation’
25 means any corporation incorporated or organized

1 under any Federal or State law, other than a stock-
2 broker, a commodity broker, or an entity of the kind
3 specified in paragraph (2) or (3) of section 109(b),
4 that is—

5 “(A) a bank holding company, as defined
6 in section 2(a) of the Bank Holding Company
7 Act of 1956; or

8 “(B) a corporation that exists for the pri-
9 mary purpose of owning, controlling and financ-
10 ing its subsidiaries, that has total consolidated
11 assets of \$50,000,000,000 or greater, and for
12 which, in its most recently completed fiscal
13 year—

14 “(i) annual gross revenues derived by
15 the corporation and all of its subsidiaries
16 from activities that are financial in nature
17 (as defined in section 4(k) of the Bank
18 Holding Company Act of 1956) and, if ap-
19 plicable, from the ownership or control of
20 one or more insured depository institu-
21 tions, represents 85 percent or more of the
22 consolidated annual gross revenues of the
23 corporation; or

24 “(ii) the consolidated assets of the
25 corporation and all of its subsidiaries re-

1 lated to activities that are financial in na-
2 ture (as defined in section 4(k) of the
3 Bank Holding Company Act of 1956) and,
4 if applicable, related to the ownership or
5 control of one or more insured depository
6 institutions, represents 85 percent or more
7 of the consolidated assets of the corpora-
8 tion.”.

9 (b) APPLICABILITY OF CHAPTERS.—Section 103 of
10 title 11, United States Code, is amended by adding at the
11 end the following:

12 “(l) Subchapter V of chapter 11 of this title applies
13 only in a case under chapter 11 concerning a covered fi-
14 nancial corporation.”.

15 (c) WHO MAY BE A DEBTOR.—Section 109 of title
16 11, United States Code, is amended—

17 (1) in subsection (b)—

18 (A) in paragraph (2), by striking “or” at
19 the end;

20 (B) in paragraph (3)(B), by striking the
21 period at the end and inserting “; or”; and

22 (C) by adding at the end the following:

23 “(4) a covered financial corporation.”; and

24 (2) in subsection (d)—

1 (A) by striking “and” before “an unin-
2 sured State member bank”;

3 (B) by striking “or” before “a corpora-
4 tion”; and

5 (C) by inserting “, or a covered financial
6 corporation” after “Federal Deposit Insurance
7 Corporation Improvement Act of 1991”.

8 (d) CONVERSION TO CHAPTER 7.—Section 1112 of
9 title 11, United States Code, is amended by adding at the
10 end the following:

11 “(g) Notwithstanding section 109(b), the court may
12 convert a case under subchapter V to a case under chapter
13 7 if—

14 “(1) a transfer approved under section 1185
15 has been consummated;

16 “(2) the court has ordered the appointment of
17 a special trustee under section 1186; and

18 “(3) the court finds, after notice and a hearing,
19 that conversion is in the best interest of the credi-
20 tors and the estate.”.

21 (e)(1) Section 726(a)(1) of title 11, United States
22 Code, is amended by inserting after “first,” the following:
23 “in payment of any unpaid fees, costs, and expenses of
24 a special trustee appointed under section 1186, and then”.

1 (2) Section 1129(a) of title 11, United States Code,
2 is amended by inserting after paragraph (16) the fol-
3 lowing:

4 “(17) In a case under subchapter V, all payable
5 fees, costs, and expenses of the special trustee have
6 been paid or the plan provides for the payment of
7 all such fees, costs, and expenses on the effective
8 date of the plan.

9 “(18) In a case under subchapter V, confirma-
10 tion of the plan is not likely to cause serious adverse
11 effects on financial stability in the United States.”.

12 (f) Section 322(b)(2) of title 11, United States Code,
13 is amended by striking “The” and inserting “In cases
14 under subchapter V, the United States trustee shall rec-
15 ommend to the court, and in all other cases, the”.

16 **SEC. 122. LIQUIDATION, REORGANIZATION, OR RECAPITAL-**
17 **IZATION OF A COVERED FINANCIAL COR-**
18 **PORATION.**

19 Chapter 11 of title 11, United States Code, is amend-
20 ed by adding at the end the following (and conforming
21 the table of contents for such chapter accordingly):

1 “SUBCHAPTER V—LIQUIDATION, REORGANIZA-
2 TION, OR RECAPITALIZATION OF A COV-
3 ERED FINANCIAL CORPORATION

4 **“§ 1181. Inapplicability of other sections**

5 “Sections 303 and 321(c) do not apply in a case
6 under this subchapter concerning a covered financial cor-
7 poration. Section 365 does not apply to a transfer under
8 section 1185, 1187, or 1188.

9 **“§ 1182. Definitions for this subchapter**

10 “In this subchapter, the following definitions shall
11 apply:

12 “(1) The term ‘Board’ means the Board of
13 Governors of the Federal Reserve System.

14 “(2) The term ‘bridge company’ means a newly
15 formed corporation to which property of the estate
16 may be transferred under section 1185(a) and the
17 equity securities of which may be transferred to a
18 special trustee under section 1186(a).

19 “(3) The term ‘capital structure debt’ means all
20 unsecured debt of the debtor for borrowed money for
21 which the debtor is the primary obligor, other than
22 a qualified financial contract and other than debt se-
23 cured by a lien on property of the estate that is to
24 be transferred to a bridge company pursuant to an
25 order of the court under section 1185(a).

1 sonable action taken in good faith in contemplation of
2 such a petition or a transfer under section 1185 or section
3 1186, whether prior to or after commencement of the case.

4 “(d) Counsel to the debtor shall provide, to the great-
5 est extent practicable without disclosing the identity of the
6 potential debtor, sufficient confidential notice to the chief
7 judge of the court of appeals for the circuit embracing the
8 district in which such counsel intends to file a petition to
9 commence a case under this subchapter regarding the po-
10 tential commencement of such case. The chief judge of
11 such court shall randomly assign to preside over such case
12 a bankruptcy judge selected from among the bankruptcy
13 judges designated by the Chief Justice of the United
14 States under section 298 of title 28.

15 **“§ 1184. Regulators**

16 “The Board, the Securities Exchange Commission,
17 the Office of the Comptroller of the Currency of the De-
18 partment of the Treasury, the Commodity Futures Trad-
19 ing Commission, and the Federal Deposit Insurance Cor-
20 poration may raise and may appear and be heard on any
21 issue in any case or proceeding under this subchapter.

22 **“§ 1185. Special transfer of property of the estate**

23 “(a) On request of the trustee, and after notice and
24 a hearing that shall occur not less than 24 hours after
25 the order for relief, the court may order a transfer under

1 this section of property of the estate, and the assignment
2 of executory contracts, unexpired leases, and qualified fi-
3 nancial contracts of the debtor, to a bridge company.
4 Upon the entry of an order approving such transfer, any
5 property transferred, and any executory contracts, unex-
6 pired leases, and qualified financial contracts assigned
7 under such order shall no longer be property of the estate.
8 Except as provided under this section, the provisions of
9 section 363 shall apply to a transfer and assignment under
10 this section.

11 “(b) Unless the court orders otherwise, notice of a
12 request for an order under subsection (a) shall consist of
13 electronic or telephonic notice of not less than 24 hours
14 to—

15 “(1) the debtor;

16 “(2) the holders of the 20 largest secured
17 claims against the debtor;

18 “(3) the holders of the 20 largest unsecured
19 claims against the debtor;

20 “(4) counterparties to any debt, executory con-
21 tract, unexpired lease, and qualified financial con-
22 tract requested to be transferred under this section;

23 “(5) the Board;

24 “(6) the Federal Deposit Insurance Corpora-
25 tion;

1 “(7) the Secretary of the Treasury and the Of-
2 fice of the Comptroller of the Currency of the Treas-
3 ury;

4 “(8) the Commodity Futures Trading Commis-
5 sion;

6 “(9) the Securities and Exchange Commission;

7 “(10) the United States trustee or bankruptcy
8 administrator; and

9 “(11) each primary financial regulatory agency,
10 as defined in section 2(12) of the Dodd-Frank Wall
11 Street Reform and Consumer Protection Act, with
12 respect to any affiliate the equity securities of which
13 are proposed to be transferred under this section.

14 “(c) The court may not order a transfer under this
15 section unless the court determines, based upon a prepon-
16 derance of the evidence, that—

17 “(1) the transfer under this section is necessary
18 to prevent serious adverse effects on financial sta-
19 bility in the United States;

20 “(2) the transfer does not provide for the as-
21 sumption of any capital structure debt by the bridge
22 company;

23 “(3) the transfer does not provide for the trans-
24 fer to the bridge company of any property of the es-
25 tate that is subject to a lien securing a debt, execu-

1 tory contract, unexpired lease or agreement (includ-
2 ing a qualified financial contract) of the debtor un-
3 less—

4 “(A)(i) the bridge company assumes such
5 debt, executory contract, unexpired lease or
6 agreement (including a qualified financial con-
7 tract), including any claims arising in respect
8 thereof that would not be allowed secured
9 claims under section 506(a)(1) and after giving
10 effect to such transfer, such property remains
11 subject to the lien securing such debt, executory
12 contract, unexpired lease or agreement (includ-
13 ing a qualified financial contract); and

14 “(ii) the court has determined that as-
15 sumption of such debt, executory contract, un-
16 expired lease or agreement (including a quali-
17 fied financial contract) by the bridge company
18 is in the best interests of the estate; or

19 “(B) such property is being transferred to
20 the bridge company in accordance with the pro-
21 visions of section 363;

22 “(4) the transfer does not provide for the as-
23 sumption by the bridge company of any debt, execu-
24 tory contract, unexpired lease or agreement (includ-
25 ing a qualified financial contract) of the debtor se-

1 cured by a lien on property of the estate unless the
2 transfer provides for such property to be transferred
3 to the bridge company in accordance with paragraph
4 (3)(A) of this subsection;

5 “(5) the transfer does not provide for the trans-
6 fer of the equity of the debtor;

7 “(6) the trustee has demonstrated that the
8 bridge company is not likely to fail to meet the obli-
9 gations of any debt, executory contract, qualified fi-
10 nancial contract, or unexpired lease assumed and as-
11 signed to the bridge company;

12 “(7) the transfer provides for the transfer to a
13 special trustee all of the equity securities in the
14 bridge company and appointment of a special trustee
15 in accordance with section 1186;

16 “(8) after giving effect to the transfer, ade-
17 quate provision has been made for the fees, costs,
18 and expenses of the estate and special trustee; and

19 “(9) the bridge company will have governing
20 documents, and initial directors and senior officers,
21 that are in the best interest of creditors and the es-
22 tate.

23 “(d) Immediately before a transfer under this section,
24 the bridge company that is the recipient of the transfer
25 shall—

1 “(1) not have any property, executory con-
2 tracts, unexpired leases, qualified financial contracts,
3 or debts, other than any property acquired or execu-
4 tory contracts, unexpired leases, or debts assumed
5 when acting as a transferee of a transfer under this
6 section; and

7 “(2) have equity securities that are property of
8 the estate, which may be sold or distributed in ac-
9 cordance with this title.

10 **“§ 1186. Special trustee**

11 “(a)(1) An order approving a transfer under section
12 1185 shall require the trustee to transfer to a qualified
13 and independent special trustee, who is appointed by the
14 court, all of the equity securities in the bridge company
15 that is the recipient of a transfer under section 1185 to
16 hold in trust for the sole benefit of the estate, subject to
17 satisfaction of the special trustee’s fees, costs, and ex-
18 penses. The trust of which the special trustee is the trust-
19 ee shall be a newly formed trust governed by a trust agree-
20 ment approved by the court as in the best interests of the
21 estate, and shall exist for the sole purpose of holding and
22 administering, and shall be permitted to dispose of, the
23 equity securities of the bridge company in accordance with
24 the trust agreement.

1 “(2) In connection with the hearing to approve a
2 transfer under section 1185, the trustee shall confirm to
3 the court that the Board has been consulted regarding the
4 identity of the proposed special trustee and advise the
5 court of the results of such consultation.

6 “(b) The trust agreement governing the trust shall
7 provide—

8 “(1) for the payment of the fees, costs, ex-
9 penses, and indemnities of the special trustee from
10 the assets of the debtor’s estate;

11 “(2) that the special trustee provide—

12 “(A) quarterly reporting to the estate,
13 which shall be filed with the court; and

14 “(B) information about the bridge com-
15 pany reasonably requested by a party in inter-
16 est to prepare a disclosure statement for a plan
17 providing for distribution of any securities of
18 the bridge company if such information is nec-
19 essary to prepare such disclosure statement;

20 “(3) that for as long as the equity securities of
21 the bridge company are held by the trust, the special
22 trustee shall file a notice with the court in connec-
23 tion with—

24 “(A) any change in a director or senior of-
25 ficer of the bridge company;

1 “(B) any modification to the governing
2 documents of the bridge company; and

3 “(C) any material corporate action of the
4 bridge company, including—

5 “(i) recapitalization;

6 “(ii) a material borrowing;

7 “(iii) termination of an intercompany
8 debt or guarantee;

9 “(iv) a transfer of a substantial por-
10 tion of the assets of the bridge company;

11 or

12 “(v) the issuance or sale of any secu-
13 rities of the bridge company;

14 “(4) that any sale of any equity securities of
15 the bridge company shall not be consummated until
16 the special trustee consults with the Federal Deposit
17 Insurance Corporation and the Board regarding
18 such sale and discloses the results of such consulta-
19 tion with the court;

20 “(5) that, subject to reserves for payments per-
21 mitted under paragraph (1) provided for in the trust
22 agreement, the proceeds of the sale of any equity se-
23 curities of the bridge company by the special trustee
24 be held in trust for the benefit of or transferred to
25 the estate;

1 celeration, or modification of any debt, contract, lease, or
2 agreement of the kind described in paragraph (2), or of
3 any right or obligation under any such debt, contract,
4 lease, or agreement, solely because of—

5 “(A) a default by the debtor under any such
6 debt, contract, lease, or agreement; or

7 “(B) a provision in such debt, contract, lease,
8 or agreement, or in applicable nonbankruptcy law,
9 that is conditioned on—

10 “(i) the insolvency or financial condition of
11 the debtor at any time before the closing of the
12 case;

13 “(ii) the commencement of a case under
14 this title concerning the debtor;

15 “(iii) the appointment of or taking posses-
16 sion by a trustee in a case under this title con-
17 cerning the debtor or by a custodian before the
18 commencement of the case; or

19 “(iv) a credit rating agency rating, or ab-
20 sence or withdrawal of a credit rating agency
21 rating—

22 “(I) of the debtor at any time after
23 the commencement of the case;

1 “(II) of an affiliate during the period
2 from the commencement of the case until
3 48 hours after such order is entered;

4 “(III) of the bridge company while the
5 trustee or the special trustee is a direct or
6 indirect beneficial holder of more than 50
7 percent of the equity securities of—

8 “(aa) the bridge company; or

9 “(bb) the affiliate, if all of the di-
10 rect or indirect interests in the affil-
11 iate that are property of the estate
12 are transferred under section 1185; or

13 “(IV) of an affiliate while the trustee
14 or the special trustee is a direct or indirect
15 beneficial holder of more than 50 percent
16 of the equity securities of—

17 “(aa) the bridge company; or

18 “(bb) the affiliate, if all of the di-
19 rect or indirect interests in the affil-
20 iate that are property of the estate
21 are transferred under section 1185.

22 “(2) A debt, contract, lease, or agreement described
23 in this paragraph is—

1 “(A) any debt (other than capital structure
2 debt), executory contract, or unexpired lease of the
3 debtor (other than a qualified financial contract);

4 “(B) any agreement under which the debtor
5 issued or is obligated for debt (other than capital
6 structure debt);

7 “(C) any debt, executory contract, or unexpired
8 lease of an affiliate (other than a qualified financial
9 contract); or

10 “(D) any agreement under which an affiliate
11 issued or is obligated for debt.

12 “(3) The stay under this subsection terminates—

13 “(A) for the benefit of the debtor, upon the ear-
14 liest of—

15 “(i) 48 hours after the commencement of
16 the case;

17 “(ii) assumption of the debt, contract,
18 lease, or agreement by the bridge company
19 under an order authorizing a transfer under
20 section 1185;

21 “(iii) a final order of the court denying the
22 request for a transfer under section 1185; or

23 “(iv) the time the case is dismissed; and

24 “(B) for the benefit of an affiliate, upon the
25 earliest of—

1 “(i) the entry of an order authorizing a
2 transfer under section 1185 in which the direct
3 or indirect interests in the affiliate that are
4 property of the estate are not transferred under
5 section 1185;

6 “(ii) a final order by the court denying the
7 request for a transfer under section 1185;

8 “(iii) 48 hours after the commencement of
9 the case if the court has not ordered a transfer
10 under section 1185; or

11 “(iv) the time the case is dismissed.

12 “(4) Subsections (d), (e), (f), and (g) of section 362
13 apply to a stay under this subsection.

14 “(b) A debt, executory contract (other than a quali-
15 fied financial contract), or unexpired lease of the debtor,
16 or an agreement under which the debtor has issued or is
17 obligated for any debt, may be assumed by a bridge com-
18 pany in a transfer under section 1185 notwithstanding
19 any provision in an agreement or in applicable nonbank-
20 ruptcy law that—

21 “(1) prohibits, restricts, or conditions the as-
22 signment of the debt, contract, lease, or agreement;
23 or

24 “(2) accelerates, terminates, or modifies, or
25 permits a party other than the debtor to terminate

1 or modify, the debt, contract, lease, or agreement on
2 account of—

3 “(A) the assignment of the debt, contract,
4 lease, or agreement; or

5 “(B) a change in control of any party to
6 the debt, contract, lease, or agreement.

7 “(c)(1) A debt, contract, lease, or agreement of the
8 kind described in subparagraph (A) or (B) of subsection
9 (a)(2) may not be accelerated, terminated, or modified,
10 and any right or obligation under such debt, contract,
11 lease, or agreement may not be accelerated, terminated,
12 or modified, as to the bridge company solely because of
13 a provision in the debt, contract, lease, or agreement or
14 in applicable nonbankruptcy law—

15 “(A) of the kind described in subsection
16 (a)(1)(B) as applied to the debtor;

17 “(B) that prohibits, restricts, or conditions the
18 assignment of the debt, contract, lease, or agree-
19 ment; or

20 “(C) that accelerates, terminates, or modifies,
21 or permits a party other than the debtor to termi-
22 nate or modify, the debt, contract, lease or agree-
23 ment on account of—

24 “(i) the assignment of the debt, contract,
25 lease, or agreement; or

1 “(ii) a change in control of any party to
2 the debt, contract, lease, or agreement.

3 “(2) If there is a default by the debtor under a provi-
4 sion other than the kind described in paragraph (1) in
5 a debt, contract, lease or agreement of the kind described
6 in subparagraph (A) or (B) of subsection (a)(2), the
7 bridge company may assume such debt, contract, lease,
8 or agreement only if the bridge company—

9 “(A) shall cure the default;

10 “(B) compensates, or provides adequate assur-
11 ance in connection with a transfer under section
12 1185 that the bridge company will promptly com-
13 pensate, a party other than the debtor to the debt,
14 contract, lease, or agreement, for any actual pecu-
15 niary loss to the party resulting from the default;
16 and

17 “(C) provides adequate assurance in connection
18 with a transfer under section 1185 of future per-
19 formance under the debt, contract, lease, or agree-
20 ment, as determined by the court under section
21 1185(c)(4).

22 **“§ 1188. Treatment of qualified financial contracts**
23 **and affiliate contracts**

24 “(a) Notwithstanding sections 362(b)(6), 362(b)(7),
25 362(b)(17), 362(b)(27), 362(o), 555, 556, 559, 560, and

1 561, a petition filed under section 1183 operates as a stay,
2 during the period specified in section 1187(a)(3)(A), ap-
3 plicable to all entities, of the exercise of a contractual
4 right—

5 “(1) to cause the modification, liquidation, ter-
6 mination, or acceleration of a qualified financial con-
7 tract of the debtor or an affiliate;

8 “(2) to offset or net out any termination value,
9 payment amount, or other transfer obligation arising
10 under or in connection with a qualified financial con-
11 tract of the debtor or an affiliate; or

12 “(3) under any security agreement or arrange-
13 ment or other credit enhancement forming a part of
14 or related to a qualified financial contract of the
15 debtor or an affiliate.

16 “(b)(1) During the period specified in section
17 1187(a)(3)(A), the trustee or the affiliate shall perform
18 all payment and delivery obligations under such qualified
19 financial contract of the debtor or the affiliate, as the case
20 may be, that become due after the commencement of the
21 case. The stay provided under subsection (a) terminates
22 as to a qualified financial contract of the debtor or an
23 affiliate immediately upon the failure of the trustee or the
24 affiliate, as the case may be, to perform any such obliga-
25 tion during such period.

1 “(2) Any failure by a counterparty to any qualified
2 financial contract of the debtor or any affiliate to perform
3 any payment or delivery obligation under such qualified
4 financial contract, including during the pendency of the
5 stay provided under subsection (a), shall constitute a
6 breach of such qualified financial contract by the
7 counterparty.

8 “(c) Subject to the court’s approval, a qualified finan-
9 cial contract between an entity and the debtor may be as-
10 signed to or assumed by the bridge company in a transfer
11 under, and in accordance with, section 1185 if and only
12 if—

13 “(1) all qualified financial contracts between
14 the entity and the debtor are assigned to and as-
15 sumed by the bridge company in the transfer under
16 section 1185;

17 “(2) all claims of the entity against the debtor
18 in respect of any qualified financial contract between
19 the entity and the debtor (other than any claim that,
20 under the terms of the qualified financial contract,
21 is subordinated to the claims of general unsecured
22 creditors) are assigned to and assumed by the bridge
23 company;

24 “(3) all claims of the debtor against the entity
25 under any qualified financial contract between the

1 entity and the debtor are assigned to and assumed
2 by the bridge company; and

3 “(4) all property securing or any other credit
4 enhancement furnished by the debtor for any quali-
5 fied financial contract described in paragraph (1) or
6 any claim described in paragraph (2) or (3) under
7 any qualified financial contract between the entity
8 and the debtor is assigned to and assumed by the
9 bridge company.

10 “(d) Notwithstanding any provision of a qualified fi-
11 nancial contract or of applicable nonbankruptcy law, a
12 qualified financial contract of the debtor that is assumed
13 or assigned in a transfer under section 1185 may not be
14 accelerated, terminated, or modified, after the entry of the
15 order approving a transfer under section 1185, and any
16 right or obligation under the qualified financial contract
17 may not be accelerated, terminated, or modified, after the
18 entry of the order approving a transfer under section 1185
19 solely because of a condition described in section
20 1187(c)(1), other than a condition of the kind specified
21 in section 1187(b) that occurs after property of the estate
22 no longer includes a direct beneficial interest or an indi-
23 rect beneficial interest through the special trustee, in more
24 than 50 percent of the equity securities of the bridge com-
25 pany.

1 “(e) Notwithstanding any provision of any agreement
2 or in applicable nonbankruptcy law, an agreement of an
3 affiliate (including an executory contract, an unexpired
4 lease, qualified financial contract, or an agreement under
5 which the affiliate issued or is obligated for debt) and any
6 right or obligation under such agreement may not be ac-
7 celerated, terminated, or modified, solely because of a con-
8 dition described in section 1187(c)(1), other than a condi-
9 tion of the kind specified in section 1187(b) that occurs
10 after the bridge company is no longer a direct or indirect
11 beneficial holder of more than 50 percent of the equity
12 securities of the affiliate, at any time after the commence-
13 ment of the case if—

14 “(1) all direct or indirect interests in the affil-
15 iate that are property of the estate are transferred
16 under section 1185 to the bridge company within the
17 period specified in subsection (a);

18 “(2) the bridge company assumes—

19 “(A) any guarantee or other credit en-
20 hancement issued by the debtor relating to the
21 agreement of the affiliate; and

22 “(B) any obligations in respect of rights of
23 setoff, netting arrangement, or debt of the debt-
24 or that directly arises out of or directly relates
25 to the guarantee or credit enhancement; and

1 “(3) any property of the estate that directly
2 serves as collateral for the guarantee or credit en-
3 hancement is transferred to the bridge company.

4 **“§ 1189. Licenses, permits, and registrations**

5 “(a) Notwithstanding any otherwise applicable non-
6 bankruptcy law, if a request is made under section 1185
7 for a transfer of property of the estate, any Federal, State,
8 or local license, permit, or registration that the debtor or
9 an affiliate had immediately before the commencement of
10 the case and that is proposed to be transferred under sec-
11 tion 1185 may not be accelerated, terminated, or modified
12 at any time after the request solely on account of—

13 “(1) the insolvency or financial condition of the
14 debtor at any time before the closing of the case;

15 “(2) the commencement of a case under this
16 title concerning the debtor;

17 “(3) the appointment of or taking possession by
18 a trustee in a case under this title concerning the
19 debtor or by a custodian before the commencement
20 of the case; or

21 “(4) a transfer under section 1185.

22 “(b) Notwithstanding any otherwise applicable non-
23 bankruptcy law, any Federal, State, or local license, per-
24 mit, or registration that the debtor had immediately before
25 the commencement of the case that is included in a trans-

1 fer under section 1185 shall be valid and all rights and
2 obligations thereunder shall vest in the bridge company.

3 **“§ 1190. Exemption from securities laws**

4 “For purposes of section 1145, a security of the
5 bridge company shall be deemed to be a security of a suc-
6 cessor to the debtor under a plan if the court approves
7 the disclosure statement for the plan as providing ade-
8 quate information (as defined in section 1125(a)) about
9 the bridge company and the security.

10 **“§ 1191. Inapplicability of certain avoiding powers**

11 “A transfer made or an obligation incurred by the
12 debtor to an affiliate prior to or after the commencement
13 of the case, including any obligation released by the debtor
14 or the estate to or for the benefit of an affiliate, in con-
15 templation of or in connection with a transfer under sec-
16 tion 1185 is not avoidable under section 544, 547,
17 548(a)(1)(B), or 549, or under any similar nonbankruptcy
18 law.

19 **“§ 1192. Consideration of financial stability**

20 “The court may consider the effect that any decision
21 in connection with this subchapter may have on financial
22 stability in the United States.”.

1 **SEC. 123. AMENDMENTS TO TITLE 28, UNITED STATES**
2 **CODE.**

3 (a) AMENDMENT TO CHAPTER 13.—Chapter 13 of
4 title 28, United States Code, is amended by adding at the
5 end the following:

6 **“§ 298. Judge for a case under subchapter V of chap-**
7 **ter 11 of title 11**

8 “(a)(1) Notwithstanding section 295, the Chief Jus-
9 tice of the United States shall designate not fewer than
10 10 bankruptcy judges to be available to hear a case under
11 subchapter V of chapter 11 of title 11. Bankruptcy judges
12 may request to be considered by the Chief Justice of the
13 United States for such designation.

14 “(2) Notwithstanding section 155, a case under sub-
15 chapter V of chapter 11 of title 11 shall be heard under
16 section 157 by a bankruptcy judge designated under para-
17 graph (1), who shall be randomly assigned to hear such
18 case by the chief judge of the court of appeals for the cir-
19 cuit embracing the district in which the case is pending.
20 To the greatest extent practicable, the approvals required
21 under section 155 should be obtained.

22 “(3) If the bankruptcy judge assigned to hear a case
23 under paragraph (2) is not assigned to the district in
24 which the case is pending, the bankruptcy judge shall be
25 temporarily assigned to the district.

1 “(b) A case under subchapter V of chapter 11 of title
2 11, and all proceedings in the case, shall take place in
3 the district in which the case is pending.

4 “(c) In this section, the term ‘covered financial cor-
5 poration’ has the meaning given that term in section
6 101(9A) of title 11.”.

7 (b) AMENDMENT TO SECTION 1334 OF TITLE 28.—
8 Section 1334 of title 28, United States Code, is amended
9 by adding at the end the following:

10 “(f) This section does not grant jurisdiction to the
11 district court after a transfer pursuant to an order under
12 section 1185 of title 11 of any proceeding related to a spe-
13 cial trustee appointed, or to a bridge company formed, in
14 connection with a case under subchapter V of chapter 11
15 of title 11.”.

16 (c) TECHNICAL AND CONFORMING AMENDMENT.—
17 The table of sections for chapter 13 of title 28, United
18 States Code, is amended by adding at the end the fol-
19 lowing:

“298. Judge for a case under subchapter V of chapter 11 of title 11.”.

20 **Subtitle C—Ending Government** 21 **Guarantees**

22 **SEC. 131. REPEAL OF OBLIGATION GUARANTEE PROGRAM.**

23 (a) IN GENERAL.—The following sections of the
24 Dodd-Frank Wall Street Reform and Consumer Protec-
25 tion Act (12 U.S.C. 5301 et seq.) are repealed:

1 (1) Section 1104.

2 (2) Section 1105.

3 (3) Section 1106.

4 (b) CLERICAL AMENDMENT.—The table of contents
5 under section 1(b) of the Dodd-Frank Wall Street Reform
6 and Consumer Protection Act is amended by striking the
7 items relating to sections 1104, 1105, and 1106.

8 **SEC. 132. REPEAL OF SYSTEMIC RISK DETERMINATION IN**
9 **RESOLUTIONS.**

10 Section 13(c)(4)(G) of the Federal Deposit Insurance
11 Act (12 U.S.C. 1823(c)(4)(G)) is hereby repealed.

12 **SEC. 133. RESTRICTIONS ON USE OF THE EXCHANGE STA-**
13 **BILIZATION FUND.**

14 (a) IN GENERAL.—Section 5302 of title 31, United
15 States Code, is amended by adding at the end the fol-
16 lowing:

17 “(e) Amounts in the fund may not be used for the
18 establishment of a guaranty program for any nongovern-
19 mental entity.”.

20 (b) CONFORMING AMENDMENT.—Section 131(b) of
21 the Emergency Economic Stabilization Act of 2008 (12
22 U.S.C. 5236(b)) is amended by inserting “, or for the pur-
23 poses of preventing the liquidation or insolvency of any
24 entity” before the period.

1 **Subtitle D—Eliminating Financial**
2 **Market Utility Designations**

3 **SEC. 141. REPEAL OF TITLE VIII.**

4 (a) REPEAL.—Title VIII of the Dodd-Frank Wall
5 Street Reform and Consumer Protection Act (12 U.S.C.
6 5461 et seq.) is repealed, and provisions of law amended
7 by such title are restored and revived as if such title had
8 never been enacted.

9 (b) CLERICAL AMENDMENT.—The table of contents
10 in section 1(b) of the Dodd-Frank Wall Street Reform and
11 Consumer Protection Act is amended by striking the items
12 relating to title VIII.

13 **Subtitle E—Reform of the**
14 **Financial Stability Act of 2010**

15 **SEC. 151. REPEAL AND MODIFICATION OF PROVISIONS OF**
16 **THE FINANCIAL STABILITY ACT OF 2010.**

17 (a) REPEALS.—The following provisions of the Fi-
18 nancial Stability Act of 2010 are repealed, and the provi-
19 sions of law amended or repealed by such provisions are
20 restored or revived as if such provisions had not been en-
21 acted:

- 22 (1) Subtitle B.
23 (2) Section 113.
24 (3) Section 114.
25 (4) Section 115.

- 1 (5) Section 116.
- 2 (6) Section 117.
- 3 (7) Section 119.
- 4 (8) Section 120.
- 5 (9) Section 121.
- 6 (10) Section 161.
- 7 (11) Section 162.
- 8 (12) Section 164.
- 9 (13) Section 166.
- 10 (14) Section 167.
- 11 (15) Section 168.
- 12 (16) Section 170.
- 13 (17) Section 172.
- 14 (18) Section 174.
- 15 (19) Section 175.
- 16 (b) ADDITIONAL MODIFICATIONS.—The Financial
- 17 Stability Act of 2010 (12 U.S.C. 5311 et seq.) is amend-
- 18 ed—
- 19 (1) in section 102(a), by striking paragraph
- 20 (5);
- 21 (2) in section 111—
- 22 (A) in subsection (b)—
- 23 (i) in paragraph (1)—

1 (I) by striking “who shall each”
2 and inserting “who shall, except as
3 provided below, each”; and

4 (II) by striking subparagraphs
5 (B) through (J) and inserting the fol-
6 lowing:

7 “(B) each member of the Board of Gov-
8 ernors, who shall collectively have 1 vote on the
9 Council;

10 “(C) the Comptroller of the Currency;

11 “(D) the Director of the Consumer Law
12 Enforcement Agency;

13 “(E) each member of the Commission, who
14 shall collectively have 1 vote on the Council;

15 “(F) each member of the Corporation, who
16 shall collectively have 1 vote on the Council;

17 “(G) each member of the Commodity Fu-
18 tures Trading Commission, who shall collec-
19 tively have 1 vote on the Council;

20 “(H) the Director of the Federal Housing
21 Finance Agency;

22 “(I) each member of the National Credit
23 Union Administration Board, who shall collec-
24 tively have 1 vote on the Council; and

1 “(J) the Independent Insurance Advo-
2 cate.”;

3 (ii) in paragraph (2)—

4 (I) by striking subparagraphs (A)
5 and (B); and

6 (II) by redesignating subpara-
7 graphs (C), (D), and (E) as subpara-
8 graphs (A), (B), and (C), respectively;
9 and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(4) VOTING BY MULTI-PERSON ENTITY.—

13 “(A) VOTING WITHIN THE ENTITY.—An
14 entity described under subparagraph (B), (E),
15 (F), (G), or (I) of paragraph (1) shall deter-
16 mine the entity’s Council vote by using the vot-
17 ing process normally applicable to votes by the
18 entity’s members.

19 “(B) CASTING OF ENTITY VOTE.—The 1
20 collective Council vote of an entity described
21 under subparagraph (A) shall be cast by the
22 head of such agency or, in the event such head
23 is unable to cast such vote, the next most senior
24 member of the entity available.”;

1 (B) in subsection (e), by striking “sub-
2 paragraphs (C), (D), and (E)” and inserting
3 “subparagraphs (B), (C), and (D)”;

4 (C) in subsection (e), by adding at the end
5 the following:

6 “(3) STAFF ACCESS.—Any member of the
7 Council may select to have one or more individuals
8 on the member’s staff attend a meeting of the Coun-
9 cil, including any meeting of representatives of the
10 member agencies other than the members them-
11 selves.

12 “(4) CONGRESSIONAL OVERSIGHT.—All meet-
13 ings of the Council, whether or not open to the pub-
14 lic, shall be open to the attendance by members of
15 the Committee on Financial Services of the House of
16 Representatives and the Committee on Banking,
17 Housing, and Urban Affairs of the Senate.

18 “(5) MEMBER AGENCY MEETINGS.—Any meet-
19 ing of representatives of the member agencies other
20 than the members themselves shall be open to at-
21 tendance by staff of the Committee on Financial
22 Services of the House of Representatives and the
23 Committee on Banking, Housing, and Urban Affairs
24 of the Senate.”;

1 (D) by striking subsection (g) (relating to
2 the nonapplicability of FACA);

3 (E) by inserting after subsection (f) the
4 following:

5 “(g) OPEN MEETING REQUIREMENT.—The Council
6 shall be an agency for purposes of section 552b of title
7 5, United States Code (commonly referred to as the ‘Gov-
8 ernment in the Sunshine Act’).

9 “(h) CONFIDENTIAL CONGRESSIONAL BRIEFINGS.—
10 At the request of the Chairman of the Committee on Fi-
11 nancial Services of the House of Representatives or the
12 Chairman of the Committee on Banking, Housing, and
13 Urban Affairs of the Senate, the Chairperson shall appear
14 before Congress to provide a confidential briefing.”; and

15 (F) by redesignating subsections (h)
16 through (j) as subsections (i) through (k), re-
17 spectively;

18 (3) in section 112—

19 (A) in subsection (a)(2)—

20 (i) in subparagraph (A), by striking
21 “the Federal Insurance Office and, if nec-
22 essary to assess risks to the United States
23 financial system, direct the Office of Fi-
24 nancial Research to” and inserting “and, if

1 necessary to assess risks to the United
2 States financial system,”;

3 (ii) by striking subparagraphs (B),
4 (H), (I), and (J);

5 (iii) by redesignating subparagraphs
6 (C), (D), (E), (F), (G), (K), (L), (M), and
7 (N) as subparagraphs (B), (C), (D), (E),
8 (F), (G), (H), (I), and (J), respectively;

9 (iv) in subparagraph (J), as so reded-
10 igned—

11 (I) in clause (iii), by adding
12 “and” at the end;

13 (II) by striking clauses (iv) and
14 (v); and

15 (III) by redesignating clause (vi)
16 as clause (iv); and

17 (B) in subsection (d)—

18 (i) in paragraph (1), by striking “the
19 Office of Financial Research, member
20 agencies, and the Federal Insurance Of-
21 fice” and inserting “member agencies”;

22 (ii) in paragraph (2), by striking “the
23 Office of Financial Research, any member
24 agency, and the Federal Insurance Office,”
25 and inserting “member agencies”;

1 (iii) in paragraph (3)—

2 (I) by striking “, acting through
3 the Office of Financial Research,”
4 each place it appears; and

5 (II) in subparagraph (B), by
6 striking “the Office of Financial Re-
7 search or”; and

8 (iv) in paragraph (5)(A), by striking
9 “, the Office of Financial Research,”;

10 (4) by amending section 118 to read as follows:

11 **“SEC. 118. COUNCIL FUNDING.**

12 “There is authorized to be appropriated to the Coun-
13 cil \$4,000,000 for fiscal year 2017 and each fiscal year
14 thereafter to carry out the duties of the Council.”;

15 (5) in section 163—

16 (A) by striking subsection (a);

17 (B) by redesignating subsection (b) as sub-
18 section (a); and

19 (C) in subsection (a), as so redesignated—

20 (i) by striking “or a nonbank financial
21 company supervised by the Board of Gov-
22 ernors” each place such term appears;

23 (ii) in paragraph (4), by striking “In
24 addition” and inserting the following:

25 “(A) IN GENERAL.—In addition”; and

1 (iii) by adding at the end the fol-
2 lowing:

3 “(B) EXCEPTION FOR QUALIFYING BANK-
4 ING ORGANIZATION.—Subparagraph (A) shall
5 not apply to a proposed acquisition by a quali-
6 fying banking organization, as defined under
7 section 605 of the Financial CHOICE Act of
8 2017.”; and
9 (6) in section 165—

10 (A) by striking “nonbank financial compa-
11 nies supervised by the Board of Governors and”
12 each place such term appears;

13 (B) by striking “nonbank financial com-
14 pany supervised by the Board of Governors
15 and” each place such term appears;

16 (C) in subsection (a), by amending para-
17 graph (2) to read as follows:

18 “(2) TAILORED APPLICATION.—In prescribing
19 more stringent prudential standards under this sec-
20 tion, the Board of Governors may differentiate
21 among companies on an individual basis or by cat-
22 egory, taking into consideration their capital struc-
23 ture, riskiness, complexity, financial activities (in-
24 cluding the financial activities of their subsidiaries),

1 size, and any other risk-related factors that the
2 Board of Governors deems appropriate.”;

3 (D) in subsection (b)—

4 (i) in paragraph (1)(B)(iv), by strik-
5 ing “, on its own or pursuant to a rec-
6 ommendation made by the Council in ac-
7 cordance with section 115,”;

8 (ii) in paragraph (2)—

9 (I) by striking “foreign nonbank
10 financial company supervised by the
11 Board of Governors or”;

12 (II) by striking “shall—” and all
13 that follows through “give due” and
14 inserting “shall give due”;

15 (III) in subparagraph (A), by
16 striking “; and” and inserting a pe-
17 riod; and

18 (IV) by striking subparagraph
19 (B);

20 (iii) in paragraph (3)—

21 (I) in subparagraph (A)—

22 (aa) by striking clause (i);

23 (bb) by redesignating
24 clauses (ii), (iii), and (iv) as

1 clauses (i), (ii), and (iii), respec-
2 tively; and

3 (cc) in clause (iii), as so re-
4 designated, by adding “and” at
5 the end;

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

8 (III) by redesignating subpara-
9 graph (D) as subparagraph (B); and
10 (iv) in paragraph (4), by striking “a
11 nonbank financial company supervised by
12 the Board of Governors or”;

13 (E) in subsection (c)—

14 (i) in paragraph (1), by striking
15 “under section 115(c)”;

16 (ii) in paragraph (2)—

17 (I) by amending subparagraph
18 (A) to read as follows:

19 “(A) any recommendations of the Coun-
20 cil;”;

21 (II) in subparagraph (D), by
22 striking “nonbank financial company
23 supervised by the Board of Governors
24 or”;

25 (F) in subsection (d)—

1 (i) by striking “a nonbank financial
2 company supervised by the Board of Gov-
3 ernors or” each place such term appears;

4 (ii) in paragraph (1), by striking “pe-
5 riodically” and inserting “not more often
6 than every 2 years”;

7 (iii) in paragraph (3)—

8 (I) by striking “The Board” and
9 inserting the following:

10 “(A) IN GENERAL.—The Board”;

11 (II) by striking “shall review”
12 and inserting the following: “shall—
13 “(i) review”;

14 (III) by striking the period and
15 inserting “; and”; and

16 (IV) by adding at the end the fol-
17 lowing:

18 “(ii) not later than the end of the 6-
19 month period beginning on the date the
20 bank holding company submits the resolu-
21 tion plan, provide feedback to the bank
22 holding company on such plan.

23 “(B) DISCLOSURE OF ASSESSMENT
24 FRAMEWORK.—The Board of Governors shall
25 publicly disclose the assessment framework that

1 is used to review information under this para-
2 graph and shall provide the public with a notice
3 and comment period before finalizing such as-
4 sessment framework.”.

5 (iv) in paragraph (6), by striking
6 “nonbank financial company supervised by
7 the Board, any bank holding company,”
8 and inserting “bank holding company”;
9 (G) in subsection (e)—

10 (i) in paragraph (1), by striking “a
11 nonbank financial company supervised by
12 the Board of Governors or”;

13 (ii) in paragraph (3), by striking “the
14 nonbank financial company supervised by
15 the Board of Governors or” each place
16 such term appears; and

17 (iii) in paragraph (4), by striking “a
18 nonbank financial company supervised by
19 the Board of Governors or”;

20 (H) in subsection (g)(1), by striking “and
21 any nonbank financial company supervised by
22 the Board of Governors”;

23 (I) in subsection (h)—

24 (i) by striking paragraph (1);

1 (ii) by redesignating paragraphs (2),
2 (3), and (4) as paragraphs (1), (2), and
3 (3), respectively;

4 (iii) in paragraph (1), as so redesign-
5 ated, by striking “paragraph (3)” each
6 place such term appears and inserting
7 “paragraph (2)”; and

8 (iv) in paragraph (2), as so redesign-
9 ated—

10 (I) in subparagraph (A), by strik-
11 ing “the nonbank financial company
12 supervised by the Board of Governors
13 or bank holding company described in
14 subsection (a), as applicable” and in-
15 serting “a bank holding company de-
16 scribed in subsection (a)”; and

17 (II) in subparagraph (B), by
18 striking “the nonbank financial com-
19 pany supervised by the Board of Gov-
20 ernors or a bank holding company de-
21 scribed in subsection (a), as applica-
22 ble” and inserting “a bank holding
23 company described in subsection (a)”; and

24 (J) in subsection (i)—

25 (i) in paragraph (1)—

1 (I) in subparagraph (A), by strik-
2 ing “, in coordination with the appro-
3 priate primary financial regulatory
4 agencies and the Federal Insurance
5 Office,”;

6 (II) in subparagraph (B)—

7 (aa) by amending clause (i)
8 to read as follows:

9 “(i) shall—

10 “(I) issue regulations, after pro-
11 viding for public notice and comment,
12 that provide for at least 3 different
13 sets of conditions under which the
14 evaluation required by this subsection
15 shall be conducted, including baseline,
16 adverse, and severely adverse, and
17 methodologies, including models used
18 to estimate losses on certain assets,
19 and the Board of Governors shall not
20 carry out any such evaluation until 60
21 days after such regulations are issued;
22 and

23 “(II) provide copies of such regu-
24 lations to the Comptroller General of
25 the United States and the Panel of

1 Economic Advisors of the Congres-
2 sional Budget Office before publishing
3 such regulations;”;

4 (bb) in clause (ii), by strik-
5 ing “and nonbank financial com-
6 panies”;

7 (cc) in clause (iv), by strik-
8 ing “and” at the end;

9 (dd) in clause (v), by strik-
10 ing the period and inserting the
11 following: “, including any results
12 of a resubmitted test;”;

13 (ee) by adding at the end
14 the following:

15 “(vi) shall, in establishing the severely
16 adverse condition under clause (i), provide
17 detailed consideration of the model’s ef-
18 fects on financial stability and the cost and
19 availability of credit;

20 “(vii) shall, in developing the models
21 and methodologies and providing them for
22 notice and comment under this subpara-
23 graph, publish a process to test the models
24 and methodologies for their potential to

1 magnify systemic and institutional risks in-
2 stead of facilitating increased resiliency;

3 “(viii) shall design and publish a proc-
4 ess to test and document the sensitivity
5 and uncertainty associated with the model
6 system’s data quality, specifications, and
7 assumptions; and

8 “(ix) shall communicate the range and
9 sources of uncertainty surrounding the
10 models and methodologies.”; and

11 (III) by adding at the end the
12 following:

13 “(C) CCAR REQUIREMENTS.—

14 “(i) PARAMETERS AND CON-
15 SEQUENCES APPLICABLE TO CCAR.—The
16 requirements of subparagraph (B) shall
17 apply to CCAR.

18 “(ii) TWO-YEAR LIMITATION.—The
19 Board of Governors may not subject a
20 company to CCAR more than once every
21 two years.

22 “(iii) MID-CYCLE RESUBMISSION.—If
23 a company receives a quantitative objection
24 to, or otherwise desires to amend the com-
25 pany’s capital plan, the company may file

1 a new streamlined plan at any time after
2 a capital planning exercise has been com-
3 pleted and before a subsequent capital
4 planning exercise.

5 “(iv) LIMITATION ON QUALITATIVE
6 CAPITAL PLANNING OBJECTIONS.—In car-
7 rying out CCAR, the Board of Governors
8 may not object to a company’s capital plan
9 on the basis of qualitative deficiencies in
10 the company’s capital planning process.

11 “(v) COMPANY INQUIRIES.—The
12 Board of Governors shall establish and
13 publish procedures for responding to in-
14 quires from companies subject to CCAR,
15 including establishing the time frame in
16 which such responses will be made, and
17 make such procedures publicly available.

18 “(vi) CCAR DEFINED.—For purposes
19 of this subparagraph and subparagraph
20 (E), the term ‘CCAR’ means the Com-
21 prehensive Capital Analysis and Review es-
22 tablished by the Board of Governors.”; and

23 (ii) in paragraph (2)—

24 (I) in subparagraph (A)—

1 (aa) by striking “a bank
2 holding company” and inserting
3 “bank holding company”;

4 (bb) by striking “semi-
5 annual” and inserting “annual”;

6 (cc) by striking “All other
7 financial companies” and insert-
8 ing “All other bank holding com-
9 panies”; and

10 (dd) by striking “and are
11 regulated by a primary Federal
12 financial regulatory agency”;

13 (II) in subparagraph (B)—

14 (aa) by striking “and to its
15 primary financial regulatory
16 agency”; and

17 (bb) by striking “primary fi-
18 nancial regulatory agency” the
19 second time it appears and in-
20 serting “Board of Governors”;
21 and

22 (III) in subparagraph (C)—

23 (aa) by striking “Each Fed-
24 eral primary financial regulatory
25 agency, in coordination with the

1 Board of Governors and the Fed-
2 eral Insurance Office,” and in-
3 serting “The Board of Gov-
4 ernors”; and

5 (bb) by striking “consistent
6 and comparable”.

7 (K) in subsection (j)—

8 (i) in paragraph (1), by striking “or a
9 nonbank financial company supervised by
10 the Board of Governors”; and

11 (ii) in paragraph (2), by striking “the
12 factors described in subsections (a) and (b)
13 of section 113 and any other” and insert-
14 ing “any”;

15 (L) in subsection (k)(1), by striking “or
16 nonbank financial company supervised by the
17 Board of Governors”; and

18 (M) by adding at the end the following:

19 “(l) EXEMPTION FOR QUALIFYING BANKING ORGA-
20 NIZATIONS.—This section shall not apply to a proposed
21 acquisition by a qualifying banking organization, as de-
22 fined under section 605 of the Financial CHOICE Act of
23 2017.”.

24 (c) TREATMENT OF OTHER RESOLUTION PLAN RE-
25 QUIREMENTS.—

1 (1) IN GENERAL.—With respect to an appro-
2 priate Federal banking agency that requires a bank-
3 ing organization to submit to the agency a resolution
4 plan not described under section 165(d) of the
5 Dodd-Frank Wall Street Reform and Consumer Pro-
6 tection Act—

7 (A) the agency shall comply with the re-
8 quirements of paragraphs (3) and (4) of such
9 section 165(d);

10 (B) the agency may not require the sub-
11 mission of such a resolution plan more often
12 than every 2 years; and

13 (C) paragraphs (6) and (7) of such section
14 165(d) shall apply to such a resolution plan.

15 (2) DEFINITIONS.—For purposes of this sub-
16 section, the terms “appropriate Federal banking
17 agency” and “banking organization” have the mean-
18 ing given those terms, respectively, under section
19 105.

20 (d) ACTIONS TO CREATE A BANK HOLDING COM-
21 PANY.—Section 3(b)(1) of the Bank Holding Company
22 Act of 1956 (12 U.S.C. 1842(b)(1)) is amended—

23 (1) by striking “Upon receiving” and inserting
24 the following:

25 “(A) IN GENERAL.—Upon receiving”;

1 (2) by striking “Notwithstanding any other pro-
2 vision” and inserting the following:

3 “(B) IMMEDIATE ACTION.—

4 “(i) IN GENERAL.—Notwithstanding
5 any other provision”; and

6 (3) by adding at the end the following:

7 “(ii) EXCEPTION.—The Board may
8 not take any action pursuant to clause (i)
9 on an application that would cause any
10 company to become a bank holding com-
11 pany unless such application involves the
12 company acquiring a bank that is critically
13 undercapitalized (as such term is defined
14 under section 38(b) of the Federal Deposit
15 Insurance Act).”.

16 (e) CONCENTRATION LIMITS APPLIED ONLY TO
17 BANKING ORGANIZATIONS.—Section 14 of the Bank
18 Holding Company Act of 1956 (12 U.S.C. 1852) is
19 amended—

20 (1) by striking “financial company” each place
21 such term appears and inserting “banking organiza-
22 tion”;

23 (2) in subsection (a)—

24 (A) by amending paragraph (2) to read as
25 follows:

1 “(2) the term ‘banking organization’ means—
2 “(A) an insured depository institution;
3 “(B) a bank holding company;
4 “(C) a savings and loan holding company;
5 “(D) a company that controls an insured
6 depository institution; and
7 “(E) a foreign bank or company that is
8 treated as a bank holding company for purposes
9 of this Act; and”;

10 (B) in paragraph (3)—
11 (i) in subparagraph (A)(ii), by adding
12 “and” at the end;
13 (ii) in subparagraph (B)(ii), by strik-
14 ing “; and” and inserting a period; and
15 (iii) by striking subparagraph (C);
16 and

17 (3) in subsection (b), by striking “financial
18 companies” and inserting “banking organizations”.

19 (f) CONFORMING AMENDMENT.—Section 3502(5) of
20 title 44, United States Code, is amended by striking “the
21 Office of Financial Research,”.

22 (g) CLERICAL AMENDMENT.—The table of contents
23 under section 1(b) of the Dodd-Frank Wall Street Reform
24 and Consumer Protection Act is amended by striking the
25 items relating to subtitle B of title I and 113, 114, 115,

1 116, 117, 119, 120, 121, 161, 162, 164, 166, 167, 168,
2 170, 172, 174, and 175.

3 **SEC. 152. OPERATIONAL RISK CAPITAL REQUIREMENTS**
4 **FOR BANKING ORGANIZATIONS.**

5 (a) IN GENERAL.—An appropriate Federal banking
6 agency may not establish an operational risk capital re-
7 quirement for banking organizations, unless such require-
8 ment—

9 (1) is based on the risks posed by a banking or-
10 ganization’s current activities and businesses;

11 (2) is appropriately sensitive to the risks posed
12 by such current activities and businesses;

13 (3) is determined under a forward-looking as-
14 sessment of potential losses that may arise out of a
15 banking organization’s current activities and busi-
16 nesses, which is not solely based on a banking orga-
17 nization’s historical losses; and

18 (4) permits adjustments based on qualifying
19 operational risk mitigants.

20 (b) DEFINITIONS.—For purposes of this section, the
21 terms “appropriate Federal banking agency” and “bank-
22 ing organization” have the meaning given those terms, re-
23 spectively, under section 605.