

## Union Calendar No. 403

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

# H. R. 5585

**[Report No. 109-648, Part I]**

To improve the netting process for financial contracts, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2006

Mr. MCHENRY (for himself and Ms. WASSERMAN SCHULTZ) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

SEPTEMBER 12, 2006

Reported from the Committee on Financial Services

SEPTEMBER 12, 2006

Referral to the Committee on the Judiciary extended for a period ending not later than September 22, 2006

SEPTEMBER 22, 2006

The Committee on the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

To improve the netting process for financial contracts, 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.**

4       This Act may be cited as the “Financial Netting Im-  
5 provements Act of 2006”.

6 **SEC. 2. TREATMENT OF CERTAIN AGREEMENTS BY CON-**  
7 **SERVATORS OR RECEIVERS OF DEPOSITORY**  
8 **INSTITUTIONS.**

9       (a) DEFINITION OF SECURITIES CONTRACT.—

10           (1) FDIC-INSURED DEPOSITORY INSTITU-  
11 TIONS.—Section 11(e)(8)(D)(ii) of the Federal De-  
12 posit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is  
13 amended—

14           (A) in subclause (I)—

15                   (i) by striking “mortgage loan, or”  
16 and inserting “mortgage loan,”; and

17                   (ii) by inserting before the semicolon  
18 “(whether or not such repurchase or re-  
19 verse repurchase transaction is a ‘repur-  
20 chase agreement’, as defined in clause  
21 (v))”;

22           (B) in subclause (IV)—

23                   (i) by inserting “(including by nova-  
24 tion)” after “the guarantee”; and

1 (ii) by inserting before the semicolon  
2 “(whether or not such settlement is in con-  
3 nection with any agreement or transaction  
4 referred to in subclauses (I) through (XII)  
5 (other than subclause (II))”;

6 (C) in subclause (IX), by striking “or  
7 (VIII)” each place such term appears and in-  
8 serting “(VIII), (IX), or (X)”;

9 (D) by redesignating subclauses (VI),  
10 (VII), (VIII), (IX), and (X) as subclauses  
11 (VIII), (IX), (X), (XI), and (XII), respectively;  
12 and

13 (E) by inserting after subclause (V) the  
14 following new subparagraphs:

15 “(VI) means any extension of  
16 credit for the clearance or settlement  
17 of securities transactions;

18 “(VII) means any loan trans-  
19 action coupled with a securities collar  
20 transaction, any prepaid securities  
21 forward transaction, or any total re-  
22 turn swap transaction coupled with a  
23 securities sale transaction;”.

1           (2)   INSURED   CREDIT   UNIONS.—Section  
2           207(c)(8)(D)(ii) of the Federal Credit Union Act  
3           (12 U.S.C. 1787(c)(8)(D)(ii)) is amended—

4                   (A) in subclause (I)—

5                           (i) by striking “mortgage loan, or”  
6                           and inserting “mortgage loan,”; and

7                           (ii) by inserting before the semicolon  
8                           “(whether or not such repurchase or re-  
9                           verse repurchase transaction is a ‘repur-  
10                           chase agreement’, as defined in clause  
11                           (v))”;

12                   (B) in subclause (IV)—

13                           (i) by inserting “(including by nova-  
14                           tion)” after “the guarantee”; and

15                           (ii) by inserting before the semicolon  
16                           “(whether or not such settlement is in con-  
17                           nection with any agreement or transaction  
18                           referred to in subclauses (I) through (XII)  
19                           (other than subclause (II))”;

20                   (C) in subclause (IX), by striking “or  
21                   (VIII)” each place such term appears and in-  
22                   serting “(VIII), (IX), or (X)”;

23                   (D) by redesignating subclauses (VI),  
24                   (VII), (VIII), (IX), and (X) as subclauses

1 (VIII), (IX), (X), (XI), and (XII), respectively;  
2 and

3 (E) by inserting after subclause (V) the  
4 following new subparagraphs:

5 “(VI) means any extension of  
6 credit for the clearance or settlement  
7 of securities transactions;

8 “(VII) means any loan trans-  
9 action coupled with a securities collar  
10 transaction, any prepaid securities  
11 forward transaction, or any total re-  
12 turn swap transaction coupled with a  
13 securities sale transaction;”.

14 (b) DEFINITION OF FORWARD CONTRACT.—

15 (1) FDIC-INSURED DEPOSITORY INSTITU-  
16 TIONS.—Section 11(e)(8)(D)(iv)(I) of the Federal  
17 Deposit Insurance Act (12 U.S.C.  
18 1821(e)(8)(D)(iv)(I)) is amended by striking “trans-  
19 action, reverse repurchase transaction” and inserting  
20 “or reverse repurchase transaction (whether or not  
21 such repurchase or reverse repurchase transaction is  
22 a ‘repurchase agreement’, as defined in clause (v))”.

23 (2) INSURED CREDIT UNIONS.—Section  
24 207(c)(8)(D)(iv)(I) of the Federal Credit Union Act  
25 (12 U.S.C. 1787(c)(8)(D)(iv)(I)) is amended by

1 striking “transaction, reverse repurchase trans-  
2 action” and inserting “or reverse repurchase trans-  
3 action (whether or not such repurchase or reverse  
4 repurchase transaction is a ‘repurchase agreement’,  
5 as defined in clause (v))”.

6 (c) DEFINITION OF SWAP AGREEMENT.—

7 (1) FDIC-INSURED DEPOSITORY INSTITU-  
8 TIONS.—Section 11(e)(8)(D)(vi) of the Federal De-  
9 posit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is  
10 amended—

11 (A) in subclause (I)—

12 (i) by striking “or precious metals”  
13 and inserting “, precious metals, or other  
14 commodity”; and

15 (ii) by striking “or a weather swap,  
16 weather derivative, or weather option” and  
17 inserting “weather swap, option, future, or  
18 forward agreement; an emissions swap, op-  
19 tion, future, or forward agreement; or an  
20 inflation swap, option, future, or forward  
21 agreement”;

22 (B) in subclause (II)—

23 (i) by inserting “or other derivatives”  
24 after “dealings in the swap”; and

1 (ii) by striking “future, or option”  
2 and inserting “future, option, or spot  
3 transaction”; and

4 (C) by striking “the Securities Act of  
5 1933, the Securities Exchange Act of 1934, the  
6 Public Utility Holding Company Act of 1935,  
7 the Trust Indenture Act of 1939, the Invest-  
8 ment Company Act of 1940, the Investment  
9 Advisers Act of 1940, the Securities Investor  
10 Protection Act of 1970, the Commodity Ex-  
11 change Act, the Gramm-Leach-Bliley Act, and  
12 the Legal Certainty for Bank Products Act of  
13 2000” and inserting “the Gramm-Leach-Bliley  
14 Act, the Legal Certainty for Bank Products Act  
15 of 2000, the securities laws (as such term is de-  
16 fined in section 3(a)(47) of the Securities Ex-  
17 change Act of 1934) and the Commodity Ex-  
18 change Act”.

19 (2) INSURED CREDIT UNIONS.—Section  
20 207(c)(8)(D)(vi) of the Federal Credit Union Act  
21 (12 U.S.C. 1787(c)(8)(D)(vi)) is amended—

22 (A) in subclause (I)—

23 (i) by striking “or precious metals”  
24 and inserting “, precious metals, or other  
25 commodity”; and

1 (ii) by striking “or a weather swap,  
2 weather derivative, or weather option” and  
3 inserting “weather swap, option, future, or  
4 forward agreement; an emissions swap, op-  
5 tion, future, or forward agreement; or an  
6 inflation swap, option, future, or forward  
7 agreement”;

8 (B) in subclause (II)—

9 (i) by inserting “or other derivatives”  
10 after “dealings in the swap”; and

11 (ii) by striking “future, or option”  
12 and inserting “future, option, or spot  
13 transaction”; and

14 (C) by striking “the Securities Act of  
15 1933, the Securities Exchange Act of 1934, the  
16 Public Utility Holding Company Act of 1935,  
17 the Trust Indenture Act of 1939, the Invest-  
18 ment Company Act of 1940, the Investment  
19 Advisers Act of 1940, the Securities Investor  
20 Protection Act of 1970, the Commodity Ex-  
21 change Act, the Gramm-Leach-Bliley Act, and  
22 the Legal Certainty for Bank Products Act of  
23 2000” and inserting “the Gramm-Leach-Bliley  
24 Act, the Legal Certainty for Bank Products Act  
25 of 2000, the securities laws (as such term is de-

1            fined in section 3(a)(47) of the Securities Ex-  
2            change Act of 1934) and the Commodity Ex-  
3            change Act”.

4 **SEC. 3. CLARIFYING AMENDMENTS RELATING TO DEFINI-**  
5 **TION OF PERSON.**

6            (a) **FDIC-INSURED DEPOSITORY INSTITUTIONS**  
7 **DEFINITION OF PERSON.**—Section 11(e)(8)(D) of the  
8 Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D))  
9 is amended by adding at the end the following:

10                   “(ix) **PERSON.**—The term ‘person’ includes  
11                   any governmental entity in addition to any enti-  
12                   ty included in the definition of such term in  
13                   section 1 of title 1, United States Code.”.

14            (b) **INSURED CREDIT UNIONS DEFINITION OF PER-**  
15 **SON.**—Section 207(c)(8)(D) of the Federal Credit Union  
16 Act (12 U.S.C. 1787(c)(8)(D)) is amended by adding at  
17 the end the following:

18                   “(ix) **PERSON.**—The term ‘person’ in-  
19                   cludes any governmental entity in addition  
20                   to any entity included in the definition of  
21                   such term in section 1 of title 1, United  
22                   States Code.”.

1 **SEC. 4. FEDERAL DEPOSIT INSURANCE CORPORATION IM-**  
2 **PROVEMENT ACT OF 1991.**

3 (a) ENFORCEABILITY OF BILATERAL NETTING CON-  
4 TRACTS.—Section 403 of the Federal Deposit Insurance  
5 Corporation Improvement Act of 1991 (12 U.S.C. 4403)  
6 is amended—

7 (1) in each of subsections (a) and (f), by strik-  
8 ing “paragraphs (8)(E), (8)(F), and (10)(B) of”  
9 each place such term appears; and

10 (2) in subsection (a), by inserting “terminated,  
11 liquidated, accelerated, and” after “institutions shall  
12 be”.

13 (b) ENFORCEABILITY OF CLEARING ORGANIZATION  
14 NETTING CONTRACTS.—Section 404 of the Federal De-  
15 posit Insurance Corporation Improvement Act of 1991 (12  
16 U.S.C. 4404) is amended—

17 (1) in each of subsections (a) and (h), by strik-  
18 ing “paragraphs (8)(E), (8)(F), and (10)(B) of”  
19 each place such term appears; and

20 (2) in subsection (a), by inserting “terminated,  
21 liquidated, accelerated, and” after “organization  
22 shall be”.

23 **SEC. 5. CONFORMING AMENDMENTS.**

24 (a) CLARIFYING DEFINITIONS.—Title 11, United  
25 States Code, is amended—

26 (1) in section 101—

1 (A) in paragraph (22)(A)—

2 (i) by striking “(domestic or foreign)”  
3 after “an entity”; and

4 (ii) by inserting “(whether or not a  
5 ‘customer’, as defined in section 741)”  
6 after “custodian for a customer”;

7 (B) in paragraph (22A)—

8 (i) by striking “on any day during the  
9 previous 15-month period” each place it  
10 appears and inserting “at such time or on  
11 any day during the 15-month period pre-  
12 ceding the date of the filing of the peti-  
13 tion”; and

14 (ii) by inserting “(aggregated across  
15 counterparties)” after “principal amount  
16 outstanding”;

17 (C) in paragraph (25)(A)—

18 (i) by inserting “, as defined in sec-  
19 tion 761” after “commodity contract”; and

20 (ii) by striking “repurchase trans-  
21 action, reverse repurchase transaction,”  
22 and inserting “repurchase or reverse re-  
23 purchase transaction (whether or not such  
24 repurchase or reverse repurchase trans-

1 action is a ‘repurchase agreement’, as de-  
2 fined in this section)’;

3 (D) in paragraph (53B)(A)—

4 (i) in clause (i)—

5 (I) in subclause (II), by striking  
6 “or precious metals” and inserting “,  
7 precious metals, or other commodity”;

8 (II) in subclause (VII), by strik-  
9 ing “or” at the end;

10 (III) in subclause (VIII), by  
11 striking “weather derivative, or weath-  
12 er option” and inserting “option, fu-  
13 ture, or forward agreement”; and

14 (IV) by adding at the end the fol-  
15 lowing:

16 “(IX) an emissions swap, option,  
17 future, or forward agreement; or

18 “(X) an inflation swap, option,  
19 future, or forward agreement;”; and

20 (ii) in clause (ii)—

21 (I) in subclause (I), by inserting  
22 “or other derivatives” after “dealings  
23 in the swap”; and

1 (II) in subclause (II), by striking  
2 “future, or option” and inserting “fu-  
3 ture, option, or spot transaction”; and

4 (E) in paragraph (53B)(B), by striking  
5 “the Securities Act of 1933, the Securities Ex-  
6 change Act of 1934, the Public Utility Holding  
7 Company Act of 1935, the Trust Indenture Act  
8 of 1939, the Investment Company Act of 1940,  
9 the Investment Advisers Act of 1940, the Secu-  
10 rities Investor Protection Act of 1970, the Com-  
11 modity Exchange Act, the Gramm-Leach-Bliley  
12 Act, and the Legal Certainty for Bank Products  
13 Act of 2000” and inserting “the Gramm-Leach-  
14 Bliley Act, the Legal Certainty for Bank Prod-  
15 ucts Act of 2000, the securities laws (as such  
16 term is defined in section 3(a)(47) of the Secu-  
17 rities Exchange Act of 1934) and the Com-  
18 modity Exchange Act”;

19 (2) in section 362(b)—

20 (A) by striking paragraphs (6) and (7) and  
21 inserting the following:

22 “(6) under subsection (a) of this section, of the  
23 exercise by a commodity broker, forward contract  
24 merchant, stockbroker, financial institution, finan-  
25 cial participant, or securities clearing agency of any

1 contractual right (as defined in section 555 or 556)  
2 under any security agreement or arrangement or  
3 other credit enhancement forming a part of or re-  
4 lated to any commodity contract, forward contract  
5 or securities contract, or of any contractual right (as  
6 defined in section 555 or 556) to offset or net out  
7 any termination value, payment amount, or other  
8 transfer obligation arising under or in connection  
9 with 1 or more such contracts, including any master  
10 agreement for such contracts;

11 “(7) under subsection (a) of this section, of the  
12 exercise by a repo participant or financial partici-  
13 pant of any contractual right (as defined in section  
14 559) under any security agreement or arrangement  
15 or other credit enhancement forming a part of or re-  
16 lated to any repurchase agreement, or of any con-  
17 tractual right (as defined in section 559) to offset or  
18 net out any termination value, payment amount, or  
19 other transfer obligation arising under or in connec-  
20 tion with 1 or more such agreements, including any  
21 master agreement for such agreements;”;

22 (B) by striking paragraph (17) and insert-  
23 ing the following:

24 “(17) under subsection (a) of this section, of  
25 the exercise by a swap participant or financial par-

1 participant of any contractual right (as defined in sec-  
2 tion 560) under any security agreement or arrange-  
3 ment or other credit enhancement forming a part of  
4 or related to any swap agreement, or of any contrac-  
5 tual right (as defined in section 560) to offset or net  
6 out any termination value, payment amount, or  
7 other transfer obligation arising under or in connec-  
8 tion with 1 or more such agreements, including any  
9 master agreement for such agreements;” and

10 (C) by striking paragraph (27) and insert-

11 ing the following:

12 “(27) under subsection (a) of this section, of  
13 the exercise by a master netting agreement partici-  
14 pant of any contractual right (as defined in section  
15 555, 556, 559, or 560) under any security agree-  
16 ment or arrangement or other credit enhancement  
17 forming a part of or related to any master netting  
18 agreement, or of any contractual right (as defined in  
19 section 555, 556, 559, or 560) to offset or net out  
20 any termination value, payment amount, or other  
21 transfer obligation arising under or in connection  
22 with 1 or more such master netting agreements to  
23 the extent that such participant is eligible to exercise  
24 such rights under paragraph (6), (7), or (17) for

1 each individual contract covered by the master net-  
2 ting agreement in issue; and”;

3 (3) in section 741(7)(A)—

4 (A) in clause (i)—

5 (i) by striking “mortgage loan or”  
6 and inserting “mortgage loan,”; and

7 (ii) by inserting before the semicolon  
8 “(whether or not such repurchase or re-  
9 verse repurchase transaction is a ‘repur-  
10 chase agreement’, as defined in section  
11 101)”;

12 (B) in clause (iii)—

13 (i) by inserting “(including by nova-  
14 tion)” after “the guarantee”; and

15 (ii) by inserting before the semicolon  
16 “(whether or not such settlement is in con-  
17 nection with any agreement or transaction  
18 referred to in clauses (i) through (xi))”;

19 (C) in clause (viii), by striking “or (vii)”  
20 each place it appears and inserting “(vii), (viii),  
21 or (ix)”;

22 (D) by redesignating clauses (v) through  
23 (ix) as clauses (vii) through (xi), respectively;  
24 and

1 (E) by inserting after clause (iv) the fol-  
2 lowing:

3 “(v) any extension of credit for  
4 the clearance or settlement of securi-  
5 ties transactions;

6 “(vi) any loan transaction cou-  
7 pled with a securities collar trans-  
8 action, any prepaid forward securities  
9 transaction, or any total return swap  
10 transaction coupled with a securities  
11 sale transaction;”.

12 (b) LIMITATION OF AVOIDANCE POWERS UNDER  
13 MASTER NETTING AGREEMENT.—Section 546 of title 11,  
14 United States Code, is amended—

15 (1) in subsection (e)—

16 (A) by inserting “(or for the benefit of)”  
17 before “a commodity broker”; and

18 (B) by inserting “or that is a transfer  
19 made by or to (or for the benefit of) a com-  
20modity broker, forward contract merchant,  
21 stockbroker, financial institution, financial par-  
22 ticipant, or securities clearing agency, in con-  
23 nection with a securities contract, as defined in  
24 section 741(7), commodity contract, as defined

1 in section 761(4), or forward contract,” after  
2 “securities clearing agency,”;

3 (2) in subsection (f)—

4 (A) by striking “that is a margin payment,  
5 as defined in section 741 or 761 of this title,  
6 or settlement payment, as defined in section  
7 741 of this title,”; and

8 (B) by inserting “(or for the benefit of)”  
9 before “a repo participant”;

10 (3) in subsection (g), by inserting “(or for the  
11 benefit of)” before “a swap participant”; and

12 (4) in subsection (j), by inserting “(or for the  
13 benefit of)” after “made by or to”.

14 (c) SIPC STAY.—Section 5(b)(2)(C)(iii) of the Secu-  
15 rities Investor Protection Act of 1970 (15 U.S.C.  
16 78eee(b)(2)(C)(iii)) is amended—

17 (1) by inserting “a derivatives clearing organi-  
18 zation (as defined in the Commodity Exchange Act),  
19 a multilateral clearing organization (as defined in  
20 the Federal Deposit Insurance Corporation Improve-  
21 ment Act of 1991),” after “rule or bylaw of”; and

22 (2) by striking “or a securities clearance agen-  
23 cy, a right set forth in a bylaw of a clearing organi-  
24 zation or contract market” and inserting “a securi-  
25 ties clearing agency, a contract market designated

1 under the Commodity Exchange Act, a derivatives  
2 transaction execution facility registered under the  
3 Commodity Exchange Act, or a board of trade (as  
4 defined in the Commodity Exchange Act),”.

5 (d) SAVINGS CLAUSE.—Title IX of the Bankruptcy  
6 Abuse Prevention and Consumer Protection Act of 2005  
7 (Public Law 109–8, 119 Stat. 146) is amended by adding  
8 at the end the following:

9 **“SEC. 912. SAVINGS CLAUSE.**

10 “The meanings of terms used in this title are applica-  
11 ble for the purposes of this title only, and shall not be  
12 construed or applied so as to challenge or affect the char-  
13 acterization, definition, or treatment of any similar terms  
14 under any other statute, regulation, or rule, including the  
15 Gramm-Leach-Bliley Act, the Legal Certainty for Bank  
16 Products Act of 2000, the securities laws (as such term  
17 is defined in section 3(a)(47) of the Securities Exchange  
18 Act of 1934), and the Commodity Exchange Act.”.

19 **SEC. 6. WALKAWAY CLAUSES.**

20 (a) FDIC-INSURED DEPOSITORY INSTITUTIONS.—  
21 Section 11(e)(8)(G) of the Federal Deposit Insurance Act  
22 (12 U.S.C. 1821(e)(8)(G)) is amended by striking clause  
23 (ii) and inserting the following new clauses:

24 “(ii) LIMITED SUSPENSION OF CER-  
25 TAIN OBLIGATIONS.—In the case of a

1 qualified financial contract referred to in  
2 clause (i), any payment or delivery obliga-  
3 tions otherwise due from a party pursuant  
4 to the qualified financial contract shall be  
5 suspended from the time the receiver is ap-  
6 pointed until the earlier of—

7 “(I) the time such party receives  
8 notice that such contract has been  
9 transferred pursuant to subparagraph  
10 (A); or

11 “(II) 5:00 p.m. (eastern time) on  
12 the business day following the date of  
13 the appointment of the receiver.

14 “(iii) WALKAWAY CLAUSE DE-  
15 FINED.—For purposes of this subpara-  
16 graph, the term ‘walkaway clause’ means  
17 any provision in a qualified financial con-  
18 tract that suspends, conditions, or extin-  
19 guishes a payment obligation of a party, in  
20 whole or in part, or does not create a pay-  
21 ment obligation of a party that would oth-  
22 erwise exist, solely because of such party’s  
23 status as a nondefaulting party in connec-  
24 tion with the insolvency of an insured de-  
25 pository institution that is a party to the

1 contract or the appointment of or the exer-  
2 cise of rights or powers by a conservator or  
3 receiver of such depository institution, and  
4 not as a result of a party's exercise of any  
5 right to offset, setoff, or net obligations  
6 that exist under the contract, any other  
7 contract between those parties, or applica-  
8 ble law.”.

9 (b) INSURED CREDIT UNIONS.—Section  
10 207(c)(8)(G) of the Federal Credit Union Act 12 U.S.C.  
11 1787(c)(8)(G)) is amended by striking clause (ii) and in-  
12 serting the following new clauses:

13 “(ii) LIMITED SUSPENSION OF CER-  
14 TAIN OBLIGATIONS.—In the case of a  
15 qualified financial contract referred to in  
16 clause (i), any payment or delivery obliga-  
17 tions otherwise due from a party pursuant  
18 to the qualified financial contract shall be  
19 suspended from the time the liquidating  
20 agent is appointed until the earlier of—

21 “(I) the time such party receives  
22 notice that such contract has been  
23 transferred pursuant to subparagraph  
24 (A); or

1                   “(II) 5:00 p.m. (eastern time) on  
2                   the business day following the date of  
3                   the appointment of the liquidating  
4                   agent.

5                   “(iii) WALKAWAY CLAUSE DE-  
6                   FINED.—For purposes of this subpara-  
7                   graph, the term ‘walkaway clause’ means  
8                   any provision in a qualified financial con-  
9                   tract that suspends, conditions, or extin-  
10                  guishes a payment obligation of a party, in  
11                  whole or in part, or does not create a pay-  
12                  ment obligation of a party that would oth-  
13                  erwise exist, solely because of such party’s  
14                  status as a nondefaulting party in connec-  
15                  tion with the insolvency of an insured cred-  
16                  it union or the appointment of or the exer-  
17                  cise of rights or powers by a conservator or  
18                  liquidating agent of such credit union, and  
19                  not as a result of a party’s exercise of any  
20                  right to offset, setoff, or net obligations  
21                  that exist under the contract, any other  
22                  contract between those parties, or applica-  
23                  ble law.”.

1 **SEC. 7. COMPENSATION OF CHAPTER 7 TRUSTEES; CHAP-**  
2 **TER 7 FILING FEES.**

3 (a) AMENDMENTS TO TITLE 11 OF THE UNITED  
4 STATES CODE.—

5 (1) COMPENSATION OF CHAPTER 7 TRUST-  
6 EES.—Section 330(b)(1) of title 11, United States  
7 Code, is amended by striking “\$45” and inserting  
8 “\$100”.

9 (2) RELATED AMENDMENTS.—Section 330(b)  
10 of title 11, United States Code, is amended—

11 (A) by striking “(1)”, and

12 (B) by striking paragraph (2).

13 (b) AMENDMENTS TO TITLE 28 OF THE UNITED  
14 STATES CODE.—

15 (1) CHAPTER 7 FILING FEE.—Section  
16 1930(a)(1)(A) of title 28 of the United States Code,  
17 as amended by section 10101 of Public Law 109–  
18 171, is amended by striking “\$245” and inserting  
19 “\$300”, and

20 (2) UNITED STATES TRUSTEE FUND.—Section  
21 589a(b)(1)(A) of title 28, United States Code, is  
22 amended by striking “40.46” and inserting “29.67”.

23 (c) RELATED AMENDMENT REGARDING COLLEC-  
24 TIONS AND DEPOSITS OF MISCELLANEOUS BANKRUPTCY  
25 FEES.—Section 406(b) of the Judiciary Appropriations

1 Act, 1990 (28 U.S.C. 1931 note) is amended by striking  
2 “28.87” and inserting “21.17”.

3 (d) CONFORMING AMENDMENT.—Section 10101(a)  
4 of Public Law 109–171 is amended by striking paragraph  
5 (2).

6 (e) EFFECTIVE DATE; APPLICATION OF AMEND-  
7 MENTS.—The amendments made by this section shall take  
8 effect 60 days after the date of the enactment of this Act  
9 and shall not apply with respect to cases commenced  
10 under title 11 of the United States Code before the date  
11 such amendments take effect.

12 **SEC. 8. SCOPE OF APPLICATION.**

13 Subject to section 7(e), the amendments made by this  
14 Act shall not apply to any cases commenced under title  
15 11, United States Code, or appointments made under any  
16 Federal or State law, before the date of the enactment  
17 of this Act.



Union Calendar No. 403

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

**H. R. 5585**

[Report No. 109-648, Part I]

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## **A BILL**

To improve the netting process for financial  
contracts, and for other purposes.

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SEPTEMBER 22, 2006

The Committee on the Judiciary discharged; committed  
to the Committee of the Whole House on the State of  
the Union and ordered to be printed