

107TH CONGRESS  
2D SESSION

# H. R. 3951

To provide regulatory relief and improve productivity for insured depository institutions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 2002

Mrs. CAPITO (for herself, Mr. SANDLIN, Mr. OXLEY, and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

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## 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 2002”.

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.

#### 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. Merger and consolidation 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. Expanded authority for Federal savings associations to invest in small business investment companies.

#### 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.
- Sec. 306. Member business loan exclusion for loans to nonprofit religious organizations.
- Sec. 307. Sale of checks to persons in the field of membership of the credit union.
- Sec. 308. Voluntary mergers and conversions involving multiple common-bond credit unions without numerical limitation.

#### 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.

#### TITLE V—DEPOSITORY INSTITUTION AFFILIATES PROVISIONS

- Sec. 501. Clarification of cross marketing provision.



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 to  
25 read as follows: “Publication of notice may be waived if

1 the Comptroller determines that an emergency exists justi-  
2 fying such waiver or if the shareholders of the association  
3 or State bank agree by unanimous action to waive the pub-  
4 lication requirement for their respective institutions.”.

## 5 **TITLE II—SAVINGS ASSOCIATION** 6 **PROVISIONS**

### 7 **SEC. 201. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE** 8 **SECURITIES EXCHANGE ACT OF 1934 AND** 9 **THE INVESTMENT ADVISERS ACT OF 1940.**

10 (a) SECURITIES EXCHANGE ACT OF 1934.—

11 (1) DEFINITION OF BANK.—Section 3(a)(6) of  
12 the Securities Exchange Act of 1934 (15 U.S.C.  
13 78c(a)(6)) is amended by striking “(A) a banking  
14 institution organized under the laws of the United  
15 States” and inserting “(A) a depository institution  
16 (as defined in section 3 of the Federal Deposit In-  
17 surance Act) or a branch or agency of a foreign  
18 bank (as such terms are defined in section 1(b) of  
19 the International Banking Act of 1978)”.

20 (2) INCLUDE OTS UNDER THE DEFINITION OF  
21 APPROPRIATE REGULATORY AGENCY FOR CERTAIN  
22 PURPOSES.—Section 3(a)(34) of such Act (15  
23 U.S.C. 78c(a)(34)) is amended—

24 (A) in subparagraph (A)—

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

3 (ii) by striking “and” at the end of  
4 clause (iii);

5 (iii) by redesignating clause (iv) as  
6 clause (v); and

7 (iv) by inserting the following new  
8 clause after clause (iii):

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

19 (B) in subparagraph (B)—

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

22 (ii) by striking “and” at the end of  
23 clause (iii);

24 (iii) by redesignating clause (iv) as  
25 clause (v); and

1 (iv) by inserting the following new  
2 clause after clause (iii):

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

12 (C) in subparagraph (C)—

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

15 (ii) by striking “and” at the end of  
16 clause (iii);

17 (iii) by redesignating clause (iv) as  
18 clause (v); and

19 (iv) by inserting the following new  
20 clause after clause (iii):

21 “(iv) the Director of the Office of  
22 Thrift Supervision, in the case of a savings  
23 association (as defined in section 3(b) of  
24 the Federal Deposit Insurance Act (12  
25 U.S.C. 1813(b)) the deposits of which are

1 insured by the Federal Deposit Insurance  
2 Corporation, a savings and loan holding  
3 company, or a subsidiary of a savings and  
4 loan holding company when the appro-  
5 priate regulatory agency for such clearing  
6 agency is not the Commission; and”;

7 (D) in subparagraph (D)—

8 (i) by striking “and” at the end of  
9 clause (ii);

10 (ii) by redesignating clause (iii) as  
11 clause (iv); and

12 (iii) by inserting the following new  
13 clause after clause (ii):

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

21 (E) in subparagraph (F)—

22 (i) by redesignating clauses (ii), (iii),  
23 and (iv) as clauses (iii), (iv), and (v), re-  
24 spectively; and

1 (ii) by inserting the following new  
2 clause after clause (i):

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

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

16 (b) INVESTMENT ADVISERS ACT OF 1940.—

17 (1) DEFINITION OF BANK.—Section 202(a)(2)  
18 of the Investment Advisers Act of 1940 (15 U.S.C.  
19 80b–2(a)(2)) is amended by striking “(A) a banking  
20 institution organized under the laws of the United  
21 States” and inserting “(A) a depository institution  
22 (as defined in section 3 of the Federal Deposit In-  
23 surance Act) or a branch or agency of a foreign  
24 bank (as such terms are defined in section 1(b) of  
25 the International Banking Act of 1978)”.



1 signed primarily to promote the public wel-  
2 fare, including the welfare of low- and  
3 moderate-income communities through the  
4 provision of housing, services, and jobs.

5 “(ii) DIRECT INVESTMENTS OR ACQUI-  
6 SITION OF INTEREST IN OTHER COMPA-  
7 NIES.—Investments under clause (i) may  
8 be made directly or by purchasing interests  
9 in an entity primarily engaged in making  
10 such investments.

11 “(iii) PROHIBITION ON UNLIMITED LI-  
12 ABILITY.—No investment may be made  
13 under this subparagraph which would sub-  
14 ject a Federal savings association to unlim-  
15 ited liability to any person.

16 “(iv) SINGLE INVESTMENT LIMITA-  
17 TION TO BE ESTABLISHED BY DIREC-  
18 TOR.—Subject to clauses (v) and (vi), the  
19 Director shall establish, by order, limits  
20 on—

21 “(I) the amount each savings as-  
22 sociation may invest in any one  
23 project or entity; and

1           “(II) the aggregate amount of  
2           the investment of such savings asso-  
3           ciation under this subparagraph.

4           “(v) FLEXIBLE AGGREGATE INVEST-  
5           MENT LIMITATION.—The aggregate  
6           amount of investments of any savings asso-  
7           ciation under this subparagraph may not  
8           exceed an amount equal to the sum of 5  
9           percent of the savings association’s capital  
10          stock actually paid in and unimpaired and  
11          5 percent of the savings association’s  
12          unimpaired surplus, unless—

13                  “(I) the Director determines, by  
14                  order, that the savings association is  
15                  adequately capitalized; and

16                  “(II) the Federal Deposit Insur-  
17                  ance Corporation determines, by  
18                  order, that an investment in a higher  
19                  amount than the limit under this  
20                  clause will pose no significant risk to  
21                  the affected deposit insurance fund.

22           “(vi) MAXIMUM AGGREGATE INVEST-  
23           MENT LIMITATION.—The aggregate  
24           amount of investments of any savings asso-  
25           ciation under this subparagraph may not

1 exceed an amount equal to the sum of 10  
2 percent of the savings association's capital  
3 stock actually paid in and unimpaired and  
4 10 percent of the savings association's  
5 unimpaired surplus.

6 “(vii) INVESTMENTS NOT SUBJECT TO  
7 OTHER LIMITATION ON QUALITY OF IN-  
8 VESTMENTS.—No obligation a Federal sav-  
9 ings association acquires under this sub-  
10 paragraph shall be taken into account for  
11 purposes of the limitation contained in sec-  
12 tion 28(d) of the Federal Deposit Insur-  
13 ance Act on the acquisition and retention  
14 of any corporate debt security not of in-  
15 vestment grade.”.

16 (b) TECHNICAL AND CONFORMING AMENDMENT.—

17 Section 5(c)(3)(A) is amended to read as follows:

18 “(A) Repealed”.

19 **SEC. 203. MERGER AND CONSOLIDATION OF FEDERAL SAV-**  
20 **INGS ASSOCIATIONS WITH NONDEPOSITORY**  
21 **INSTITUTION AFFILIATES.**

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

24 (1) by redesignating subparagraph (B) as sub-  
25 paragraph (C); and

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

3                   “(B) MERGERS AND CONSOLIDATION WITH  
4                   NONDEPOSITORY INSTITUTION AFFILIATES.—

5                           “(i) IN GENERAL.—Upon the approval  
6                           of the Director, a Federal savings associa-  
7                           tion may merge with any nondepository in-  
8                           stitution affiliate of the savings associa-  
9                           tion.

10                           “(ii) RULE OF CONSTRUCTION.—No  
11                           provision of clause (i) shall be construed  
12                           as—

13                                   “(I) affecting the applicability of  
14                                   section 18(c) of the Federal Deposit  
15                                   Insurance Act; or

16                                   “(II) granting a Federal savings  
17                                   association any power or any author-  
18                                   ity to engage in any activity that is  
19                                   not authorized for a Federal savings  
20                                   association under any other provision  
21                                   of this Act or any other provision of  
22                                   law.”.

1 **SEC. 204. REPEAL OF STATUTORY DIVIDEND NOTICE RE-**  
2 **QUIREMENT FOR SAVINGS ASSOCIATION SUB-**  
3 **SIDIARIES OF SAVINGS AND LOAN HOLDING**  
4 **COMPANIES.**

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

7 “(f) DECLARATION OF DIVIDEND.—The Director  
8 may—

9 “(1) require a savings association that is a sub-  
10 sidiary of a savings and loan holding company to  
11 give prior notice to the Director of the intent of the  
12 savings association pay a dividend on its guaranty,  
13 permanent, or other nonwithdrawable stock; and

14 “(2) establish conditions on the payment of  
15 dividends.”.

16 **SEC. 205. MODERNIZING STATUTORY AUTHORITY FOR**  
17 **TRUST OWNERSHIP OF SAVINGS ASSOCIA-**  
18 **TIONS.**

19 (a) IN GENERAL.—Section 10(a)(1)(C) of the Home  
20 Owners' Loan Act (12 U.S.C. 1467a(a)(1)(C)) is  
21 amended—

22 (1) by striking “trust,” and inserting “business  
23 trust,”; and

24 (2) by inserting “, or any other trust unless by  
25 its terms it must terminate within 25 years or not  
26 later than 21 years and 10 months after the death

1 of individuals living on the effective date of the  
2 trust,” after or similar organization,”.

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

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

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

9 “(4) Repealed”; and

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

13 **SEC. 207. EXPANDED AUTHORITY FOR FEDERAL SAVINGS**  
14 **ASSOCIATIONS TO INVEST IN SMALL BUSI-**  
15 **NESS INVESTMENT COMPANIES.**

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

19 “(D) SMALL BUSINESS INVESTMENT COM-  
20 PANIES.—Any Federal savings association may  
21 invest in 1 or more small business investment  
22 companies, or in any entity established to invest  
23 solely in small business investment companies,  
24 except that the total amount of investments  
25 under this subparagraph may not at any time

1           exceed the amount equal to 5 percent of capital  
2           and surplus of savings association.”.

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

11           “(5) CERTAIN PRIVATELY INSURED CREDIT  
12   UNIONS.—A credit union which has been deter-  
13   mined, in accordance with section 43(e)(1) of the  
14   Federal Deposit Insurance Act, to meet all eligibility  
15   requirements for Federal deposit insurance shall be  
16   treated as an insured depository institution for pur-  
17   poses of determining the eligibility of such credit  
18   union for membership in a Federal home loan bank  
19   under paragraphs (1), (2), and (3).”.

20   **SEC. 302. LEASES OF LAND ON FEDERAL FACILITIES FOR**  
21           **CREDIT UNIONS.**

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

24           (1) by striking “Upon application by any credit  
25   union” and inserting “Notwithstanding any other

1 provision of law, upon application by any credit  
2 union”;

3 (2) by inserting “on lands reserved for the use  
4 of, and under the exclusive or concurrent jurisdiction  
5 of, the United States or” after “officer or agency of  
6 the United States charged with the allotment of  
7 space”;

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

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

13 (b) CLERICAL AMENDMENT.—The heading for sec-  
14 tion 124 is amended by inserting “OR FEDERAL LAND”  
15 after “BUILDING”.

16 **SEC. 303. INVESTMENTS IN SECURITIES BY FEDERAL CRED-**  
17 **IT UNIONS.**

18 Section 107 of the Federal Credit Union Act (12  
19 U.S.C. 1757(7)(K)) is amended—

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

23 (2) by adding at the end the following new sub-  
24 section:

1       “(b) INVESTMENT FOR THE CREDIT UNION’S OWN  
2 ACCOUNT.—

3           “(1) IN GENERAL.—A Federal credit union may  
4 purchase and hold for its own account such invest-  
5 ment securities as the Board may authorize by regu-  
6 lation, subject to such limitations and restrictions as  
7 the Board may prescribe in the regulations.

8           “(2) PERCENTAGE LIMITATION.—In no event  
9 may the total amount of investment securities of any  
10 single obligor or maker held by a Federal credit  
11 union for the credit union’s own account exceed at  
12 any time an amount equal to 10 percent of the  
13 unimpaired capital and surplus of the credit union.

14           “(3) INVESTMENT SECURITY DEFINED.—

15           “(A) IN GENERAL.—For purposes of this  
16 subsection, the term ‘investment security’  
17 means marketable obligations evidencing the in-  
18 debtedness of any person in the form of bonds,  
19 notes, or debentures and other instruments  
20 commonly referred to as investment securities.

21           “(B) FURTHER DEFINITION BY BOARD.—  
22 The Board may further define the term ‘invest-  
23 ment security’.

24           “(4) CLARIFICATION OF PROHIBITION ON  
25 STOCK OWNERSHIP.—No provision of this sub-

1 section shall be construed as authorizing a Federal  
2 credit union to purchase shares of stock of any cor-  
3 poration for the credit union’s own account, except  
4 as otherwise permitted by law.”.

5 **SEC. 304. INCREASE IN GENERAL 12-YEAR LIMITATION OF**  
6 **TERM OF FEDERAL CREDIT UNION LOANS TO**  
7 **15 YEARS.**

8 Section 107(a)(5) of the Federal Credit Union Act  
9 (12 U.S.C. 1757(5)) (as so designated by section 303 of  
10 this title) is amended—

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

18 (2) in subparagraph (A), by striking clause(ii);

19 (3) by redesignating clauses (iii) through (x) as  
20 clauses (ii) through (ix), respectively; and

21 (4) by inserting “and” after the semicolon at  
22 the end of clause (viii) (as so redesignated).

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

3 Section 107(a)(7)(I) of the Federal Credit Union Act  
4 (12 U.S.C. 1757(7)(I)) (as so designated by section 303  
5 of this title) is amended by striking “up to 1 per centum  
6 of the total paid” and inserting “up to 3 percent of the  
7 total paid”.

8 **SEC. 306. MEMBER BUSINESS LOAN EXCLUSION FOR LOANS**  
9 **TO NONPROFIT RELIGIOUS ORGANIZATIONS.**

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

14 **SEC. 307. SALE OF CHECKS TO PERSONS IN THE FIELD OF**  
15 **MEMBERSHIP OF THE CREDIT UNION.**

16 Subsection (a) (as so designated by section 303 of  
17 this title) of section 107 of the Federal Credit Union Act  
18 (12 U.S.C. 1757) is amended—

19 (1) by redesignating paragraphs (13), (14),  
20 (15), (16), and (17) as paragraphs (14), (15), (16),  
21 (17), and (18), respectively; and

22 (2) by inserting after paragraph (12) the fol-  
23 lowing new paragraph:

24 “(13) in accordance with rules and regulations  
25 prescribed by the Board, to sell to persons in the  
26 field of membership of the credit union negotiable

1 checks (including travelers checks), and to cash  
 2 checks for persons in the field of membership, for a  
 3 fee;”.

4 **SEC. 308. VOLUNTARY MERGERS AND CONVERSIONS IN-**  
 5 **VOLVING MULTIPLE COMMON-BOND CREDIT**  
 6 **UNIONS WITHOUT NUMERICAL LIMITATION.**

7 (a) IN GENERAL.—Section 109 of the Federal Credit  
 8 Union Act (12 U.S.C. 1759) is amended by adding at the  
 9 end the following new subsection:

10 “(h) MERGER OR CONVERSIONS INVOLVING MUL-  
 11 TIPLE COMMON-BOND CREDIT UNIONS.—In the case of—

12 “(1) a merger involving a Federal credit union  
 13 described in subsection (b)(2) approved by the  
 14 Board on or after August 7, 1998; or

15 “(2) a conversion of a Federal credit union de-  
 16 scribed in subsection (b)(2) to a credit union de-  
 17 scribed in subsection (b)(3) and approved by the  
 18 Board on or after August 7, 1998,

19 the numerical limitation contained in subsection (d)(1)  
 20 shall not apply to such merger or conversion, and the re-  
 21 sulting Federal credit union may retain in the membership  
 22 field of such credit union all groups that were served by  
 23 a merging or converting Federal credit union at the time  
 24 of the merger or conversion.”.

25 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

1           (1) Section 109(d)(1) of the Federal Credit  
2 Union Act (12 U.S.C. 1759(d)(1)) is amended by in-  
3 sserting “and subsection (h)” after “provided in  
4 paragraph (2)”.

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

7                   (A) by inserting “or” after the semicolon  
8 at the end of subparagraph (A);

9                   (B) by striking subparagraph (B); and

10                   (C) by redesignating subparagraph (C) as  
11 subparagraph (B).

12                   **TITLE IV—DEPOSITORY**  
13                   **INSTITUTION PROVISIONS**

14           **SEC. 401. EASING RESTRICTIONS ON INTERSTATE BRANCH-**  
15                   **ING AND MERGERS.**

16           (a) DE NOVO INTERSTATE BRANCHES OF NATIONAL  
17 BANKS.—

18                   (1) IN GENERAL.—Section 5155(g)(1) of the  
19 Revised Statutes of the United States (12 U.S.C.  
20 36(g)(1)) is amended by striking “maintain a  
21 branch if—‘ and all that follows through the end of  
22 subparagraph (B) and inserting “maintain a  
23 branch.”.

24                   (2) CLERICAL AMENDMENT.—The heading for  
25 subsection (g) of section 5155 of the Revised Stat-

1       utes of the United States is amended by striking  
2       “STATE ‘OPT-IN’ ELECTION TO PERMIT”.

3       (b) DE NOVO INTERSTATE BRANCHES OF STATE  
4 NONMEMBER BANKS.—

5           (1) IN GENERAL.—Section 18(d)(4)(A) of the  
6       Federal Deposit Insurance Act (12 U.S.C.  
7       1828(d)(4)(A)) is amended by striking “maintain a  
8       branch if—‘ and all that follows through the end of  
9       clause (ii) and inserting “maintain a branch.”.

10          (2) CLERICAL AMENDMENT.—The heading for  
11       paragraph (4) of section 18(d) of the Federal De-  
12       posit Insurance Act is amended by striking “STATE  
13       ‘OPT-IN’ ELECTION TO PERMIT INTERSTATE” and in-  
14       serting “INTERSTATE”.

15       (c) DE NOVO INTERSTATE BRANCHES OF STATE  
16 MEMBER BANKS.—The 3rd undesignated paragraph of  
17 section 9 of the Federal Reserve Act (12 U.S.C. 321) is  
18 amended by adding at the end the following new sen-  
19 tences: “A State member bank may establish and operate  
20 a de novo branch in a host State (as such terms are de-  
21 fined in section 18(d) of the Federal Deposit Insurance  
22 Act) on the same terms and conditions and subject to the  
23 same limitations and restrictions as are applicable to the  
24 establishment of a de novo branch of a national bank in  
25 a host State under section 5155(g) of the Revised Statutes

1 of the United States. Such section 5155(g) shall be ap-  
2 plied for purposes of the preceding sentence by sub-  
3 stituting ‘Board of Governors of the Federal Reserve Sys-  
4 tem’ for ‘Comptroller of the Currency’ and ‘State member  
5 bank’ for ‘national bank’.”.

6 (d) INTERSTATE MERGER OF BANKS.—

7 (1) MERGER OF INSURED BANK AND NON-  
8 INSURED BANK.—Section 44(a)(1) of the Federal  
9 Deposit Insurance Act (12 U.S.C. 1831u(a)(1)) is  
10 amended)—

11 (1) by striking “After June 1, 1997, the” and  
12 inserting “The”; and

13 (2) by inserting “or between an insured bank  
14 and a noninsured bank with different home States,”  
15 after “insured banks with different home States,”.

16 (2) NONINSURED NATIONAL BANK MERGER  
17 WITH OTHER NONINSURED BANK.—Subsection (b)  
18 of section 4 of the National Bank Consolidation and  
19 Merger Act (12 U.S.C. 215a–1(b)) is amended to  
20 read as follows:

21 “(b) MERGER OF NONINSURED NATIONAL BANK  
22 WITH ANOTHER NONINSURED BANK.—A noninsured na-  
23 tional bank may engage in a consolidation or merger with  
24 any non-insured out-of-State bank, whether such out-of-  
25 State bank is a national bank or a State bank.”.

1 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

2 (1) Section 44 of the Federal Deposit Insurance  
3 Act (12 U.S.C. 1931u) is amended—

4 (A) in subsection (a), by striking para-  
5 graphs (5) and (6);

6 (B) in subsection (e), by striking “para-  
7 graph (2), (4), or (5)” and inserting “para-  
8 graph (2) or (4)”; and

9 (C) in subsection (g)(10), by striking “sec-  
10 tion 18(e)(2)” and inserting “paragraph (1) or  
11 (2) of section 18(e)”.

12 (2) Section 3(d) of the Bank Holding Company  
13 Act of 1956 (12 U.S.C. 1842(d)) is amended—

14 (A) in paragraph (1)—

15 (i) by striking subparagraphs (B) and  
16 (C); and

17 (ii) by redesignating subparagraph  
18 (D) as subparagraph (B); and

19 (B) in paragraph (5), by striking “sub-  
20 paragraph (B) or (D)” and inserting “subpara-  
21 graph (B)”.

22 (3) Subsection (e) of section 4 of the National  
23 Bank Consolidation and Merger Act (12 U.S.C.  
24 215a–1(e)) is amended—

1 (A) by striking “(c) DEFINITIONS.—The  
2 terms” and inserting the following:

3 “(c) DEFINITIONS.—For purposes of this section, the  
4 following definitions shall apply:

5 “(1) HOME STATE; OUT-OF-STATE BANK.—The  
6 terms”; and

7 (B) by adding at the end the following new  
8 paragraphs:

9 “(2) NONINSURED NATIONAL BANK.—The term  
10 ‘noninsured national bank’ means a national bank  
11 that is a noninsured bank.

12 “(3) NONINSURED BANK.—The term ‘non-  
13 insured bank’ has the same meaning as in section  
14 3(h) of the Federal Deposit Insurance Act.”.

15 **SEC. 402. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**  
16 **OF APPOINTMENT OF A RECEIVER FOR DE-**  
17 **POSITORY INSTITUTIONS.**

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

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

22 **“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL**  
23 **BANK.**

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

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

3           “(b) JUDICIAL REVIEW.—If the Comptroller of the  
4           Currency appoints a receiver under subsection (a), the na-  
5           tional bank may, within 30 days thereafter, bring an ac-  
6           tion in the United States district court for the judicial dis-  
7           trict in which the home office of such bank is located, or  
8           in the United States District Court for the District of Co-  
9           lumbia, for an order requiring the Comptroller of the Cur-  
10          rency to remove the receiver, and the court shall, upon  
11          the merits, dismiss such action or direct the Comptroller  
12          of the Currency to remove the receiver.”.

13          (b) INSURED DEPOSITORY INSTITUTIONS.—Section  
14          11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.  
15          1821(c)(7)) is amended to read as follows:

16                 “(7) JUDICIAL REVIEW.—If the Corporation is  
17                 appointed (Including the appointment of the Cor-  
18                 poration as receiver by the Board of Directors) as  
19                 conservator or receiver of a depository institution  
20                 under paragraph (4), (9), or (10), the depository in-  
21                 stitution may, within 30 days thereafter, bring an  
22                 action in the United States district court for the ju-  
23                 dicial district in which the home office of such de-  
24                 pository institution is located, or in the United  
25                 States District Court for the District of Columbia,

1 for an order requiring the Corporation to be re-  
2 moved as the conservator or receiver (regardless of  
3 how such appointment was made), and the court  
4 shall, upon the merits, dismiss such action or direct  
5 the Corporation to be removed as the conservator or  
6 receiver.”.

7 (c) EXPANSION OF PERIOD FOR CHALLENGING THE  
8 APPOINTMENT OF A LIQUIDATING AGENT.—Subpara-  
9 graph (B) of section 207(a)(1) of the Federal Credit  
10 Union Act (12 U.S.C. 1787(a)(1)) is amended by striking  
11 “10 days” and inserting “30 days”.

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

16 **SEC. 403. REPORTING REQUIREMENTS RELATING TO IN-**  
17 **SIDER LENDING.**

18 (a) REPORTING REQUIREMENTS REGARDING LOANS  
19 TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section  
20 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is  
21 amended—

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

23 (2) by redesignating paragraphs (7), (8), and

24 (10) as paragraphs (6), (7), and (8), respectively.

1 (b) REPORTING REQUIREMENTS REGARDING LOANS  
 2 FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-  
 3 CERS AND SHAREHOLDERS OF INSURED BANKS.—Section  
 4 106(b)(2) of the Bank Holding Company Act Amend-  
 5 ments of 1970 (12 U.S.C. 1972(2)) is amended—

6 (1) by striking subparagraph (G); and  
 7 (2) by redesignating subparagraphs (H) and (I)  
 8 as subparagraphs (G) and (H), respectively.

9 **SEC. 404. AMENDMENT TO PROVIDE AN INFLATION AD-**  
 10 **JUSTMENT FOR THE SMALL DEPOSITORY IN-**  
 11 **STITUTION EXCEPTION UNDER THE DEPOSI-**  
 12 **TORY INSTITUTION MANAGEMENT INTER-**  
 13 **LOCKS ACT.**

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

17 **SEC. 405. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**  
 18 **SURED DEPOSITORY INSTITUTIONS.**

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

24 (a) IN GENERAL.—Notwithstanding clause (i) or (ii)  
 25 of section 8(b)(6)(A) or section 38(e)(2)(E), an appro-

1 piate Federal banking agency may enforce, under section  
2 8, the terms of—

3 “(1) any condition imposed in writing by the  
4 agency on a depository institution or an institution-  
5 affiliated party (including a bank holding company)  
6 in connection with the granting of any application or  
7 other request concerning a depository institution; or

8 “(2) any written agreement entered into be-  
9 tween the agency and an institution-affiliated party  
10 (including a bank holding company).

11 “(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—  
12 After the appointment of the Corporation as the receiver  
13 or conservator for any insured depository institution, the  
14 Corporation may enforce any condition or agreement de-  
15 scribed in paragraph (1) or (2) of subsection (a) involving  
16 such institution or any institution-affiliated party (includ-  
17 ing a bank holding company), through an action brought  
18 in an appropriate United States district court.”.

19 (b) PROTECTION OF CAPITAL OF INSURED DEPOSI-  
20 TORY INSTITUTIONS.—Paragraph (1) of section 18(u) of  
21 the Federal Deposit Insurance Act (12 U.S.C. 1828(u))  
22 is amended by striking subparagraph (B) and by redesign-  
23 ating subparagraph (C) as subparagraph (B).

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)(A)) 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 the 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)) is amended by striking “corporation orga-  
10 nized” and all that follows through the period at the end  
11 of the sentence and inserting “company, if the entire cap-  
12 ital of the company is available for purchase only by sav-  
13 ings associations”.

14 (b) TECHNICAL CORRECTIONS.—

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

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

23 (3) Section 5(q)(1) of the Home Owners’ Loan  
24 Act (12 U.S.C. 1464(q)(11)) is amended by striking  
25 “service corporation” each place such term appears

1 in subparagraph (A), (B), (C) and inserting “service  
2 company”.

3 (4) Section 10(m)(4)(C)(iii)(II) of the Home  
4 Owners’ Loan Act (12 U.S.C.  
5 1467a(m)(4)(C)(iii)(II)) is amended by striking  
6 “service corporation” each place such term appears  
7 and inserting “service company”.

## 8 **TITLE VI—BANKING AGENCY** 9 **PROVISIONS**

### 10 **SEC. 601. WAIVER OF EXAMINATION SCHEDULE IN ORDER** 11 **TO ALLOCATE EXAMINER RESOURCES.**

12 Section 10(d) of the Federal Deposit Insurance Act  
13 (12 U.S.C. 1820(d)) is amended—

14 (1) by redesignating paragraphs (5), (6), (7),  
15 (8), (9), and (10) as paragraphs (6), (7), (8), (9),  
16 (10), and (11), respectively;

17 (2) by inserting after paragraph (4), the fol-  
18 lowing new paragraph:

19 “(5) WAIVER OF SCHEDULE WHEN NECESSARY  
20 TO ACHIEVE SAFE AND SOUND ALLOCATION OF EX-  
21 AMINER RESOURCES.—Notwithstanding paragraphs  
22 (1), (2), (3), and (4), an appropriate Federal bank-  
23 ing agency may make adjustments in the examina-  
24 tion cycle for an insured depository institution if  
25 necessary to allocate available resources of exam-

1 iners in a manner that provides for the safety and  
2 soundness of, and the effective examination and su-  
3 pervision of, insured depository institutions.”; and

4 (3) in paragraphs (8) and (9), as so redesign-  
5 nated, by striking “paragraph (6)” and inserting  
6 “paragraph (7)”.

7 **SEC. 602. CREDIT CARD ACCOUNTS PERMITTED FOR BANK**  
8 **EXAMINERS ON SAME TERMS AS OTHER CON-**  
9 **SUMERS.**

10 Section 212 of title 18, United States Code, is  
11 amended by adding at the end the following new para-  
12 graph:

13 “With respect to any employee of a Federal banking  
14 agency (as defined in section 3 of the Federal Deposit In-  
15 surance Act) including any examiner or assistant exam-  
16 iner, the provisions of this section and section 213 shall  
17 not prohibit such employee from applying for, or being a  
18 cardholder under, any credit card account under an open  
19 end consumer credit plan (as such terms are defined in  
20 the Truth in Lending Act), to the extent the terms and  
21 conditions applicable with respect to such account, and  
22 any credit extended under such account, are no more fa-  
23 vorable to the employee than the terms and conditions that  
24 are generally applicable to credit card accounts established

1 under open end consumer credit plan for other con-  
2 sumers.”.

3 **SEC. 603. INTERAGENCY DATA SHARING.**

4 (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)  
5 of the Federal Deposit Insurance Act (12 U.S.C.  
6 1817(a)(2)) is amended by adding at the end the following  
7 new subparagraph:

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

1           “(i) any other Federal or State agen-  
2           cy or authority with supervisory or regu-  
3           latory authority over the depository institu-  
4           tion or other entity;

5           “(ii) to any officer, director, or re-  
6           ceiver of such depository institution or en-  
7           tity; and

8           “(iii) any other institution-affiliated  
9           party of such depository institution or enti-  
10          ty the Federal banking agency determines  
11          to be appropriate.”.

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

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

1 of examination or other confidential supervisory in-  
2 formation concerning any credit union or other enti-  
3 ty examined by the Board under authority of any  
4 Federal law, to—

5 “(i) any other Federal or State agen-  
6 cy or authority with supervisory or regu-  
7 latory authority over the credit union or  
8 other entity;

9 “(ii) to any officer, director, or re-  
10 ceiver of such credit union or entity; and

11 “(iii) any other institution-affiliated  
12 party of such credit union or entity the  
13 Board determines to be appropriate.”.

14 **SEC. 604. PENALTY FOR UNAUTHORIZED PARTICIPATION**  
15 **BY CONVICTED INDIVIDUAL.**

16 (a) Section 19 of the Federal Deposit Insurance Act  
17 (12 U.S.C. 1829) is amended by adding at the end the  
18 following new subsection:

19 “(c) UNINSURED BANKS.—

20 “(1) IN GENERAL.—Subsections (a) and (b)  
21 shall apply to a noninsured national bank, a non-  
22 insured State member bank, and any agency or non-  
23 insured branch of a foreign bank as if such bank,  
24 branch, or agency were an insured depository insti-  
25 tution.

1           “(2) APPROPRIATE ENFORCEMENT AGENCY.—  
2 Paragraph (1) shall be applied by substituting the  
3 appropriate agency for the term “Corporation” as  
4 follows:

5           “(A) The Comptroller of the Currency, in  
6 the case of a noninsured national bank or any  
7 Federal agency or noninsured Federal branch  
8 of a foreign bank.

9           “(B) the Board of Governors of the Fed-  
10 eral Reserve System, in the case of a non-  
11 insured State member bank or any State agen-  
12 cy or noninsured State branch of a foreign  
13 bank.

14           “(3) DEFINITIONS.—For purposes of this sec-  
15 tion, the following definitions shall apply:

16           “(A) AGENCY, BRANCH, FEDERAL AGENCY,  
17 STATE AGENCY, AND STATE BRANCH.—The  
18 terms ‘agency’, ‘branch’, ‘Federal agency’,  
19 ‘State agency’, and ‘State branch’ have the  
20 same meaning as in section 1(b) of the Inter-  
21 national Banking Act of 1978.

22           “(B) NONINSURED BRANCH.—The term  
23 ‘noninsured branch’ means a branch that is not  
24 an insured branch.”.

1           (1) by striking “Corporation” and inserting  
2           “designated agency”; and

3           (2) by striking “insured depository institution”  
4           in clauses (i), (ii), and (iii) of subparagraph (A) and  
5           in subparagraph (B) and inserting “depository insti-  
6           tution”.

7           (b) DESIGNATED AGENCY DEFINED.—Section 19(a)  
8 of the Federal Deposit Insurance Act (12 U.S.C. 1829(a))  
9 is amended by adding at the end the following new para-  
10 graph:

11           “(3) DESIGNATED AGENCY DEFINED.—For  
12           purposes of paragraph (1), the term ‘designated  
13           agency’ means—

14                   “(A) the Corporation, in the case of an in-  
15                   sured depository institution or an uninsured  
16                   State nonmember bank;

17                   “(B) the Comptroller of the Currency, in  
18                   the case of an uninsured national bank or an  
19                   uninsured Federal branch or agency of a for-  
20                   eign bank; and

21                   “(C) the Board of Governors of the Fed-  
22                   eral Reserve System, in the case of an unin-  
23                   sured State member bank or an uninsured  
24                   State branch or agency of a foreign bank.”.

1 **SEC. 605. AMENDMENT PERMITTING THE DESTRUCTION OF**  
2 **OLD RECORDS OF A DEPOSITORY INSTITU-**  
3 **TION BY THE FDIC AFTER THE APPOINTMENT**  
4 **OF THE FDIC AS RECEIVER.**

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

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

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

13 (2) by adding at the end the following new  
14 clause:

15 “(ii) OLD RECORDS.—In the case of  
16 records of an insured depository institution  
17 which are at least 10 years old as of the  
18 date the Corporation is appointed as the  
19 receiver of such depository institution, the  
20 Corporation may destroy such records in  
21 accordance with clause (i) any time after  
22 such appointment is final without regard  
23 to the 6-year period of limitation contained  
24 in such clause.

1 **SEC. 606. MODERNIZATION OF FDIC RECORDKEEPING RE-**  
2 **QUIREMENT.**

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

6 “(f) PRESERVATION OF AGENCY RECORDS.—

7 “(1) IN GENERAL.— The Corporation may  
8 cause any and all records, papers, or documents kept  
9 by the Corporation or in the possession or custody  
10 of the Corporation to be—

11 “(A) photographed or microphotographed  
12 or otherwise reproduced upon film; or

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

15 “(i) being read or scanned by com-  
16 puter; and

17 “(ii) being reproduced from such elec-  
18 tronic medium or format by printing or  
19 any other form of reproduction of elec-  
20 tronically stored data.

21 “(2) TREATMENT AS ORIGINAL RECORDS.—Any  
22 photographs, microphotographs, or photographic  
23 film or copies thereof described in paragraph (1)(A)  
24 or reproduction of electronically stored data de-  
25 scribed in paragraph (1)(B) shall be deemed to be  
26 an original record for all purposes, including intro-

1       duction in evidence in all State and Federal courts  
2       or administrative agencies and shall be admissible to  
3       prove any act, transaction, occurrence, or event  
4       therein recorded.

5               “(3) AUTHORITY OF THE BOARD OF DIREC-  
6       TORS.—Any photographs, microphotographs, or pho-  
7       tographic film or copies thereof described in para-  
8       graph (1)(A) or reproduction of electronically stored  
9       data described in paragraph (1)(B) shall be pre-  
10      served in such manner as the Board of Directors  
11      shall prescribe and the original records, papers, or  
12      documents may be destroyed or otherwise disposed  
13      of as the Board of Directors may direct.”.

14 **SEC. 607. REPEAL OF MINIMUM ANTITRUST REVIEW PE-**  
15                               **RIOD WITH THE AGREEMENT OF THE ATTOR-**  
16                               **NEY GENERAL.**

17       (a) ANTITRUST REVIEWS UNDER THE BANK HOLD-  
18      ING COMPANY ACT OF 1956.—The 4th sentence of section  
19      11(b) of the Bank Holding Company Act of 1956 (12  
20      U.S.C. 1849(b) is amended by striking “, but in no event  
21      less than fifteen calendar days after the date of approval”.

22       (b) ANTITRUST REVIEWS UNDER THE FEDERAL DE-  
23      POSIT INSURANCE ACT.—The last sentence of section  
24      18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C.

1 1828(c)(6)) is amended by striking “, but in no event less  
2 than 15 calendar days after the date of approval”.

3 **SEC. 608. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**  
4 **MOVAL, AND PROHIBITION AUTHORITY OF**  
5 **FEDERAL BANKING AGENCIES IN CASES OF**  
6 **CERTAIN CRIMES BY INSTITUTION-AFFILI-**  
7 **ATED PARTIES.**

8 (a) INSURED DEPOSITORY INSTITUTION.—

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

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

15 (B) in subparagraph (B), by inserting “of  
16 which the subject of the order is an institution-  
17 affiliated party” before the period at the end;

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

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

1 (E) by adding at the end the following new  
2 subparagraph:

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

10 “(A) whether such individual is an institu-  
11 tion-affiliated party at any depository institu-  
12 tion at the time the order is considered or  
13 issued by the agency; or

14 “(B) whether the depository institution at  
15 which the individual was an institution-affili-  
16 ated party at the time of the offense remains in  
17 existence at the time the order is considered or  
18 issued by the agency.”.

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

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

1 (b) INSURED CREDIT UNIONS.—

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

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

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

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

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

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

22 “(E) CONTINUATION OF AUTHORITY.—The  
23 Board may issue an order under this paragraph  
24 with respect to an individual who is an institu-  
25 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. 609. STREAMLINING DEPOSITORY INSTITUTION MERG-  
 20 ER APPLICATION REQUIREMENTS.**

21 (a) IN GENERAL.—Paragraph (4) of section 18(e) of  
 22 the Federal Deposit Insurance Act (12 U.S.C. 1828(e))  
 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(e)(6) of the Fed-  
 3 eral Deposit Insurance Act (12 U.S.C. 1828(e)(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. 610. 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 **TITLE VII—CLERICAL AND**  
 20 **TECHNICAL AMENDMENTS**

21 **SEC. 701. CLERICAL AMENDMENTS TO THE HOME OWNERS’**  
 22 **LOAN ACT.**

23 (a) AMENDMENT TO TABLE OF CONTENTS.—The  
 24 table of contents in section 1 of the Home Owners’ Loan

1 Act (12 U.S.C. 1461) is amended by striking the item re-  
2 lating to section 6 and inserting the following new item:

“Sec. 6. [Repealed]”.

3 (b) CLERICAL AMENDMENTS TO HEADINGS.—

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

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

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

13 **SEC. 702. TECHNICAL CORRECTIONS TO THE FEDERAL**  
14 **CREDIT UNION ACT.**

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

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

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

22 (3) In section 107(a)(5)(A)(ix), insert “and”  
23 after the semicolon.

24 (4) In section 107(a)(5)(E), strike the period at  
25 the end and insert a semicolon.

1           (5) In paragraphs (6) and (7) of section  
2 107(a), strike the period at the end and insert a  
3 semicolon.

4           (6) In section 107(a)(7)(D), strike “the Federal  
5 Savings and Loan Insurance Corporation or”.

6           (7) In section 107(a)(7)(E), strike “the Federal  
7 Home Loan Bank Board,” and insert “the Federal  
8 Housing Finance Board,”.

9           (8) In section 107(a)(9), strike “subchapter  
10 III” and insert “title III”.

11          (9) In section 107(a)(13), strike the “and”  
12 after the semicolon at the end.

13          (10) In section 109(e)(2)(i), strike “(12 U.S.C.  
14 4703(16))”.

15          (11) In section 120(h), strike “under the Act  
16 approved July 30, 1947 (6 U.S.C., secs. 6–13),” and  
17 insert “chapter 93 of title 31, United States Code,”.

18          (12) In section 201(b)(5), strike “section 116  
19 of”.

20          (13) In section 202(h)(3), strike “section  
21 207(c)(1)” and insert “section 207(k)(1)”.

22          (14) In section 204(b), strike “such others pow-  
23 ers” and insert “such other powers”.

24          (15) In section 206(e)(3)(D), strike “and” after  
25 the semicolon at the end.

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

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

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

7           (19) In section 206(t)(2)(C), strike “material  
8           affect” and insert “material effect”.

9           (20) In section 206(t)(4)(A)(ii)(II), strike “or”  
10          after the semicolon at the end.

11          (21) In section 206A(a)(2)(A), strike “regulator  
12          agency” and insert “regulatory agency”.

13          (22) In section 207(c)(5)(B)(i)(I), insert “and”  
14          after the semicolon at the end.

15          (23) In section 207(c)(8)(D)(ii)(I), insert a  
16          closing parenthesis after “Act of 1934”.

17          (24) In the heading for subparagraph (A) of  
18          section 207(d)(3), strike “TO” and insert “WITH”.

19          (25) In section 207(f)(3)(A), strike “category  
20          or claimants” and insert “category of claimants”.

21          (26) In section 209(a)(8), strike the period at  
22          the end and insert a semicolon.

23          (27) In section 216(n), insert “any action” be-  
24          fore “that is required”.

1           (28) In section 304(b)(3), strike “the affairs or  
2           such credit union” and insert “the affairs of such  
3           credit union”.

4           (29) In section 310, strike “section 102(e)” and  
5           insert “section 102(d)”.

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