

HR 3211

Financial Contracts Bankruptcy Reform Act of 2001

Congress: 107 (2001–2003, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Nov 1, 2001

Current Status: Referred to the Subcommittee on Commercial and Administrative Law.

Latest Action: Referred to the Subcommittee on Commercial and Administrative Law. (Nov 27, 2001)

Official Text: <https://www.congress.gov/bill/107th-congress/house-bill/3211>

Sponsor

Name: Rep. Toomey, Patrick J. [R-PA-15]

Party: Republican • **State:** PA • **Chamber:** Senate

Cosponsors (11 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Baker, Richard H. [R-LA-6]	R · LA		Nov 1, 2001
Rep. Kanjorski, Paul E. [D-PA-11]	D · PA		Nov 1, 2001
Rep. LaFalce, John J. [D-NY-29]	D · NY		Nov 1, 2001
Rep. Leach, James A. [R-IA-1]	R · IA		Nov 1, 2001
Rep. Oxley, Michael G. [R-OH-4]	R · OH		Nov 1, 2001
Rep. Kelly, Sue W. [R-NY-19]	R · NY		Dec 13, 2001
Rep. Ney, Robert W. [R-OH-18]	R · OH		Dec 13, 2001
Rep. Shows, Ronnie [D-MS-4]	D · MS		Dec 13, 2001
Rep. Shays, Christopher [R-CT-4]	R · CT		Dec 17, 2001
Rep. Bachus, Spencer [R-AL-6]	R · AL		Dec 19, 2001
Rep. Biggert, Judy [R-IL-13]	R · IL		Apr 9, 2002

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred to	Nov 19, 2001
Judiciary Committee	House	Referred to	Nov 27, 2001

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Financial Contracts Bankruptcy Reform Act of 2001 - Amends the Federal Deposit Insurance Act (FDIA) to redefine specified contracts, agreements, and transfers entered into with an insolvent insured depository institution prior to the appointment of a conservator or receiver.

Retains the right to cause the acceleration of a qualified financial contract with an insured depository institution in receivership status.

Retains the Federal Deposit Insurance Corporation (FDIC) right or power to transfer, disaffirm, or repudiate a qualified financial contract of a failed institution.

Prohibits enforcement of a walkaway clause in a qualified financial contract of a failed insured depository institution.

Revises guidelines pertaining to an insolvent insured depository institution and: (1) transfers of qualified financial contracts; and (2) the termination rights of counterparties to a qualified financial contract.

Prescribes guidelines for: (1) the disaffirmance or repudiation of qualified financial contracts by the conservator or receiver for a failed depository institution; and (2) the treatment of a master agreement as a single agreement and a single qualified financial contract.

Amends the Federal Bankruptcy Code to: (1) deny an automatic stay to set-offs under certain swap and netting agreements; and (2) restrict bankruptcy trustee avoidance power regarding certain master netting agreement transfers to those that are fraudulent in nature.

Sets forth statutory guidelines governing: (1) the termination or acceleration of designated contracts and agreements; and (2) commodity broker and stockbroker liquidation with respect to the priority of unsecured claims, or customer property or distributions.

Amends the FDIA to authorize the FDIC to prescribe more detailed recordkeeping requirements for qualified financial contracts (only if the pertinent institution is in a troubled condition).

Exempts specified collateralization agreements from the contemporaneous execution requirement that renders invalid certain agreements against FDIC interests in certain asset acquisitions.

Amends the Securities Investor Protection Act of 1971 to prohibit a judicial protective decree, or one issued by the Securities Investor Protection Corporation, from operating as a stay of creditor's contract rights to liquidate, terminate, or accelerate designated contracts and agreements. Allows such a protective order, however, to operate as a stay of foreclosure on securities collateral pledged by the debtor.

Actions Timeline

- **Nov 27, 2001:** Referred to the Subcommittee on Commercial and Administrative Law.
- **Nov 19, 2001:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Nov 1, 2001:** Introduced in House
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- **Nov 1, 2001:** 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.
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