

HR 2990

Credit Rating Agency Duopoly Relief Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jun 20, 2005

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Jul 13, 2006)

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Jul 13, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/house-bill/2990>

Sponsor

Name: Rep. Fitzpatrick, Michael G. [R-PA-8]

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

Cosponsors (15 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Baker, Richard H. [R-LA-6]	R · LA		Jun 22, 2005
Rep. Feeney, Tom [R-FL-24]	R · FL		Jun 29, 2005
Rep. Oxley, Michael G. [R-OH-4]	R · OH		Jul 19, 2005
Rep. Akin, W. Todd [R-MO-2]	R · MO		Jul 26, 2005
Rep. Garrett, Scott [R-NJ-5]	R · NJ		Jul 28, 2005
Rep. Davis, Geoff [R-KY-4]	R · KY		Sep 14, 2005
Rep. Gerlach, Jim [R-PA-6]	R · PA		Sep 14, 2005
Rep. English, Phil [R-PA-3]	R · PA		Sep 15, 2005
Rep. Barrett, J. Gresham [R-SC-3]	R · SC		Sep 21, 2005
Rep. Foley, Mark [R-FL-16]	R · FL		Sep 21, 2005
Rep. Hart, Melissa A. [R-PA-4]	R · PA		Sep 29, 2005
Rep. Gillmor, Paul E. [R-OH-5]	R · OH		Oct 6, 2005
Rep. Castle, Michael N. [R-DE-At Large]	R · DE		Oct 26, 2005
Rep. McHenry, Patrick T. [R-NC-10]	R · NC		Dec 6, 2005
Rep. Blunt, Roy [R-MO-7]	R · MO		May 24, 2006

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Jul 13, 2006
Financial Services Committee	House	Reported By	Jul 7, 2006

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
109 S 3850	Related bill	Sep 29, 2006: Became Public Law No: 109-291.
109 HRES 906	Procedurally related	Jul 12, 2006: Motion to reconsider laid on the table Agreed to without objection.

Credit Rating Agency Duopoly Relief Act of 2006 - (Sec. 4) Amends the Securities Exchange Act of 1934 (Act) to define a credit rating agency as any person: (1) engaged in the business of issuing credit ratings on the Internet or through another readily accessible means, for free or for a reasonable fee, but excluding a commercial credit reporting company; (2) employing either a quantitative or qualitative model, or both, to determine credit ratings; and (3) receiving fees from either issuers, investors, or other market participants, or a combination of them.

Defines a nationally recognized statistical rating organization (NRSRO) as a credit rating agency that has been in business as a credit rating agency for at least the past three consecutive years and is registered under the Act.

Prescribes procedural requirements for mandatory NRSRO registration and certification.

Authorizes the Securities and Exchange Commission (SEC) to: (1) take action against any NRSRO that issues credit ratings in contravention of the procedures, criteria, and methodologies that it includes in its registration application or makes and disseminates in required reports; and (2) censure, restrict, suspend for a period not exceeding 12 months, or revoke NRSRO registration for violations of this Act.

Declares it is unlawful for an NRSRO to represent or imply that it has been sponsored, recommended, or approved, or that its abilities or qualifications have been passed upon, by any federal agency or officer.

States it is unlawful for an unregistered credit rating agency to declare itself an NRSRO.

Requires an NRSRO to establish and enforce written policies and procedures to: (1) prevent the misuse in violation of this Act of material, nonpublic information by itself or any associated person; and (2) address and manage potential conflicts of interest.

Grants the SEC discretion to adopt rules or regulations to prohibit, or require the management or disclosure of, any conflicts of interest relating to the issuance of credit ratings by an NRSRO.

Authorizes the SEC to adopt rules that prohibit unfair, coercive, or abusive practices relating to the issuance of credit ratings by an NRSRO.

Requires an NRSRO to: (1) designate a compliance officer for ensuring compliance with securities laws and regulations; and (2) furnish to the SEC certified statements of financial condition by an independent public accountant.

Requires the SEC staff, within 30 days of enactment of this Act, to cease designation of persons and companies as NRSRO, as the term is used under current regulations.

Declares void and of no force or effect the no-action relief that the SEC has granted with respect to the designation of certain NRSRO.

(Sec. 5) Includes an NRSRO among the financial entities required to maintain SEC-prescribed records and reports.

States that any report an NRSRO may be required by SEC rules to make and disseminate to the SEC shall be deemed furnished to the SEC.

(Sec. 6) Instructs the Comptroller General to study and report to certain congressional committees on: (1) factors that have led to the consolidation of credit rating agencies; (2) the resulting impact upon securities markets; (3) the problems, if any, faced by business organizations resulting from limited competition among credit rating agencies; and (4) whether

and to what extent federal or state regulations impede such competition.

Actions Timeline

- **Jul 13, 2006:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Jul 12, 2006:** Rule H. Res. 906 passed House.
- **Jul 12, 2006:** Considered under the provisions of rule H. Res. 906. (consideration: CR H5080-5094; text of measure as reported in House: CR H5087-5089)
- **Jul 12, 2006:** Rule provides for consideration of H.R. 2990 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order.
- **Jul 12, 2006:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 906 and Rule XVIII.
- **Jul 12, 2006:** The Speaker designated the Honorable John Boozman to act as Chairman of the Committee.
- **Jul 12, 2006:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 2990.
- **Jul 12, 2006:** DEBATE - Pursuant to the provisions of H. Res. 906, the Committee of the Whole proceeded with 10 minutes of debate on the Oxley amendment.
- **Jul 12, 2006:** DEBATE - Pursuant to the provisions of H. Res. 906, the Committee of the Whole proceeded with 20 minutes of debate on the Kanjorski amendment.
- **Jul 12, 2006:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 2990.
- **Jul 12, 2006:** The previous question was ordered pursuant to the rule. (consideration: CR H5094)
- **Jul 12, 2006:** The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union.
- **Jul 12, 2006:** Passed/agreed to in House: On passage Passed by recorded vote: 255 - 166 (Roll no. 368).
- **Jul 12, 2006:** On passage Passed by recorded vote: 255 - 166 (Roll no. 368).
- **Jul 12, 2006:** Motion to reconsider laid on the table Agreed to without objection.
- **Jul 10, 2006:** Rules Committee Resolution H. Res. 906 Reported to House. Rule provides for consideration of H.R. 2990 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Specified amendments are in order.
- **Jul 7, 2006:** Reported (Amended) by the Committee on Financial Services. H. Rept. 109-546.
- **Jul 7, 2006:** Reported (Amended) by the Committee on Financial Services. H. Rept. 109-546.
- **Jul 7, 2006:** Placed on the Union Calendar, Calendar No. 306.
- **Jun 29, 2006:** Mr. Price (GA) asked unanimous consent that the Committee on Financial Services have until 12:00 p.m. on July 7 to file a report on H.R. 2990. Agreed to without objection.
- **Jun 14, 2006:** Committee Consideration and Mark-up Session Held.
- **Jun 14, 2006:** Ordered to be Reported (Amended) by Voice Vote.
- **Jun 28, 2005:** Sponsor introductory remarks on measure. (CR H5255)
- **Jun 20, 2005:** Introduced in House
- **Jun 20, 2005:** Introduced in House
- **Jun 20, 2005:** Referred to the House Committee on Financial Services.