

## HR 3505

Financial Services Regulatory Relief Act of 2005

**Congress:** 109 (2005–2007, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Jul 28, 2005

**Current Status:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban A

**Latest Action:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Mar 9, 2006)

**Official Text:** <https://www.congress.gov/bill/109th-congress/house-bill/3505>

### Sponsor

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**Name:** Rep. Hensarling, Jeb [R-TX-5]

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

**Cosponsors** (39 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Moore, Dennis [D-KS-3]	D · KS		Jul 28, 2005
Rep. Bachus, Spencer [R-AL-6]	R · AL		Sep 20, 2005
Rep. Cantor, Eric [R-VA-7]	R · VA		Sep 20, 2005
Rep. Crowley, Joseph [D-NY-7]	D · NY		Sep 20, 2005
Rep. Feeney, Tom [R-FL-24]	R · FL		Sep 20, 2005
Rep. Garrett, Scott [R-NJ-5]	R · NJ		Sep 20, 2005
Rep. Gillmor, Paul E. [R-OH-5]	R · OH		Sep 20, 2005
Rep. Hinojosa, Ruben [D-TX-15]	D · TX		Sep 20, 2005
Rep. Hooley, Darlene [D-OR-5]	D · OR		Sep 20, 2005
Rep. Israel, Steve [D-NY-2]	D · NY		Sep 20, 2005
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Sep 20, 2005
Rep. Lewis, Jerry [R-CA-41]	R · CA		Sep 20, 2005
Rep. Marchant, Kenny [R-TX-24]	R · TX		Sep 20, 2005
Rep. Meeks, Gregory W. [D-NY-6]	D · NY		Sep 20, 2005
Rep. Neugebauer, Randy [R-TX-19]	R · TX		Sep 20, 2005
Rep. Paul, Ron [R-TX-14]	R · TX		Sep 20, 2005
Rep. Pearce, Stevan [R-NM-2]	R · NM		Sep 20, 2005
Rep. Renzi, Rick [R-AZ-1]	R · AZ		Sep 20, 2005
Rep. Ross, Mike [D-AR-4]	D · AR		Sep 20, 2005
Rep. Rothman, Steven R. [D-NJ-9]	D · NJ		Sep 20, 2005
Rep. Roybal-Allard, Lucille [D-CA-34]	D · CA		Sep 20, 2005
Rep. Ryun, Jim [R-KS-2]	R · KS		Sep 20, 2005
Rep. Sessions, Pete [R-TX-32]	R · TX		Sep 20, 2005
Rep. Wasserman Schultz, Debbie [D-FL-20]	D · FL		Sep 20, 2005
Rep. Aderholt, Robert B. [R-AL-4]	R · AL		Sep 21, 2005
Rep. Miller, Jeff [R-FL-1]	R · FL		Sep 21, 2005
Rep. Green, Al [D-TX-9]	D · TX		Sep 22, 2005
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Sep 22, 2005
Rep. Pence, Mike [R-IN-6]	R · IN		Sep 27, 2005
Rep. Ruppertsberger, C. A. Dutch [D-MD-2]	D · MD		Sep 27, 2005
Rep. McCaul, Michael T. [R-TX-10]	R · TX		Sep 29, 2005
Rep. Lewis, Ron [R-KY-2]	R · KY		Oct 7, 2005
Rep. Souder, Mark E. [R-IN-3]	R · IN		Oct 19, 2005
Rep. Ryan, Tim [D-OH-17]	D · OH		Oct 25, 2005
Rep. Sodrel, Michael E. [R-IN-9]	R · IN		Oct 27, 2005
Rep. Weller, Jerry [R-IL-11]	R · IL		Oct 27, 2005
Rep. Harris, Katherine [R-FL-13]	R · FL		Nov 2, 2005
Rep. Carnahan, Russ [D-MO-3]	D · MO		Nov 3, 2005
Rep. Chabot, Steve [R-OH-1]	R · OH		Dec 15, 2005

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Mar 9, 2006
Financial Services Committee	House	Discharged from	Nov 16, 2005
Judiciary Committee	House	Discharged from	Feb 15, 2006

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
109 S 2856	Related bill	Oct 13, 2006: Became Public Law No: 109-351.

**(This measure has not been amended since it was reported to the House on December 17, 2005. The summary of that version is repeated here.)**

Financial Services Regulatory Relief Act of 2005 - **Title I: National Bank Provisions** - (Sec. 101) Amends the Revised Statutes of the United States to authorize the Comptroller of the Currency to permit an individual to serve as director of a national bank operating as a subchapter S corporation if the individual holds debt issued by the bank of at least \$1,000 that is subordinated to the interests of bank depositors and general creditors. (Current law requires capital stock ownership in the bank as a prerequisite for service as a director of a subchapter S national bank.)

(Sec. 102) Allows cumulative voting by shareholders for directors of a national bank only if authorized by the bank's articles of association (thus repealing the current requirement of cumulative voting).

(Sec. 103) Repeals the statutory formula for determining when lawful national bank dividend declarations may be made. Allows national bank directors to declare a dividend of so much of the bank's undivided profits as they judge to be expedient.

(Sec. 104) Amends the Federal Deposit Insurance Act (FDIA) to repeal the prerequisite to a removal or suspension order by the Comptroller of the Currency concerning an institution-affiliated party requiring a notice to provide for a hearing, and for the findings and conclusions of an administrative law judge have been certified to the Board of Governors of the Federal Reserve System for final determination. (Thus repeals a limitation placed upon the removal authority of the Comptroller.)

(Sec. 105) Amends the Revised Statutes to eliminate the requirement for a national bank to meet state capital (stock and surplus) requirements for new intrastate branches in order to establish an intrastate branch.

(Sec. 106) Amends the National Bank Consolidation and Merger Act to authorize waiver of publication of notice of a merger between a national bank or a state bank and a national banking association upon unanimous agreement of the shareholders without a Comptroller determination that an emergency exists justifying such waiver (as currently required). Continues to allow such waiver if the Comptroller makes such a determination, even if the shareholders of the state bank or the association are not in unanimous agreement.

(Sec. 107) Revises the prohibition against receipt of deposits by a foreign bank at a federal agency to limit it to receipt of deposits from U.S. citizens or residents. (Thus allows a foreign bank to receive foreign source uninsured deposits at a federal agency.)

(Sec. 108) Restricts the prohibition against foreign bank maintenance of a federal branch and a federal agency in the same state to those states that prohibit such a maintenance (thus allowing such maintenance where state law does not forbid it).

(Sec. 109) Amends the Revised Statutes to: (1) authorize Comptroller regulations permitting a national bank to be organized other than as a body corporate (thus permitting an alternative business organization); and (2) declare that the main place of business of a national bank is the location of its main office (a significant factor for federal diversity jurisdiction).

(Sec. 111) Amends the International Banking Act of 1978 to revise the requirements for capital equivalency deposits of a

federal branch or agency of a foreign bank. Prohibits the governing regulations from permitting a foreign bank from keeping assets on deposit in an amount less than that prescribed by a state for a state-licensed branch or agency of a foreign bank. Repeals the authority of the Comptroller of the Currency to prescribe different asset requirements for branches or agencies in different states, in order to ensure competitive equality of federal branches and agencies with state branches and agencies and domestic banks in those states.

(Sec. 112) Amends the Revised Statutes to increase from 10% to 15% of capital stock actually paid in and unimpaired, and of the association's unimpaired surplus fund, the maximum aggregate that a national banking association may invest in community development projects.

**Title II: Savings Association Provisions** - (Sec. 201) Amends the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 to extend their purview to savings associations (thereby subjecting such associations to the same investment adviser and broker-dealer registration requirements as banks).

(Sec. 202) Amends the Home Owners' Loan Act (HOLA) to prescribe guidelines for investments by a federal savings association to promote the public welfare. Establishes an aggregate limit on investments of 5% of an association's unimpaired capital and surplus unless: (1) the Federal Deposit Insurance Corporation (FDIC) determines a higher amount poses no significant risk to the deposit insurance fund; and (2) the Office of Thrift Supervision (OTS) determines the association is adequately capitalized. Sets a maximum aggregate investment limit of ten percent of capital and surplus.

Repeals the limitation which restricts an investment by a federal savings association in certain community developments to two percent of its assets.

(Sec. 203) Permits a federal savings association to merge with any nondepository institution affiliate.

(Sec. 204) Repeals: (1) the dividend notice requirement for a savings association subsidiary of a savings and loan holding company (but grants discretionary authority to the OTS Director to require one); and (2) the special rules for purchased mortgage servicing rights.

(Sec. 205) Revises HOLA requirements governing holding companies to cover any business trust or any other trust that owns a savings association (unless by its terms the trust terminates within 25 years, or not later than 21 years and ten months after the death of individuals living on the trust's effective date).

(Sec. 207) Increases from 1% to up to 5% the amount of its capital and assets a federal savings association may invest in a small business investment company.

(Sec. 208) Permits a federal savings association to invest in, sell, or otherwise deal in motor vehicle loans and leases for personal, family, or household purposes without a percentage of assets limitation.

(Sec. 209) Amends the Securities Exchange Act of 1934 to exempt an agent representing one federal savings association from mandatory state qualification as a securities broker or dealer if the agent sells or offers FDIC-insured certificate of deposit products issued by such association.

(Sec. 210) Amends HOLA to permit a federal savings association to offer funeral and cemetery-related fiduciary services.

(Sec. 211) Repeals the qualified thrift lender requirements placed upon out-of-state branches of a federal savings association.

(Sec. 212) Permits a federal savings association to deal in small business loans without a percentage of assets limitation. Repeals the requirement that, if the aggregate amount of federal savings association loans for commercial, corporate, business, or agricultural purposes exceeds 10% of the association's total assets, all loans in excess of that percentage must be small business loans only. (Thus allows business loans up to the current maximum of 20% of total assets, regardless of whether they are small business loans or any other kind of business loan.)

(Sec. 213) Considers a federal savings association to be a citizen only of the state in which its home office is located for purposes of determining federal court diversity jurisdiction.

(Sec. 214) Increases from 400% to 500% of capital the aggregate limit on nonresidential (commercial) real estate loans by a federal savings association.

(Sec. 215) Revises the conditions under which a savings association may make loans (up to a certain amount of the association's unimpaired capital and unimpaired surplus) to one borrower to develop domestic residential housing units. Repeals the limitation of the purchase price of each single family dwelling unit to \$500,000.

(Sec. 216) Amends HOLA to exclude a credit card savings association from the meaning of savings association subject to the Act, for specified purposes.

(Sec. 217) Permits interstate acquisitions by savings and loan holding companies under the same rules that apply to bank holding companies.

(Sec. 218) Authorizes the OTS Director to prescribe regulations that: (1) permit a federal savings association to be organized other than as a corporation; and (2) provide requirements for the organizational characteristics of such an association, consistent with its safety and soundness.

Declares that a federal savings association operating other than as a corporation shall have the same rights and privileges, and shall be subject to the same duties, restrictions, penalties, liabilities, conditions, and limitations, as a federal savings association organized as a corporation.

**Title III: Credit Union Provisions** - (Sec. 301) Amends the Federal Home Loan Bank Act to permit a privately insured credit union to become a Federal Home Loan Bank member if the supervisor of its charter state certifies that it meets all eligibility requirements for federal deposit insurance.

(Sec. 302) Amends the Federal Credit Union Act (FCUA) to allow military and civilian authorities responsible for buildings erected on federal property to extend real estate leases at minimal charge to credit unions that finance the construction of credit union facilities on federal land.

(Sec. 303) Amends the FCUA to authorize a credit union, in addition to investments otherwise authorized, to make investment securities for its own account (up to ten percent of its net worth for the total amount of investment securities of any single obligor or maker).

(Sec. 304) Increases the maturity date on Federal Credit Union loans from 12 years to 15 years or longer, as permitted by the National Credit Union Administration (NCUA) Board.

(Sec. 305) Raises the ceiling on an individual federal credit union's aggregate investment in credit union service organizations from one percent to three percent of its shares and undivided earnings.

(Sec. 306) Excludes loans made to nonprofit religious organizations from the restrictions placed upon member business loans relating to credit union net worth or capitalization standards.

(Sec. 307) Permits a federal credit union to offer money transfer instruments, including international and domestic electronic fund transfers, to persons in the field of membership (currently limited to actual members).

(Sec. 308) Provides that the numerical limitation of 3,000 members shall not apply to a Board-approved merger involving multiple voluntary common-bond credit unions.

(Sec. 309) Requires the NCUA Board to prescribe criteria under which it may determine that in the case of a voluntary conversion of a common-bond credit union into a community credit union that a member group or other portion of a credit union's existing membership, located outside the well-defined local community, neighborhood, or rural district constituting the community charter, can be satisfactorily served by the credit union and remain within the community credit union's field of membership.

(Sec. 310) Authorizes a credit union board, by majority vote of a quorum, to adopt and enforce a policy of expulsion from membership, by majority vote of the whole board, based on just cause, including disruption of credit union operations.

Authorizes credit union bylaws to set term limits for credit union board of directors.

Provides that reimbursement for lost wages owing to voluntary service on a credit union board of directors shall not be treated as prohibited compensation.

(Sec. 311) Revises the criteria by which the NCUA Board may determine that an increase in money market interest rates justifies raising the 15 percent per annum interest rate ceiling on the unpaid loan balance. Changes the current requirement that: (1) money market interest rates have risen over the preceding six-month period; and (2) prevailing interest rate levels threaten the safety and soundness of individual credit unions. (Makes such criteria alternative rather than joint, thus allowing the Board to raise the maximum rate on the basis of either condition instead of on the basis only of both together.)

(Sec. 312) Amends the Clayton Act to exempt from its premerger notification and waiting period requirements any mergers among insured credit unions whose transaction value exceeds \$50 million and which require agency approval under the FCUA.

(Sec. 313) Amends the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 to treat credit unions as depository institutions for certain purposes.

(Sec. 314) Revises the meaning of net worth, with respect to prompt corrective action by a credit union, to include (in addition to the credit union's retained earnings balance) any amounts that were previously retained earnings of any other credit union with which the credit union has combined.

(Sec. 315) Amends the FDIA regarding depository institutions insured by private (nonfederal) deposit insurers to authorize the state supervisor of a private deposit insurer, and any appropriate state supervisor of a depository institution receiving privately insured deposits, to examine such institutions and enforce compliance with the FDIA.

Revises the requirement that any depository institution lacking federal deposit insurance include conspicuous notices that it is not federally insured in all instruments evidencing a deposit. Replaces "instruments evidencing a deposit" with the term "share certificate." Specifies general exceptions to the disclosure requirement. Requires disclosure of the absence

of federal deposit insurance to new depositors obtained through a conversion or merger.

Repeals the prohibition against use of an instrumentality of interstate commerce by a nonfederally insured depository institution in order to receive deposits if the appropriate state supervisor has determined it meets all eligibility requirements for federal deposit insurance.

Revises the definition of depository institution subject to the FDIA to remove the requirements that such an institution: (1) be engaged in the business of receiving deposits; and (2) could reasonably be mistaken for a depository institution by the entity's current or prospective customers.

Repeals Federal Trade Commission (FTC) authority to enforce independent audit requirements.

Grants the appropriate state supervisor disclosure enforcement authority over a nonfederally insured depository institution.

**Title IV: Depository Institution Provisions** - (Sec. 401) Amends the Revised Statutes, the FDIA, and the Federal Reserve Act (FRA) to remove certain restrictions on de novo interstate branching by national and state banks and state member and nonmember banks. (Currently state law must expressly permit such branching.)

Amends the FDIA to: (1) permit interstate mergers between insured banks of different home states; (2) permit interstate fiduciary activity by a state bank or state-chartered trust company if approved by its state bank supervisor; and (3) prohibit interstate branching by subsidiaries of commercial firms. Exempts ("grandfathers") specified institutions from the latter prohibition.

Amends the National Bank Consolidation Merger Act to permit a national bank trust company merger with another trust company of a different home state.

Amends the FDIA to declare that its guidelines governing treatment of branches in connection with certain interstate merger transactions shall not be construed as authorizing approval of currently proscribed transactions involving an industrial loan company, or certain other institutions.

(Sec. 402) Amends the National Bank Receivership Act, the FDIA, and the FCUA to authorize a depository institution action for judicial review within 30 days of being placed in receivership or liquidation.

(Sec. 403) Amends the FRA and the Bank Holding Company Act Amendments of 1970 to repeal specified reporting requirements regarding loans to bank executive officers and principal shareholders (insider lending).

(Sec. 404) Amends the Depository Institution Management Interlocks Act to increase from \$20 million to \$100 million the assets of a small depository institution that are exempt from the prohibition against depository institution management interlocks in the same metropolitan statistical area.

(Sec. 405) Allows the appropriate federal banking agency to enforce conditions imposed in writing and written agreements in which an institution-affiliated party or controlling shareholder agrees to provide capital to the depository institution. Amends the FDIA to repeal the prohibition placed on claims against a federal banking agency for the return of certain assets transferred to an undercapitalized insured depository institution.

(Sec. 406) Amends the Bank Service Company Act to permit savings association and bank investments in bank service companies.



(Sec. 407) Amends the FDIA to extend cross guarantee liability to all insured depository institutions commonly controlled by the same company.

(Sec. 408) Amends the FDIA to authorize the FDIC to prohibit or limit a nonbank holding company's golden parachute payment or indemnification payments to institution-affiliated parties.

(Sec. 409) Amends the FDIA regarding a change in bank control to cite conditions under which the appropriate federal banking agency may extend the period of review and disapproval of a proposed acquisition of an insured depository institution.

(Sec. 410) Amends the Community Reinvestment Act of 1977 to require the appropriate federal financial supervisory agency to consider as a factor for community reinvestment credit those activities that support or enable the establishment of employee stock ownership plans (ESOPs) or eligible worker-owned cooperatives (ESOCs), so long as the employer sponsoring the plan or cooperative is at least 51% owned by employees, including low- to moderate-income employees.

(Sec. 411) Directs the FDIC and OTS to provide technical assistance to minority financial institutions affected by Hurricanes Katrina, Rita, and Wilma in order to preserve the present number of them, as well as the minority character in cases involving mergers or acquisitions of such an institution.

**Title V: Depository Institution Affiliates Provisions** - (Sec. 501) Amends the Bank Holding Company Act of 1956 (BHCA) to permit financial holding companies to cross market their commercial activities if they own or control less than 25% of the total equity or any class of voting security of a nonfinancial company.

(Sec. 502) Amends the BHCA to authorize the Federal Reserve Board on case-by-case basis to waive the attribution rule which deems a bank holding company to control any shares of a company held by a trust for the benefit of the bank holding company or its shareholders, members, or employees.

(Sec. 503) Amends the HOLA to remove the geographic limitation placed upon loans and investments made by a savings association in service corporations.

(Sec. 504) Amends FDIA guidelines governing maximum annual loan interest rates to include a credit sale, any note, bill of exchange, or financing transaction. (Thus permits finance companies to charge the same rates as national and state banks.)

(Sec. 505) Grants federal savings associations the same authority as banks to act as agents for affiliated depository institutions.

(Sec. 506) Amends the BHCA to redefine the term "bank" to exclude certain institutions that engage only in credit card operations and investments designed primarily to promote the public welfare, including low- and moderate-income communities or families in the manner and to the extent permitted for national banks.

**Title VI: Banking Agency Provisions** - (Sec. 601) Amends the FDIA to authorize federal banking agency to adjust the examination cycle for an insured depository institution if necessary to allocate available resources of examiners. (Current law mandates annual onsite examinations).

(Sec. 602) Amends the FDIA and the FCUA to authorize interagency data sharing of confidential supervisory information by federal banking agencies.

(Sec. 603) Amends the FDIA to subject personnel of noninsured national, state, and foreign banks who are convicted of specified crimes to the same penalty for unauthorized participation as personnel of insured banks.

(Sec. 604) Authorizes the FDIC to destroy records of a depository institution, without regard to a certain six-year period of limitation, if they are over ten years old when the FDIC is appointed receiver and are unnecessary and not relevant to any pending or reasonably probable future litigation.

(Sec. 605) Authorizes the FDIC to use contemporary electronic copying technology, including computer scanned images, to retain and copy as original records any documents in its possession or custody.

(Sec. 606) Requires each federal banking agency, over a five-year period, to: (1) review the information and schedules required to be filed by an insured depository institution in a report of condition; and (2) reduce or eliminate any requirement to file information or schedules (other than those otherwise required by law), if the agency determines that the continued collection of such information or schedules is no longer necessary or appropriate.

(Sec. 607) Increases from \$250 million to \$1 billion the asset size of well-capitalized, well-managed institutions eligible for an extended 18-month FDIC examination schedule.

(Sec. 608) Authorizes well-capitalized, well-managed insured community banks with less than \$1 billion in assets to file short form reports of condition in two nonsequential quarters.

(Sec. 609) Amends the FDIA and the FCUA to grant the appropriate regulatory agency the authority to suspend, remove, or prohibit an institution-affiliated party charged with a felony from participating in the affairs of any depository institution.

(Sec. 610) Repeals the requirement that the reviewing agency responsible for depository institution mergers must request reports from all other federal banking agencies on the competitive factors involved. Retains the requirement that such agency seek competitive factors reports from the Attorney General and the FDIC.

States that the responsible agency is not required to make such a request before acting on an application for approval of a merger transaction if: (1) the agency finds that it must act immediately in order to prevent the probable failure of a depository institution involved in the transaction; or (2) the transaction consists of a merger between an insured depository institution and its affiliates.

(Sec. 611) Requires the OTS Director to participate and agree jointly with the Federal Reserve Board, the Comptroller, and the FDIC Board in any decision that federal insurance customer protection law preempts related state law or regulation.

(Sec. 612) Amends the International Banking Act of 1978 to cite circumstances that prohibit compulsory disclosure by federal banking regulators regarding confidential information received from foreign banking supervisors.

(Sec. 613) Amends the FDIA to prohibit convicts from participating in the affairs of either a bank holding company or specified corporations operating under the Federal Reserve Act.

Authorizes the appropriate federal banking agency to serve upon an institution-affiliated party of a nonbank subsidiary of a bank holding company a written notice of the agency's intention to remove such party from office if the party has been convicted of any criminal offense involving dishonesty or a breach of trust, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such an offense.

(Sec. 615) Amends the FDIA to impose civil penalties for misrepresentation regarding FDIC deposit insurance coverage.

(Sec. 616) Directs the Federal Reserve Board to publish in the Federal Register proposed revisions to the Small Bank Holding Company Policy Statement on Assessment of Financial and Managerial Factors that provide that the policy shall apply to a bank holding company which has pro forma consolidated assets of less than \$1 billion, and that: (1) is not engaged in any nonbanking activities involving significant leverage; and (2) does not have a significant amount of outstanding debt that is held by the general public.

Requires the Federal Reserve Board also to publish in the Federal Register proposed revisions to the same Statement in order to increase from 1:1 to 3:1 the debt-to-equity ratio allowable for a small bank holding company permitting it to remain eligible: (1) to pay a corporate dividend; and (2) to remain eligible for expedited processing procedures under the Board's Regulation Y.

(Sec. 617) Amends the Gramm-Leach-Bliley Act to exempt from its annual privacy notice requirements certain financial institutions, including those subject to state laws that prohibit them from disclosing nonpublic information.

(Sec. 618) Requires each federal banking agency to report biennially to Congress on the status of agency employment of minorities and women.

(Sec. 619) Amends the FDIA to revise requirements governing the coordination of state examination authority.

(Sec. 620) Amends the FDIA and the FCUA to declare that submission by any person of any information to any federal, state, or foreign banking authority for any purpose in the course of any supervisory or regulatory process shall not be construed as waiving, destroying, or otherwise affecting any privilege such person may claim with respect to that information as to any person or entity other than such or authority.

(Sec. 621) Amends the Right to Financial Privacy Act of 1978 to include within its purview any lender who advances funds on pledges of personal property.

(Sec. 622) Amends HOLA to instruct the Secretary of the Treasury to appoint a Deputy Director of OTS to serve as Acting Director in the event of a vacancy in the position of Director or during the Director's absence or disability.

Authorizes appointment of up to three additional Deputy Directors.

(Sec. 623) Limits the scope of a specified multi-agency guidance regarding minimum credit card payments and negative amortization to provide that: (1) it applies only to new credit card accounts established by a creditor for a consumer after the enactment of this Act under an open end consumer credit plan; and (2) it does not apply to any outstanding balance on any credit card account under an open end consumer credit plan as of such date of enactment.

**Title VII: 'BSA' Compliance Burden Reduction** - (Sec. 701) Amends federal law governing currency transaction reports to instruct the Secretary of the Treasury to prescribe regulations that exempt any depository institution from filing such a report regarding a currency transaction with its qualified customer.

(Sec. 702) Expresses the sense of Congress that inconsistencies and redundancies among regulations implementing monetary transaction recordkeeping and reporting enforcement programs: (1) increase the difficulty depository institutions have in complying with congressional intent in creating such enforcement programs; (2) reduce the transparency and clarity of the regulatory regime; (3) increase the potential for conflict among the various regulations; and (4) contribute to the perception that such recordkeeping and reporting requirements are applied inconsistently.

Amends FDIA, the FCUA, and the Federal Financial Institutions Examination Council Act of 1978 to direct the federal banking agencies to coordinate their monetary transaction recordkeeping requirements and examination standards to make sure they are congruent and reasonably uniform.

Instructs the Secretary of the Treasury to review and report to Congress on the potential inconsistencies or redundancies among regulations pertaining to monetary transaction recordkeeping and reporting enforcement programs.

(Sec. 703) Directs the Secretary of the Treasury to review and modify guidelines regarding: (1) notification of officers and directors of financial institutions concerning a suspicious activity report the institution has submitted; (2) elimination of unnecessary verification requirements applicable to the purchase of financial instruments; and (3) elimination of recurring filings of suspicious activity reports on a single transaction.

(Sec. 704) Requires the Comptroller General to study and report to Congress on methods and practices which would: (1) reduce the overall number of certain currency transaction reports filed with the Secretary of the Treasury; (2) improve financial institution utilization of the current exemption provisions; and (3) mitigate difficulties in the current implementation of such exemption provisions that limit the utility of the exemption process for financial institutions.

(Sec. 705) Requires the Secretary of the Treasury to study and report to Congress on: (1) the feasibility of developing and implementing interfaces and templates for use in electronic communications between financial institutions, the Secretary, the Financial Crimes Enforcement Network (FinCEN), and other federal financial institution regulatory agencies; (2) the applicable standards of each country against money laundering; and (3) whether a country is a country of primary money laundering concern.

(Sec. 707) Expresses the sense of Congress that depository institutions and money services businesses should follow the guidance offered by the FinCEN for the purpose of giving money services businesses full access to banking services and ensuring that such businesses: (1) remain in the mainstream financial system; (2) can be full players in providing important financial services to their customers; and (3) be fully cooperative in the fight against terrorist financing and money laundering.

**Title VIII: Clerical and Technical Amendments** - (Sec. 801) Makes technical and clerical amendments to federal statutes to reflect the changes made by this Act.

(Sec. 804 ) Amends the BHCA to repeal the exclusion of certain savings banks and the Investors Fiduciary Trust Company of Kansas City, Missouri, from the meaning of "bank" covered by the Act (thus subjecting them to BHCA jurisdiction). Removes qualified savings banks from definition and coverage by the Act.

**Title IX: Fair Debt Collection Practices Act Amendments** - (Sec. 901) Amends the Fair Debt Collection Practices Act to exempt from federal regulatory oversight certain bad check enforcement programs operated by private entities under state regulatory oversight.

(Sec. 902) Modifies guidelines governing debt collection activities and communications, including legal pleadings and notice requirements.

## Actions Timeline

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- **Mar 9, 2006:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Mar 8, 2006:** Mr. Oxley moved to suspend the rules and pass the bill, as amended.
- **Mar 8, 2006:** Considered under suspension of the rules. (consideration: CR H702-722)
- **Mar 8, 2006:** DEBATE - The House proceeded with forty minutes of debate on H.R. 3505.
- **Mar 8, 2006:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 8, rule XX, the Chair announced that further proceedings on the motion would be postponed.
- **Mar 8, 2006:** Considered as unfinished business. (consideration: CR H738-739)
- **Mar 8, 2006:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 415 - 2 (Roll no. 26).(text: CR H702-719)
- **Mar 8, 2006:** On motion to suspend the rules and pass the bill, as amended Agreed to by the Yeas and Nays: (2/3 required): 415 - 2 (Roll no. 26). (text: CR H702-719)
- **Mar 8, 2006:** Motion to reconsider laid on the table Agreed to without objection.
- **Feb 16, 2006:** Reported (Amended) by the Committee on Judiciary. H. Rept. 109-356, Part II.
- **Feb 16, 2006:** Reported (Amended) by the Committee on Judiciary. H. Rept. 109-356, Part II.
- **Feb 16, 2006:** Placed on the Union Calendar, Calendar No. 206.
- **Feb 15, 2006:** Referred to the Subcommittee on Crime, Terrorism, and Homeland Security.
- **Feb 15, 2006:** Subcommittee on Crime, Terrorism, and Homeland Security Discharged.
- **Feb 15, 2006:** Committee Consideration and Mark-up Session Held.
- **Feb 15, 2006:** Ordered to be Reported (Amended) by Voice Vote.
- **Feb 3, 2006:** House Committee on Judiciary Granted an extension for further consideration ending not later than Feb. 24, 2006.
- **Dec 31, 2005:** House Committee on Judiciary Granted an extension for further consideration ending not later than Feb. 3, 2006.
- **Dec 17, 2005:** Reported (Amended) by the Committee on 109-356, Part I.
- **Dec 17, 2005:** Reported (Amended) by the Committee on 109-356, Part I.
- **Dec 17, 2005:** Referred sequentially to the House Committee on the Judiciary for a period ending not later than Dec. 31, 2005 for consideration of such provisions of the bill and the amendment as fall within the jurisdiction of that committee pursuant to clause 1(I), rule X.
- **Nov 16, 2005:** Committee Consideration and Mark-up Session Held.
- **Nov 16, 2005:** Ordered to be Reported (Amended) by the Yeas and Nays: 67 - 0.
- **Nov 16, 2005:** Subcommittee on Financial Institutions and Consumer Credit Discharged.
- **Oct 18, 2005:** Subcommittee Hearings Held.
- **Sep 19, 2005:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Jul 28, 2005:** Introduced in House
- **Jul 28, 2005:** Introduced in House
- **Jul 28, 2005:** Referred to the House Committee on Financial Services.