

HR 5585

Financial Netting Improvements Act of 2006

Congress: 109 (2005–2007, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jun 12, 2006

Current Status: Became Public Law No: 109-390.

Latest Action: Became Public Law No: 109-390. (Dec 12, 2006)

Law: 109-390 (Enacted Dec 12, 2006)

Official Text: <https://www.congress.gov/bill/109th-congress/house-bill/5585>

Sponsor

Name: Rep. McHenry, Patrick T. [R-NC-10]

Party: Republican • State: NC • Chamber: House

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Wasserman Schultz, Debbie [D-FL-20]	D · FL		Jun 12, 2006

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Reported By	Sep 13, 2006
Judiciary Committee	House	Discharged From	Sep 22, 2006

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

**(This measure has not been amended since it was passed by the Senate on September 30, 2006. The summary of that version is repeated here.)**

Financial Netting Improvements Act of 2006 - (Sec. 2) Amends the Federal Deposit Insurance Act (FDIA) and the Federal Credit Union Act to revise treatment of certain agreements entered into before appointment of depository institution conservators or receivers, including securities contracts, forward contracts, and swap agreements.

(Sec. 3) Defines "person" to include any governmental entity.

(Sec. 4) Amends the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) to revise certain requirements pertinent to bilateral netting to declare that the covered contractual payment obligations and the covered contractual payment entitlements between any two financial institutions shall be terminated, liquidated, accelerated, and netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract.

Declares, with respect to clearing organization netting, that the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other organization members shall be terminated, liquidated, accelerated, and netted in accordance with and subject to the conditions of any applicable netting contract.

(Sec. 5) Makes conforming amendments to the FDICIA, federal bankruptcy law, and the Securities Investor Protection Act of 1970.

Amends the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 to state that the meanings of terms used in the Act are applicable for its purposes only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws, and the Commodity Exchange Act.

(Sec. 6) Amends the Federal Deposit Insurance Act and the Federal Credit Union Act to repeal the non-enforceability of a walkaway clause (thus making it enforceable) in a qualified financial contract of an insured depository institution in default.

States that any payment or delivery obligation otherwise due from a party pursuant to a qualified financial contract is suspended from the time a receiver is appointed until the earlier of: (1) the time a party receives notice that the contract has been transferred; or (2) 5 p.m. (eastern time) on the business day after the receiver's appointment.

## Actions Timeline

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- **Dec 12, 2006:** Signed by President.
- **Dec 12, 2006:** Signed by President.
- **Dec 12, 2006:** Became Public Law No: 109-390.
- **Dec 12, 2006:** Became Public Law No: 109-390.
- **Dec 4, 2006:** Presented to President.
- **Dec 4, 2006:** Presented to President.
- **Nov 15, 2006:** Mr. McHenry moved that the House suspend the rules and agree to the Senate amendments. (consideration: CR H8650-8651)
- **Nov 15, 2006:** DEBATE - The House proceeded with forty minutes of debate on the motion to suspend the rules and agree to the Senate amendments to H.R. 5585.
- **Nov 15, 2006:** At the conclusion of debate, the Yeas and Nays were demanded and ordered. Pursuant to the provisions of clause 5, rule I, the chair announced that further proceedings on the motion would be postponed.
- **Nov 15, 2006:** Considered as unfinished business. (consideration: CR H8654-8655)
- **Nov 15, 2006:** Resolving differences -- House actions: On motion that the House suspend the rules and agree to the Senate amendments Agreed to by the Yeas and Nays: (2/3 required): 395 - 0 (Roll no. 522).(text as House agreed to Senate amendment: CR H8650)
- **Nov 15, 2006:** On motion that the House suspend the rules and agree to the Senate amendments Agreed to by the Yeas and Nays: (2/3 required): 395 - 0 (Roll no. 522). (text as House agreed to Senate amendment: CR H8650)
- **Nov 15, 2006:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 30, 2006:** Measure laid before Senate by unanimous consent. (consideration: CR 9/29/2006 S10769)
- **Sep 30, 2006:** Passed/agreed to in Senate: Passed Senate with amendments by Unanimous Consent.
- **Sep 30, 2006:** Passed Senate with amendments by Unanimous Consent.
- **Sep 30, 2006:** Message on Senate action sent to the House.
- **Sep 28, 2006:** Received in the Senate, read twice.
- **Sep 27, 2006:** Mr. McHenry moved to suspend the rules and pass the bill, as amended.
- **Sep 27, 2006:** Considered under suspension of the rules. (consideration: CR H7598-7601)
- **Sep 27, 2006:** DEBATE - The House proceeded with forty minutes of debate on H.R. 5585.
- **Sep 27, 2006:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote.(text: CR H7598-7600)
- **Sep 27, 2006:** On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. (text: CR H7598-7600)
- **Sep 27, 2006:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 22, 2006:** Committee on Judiciary discharged.
- **Sep 22, 2006:** Committee on Judiciary discharged.
- **Sep 22, 2006:** Placed on the Union Calendar, Calendar No. 403.
- **Sep 12, 2006:** Reported by the Committee on Financial Services. H. Rept. 109-648, Part I.
- **Sep 12, 2006:** Reported by the Committee on Financial Services. H. Rept. 109-648, Part I.
- **Sep 12, 2006:** House Committee on Judiciary Granted an extension for further consideration ending not later than Sept. 22, 2006.
- **Jun 14, 2006:** Committee Consideration and Mark-up Session Held.
- **Jun 14, 2006:** Ordered to be Reported by Voice Vote.
- **Jun 12, 2006:** Introduced in House
- **Jun 12, 2006:** Introduced in House
- **Jun 12, 2006:** 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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