

HR 1664

To amend the executive compensation provisions of the Emergency Economic Stabilization Act of 2008 to prohibit unreasonable and excessive compensation and compensation not based on performance standards.

Congress: 111 (2009–2011, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Mar 23, 2009

Current Status: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 50.

Latest Action: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 50. (Apr 23, 2009)

Official Text: <https://www.congress.gov/bill/111th-congress/house-bill/1664>

Sponsor

Name: Rep. Grayson, Alan [D-FL-8]

Party: Democratic • **State:** FL • **Chamber:** House

Cosponsors (9 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Connolly, Gerald E. [D-VA-11]	D · VA		Mar 23, 2009
Rep. Ellison, Keith [D-MN-5]	D · MN		Mar 23, 2009
Rep. Himes, James A. [D-CT-4]	D · CT		Mar 23, 2009
Rep. Jackson-Lee, Sheila [D-TX-18]	D · TX		Mar 23, 2009
Rep. Lee, Barbara [D-CA-9]	D · CA		Mar 23, 2009
Rep. Ortiz, Solomon P. [D-TX-27]	D · TX		Mar 23, 2009
Rep. Perriello, Thomas S.P. [D-VA-5]	D · VA		Mar 23, 2009
Rep. Welch, Peter [D-VT-At Large]	D · VT		Mar 23, 2009
Rep. Fudge, Marcia L. [D-OH-11]	D · OH		Mar 30, 2009

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Reported By	Mar 30, 2009

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
111 HRES 306	Procedurally related	Apr 1, 2009: Motion to reconsider laid on the table Agreed to without objection.

(Sec. 1) Amends the Emergency Economic Stabilization Act of 2008 (EESA) to prohibit a financial institution that receives or has received a direct capital investment under the Troubled Asset Relief Program (TARP) (or with respect to the Federal National Mortgage Association [Fannie Mae], the Federal Home Loan Mortgage Corporation [Freddie Mac], or a federal home loan bank, under the Housing and Economic Recovery Act of 2008) from making a compensation payment (other than a longevity bonus or a payment in the form of restricted stock) to an executive or employee under a preexisting compensation arrangement, or from entering into a new compensation payment arrangement, while that capital investment remains outstanding, if such compensation: (1) is unreasonable or excessive according to standards established by the Secretary of the Treasury in consultation with the Chairperson of the Congressional Oversight Panel; or (2) includes any bonus or other supplemental payment, whether payable before employment, during employment, or after termination of employment, that is not directly based upon such standards.

Declares such prohibition inapplicable to an institution that did business with a recipient of a direct capital investment under the TARP, or under amendments made by the Housing and Economic Recovery Act of 2008.

Instructs the Secretary, with the approval of the agencies that are members of the Federal Financial Institutions Examination Council, and in consultation with the Chairperson of the Congressional Oversight Panel, to establish standards governing: (1) unreasonable and excessive compensation; and (2) performance-based measures that a financial institution must apply when determining whether it may provide a bonus or retention payment.

Excludes from the meaning of compensation payment under this Act any severance payment paid upon the employee's dismissal by an employer in the ordinary course of business to an employee who has been employed for a minimum of five years, unless such severance payment is greater than the employee's annual salary or \$250,000.

States that the prohibition against certain compensation not based upon performance standards does not apply to a financial institution that has entered into an agreement with the Secretary to repay the United States all outstanding amounts of any direct capital investment or investments it has received under this Act. Declares, however, that if an institution defaults on such an agreement, the Secretary shall require the institution to surrender to the Treasury the compensation payments that would have been subject to such prohibition.

Requires financial institutions subject to this Act to report annually to the Secretary how many officers, directors, and employees received or will receive total compensation over each of five specified thresholds in that fiscal year.

Requires such report to distinguish amounts an institution considers to be a bonus and the reason for such distinction. Authorizes the Secretary to exempt community financial institutions from the requirements of this Act.

Defines total compensation as all cash payments (including without limitation salary, bonus, and retention payments), all transfers of property, stock options, sales of stock, and all contributions by the company (or its affiliates) for a person's benefit or for the benefit of that person's immediate family members.

States that the identity of persons receiving compensation in such amounts shall not be required in such reports.

Directs the Secretary to make such reports available on the Internet.

Requires a financial institution, while subject to this Act, to issue: (1) a retrospective annual report for 2008; and (2) both a prospective and retrospective annual report for each subsequent calendar year.

States that, for a financial institution that has received or receives a direct capital investment under TARP, while such investment remains outstanding, no otherwise prohibited bonus or other supplemental payment may be paid to employees or executives without regard to when the arrangement to pay such a bonus was entered into.

(Sec. 2) Establishes the Commission on Executive Compensation to study and report to the President and Congress on the executive compensation system for recipients of a direct capital investment under the TARP. Requires the report's recommendations for executive action and voluntary recipient actions to be accompanied by any separate minority view recommendations that members of the Commission wish to make, but that were not agreed upon by the Commission for the report.

Authorizes appropriations.

Actions Timeline

- **Apr 23, 2009:** Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 50.
- **Apr 22, 2009:** Read the first time. Placed on Senate Legislative Calendar under Read the First Time.
- **Apr 2, 2009:** Received in the Senate.
- **Apr 1, 2009:** Rule H. Res. 306 passed House.
- **Apr 1, 2009:** Considered under the provisions of rule H. Res. 306. (consideration: CR H4287-4310)
- **Apr 1, 2009:** Rule provides for consideration of H.R. 1664 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. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill.
- **Apr 1, 2009:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 306 and Rule XVIII.
- **Apr 1, 2009:** The Speaker designated the Honorable Jesse L. Jackson Jr. to act as Chairman of the Committee.
- **Apr 1, 2009:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 1664.
- **Apr 1, 2009:** DEBATE - Pursuant to the provisions of H.Res. 306, the Committee of the Whole proceeded with 20 minutes of debate on the Frank amendment.
- **Apr 1, 2009:** DEBATE - Pursuant to the provisions of H.Res. 306, the Committee of the Whole proceeded with 10 minutes of debate on the Cardoza amendment.
- **Apr 1, 2009:** DEBATE - Pursuant of the provisions of H.Res. 306, the Committee of the Whole proceeded with 10 minutes of debate on the Meeks (NY) amendment.
- **Apr 1, 2009:** DEBATE - Pursuant to the provisions of H.Res. 306, the Committee of the Whole proceeded with 10 minutes of debate on the Bean amendment.
- **Apr 1, 2009:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Bean amendment, the Chair put the question on adoption of the amendment and by voice vote, announced the noes had prevailed. Ms. Bean demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Apr 1, 2009:** DEBATE - Pursuant to the provisions of H.Res. 306, the Committee of the Whole proceeded with 10 minutes of debate on the Bilirakis amendment.
- **Apr 1, 2009:** DEBATE - Pursuant to the provisions of H.Res. 306, the Committee of the Whole proceeded with 10 minutes of debate on the DeFazio amendment.
- **Apr 1, 2009:** DEBATE - Pursuant to the provisions of H.Res. 306, the Committee of the Whole proceeded with 10 minutes of debate on the Dahlkemper amendment.
- **Apr 1, 2009:** POSTPONED PROCEEDINGS - At the conclusion of debate on the Dahlkemper amendment the Chair put the question on adoption of the amendment and by voice vote, announced the noes had prevailed. Mr. Frank (MA) demanded a recorded vote and the Chair postponed further proceedings on the question of adoption of the amendment until later in the legislative day.
- **Apr 1, 2009:** UNFINISHED BUSINESS - The Chair announced that the unfinished business was the question of adoption of amendments which had been debated earlier and on which further proceedings had been postponed.
- **Apr 1, 2009:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 1664.
- **Apr 1, 2009:** The previous question was ordered pursuant to the rule. (consideration: CR H4309)
- **Apr 1, 2009:** 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. (text: CR H4294-4295)
- **Apr 1, 2009:** Passed/agreed to in House: On passage Passed by recorded vote: 247 - 171, 1 Present (Roll no. 182).
- **Apr 1, 2009:** On passage Passed by recorded vote: 247 - 171, 1 Present (Roll no. 182).
- **Apr 1, 2009:** Motion to reconsider laid on the table Agreed to without objection.
- **Mar 31, 2009:** Rules Committee Resolution H. Res. 306 Reported to House. Rule provides for consideration of H.R. 1664 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. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the

amendment in the nature of a substitute recommended by the Committee on Financial Services now printed in the bill.

- **Mar 30, 2009:** Reported (Amended) by the Committee on Financial Services. H. Rept. 111-64.
- **Mar 30, 2009:** Placed on the Union Calendar, Calendar No. 28.
- **Mar 26, 2009:** Committee Consideration and Mark-up Session Held.
- **Mar 26, 2009:** Ordered to be Reported (Amended) by the Yeas and Nays: 38 - 22.
- **Mar 23, 2009:** Introduced in House
- **Mar 23, 2009:** Sponsor introductory remarks on measure. (CR E742)
- **Mar 23, 2009:** Referred to the House Committee on Financial Services.