

## HR 3128

To amend the Federal Reserve Act to authorize Federal Reserve Banks to examine the methodologies of used by nationally recognized statistical rating organizations in analyzing and rating asset backed securities and structured finance products.

**Congress:** 111 (2009–2011, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** Jul 8, 2009

**Current Status:** Referred to the House Committee on Financial Services.

**Latest Action:** Referred to the House Committee on Financial Services. (Jul 8, 2009)

**Official Text:** <https://www.congress.gov/bill/111th-congress/house-bill/3128>

### Sponsor

**Name:** Rep. Ellison, Keith [D-MN-5]

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

### Cosponsors

*No cosponsors are listed for this bill.*

### Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Jul 8, 2009

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

*No related bills are listed.*

## Summary (as of Jul 8, 2009)

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Amends the Federal Reserve Act to authorize the Board of Governors of the Federal Reserve System to authorize any federal reserve bank to examine the methodologies used by nationally recognized statistical rating organizations (NRSROs) in analyzing and rating asset backed securities and structured finance products.

Defines asset backed security as: (1) one that is primarily serviced by the cash flows of a discrete pool of receivables or other financial assets (including mortgages), either fixed or revolving, that by their terms convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distributions of proceeds to the security holders; and (2) any other security as the Board may prescribe.

Defines structured finance product as any product that includes: (1) the pooling of assets (either cash-based or synthetically created); (2) the tranching of liabilities that are backed by such assets; (3) de-linking of the credit risk of such assets from the originator's credit risk (usually through use of a finite-lived, standalone financing vehicle); or (4) such other elements as the Board may prescribe.

## Actions Timeline

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- **Jul 8, 2009:** Introduced in House
- **Jul 8, 2009:** Referred to the House Committee on Financial Services.