

S 431

Economic Recovery Adjustment Act of 2009

Congress: 111 (2009–2011, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Feb 12, 2009

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Feb 12, 2009)

Official Text: <https://www.congress.gov/bill/111th-congress/senate-bill/431>

Sponsor

Name: Sen. Whitehouse, Sheldon [D-RI]

Party: Democratic • **State:** RI • **Chamber:** Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Durbin, Richard J. [D-IL]	D · IL		Mar 19, 2009

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Feb 12, 2009

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Economic Recovery Adjustment Act of 2009 - Establishes within the Department of Justice the Office of the Taxpayer Advocate to conduct audits and oversight of the compensation of the officers and directors of entities assisted under the Troubled Asset Relief Program (TARP).

Authorizes the Advocate to assist the Secretary of the Treasury in the negotiation of TARP assistance in order to: (1) assure that fair and reasonable executive compensation is paid by entities receiving TARP funds; and (2) defend such agreements in the event of any challenge to the adjustments to compensation obligations.

States that negotiated reductions in compensation under this Act: (1) may include vested deferred compensation; and (2) shall be in an amount that is fair and reasonable in light of the taxpayers' assistance, but not less than the estimated value of the compensation obligations that would face the estate or debtor-in-possession if the TARP funds had not been granted, and the entity had filed for bankruptcy protection.

Requires the Advocate to negotiate a reduction in executive compensation obligations as a prerequisite to TARP assistance if, after an audit, the Advocate finds reason to believe that the assisted entity would have become insolvent if not for the receipt of TARP assistance.

Establishes the Temporary Economic Recovery Oversight Panel to: (1) either approve or deny a proposed settlement; or (2) upon petition of the Advocate (or of any individual subject to the Advocate's actions), issue an order establishing an executive compensation program if no settlement is reached.

Actions Timeline

- **Feb 12, 2009:** Introduced in Senate
- **Feb 12, 2009:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.