

HR 1838

Swaps Bailout Prevention Act

Congress: 112 (2011–2013, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: May 11, 2011

Current Status: Placed on the Union Calendar, Calendar No. 508.

Latest Action: Placed on the Union Calendar, Calendar No. 508. (Nov 16, 2012)

Official Text: <https://www.congress.gov/bill/112th-congress/house-bill/1838>

Sponsor

Name: Rep. Hayworth, Nan A. S. [R-NY-19]

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

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Agriculture Committee	House	Referred to	Jun 8, 2011
Financial Services Committee	House	Reported by	Nov 15, 2011

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Swaps Bailout Prevention Act - Amends the Dodd-Frank Wall Street Reform and Consumer Protection Act to revise the prohibition against federal government assistance to (bailouts of) registered swap dealers, security-based swap dealers, major swap participants, or major security-based swap participants with respect to any swap, security-based swap, or other activity.

Extends the meaning of "covered depository institution" to include an uninsured U.S. branch or agency of a foreign bank that has a prudential regulator as well as an insured depository institution (as covered by current law).

Repeals the application of this prohibition to any insured depository institution unless it limits its swap or security-based swap activities to: (1) hedging and other similar risk mitigating activities directly related to the institution's activities; (2) acting as a swaps entity for swaps or security-based swaps involving rates or reference assets permissible for investment by a national bank; or (3) acting as a swaps entity for credit default swaps, including swaps or security-based swaps involving the credit risk of asset-backed securities, but only if they are cleared by a derivatives clearing organization under the Commodity Exchange Act, or a clearing agency registered, or exempt from registration, as a derivatives clearing organization, or as a clearing agency under the Securities Exchange Act.

Replaces these requirements for exemption from the prohibition with a declaration that the prohibition against federal assistance to swaps entities shall not apply to a covered depository institution that limits swap and security-based swap activities to: (1) hedging and similar risk mitigating activities directly related to the institution's activities, or (2) acts as a swaps entity for swaps or security-based swaps other than a structured finance swap.

Defines "structured finance swap" as a swap or security-based swap based on an asset-backed security (or group or index primarily composed of asset-backed securities).

Exempts also from the prohibition against federal assistance to swaps entities any covered depository institution that acts as a swaps entity for structured finance swaps or security-based swaps if: (1) they are undertaken for hedging or risk management purposes; or (2) each asset-backed security underlying such structured finance swaps is of a credit quality and of a type or category authorized by the prudential regulators.

Exempts from the prohibition entirely any swap or security-based swap activity conducted outside the United States with a non-U.S. counterparty by a non-U.S. swaps entity licensed, in the case of a foreign branch of a U.S. depository institution, or organized under the laws of a jurisdiction outside the United States.

Actions Timeline

- **Nov 16, 2012:** Committee on Agriculture discharged.
- **Nov 16, 2012:** Placed on the Union Calendar, Calendar No. 508.
- **Sep 14, 2012:** House Committee on Agriculture Granted an extension for further consideration ending not later than Nov. 16, 2012.
- **Jul 16, 2012:** House Committee on Agriculture Granted an extension for further consideration ending not later than Sept. 14, 2012.
- **May 30, 2012:** House Committee on Agriculture Granted an extension for further consideration ending not later than July 16, 2012.
- **May 11, 2012:** Reported (Amended) by the Committee on Financial Services. H. Rept. 112-476, Part I.
- **May 11, 2012:** House Committee on Agriculture Granted an extension for further consideration ending not later than May 30, 2012.
- **Feb 16, 2012:** Committee Consideration and Mark-up Session Held.
- **Feb 16, 2012:** Ordered to be Reported (Amended) by Voice Vote.
- **Nov 15, 2011:** Subcommittee Consideration and Mark-up Session Held.
- **Nov 15, 2011:** Forwarded by Subcommittee to Full Committee (Amended) by the Yeas and Nays: 21 - 12 .
- **Oct 14, 2011:** Subcommittee Hearings Held.
- **Jul 19, 2011:** Referred to the Subcommittee on Capital Markets and Government Sponsored Enterprises.
- **Jun 8, 2011:** Referred to the Subcommittee on General Farm Commodities and Risk Management.
- **May 11, 2011:** Introduced in House
- **May 11, 2011:** Referred to the Committee on Financial Services, and in addition to the Committee on Agriculture, 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.