

## HR 2056

To instruct the Inspector General of the Federal Deposit Insurance Corporation to study the impact of insured depository institution failures, and for other purposes.

**Congress:** 112 (2011–2013, Ended)

**Chamber:** House

**Policy Area:** Finance and Financial Sector

**Introduced:** May 31, 2011

**Current Status:** Became Public Law No: 112-88.

**Latest Action:** Became Public Law No: 112-88. (Jan 3, 2012)

**Law:** 112-88 (Enacted Jan 3, 2012)

**Official Text:** <https://www.congress.gov/bill/112th-congress/house-bill/2056>

### Sponsor

**Name:** Rep. Westmoreland, Lynn A. [R-GA-3]

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

### Cosponsors (13 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Broun, Paul C. [R-GA-10]	R · GA		May 31, 2011
Rep. Mack, Connie [R-FL-14]	R · FL		May 31, 2011
Rep. Marchant, Kenny [R-TX-24]	R · TX		May 31, 2011
Rep. Miller, Gary G. [R-CA-42]	R · CA		May 31, 2011
Rep. Posey, Bill [R-FL-15]	R · FL		May 31, 2011
Rep. Scott, David [D-GA-13]	D · GA		May 31, 2011
Rep. Grimm, Michael G. [R-NY-13]	R · NY		Jul 8, 2011
Rep. Hinojosa, Ruben [D-TX-15]	D · TX		Jul 8, 2011
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		Jul 8, 2011
Rep. Manzullo, Donald A. [R-IL-16]	R · IL		Jul 8, 2011
Rep. Schweikert, David [R-AZ-5]	R · AZ		Jul 8, 2011
Rep. McIntyre, Mike [D-NC-7]	D · NC		Jul 21, 2011
Rep. Hayworth, Nan A. S. [R-NY-19]	R · NY		Jul 26, 2011

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Discharged From	Nov 18, 2011
Financial Services Committee	House	Discharged from	Jul 20, 2011

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

## **Related Bills**

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*No related bills are listed.*

(Sec. 1) Directs the Inspector General (IG) of the Federal Deposit Insurance Corporation (FDIC) to study the impact of the failure of insured depository institutions.

Prescribes study details, including: (1) the impact of loss-sharing agreements (LSAs) upon the insured depository institutions that survive and the borrowers of those insured depository institutions that fail; (2) FDIC policies and procedures for monitoring LSAs, including those designed to ensure that institutions are not imprudently selling assets at a depressed value; (3) FDIC policies and procedures for terminating LSAs and mitigating the risk of acquiring institutions having substantial assets remaining in their portfolio when the LSAs are due to expire; (4) methods of ensuring the orderly end of expiring LSAs to prevent adverse impacts upon either borrowing, the real estate industry, or the Depositors Insurance Fund; (5) the significance of losses; and (6) the number of insured depository institutions placed into either receivership or conservatorship due to significant losses arising from loans for which all payments of principal, interest, and fees (payments) were current, under the contract.

Requires the study to examine: (1) the impact of significant losses arising from loans for which all payments were current on the ability of insured depository institutions to raise additional capital; (2) the degree to which fair value accounting rules and other accounting standards have led to regulatory action against banks; and (3) whether field examiners use appropriate appraisal procedures with respect to losses arising from loans for which all payments were current and whether the application of appraisals leads to immediate write downs on the value of the underlying asset.

Requires the study also to cover: (1) the policies and procedures for evaluating the adequacy of an insured depository institution's allowance for loan and lease losses, (2) examiners' policies and procedures for evaluating appraised values of property securing real estate loans, (3) examiners' implementation of specified FDIC guidelines, (4) factors examiners use to assess the adequacy of capital at insured depository institutions, (5) the factors used by the FDIC in evaluating applications of private capital investors to acquire insured depository institutions in receivership, and (6) the extent to which policies and procedures associated with the evaluation of potential private investments in insured depository institutions are followed.

Requires such study also to address: (1) the success of FDIC field examiners in implementing specified FDIC guidelines governing workouts of commercial real estate loans, (2) the application and impact of consent orders and cease and desist orders, (3) the application and impact of FDIC policies, and (4) the FDIC's handling of potential investment from private equity companies in insured depository institutions.

Requires the Inspectors General of the U.S. Treasury and of the Federal Reserve System to provide any material requested by the IG order to implement this Act.

(Sec. 2) Directs the FDIC IG and the Comptroller General (GAO) to appear before certain congressional committees within 150 days after publication of the study required by this Act to discuss the outcomes and impact of federal regulations on bank examinations and failures.

(Sec. 3) Directs the GAO to study: (1) the causes of bank failures in states with 10 or more failures since 2008; (2) the procyclical impact of fair value accounting standards; (3) the causes and potential solutions for the "vicious cycle" of loan write downs, raising capital, and failures; (4) the impact of bank failures upon the community; and (5) the feasibility and overall impact of LSAs.

## Actions Timeline

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- **Jan 3, 2012:** Signed by President.
- **Jan 3, 2012:** Became Public Law No: 112-88.
- **Dec 23, 2011:** Presented to President.
- **Dec 20, 2011:** Considered as unfinished business. (consideration: CR H9999)
- **Dec 20, 2011:** Resolving differences -- House actions: On motion that the House suspend the rules and agree to the Senate amendments Agreed to by voice vote.(text as House agreed to Senate amendments: CR 12/19/2011 H9933-9934)
- **Dec 20, 2011:** On motion that the House suspend the rules and agree to the Senate amendments Agreed to by voice vote. (text as House agreed to Senate amendments: CR 12/19/2011 H9933-9934)
- **Dec 20, 2011:** Motion to reconsider laid on the table Agreed to without objection.
- **Dec 19, 2011:** Mr. Westmoreland moved that the House suspend the rules and agree to the Senate amendments. (consideration: CR H9933-9936)
- **Dec 19, 2011:** DEBATE - The House proceeded with forty minutes of debate on agreeing to the Senate amendments to H.R. 2056.
- **Dec 19, 2011:** At the conclusion of debate, the chair put the question on the motion to suspend the rules. Mr. Westmoreland objected to the vote on the grounds that a quorum was not present. Further proceedings on the motion were postponed. The point of no quorum was withdrawn.
- **Nov 18, 2011:** Message on Senate action sent to the House.
- **Nov 17, 2011:** Senate Committee on Banking, Housing, and Urban Affairs discharged by Unanimous Consent.
- **Nov 17, 2011:** Measure laid before Senate by unanimous consent. (consideration: CR S7777)
- **Nov 17, 2011:** Passed/agreed to in Senate: Passed Senate with amendments by Unanimous Consent.(text: CR S7777)
- **Nov 17, 2011:** Passed Senate with amendments by Unanimous Consent. (text: CR S7777)
- **Jul 29, 2011:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Jul 28, 2011:** Considered as unfinished business. (consideration: CR H5729)
- **Jul 28, 2011:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote.(text: CR 7/26/2011 H5541-5542)
- **Jul 28, 2011:** On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. (text: CR 7/26/2011 H5541-5542)
- **Jul 28, 2011:** Motion to reconsider laid on the table Agreed to without objection.
- **Jul 26, 2011:** Reported (Amended) by the Committee on Financial Services. H. Rept. 112-182.
- **Jul 26, 2011:** Placed on the Union Calendar, Calendar No. 120.
- **Jul 26, 2011:** Considered under suspension of the rules. (consideration: CR H5541-5543)
- **Jul 26, 2011:** Mr. Westmoreland moved to suspend the rules and pass the bill, as amended.
- **Jul 26, 2011:** DEBATE - The House proceeded with forty minutes of debate on H.R. 2056.
- **Jul 26, 2011:** At the conclusion of debate, the chair put the question on the motion to suspend the rules. Mr. Westmoreland objected to the vote on the grounds that a quorum was not present. Further proceedings on the motion were postponed. The point of no quorum was withdrawn.
- **Jul 20, 2011:** Committee Consideration and Mark-up Session Held.
- **Jul 20, 2011:** Ordered to be Reported (Amended) by Voice Vote.
- **Jul 20, 2011:** Subcommittee on Financial Institutions and Consumer Credit Discharged.
- **Jul 19, 2011:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Jul 8, 2011:** Hearings Held by the Subcommittee on Financial Institutions and Consumer Credit Prior to Referral.
- **May 31, 2011:** Introduced in House
- **May 31, 2011:** Referred to the House Committee on Financial Services.