

HR 4029

Common Sense Economic Recovery Act of 2012

Congress: 112 (2011–2013, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Feb 14, 2012

Current Status: Referred to the Subcommittee on Financial Institutions and Consumer Credit.

Latest Action: Referred to the Subcommittee on Financial Institutions and Consumer Credit. (Feb 23, 2012)

Official Text: <https://www.congress.gov/bill/112th-congress/house-bill/4029>

Sponsor

Name: Rep. Posey, Bill [R-FL-15]

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

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Feb 14, 2012
Rep. Pearce, Stevan [R-NM-2]	R · NM		Feb 14, 2012
Rep. Waters, Maxine [D-CA-35]	D · CA		Feb 14, 2012
Rep. Westmoreland, Lynn A. [R-GA-3]	R · GA		Feb 14, 2012
Rep. Gibbs, Bob [R-OH-18]	R · OH		Apr 24, 2012

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred to	Feb 23, 2012

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
112 HR 1723	Related bill	Nov 17, 2011: Subcommittee Consideration and Mark-up Session Held.

Common Sense Economic Recovery Act of 2012 - Cites circumstances under which, for purposes of determining capital requirements or measuring an insured depository institution's capital, such an institution may treat a non-accrual loan as an accrual loan.

(Non-accrual [also known as non-performing or doubtful] loans are those on which interest is overdue and full collection of principal is uncertain, and so interest, if it has not been paid in over 90 days, cannot be credited to the bank's revenue account until it has actually been received.)

Permits an insured depository institution to treat a non-accrual loan as an accrual loan if: (1) the loan is current, (2) no monthly payment has been more than 30 days delinquent during the previous 6-month period, and (3) loan payments are being made pursuant to the contract terms and all parties agree to any refinances and modifications.

Prohibits a modified or restructured loan from being treated as a non-accrual loan if the borrower demonstrates the ability to perform on such a loan: (1) over a period of 6 months; or (2) over a period of 3 consecutive payments in the case of a quarterly, semi-annual, or longer repayment schedule.

Prohibits the appropriate federal banking agency from: (1) imposing any additional accounting requirements upon an insured depository institution with respect to a loan treated as an accrual loan under this Act if the result of such requirement would adversely impact measurement of the institution's capital, or (2) requiring an insured depository institution to treat a loan as a non-accrual loan solely because the loan collateral has reduced in value.

Excludes from the accounting requirements and prohibitions of this Act any issuer of a security registered under the Securities Exchange Act of 1934.

Directs the Financial Stability Oversight Council to study how best to prevent the issuance of contradictory guidance to such institutions by federal banking agencies with respect to loan classifications and capital requirements.

Actions Timeline

- **Feb 23, 2012:** Referred to the Subcommittee on Financial Institutions and Consumer Credit.
- **Feb 14, 2012:** Introduced in House
- **Feb 14, 2012:** Referred to the House Committee on Financial Services.