

HR 3711

21st Century Glass-Steagall Act of 2013

Congress: 113 (2013–2015, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Dec 11, 2013

Current Status: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.

Latest Action: Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law. (Jan 27, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/house-bill/3711>

Sponsor

Name: Rep. Tierney, John F. [D-MA-6]

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

Cosponsors (13 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Dec 11, 2013
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		Jan 13, 2014
Rep. Capuano, Michael E. [D-MA-7]	D · MA		Jan 13, 2014
Rep. Cummings, Elijah E. [D-MD-7]	D · MD		Jan 13, 2014
Rep. DelBene, Suzan K. [D-WA-1]	D · WA		Jan 13, 2014
Rep. Lee, Barbara [D-CA-13]	D · CA		Jan 13, 2014
Rep. McGovern, James P. [D-MA-2]	D · MA		Jan 13, 2014
Rep. Miller, George [D-CA-11]	D · CA		Jan 13, 2014
Rep. Schakowsky, Janice D. [D-IL-9]	D · IL		Jan 13, 2014
Rep. Grayson, Alan [D-FL-9]	D · FL		Feb 3, 2014
Rep. Welch, Peter [D-VT-At Large]	D · VT		Feb 25, 2014
Rep. Gabbard, Tulsi [D-HI-2]	D · HI		Jul 9, 2014
Rep. Clark, Katherine M. [D-MA-5]	D · MA		Jul 30, 2014

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Dec 11, 2013
Judiciary Committee	House	Referred to	Jan 27, 2014

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
113 S 1282	Identical bill	Jul 11, 2013: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

21st Century Glass-Steagall Act of 2013 - Amends the Federal Deposit Insurance Act to prohibit an insured depository institution from: (1) being or becoming an affiliate of any insurance company, securities entity, or swaps entity; (2) being in common ownership or control with any insurance company, securities entity, or swaps entity; or (3) engaging in any activity that would cause the insured depository institution to qualify as an insurance company, securities entity, or swaps entity.

Prohibits any individual who is an officer, director, partner, or employee of any securities entity, insurance company, or swaps entity, except in specified circumstances, from serving simultaneously as an officer, director, employee, or other institution-affiliated party of any insured depository institution.

Makes certain technical and conforming amendments to the Banking Act of 1933 and the Revised Statutes of the United States to limit the business of national banks to receiving deposits, extending credit, discounting and negotiating evidences of debt, loaning money on personal security, engaging in coin and bullion exchange, and investing in investment securities.

Limits the purchase and sale of investment securities and stock by a national banking association to the accounts of customers, but in no case for its own account. Prohibits an association from underwriting any issue of securities or stock.

Prohibits a national banking association from investing in structured or synthetic products, defined as financial instruments in which a return is calculated based on the value of, or by reference to the performance of, a security, commodity, swap, other asset, or an entity, or any index or basket composed of such items.

Amends the Home Owners' Loan Act to repeal the authority of federal savings associations to invest in, redeem, or hold shares or certificates issued by any open-end management investment company registered with the Securities and Exchange Commission (SEC) if their portfolios are restricted by the management company's investment policy solely to investments that a federal savings association by law or regulation may deal in.

Amends the Bank Holding Company Act of 1956 with respect to prohibitions against bank holding company ownership or control of voting share interests in nonbanking organizations. Revises exemptions from such prohibitions in the case of nonbanking organizations whose activities are so closely related to banking as to be a proper incident to them.

Specifies activities of a nonbanking organization that shall not be considered closely related to banking, and so disqualify a bank holding company from owning or controlling voting share interests in such an organization. Includes among such nonbanking activities: (1) serving as an investment advisor to an investment company, (2) agency transactional services for customer investments, (3) investment transactions as principal, and (4) management consulting and counseling activities.

Exempts from application of the prohibitions against nonbanking activities, with respect to a bank holding company, the purchase, as an end user, of swaps to hedge against certain exposures, including changes in either interest rates or in the value of currency.

Prohibits a bank holding company from engaging in the business of a securities or a swaps entity, including: (1) dealing or making markets in securities, repurchase agreements, exchange traded and over-the-counter swaps, and structured or synthetic products; (2) engaging in proprietary trading; (3) owning, sponsoring, or investing in a hedge fund, or private equity fund, or any other fund which exhibits the characteristics of a fund that takes on proprietary trading activities or

positions; (4) holding ineligible securities or derivatives; and (5) engaging in either market-making or prime brokerage activities.

Requires the appropriate federal regulatory agency to pursue certain actions to enforce this Act.

Amends the Bank Holding Company Act of 1956 to repeal provisions (of the Gramm-Leach-Bliley Act) that: (1) permit a financial holding company to engage in activities that are either financial in nature or constitute expanded financial activities, (2) prescribe corrective actions for financial holding companies that fail to meet certain requirements, (4) authorize certain financial holding companies to retain limited nonfinancial activities and affiliations, and (5) authorize certain financial holding companies to own or control shares of a company engaged in activities related to the trading, sale, or investment in commodities and underlying physical properties that were not previously permissible for bank holding companies.

Amends the Revised Statutes of the United States to repeal the authority of national banks to control or hold an interest in financial subsidiaries.

Amends the International Banking Act of 1978 to repeal the permission granted certain foreign banks to continue to engage in nonbanking activities in the United States.

Revises bankruptcy law to repeal the prohibition against staying, avoiding, or limiting the exercise of a contractual right of financial entities to either liquidate, terminate, or accelerate the following financial instruments: a securities contract, a repurchase agreement, a swap agreement, a master netting agreement, and across contracts. Repeals requirements for the timing of damage measurement in connection with such financial instruments, including commodity contracts and forward contracts.

Actions Timeline

- **Jan 27, 2014:** Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.
- **Dec 11, 2013:** Introduced in House
- **Dec 11, 2013:** Referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, 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.