

S 1320

Bailout Prevention Act of 2015

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: May 13, 2015

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. (May 13, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/1320>

Sponsor

Name: Sen. Warren, Elizabeth [D-MA]

Party: Democratic • State: MA • Chamber: Senate

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Vitter, David [R-LA]	R · LA		May 13, 2015

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	May 13, 2015

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 2625	Related bill	Jun 3, 2015: Referred to the Committee on Financial Services, and in addition to the Committees on Rules, and Oversight and Government Reform, 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.

Bailout Prevention Act of 2015

This bill amends the Federal Reserve Act, with respect to the discounting of obligations arising out of actual commercial transactions, to declare a borrower ineligible to borrow from any emergency lending program or facility unless the Board of Governors of the Federal Reserve System and all federal banking regulators with jurisdiction over the borrower certify that, at the time the borrower initially borrows under the program or facility, the borrower is not insolvent.

A borrower shall be deemed insolvent for such purposes if it is a bridge financial company (organized by the Federal Deposit Insurance Corporation [FDIC] to resolve a covered financial company) or a bridge depository institution (a new national bank or federal savings association organized by the FDIC to assume the deposits of one or more insured depository institutions that are in default or in danger of default).

The annual (penalty) interest rate for emergency lending must be at least 500 basis points greater than the cost of borrowing for the United States Treasury for a commensurate loan term.

The Board may create an emergency lending program or facility that does not meet the broad-based eligibility requirement (that at least five companies be eligible to participate in it) or this penalty rate requirement, but only if Congress enacts a joint resolution of approval within 30 days.

The Bank Holding Company Act of 1956 is amended to repeal the authorization for certain financial holding companies to engage in, or own or control shares of a company that is engaged in commodity trading, selling, or investing if certain requirements are met.

Actions Timeline

- **May 13, 2015:** Introduced in Senate
- **May 13, 2015:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.