

S 1802

Consumer Financial Choice and Capital Markets Protection Act of 2015

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Jul 16, 2015

Current Status: Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investme

Latest Action: Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment. Hearings held. (May 19, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/1802>

Sponsor

Name: Sen. Toomey, Patrick [R-PA]

Party: Republican • **State:** PA • **Chamber:** Senate

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Crapo, Mike [R-ID]	R · ID		Jul 16, 2015
Sen. Manchin, Joe, III [D-WV]	D · WV		Jul 16, 2015
Sen. Menendez, Robert [D-NJ]	D · NJ		Jul 16, 2015

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (subcommittee)	May 19, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 4216	Identical bill	Dec 10, 2015: Referred to the House Committee on Financial Services.

Consumer Financial Choice and Capital Markets Protection Act of 2015

This bill amends the Investment Company Act of 1940 to authorize any open-end investment company to elect, in its registration statement, to be a money market fund and to compute the current price per share, for purposes of distribution or redemption and repurchase, of any redeemable security issued by the company using the amortized cost method of valuation or the penny-rounding method of pricing, regardless of whether its shareholders are limited to natural persons, if:

- the company's objective is the generation of income and preservation of capital through investment in short-term, high-quality debt securities;
- the company elects to maintain a stable net asset value per share or stable price per share, by virtue of such methods, and the board of directors of the company has determined in good faith that it is in the best interests of the company and its shareholders to do so and that the money market fund will continue to use such method(s) only as long as the board believes that the resulting share price fairly reflects the market-based net asset value per share of the company; and
- the company agrees to comply with such quality, maturity, diversification, and liquidity requirements as the Securities and Exchange Commission (SEC) prescribes as necessary or appropriate in the public interest or for the protection of investors, if consistent with this Act.

The bill prohibits covered federal assistance from being provided directly to any money market fund. The bill defines: (1) "covered federal assistance " as federal assistance used for the purpose of making any loan to, or purchasing any stock, equity interest, or debt obligation of, any money market fund, guaranteeing any loan or debt issuance of any money market fund, or entering into any assistance arrangement, loss sharing, or profit sharing with any money market fund; and (2) "federal assistance" as insurance or guarantees by the Federal Deposit Insurance Corporation, transactions involving the Secretary of the Treasury, or the use of any advances from any Federal Reserve credit facility or discount window that is not part of a program or facility with broad-based eligibility established in unusual or exigent circumstances.

No principal underwriter of a redeemable security issued by a money market fund nor any dealer shall offer or sell any such security to any person unless the prospectus of the money market fund and any advertising or sales literature for such fund prominently discloses such prohibition against direct covered federal assistance.

A company that elects to be a money market fund shall remain subject to the provisions of this Act and SEC rules and regulations that would otherwise apply to a registered open-end company, if consistent with this Act.

Actions Timeline

- **May 19, 2016:** Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment. Hearings held. With printed Hearing: S.Hrg. 114-388.
- **May 19, 2016:** Committee on Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment. Hearings held.
- **Jul 16, 2015:** Introduced in Senate
- **Jul 16, 2015:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.