

S 1840

Taxpayer Protection and Responsible Resolution Act

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Jul 22, 2015

Current Status: Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer

Latest Action: Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection. Hearings held. With printed Hearing: S.Hrg. 114-123. (Jul 29, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/1840>

Sponsor

Name: Sen. Cornyn, John [R-TX]

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

Cosponsors (3 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Crapo, Mike [R-ID]	R · ID		Jul 22, 2015
Sen. Lee, Mike [R-UT]	R · UT		Jul 22, 2015
Sen. Toomey, Patrick [R-PA]	R · PA		Jul 22, 2015

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (subcommittee)	Jul 29, 2015

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 5983	Related bill	Dec 20, 2016: Placed on the Union Calendar, Calendar No. 693.
114 HR 5485	Related bill	Jul 12, 2016: Received in the Senate. Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 557.
114 HR 4894	Related bill	May 19, 2016: Placed on the Union Calendar, Calendar No. 444.
114 HR 2947	Related bill	Apr 13, 2016: Received in the Senate and Read twice and referred to the Committee on the Judiciary.
114 S 1841	Related bill	Jul 22, 2015: Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S5464-5468)

Taxpayer Protection and Responsible Resolution Act

This bill amends federal bankruptcy law with respect to a "covered financial corporation" incorporated or organized under any federal or state law (other than a stockbroker, a commodity broker, or a domestic or foreign insurance company or financial institution meeting certain criteria) that is: (1) a bank holding company; or (2) a corporation that exists for the primary purpose of owning, controlling, and financing subsidiaries predominantly engaged in activities that are financial in nature or incidental to such an activity.

The bill adds "Chapter 14 - Liquidation, Reorganization, or Recapitalization of a Covered Financial Corporation," setting forth requirements and prohibitions regarding: (1) commencement of a case concerning a covered financial corporation; (2) a special trustee and bridge company; (3) special transfer of the property of the estate in bankruptcy; (4) treatment of qualified financial contracts and affiliate contracts; (5) licenses, permits, and registrations; (6) exemption from securities laws; and (7) inapplicability of certain avoiding powers.

A court may convert a case under chapter 14 to chapter 7 (Liquidation) if certain conditions are met.

The Judicial Code is amended to require the Chief Justice of the United States to designate at least 10 bankruptcy judges to be available to hear a bankruptcy case under chapter 14.

The bill prescribes requirements for assignment of bankruptcy judges to chapter 14 cases.

The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended to repeal Title II (Orderly Liquidation Authority), governing the bankruptcy of financial institutions. Makes conforming amendments to the Federal Deposit Insurance Act and the Federal Reserve Act.

The Federal Reserve Act is amended to prohibit a Federal Reserve bank from making advances for the purpose of providing debtor-in-possession financing to either: (1) a bridge company, or (2) a covered financial corporation that is a debtor in a pending case under Chapter 14.

No funds appropriated to the federal government may be paid to a covered financial corporation or to any of its creditors to satisfy a claim in a case under chapter 14.

Actions Timeline

- **Jul 29, 2015:** Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection. Hearings held. With printed Hearing: S.Hrg. 114-123.
- **Jul 22, 2015:** Introduced in Senate
- **Jul 22, 2015:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S5460-5464)