

HR 2625

Bailout Prevention Act of 2015

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jun 3, 2015

Current Status: Referred to the Committee on Financial Services, and in addition to the Committees on Rules, and Ove

Latest Action: 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. (Jun 3, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/2625>

Sponsor

Name: Rep. Garrett, Scott [R-NJ-5]

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

Cosponsors (1 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Capuano, Michael E. [D-MA-7]	D · MA		Jun 3, 2015

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Jun 3, 2015
Oversight and Government Reform Committee	House	Referred To	Jun 3, 2015
Rules Committee	House	Referred To	Jun 3, 2015

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 S 1320	Related bill	May 13, 2015: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

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 bill reduces from 1 year to 60 days after termination the deadline by which the Government Accountability Office must release a nonredacted version of any audit report on a credit facility of the Federal Reserve System whose authorization has been terminated by the Board.

The Board must also disclose, 60 days (currently 1 year) after it has terminated the authorization of a credit facility, any information concerning its borrowers and counterparties.

In the case of a covered transaction the Board must disclose similar information 60 days after the date on which the covered transaction was conducted (currently the last day of the eighth calendar quarter following the calendar quarter of such transaction).

A credit facility, unless otherwise terminated by the Board, shall be deemed to have been terminated 60 days (currently 24 months) after the date on which it ceases to make extensions of credit and loans.

Actions Timeline

- **Jun 3, 2015:** Introduced in House
- **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.