

HR 2947

Financial Institution Bankruptcy Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jul 7, 2015

Current Status: Received in the Senate and Read twice and referred to the Committee on the Judiciary.

Latest Action: Received in the Senate and Read twice and referred to the Committee on the Judiciary. (Apr 13, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/2947>

Sponsor

Name: Rep. Trott, David A. [R-MI-11]

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

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Conyers, John, Jr. [D-MI-13]	D · MI		Jul 7, 2015
Rep. Goodlatte, Bob [R-VA-6]	R · VA		Jul 7, 2015
Rep. Marino, Tom [R-PA-10]	R · PA		Jul 7, 2015
Rep. Ross, Dennis A. [R-FL-15]	R · FL		Mar 21, 2016

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	House	Discharged from	Feb 5, 2016
Judiciary Committee	Senate	Referred To	Apr 13, 2016

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 S 1840	Related bill	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.
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)

(This measure has not been amended since it was reported to the House on March 23, 2016. The summary of that version is repeated here.)

Financial Institution Bankruptcy Act of 2016

(Sec. 2) 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 its subsidiaries, has total consolidated assets of \$50 billion or greater, and whose annual gross revenues or consolidated assets meet specified tests.

(Sec. 3) The bill adds "Subchapter V - 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 debtor holding company may transfer the assets (including executory contracts and unexpired leases) of a covered financial corporation, including the equity in all of its operating subsidiaries, to a newly-formed bridge company over a single weekend, during which a 48-hour stay of debt-collection proceedings (except payment and delivery obligations) shall apply.

The bill permits conversion to chapter 7 (Liquidation) of a case under subchapter V if certain conditions are met.

The Bankruptcy Court may not order an assets transfer unless it determines by a preponderance of the evidence that a transfer is necessary to prevent serious adverse effects on financial stability in the United States.

(Sec. 4) 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 Subchapter V case in bankruptcy. Bankruptcy judges may request to be considered for such designation.

Actions Timeline

- **Apr 13, 2016:** Received in the Senate and Read twice and referred to the Committee on the Judiciary.
- **Apr 12, 2016:** Mr. Goodlatte moved to suspend the rules and pass the bill, as amended.
- **Apr 12, 2016:** Considered under suspension of the rules. (consideration: CR H1605-1610)
- **Apr 12, 2016:** DEBATE - The House proceeded with forty minutes of debate on H.R. 2947.
- **Apr 12, 2016:** Passed/agreed to in House: On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote.(text: CR H1605-1608)
- **Apr 12, 2016:** On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. (text: CR H1605-1608)
- **Apr 12, 2016:** Motion to reconsider laid on the table Agreed to without objection.
- **Mar 23, 2016:** Reported (Amended) by the Committee on Judiciary. H. Rept. 114-477.
- **Mar 23, 2016:** Placed on the Union Calendar, Calendar No. 363.
- **Feb 11, 2016:** Committee Consideration and Mark-up Session Held.
- **Feb 11, 2016:** Ordered to be Reported (Amended) by the Yeas and Nays: 25 - 0.
- **Feb 5, 2016:** Subcommittee on Regulatory Reform, Commercial And Antitrust Law Discharged.
- **Jul 9, 2015:** Subcommittee Hearings Held.
- **Jul 8, 2015:** Referred to the Subcommittee on Regulatory Reform, Commercial And Antitrust Law.
- **Jul 7, 2015:** Introduced in House
- **Jul 7, 2015:** Referred to the House Committee on the Judiciary.