

S 3505

Bankruptcy Fairness Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Dec 6, 2016

Current Status: Read twice and referred to the Committee on the Judiciary. (Sponsor introductory remarks on measure:

Latest Action: Read twice and referred to the Committee on the Judiciary. (Sponsor introductory remarks on measure: CR S6760) (Dec 6, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/3505>

Sponsor

Name: Sen. Reed, Jack [D-RI]

Party: Democratic • **State:** RI • **Chamber:** Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Blumenthal, Richard [D-CT]	D · CT		Dec 6, 2016
Sen. Brown, Sherrod [D-OH]	D · OH		Dec 6, 2016
Sen. Merkley, Jeff [D-OR]	D · OR		Dec 6, 2016
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Dec 6, 2016

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Referred To	Dec 6, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Bankruptcy Fairness Act of 2016

This bill requires the Administrative Office of the U.S. Courts, the Executive Office for U.S. Trustees, and the Federal Judicial Center to jointly develop and periodically update recommendations regarding the judicial expertise that is required to oversee the bankruptcy process for financial companies and other specified issues related to the bankruptcy process.

After the recommendations are submitted, the U.S. Supreme Court must issue a rule that provides for the orderly appointment of a bankruptcy judge or district court judge with expertise in the resolution of financial companies under the federal bankruptcy code to oversee a bankruptcy case involving a financial company.

The bill amends the federal bankruptcy code to permit specified financial regulators to raise, appear, and be heard on any issues in a bankruptcy case or proceeding in which the debtor is a financial company.

The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation must nominate five disinterested individuals to serve as trustees for a financial company debtor. The U.S. trustee must appoint one of the nominees as a trustee, and the trustee is exempt from the requirements for residency or an office in the judicial district where the case is pending.

The Office of Financial Research must submit to Congress a report summarizing and evaluating various analytical works that examine bankruptcy policies. The report must address the effectiveness of the bankruptcy code, a bridge company study, a financing and liquidity study, and a master netting agreement study. It must also include recommendations regarding any legislative or regulatory changes that could address gaps or vulnerabilities identified.

Actions Timeline

- **Dec 6, 2016:** Introduced in Senate
- **Dec 6, 2016:** Read twice and referred to the Committee on the Judiciary. (Sponsor introductory remarks on measure: CR S6760)