DEBEVOISE & PLIMPTON LLP

Dodd-Frank Wall Street Reform and Consumer Protection Act

(Public Law No. 111-203, enacted on July 21, 2010)

Summary of Key Provisions

July 21, 2010

Introduction

The U.S. Department of the Treasury released a proposal for comprehensive federal financial regulatory reform in July 2009. The U.S. House of Representatives approved its version of this legislation, H.R. 4173, the "Wall Street Reform and Consumer Protection Act of 2009," on December 11, 2009. The U.S. Senate approved its version of this legislation, the "Restoring American Financial Stability Act of 2010,"on May 20, 2010. While the House and Senate approved versions similar in their broad contours, they also contained significant differences and thus had to be reconciled. A House-Senate Conference on H.R. 4173 (the "Conference Committee") met during the weeks of June 14 and June 21, 2010 and produced an agreed to Conference Report (an agreed-to legislation reconciling the House and Senate bills) on June 25, 2010, named the "Dodd-Frank Wall Street Reform and Consumer Protection Act." The addition of "Dodd-Frank" to the bill title is for Senator Christopher Dodd, chair of the Senate Committee on Banking, Housing and Urban Affairs, and Representative Barney Frank, chair of the House Committee on Financial Services, who each shepherded this legislation through their respective committees and were the principal Conference Committee negotiators. The Conference Committee subsequently reconvened on June 29, 2010 and agreed to an amendment to the Conference Report. The House Conference Report to accompany H.R. 4173 was reported as Report 111-517, 111th Cong, 2nd Sess., dated June 29, 2010. The full House approved the Dodd-Frank Act on June 30, 2010. The full Senate approved the Dodd-Frank Act on July 15, 2010. President Barack Obama signed the Dodd-Frank Act into law on July 21, 2010 – Public Law No. 111-203. This is a summary of key provisions of the Dodd-Frank Act. While not a summary of every section of the Dodd-Frank Act, we hope that you find it a helpful aid in understanding the many important components of this historic legislation. Each summary description is followed by a citation to the Dodd-Frank Act to assist you in locating the statutory provision to which the summary statement relates.

A Guide to the Use of Abbreviations in the Summary

BHCA –Bank Holding Company Act of 1956
CFTC – Commodity Futures Trading Commission
Council – Financial Stability Oversight Council (established under Title I)
FDIA – Federal Deposit Insurance Act
FDIC – Federal Deposit Insurance Corporation
FIO – Federal Insurance Office (established under Title V)
FHFA – Federal Housing Finance Agency
FINRA – Financial Industry Regulatory Authority, Inc.
FRB – Federal Reserve Board
GAO – U.S. General Accounting Office
HOLA – Home Owners' Loan Act
HUD – U.S. Department of Housing and Urban Development
NAIC – National Association of Insurance Commissioners
NCUA – National Credit Union Administration Board
OFR – Office of Financial Research of the Department of the Treasury (established under Title I, Subtitle B)
OCC – Office of the Comptroller of the Currency
OTS – Office of Thrift Supervision
PCAOB – Public Company Accounting Oversight Board
SEC – Securities and Exchange Commission
SIPA – Securities Investor Protection Act of 1970
SIPC – Securities Investor Protection Corporation
TARP – Troubled Asset Relief Program
Treasury Secretary – Secretary of the U.S. Department of the Treasury

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Subject	Provisions (Citation)
Title of Act	Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act")
Date of Enactment	July 21. 2010. The "Date of Enactment" applies to the Dodd-Frank Act as a whole as well as any separate Title or Subtitle of the Dodd-Frank Act that itself is a separately named act.
General Definitions	Appropriate Federal Banking Agency. Has the meaning in 12 U.S.C. §1813(q) after the Transfer Date. (§2(2)) Functionally Regulated Subsidiary. Has the meaning in 12 U.S.C. §1844(c)(5). (§2(11)) Primary Financial Regulatory Agency. Means the appropriate Federal banking agency with respect to their regulated entities, the SEC with respect to its regulated entities, the CFTC with respect to its regulated entities, and the State insurance authority of the State of domicile with respect to insurance activities of an insurance company that are subject to supervision by State insurance authority. (§2(12)) Transfer Date. The date that certain bank regulatory functions are transferred under Title III, § 311, which is a date between 1 year and 18 months from the Date of Enactment. (§§2(17) and 311) (see, under Title II, "Transfer Date" below)
Effective Date	Except as otherwise provided, the Dodd-Frank Act is effective 1 day after the Date of Enactment – July 22, 2010. (§4)
Title I - Financial Stability	**Financial Stability Act of 2010**
A - *Council*	
1 - Establishment of Council	The Financial Stability Oversight Council (the "Council") is established effective on the Date of Enactment. (§111(a))

Subject	Provisions (Citation)
2 - Council Membership	Voting Members (10). Treasury Secretary, as Chairperson; the Chairpersons of the FRB, SEC, FDIC, CFTC and the NCUA; the Comptroller of the Currency; the Director of the FHFA, the Director of the Bureau of Consumer Financial Protection; and an independent member appointed by the President with the advice and consent of the Senate having insurance expertise. (§111(b)(1)) Nonvoting Member (5). Director of the OFR; the Director of the FIO; a State insurance regulator, to be designated by a selection process determined by the State insurance regulators; a State banking supervisor, to be designated by a selection process determined by the State banking supervisors; and a State securities commissioner (or an officer performing like functions), to be designated by a selection process determined by such State securities commissioners. (§111(b)(2)) Nonvoting Member Participation. Nonvoting Council members are not to be excluded from any of the proceedings, meetings, discussions, or deliberations of the Council, except that the Chairperson may, upon an affirmative vote of the member agencies, exclude the nonvoting members from any of the proceedings, meetings, discussions, or deliberations of the Council, when necessary to safeguard and promote the free exchange of confidential supervisory information. (§111(b)(3))
3 - Council Voting	Unless otherwise specified, a majority vote of the voting members then serving. (§111(f))
B - *Council Purposes and Duties*	
1 - Purposes	Council purposes are (i) to identify risks to the financial stability of the U.S. that could arise from the material financial distress or failure, or ongoing activities, of large, interconnected bank holding companies or nonbank financial companies, or that could arise outside the financial services marketplace; (ii) to promote market discipline, by eliminating expectations on the part of shareholders, creditors, and counterparties of such companies that the Government will shield them from losses in the event of failure; and (iii) to respond to emerging threats to the stability of the U.S. financial system. (§112(a)(1))

Subject	Provisions (Citation)
2 - Duties	Council duties include (i) monitoring the financial services marketplace in order to identify potential threats to the financial stability of the U.S.; (ii) monitoring domestic and international financial regulatory proposals and developments, including insurance and accounting issues, and to advise Congress and make recommendations in such areas that will enhance the integrity, efficiency, competitiveness, and stability of the U.S. financial markets; (iii) identifying gaps in regulation that could pose risks to the financial stability of the U.S.; (iv) requiring supervision by the FRB for nonbank financial companies that may pose risks to the financial stability of the U.S. in the event of their material financial distress or failure; (iv) making recommendations to the FRB concerning the establishment of heightened prudential standards for risk-based capital, leverage, liquidity, contingent capital, resolution plans and credit exposure reports, concentration limits, enhanced public disclosures, and overall risk management for nonbank financial companies and large, interconnected bank holding companies supervised by the FRB (not defined but does not apply to a bank holding company with total consolidated assets of less than $50 billion); (v) making recommendations to primary financial regulatory agencies to apply new or heightened standards and safeguards for financial activities or practices that could create or increase risks of significant liquidity, credit, or other problems spreading among bank holding companies, nonbank financial companies, and U.S. financial markets; and (v) making determinations regarding exemptions in Title VII where necessary. (§112(a)(2))

Subject	Provisions (Citation)
3 - Council Recommendation to FRB – Enhanced Supervision and Prudential Standards	Council Recommendations. Council may make recommendations to the FRB concerning the establishment and refinement of prudential standards and reporting and disclosure requirements applicable to nonbank financial companies supervised by the FRB and large, interconnected bank holding companies, that (i) are more stringent than those applicable to other nonbank financial companies and bank holding companies that do not present similar risks to the financial stability of the U.S.; and (ii) increase in stringency, based on the factors described below. Recommendations may include (i) risk-based capital requirements; (ii) leverage limits; (iii) liquidity requirements; (iv) resolution plan and credit exposure report requirements; (v) concentration limits; (vi) a contingent capital requirement; (vii) enhanced public disclosures; (viii) short-term debt limits; and (ix) overall risk management requirements. (§§115(a)(1) and 115(b)(1)) Recommended Application of Required Standards. Council may (i) differentiate among companies that are subject to heightened standards on an individual basis or by category, taking into consideration their capital structure, riskiness, complexity, financial activities (including the financial activities of their subsidiaries), size, and any other risk-related factors that the Council deems appropriate; or (ii) recommend an asset threshold that is higher than $50 billion for the application of any standard described in items (iv) through (vii) above. (§115(a)(2)) Foreign Financial Companies. In making recommendations that would apply to foreign nonbank financial companies supervised by the FRB or foreign-based bank holding companies, the Council must (i) give due regard to the principle of national treatment and equality of competitive opportunity; and (ii) take into account the extent to which the foreign nonbank financial company or foreign-based bank holding company is subject on a consolidated basis to home country standards that are comparable to those applied to financial companies in the U.S. (§115(b)(2))

Subject	Provisions (Citation)
4 - Council/OFR Required Reports	Required Reports. Council acting through the OFR may require a bank holding company with total consolidated assets of $50 billion or more or a nonbank financial company supervised by the FRB, and any subsidiary thereof, to submit certified reports to keep the Council informed as to (i) the financial condition of the company; (ii) systems for monitoring and controlling financial, operating, and other risks; (iii) transactions with any subsidiary that is a depository institution; and (iv) the extent to which the activities and operations of the company and any subsidiary thereof, could, under adverse circumstances, have the potential to disrupt financial markets or affect the overall financial stability of the U.S. (§116(a)) Use of Existing Reports. Council acting through the OFR must, to the fullest extent possible, use (i) reports that a bank holding company, nonbank financial company supervised by the FRB, or any functionally regulated subsidiary of such company has been required to provide to other Federal or State regulatory agencies or to a relevant foreign supervisory authority; (ii) information that is otherwise required to be reported publicly; and (iii) externally audited financial statements. (§116(b)) Confidentiality. Council is to maintain the confidentiality of reports obtained under §116. (§116(b)(3))
5 - Resolution of Supervisory Jurisdictional Disputes	Council is required to seek to resolve a dispute among 2 or more member agencies, relating to respective jurisdiction over a particular company or a financial activity or product. Council recommendation will be nonbinding. (§119)
6 - Heightened Standards for Activities or Practices (Applicable to Parent and Subsidiaries)	Recommendations. Council may provide for more stringent regulation of a financial activity by issuing recommendations to primary financial regulatory agencies to apply heightened standards to an activity or practice conducted by financial companies under their respective jurisdiction, if Council determines that the conduct, scope, nature, size, scale, concentration, or interconnectedness of such activity or practice could create or increase the risk of significant liquidity, credit or other problems spreading among bank holding companies and nonbank financial companies, U.S. financial markets or low-income, minority, or underserved communities. Consultation. Council must consult with primary financial regulatory agencies and provide public notice and opportunity for comment for any proposed recommendation. Report to Congress. Council shall report to Congress on any recommendations that are not implemented by a primary financial regulatory agency. (§120)

Subject	Provisions (Citation)
7 - Authority to Obtain Information	Reports. Council acting through the OFR may request periodic or other reports from any nonbank financial company or bank holding company for the purpose of assessing the extent to which a financial activity or financial market in which the company participates, or the company itself, poses a threat to the financial stability of the U.S. (§112(d)(3)(A)) Confidentiality. Council shall maintain the confidentiality of any data, information or reports under Title I (relating to the OFR), but data, information and reports are otherwise subject to the Freedom of Information Act. (§112(d)(5)))
8 - Back-Up Examination	If the Council is unable to determine whether the financial activities of a U.S. nonbank financial company pose a threat to the financial stability of the U.S., the Council may request the FRB to examine the U.S. nonbank financial company for the sole purpose of determining whether the U.S. nonbank financial company should be supervised by the FRB for purposes of Title I. (§112(d)(4))
C - *Office of Financial Research*	
1 - Generally	Establishment. Office of Financial Research ("OFR") is established within the Department of the Treasury. (§152(a)) Director. OFR is headed by a Director that is appointed by the President by and with the advice and consent of the Senate. (§152(b)(1)) Purpose. OFR purpose is to support the Council by collecting data, standardizing data form and types, performing research, developing risk measurement and monitoring tools, performing other related services and making the results of such activities available to financial regulatory agencies. (§153(a)) Definition of Data. Data includes financial transaction data and position data. Position data means data on financial assets or liabilities held on the balance sheet of a financial company, where positions are created or changed by the execution of a financial transaction, and includes information that identifies counterparties, the valuation by the financial company of the position, and information that makes possible an independent valuation of the position. (§151(6)) Rules. OFR in consultation with Chairperson of the Council may issue rules. (§153(c)) Subpoena Power. OFR Director has power to subpoena the production of data from a financial company, but only upon a written finding by the OFR Director that (i) the data is required to carry out the functions described under Title I, Subtitle B; and (ii) the OFR has coordinated with the relevant primary financial regulatory agency. (§153(f))

Subject	Provisions (Citation)
2 - Funding	Years 1 and 2. FRB will provide the OFR an amount sufficient to cover its expenses. (§155(c)) Year 3 and Beyond. Treasury Secretary will establish an assessment schedule with the approval of the Council. Assessments to apply to bank holding companies with total consolidated assets of $50 billion or more and nonbank financial companies supervised by the FRB. Assessments are to cover total expenses of the OFR, including the expenses of the Council. (§§155(d) and 118)
D - *Council Systemic Risk Determination*	
1 - Definitions	Foreign Nonbank Financial Company. A company (other than a company that is, or is treated in the U.S. as, a bank holding company) that is (i) incorporated or organized in a country other than the U.S.; and (ii) predominantly engaged, including through a branch, in financial activities in the U.S. (§102(a)(4)(A)) U.S. Nonbank Financial Company. A company (other than a bank holding company or a Farm Credit System institution or a national securities exchange (or parent thereof), clearing agency (or parent thereof, unless the parent is a bank holding company), security-based swap execution facility, or security-based swap data repository registered with the SEC, or a board of trade designated as a contract market (or parent thereof), or a derivatives clearing organization (or parent thereof, unless the parent is a bank holding company), swap execution facility or a swap data repository registered with the CFTC) that is (i) incorporated or organized under the laws of the U.S. or any State; and (ii) predominantly engaged in financial activities. (§102(a)(4)(B)) Nonbank Financial Company. A U.S. nonbank financial company and a foreign nonbank financial company. (§102(a)(4)(C)) Predominantly Engaged in Financial Activities. A company is predominantly engaged in financial activities if its annual gross revenues from, or its consolidated assets related to, activities that are financial in nature under BHCA §4(k) (and if applicable, from ownership of an insured depository institution) represent 85% or more of the consolidated annual gross revenues of the company or 85% or more of the consolidated assets of the company. (§102(a)(6))
2 - Foreign Nonbank Financial Company	For purposes of Title I, Subtitles A (§§111-123) and C (§§161-176) (other than §113(b), which relates to the Council determination that a foreign nonbank financial company shall be supervised by the FRB) with respect to a foreign nonbank financial company, references in Title I to "company" or "subsidiary" include only the U.S. activities and subsidiaries of the foreign company, except as otherwise provided. (§102(c))

Subject	Provisions (Citation)
3 - FRB Supervision Determination, Review and Rescission – Nonbank Financial Companies	Determination. Council, by a vote of not fewer than 2/3 of the voting members then serving, including an affirmative vote by the Treasury Secretary as Chairperson, may determine that a U.S. nonbank financial company or a foreign nonbank financial company shall be supervised by the FRB and shall be subject to prudential standards if the Council determines that material financial distress at the company, or the nature, scope, size, scale, concentration, interconnectedness, or mix of the activities of the company, could pose a threat to the financial stability of the U.S. (§§113(a)(1) and 113(b)(1)) Such a company is a "nonbank financial company supervised by the FRB". Notice/Opportunity. Nonbank financial company is entitled to notice and an opportunity to be heard. (§113(e)) Judicial Review. Final Council determination is subject to judicial review under an arbitrary and capricious review standard. (§113(h)) Annual Reevaluation. Determination to be reevaluated at least annually by the Council. (§113(d)(1)) Rescission. Rescission of determination requires the same kind of Council vote as the original determination. (§113(d)(2))
4 - Determination Criteria	U.S. Nonbank Financial Company. Criteria for determination that a U.S. nonbank financial company shall be supervised by the FRB include (i) the extent of leverage; (ii) the extent and nature of the company's off-balance-sheet exposures; (iii) the extent and nature of the transactions and relationships of the company with other significant nonbank financial companies and bank holding companies; (iv) the importance of the company as a source of credit for households, businesses, and State and local governments and as a source of liquidity for the U.S. financial system; (v) the importance of the company as a source of credit for low income, minority, or underserved communities, and the impact that the failure of such company would have on the availability of credit in such communities; (vi) the extent to which (I) assets are managed rather than owned by the company; and (II) ownership of assets under management is diffuse; (vii) the nature, scope, size, scale, concentration, interconnectedness, and mix of the activities of the company; (viii) the degree to which the company is already regulated by 1 or more primary financial regulatory agencies; (ix) the amount and nature of the financial assets of the company; (x) the amount and types of the liabilities of the company, including the degree of reliance on short-term funding; and (xi) any other risk-related factors that the Council deems appropriate. (§113(a)(2)) Foreign Nonbank Financial Company. Criteria for determination that a foreign nonbank financial company shall be supervised by the FRB are substantially the same except that the criteria generally relate to U.S. assets, activities, operations, and exposure. (§113(b)(2))

Subject	Provisions (Citation)
5 - Required Consultation	Council is required to consult with the primary financial regulatory agency for each nonbank financial company or subsidiary of a nonbank financial company being considered for supervision by the FRB. (§113(g))
6 - FRB Supervision Determination, Review and Rescission – Other Financial Companies (Anti-Evasion)	Determination. Council, on its own initiative or at the request of the FRB, may determine by a vote of not fewer than 2⁄3 of the voting members then serving, including an affirmative vote by the Treasury Secretary as Chairperson, that (i) material financial distress related to, or the nature, scope, size, scale, concentration, interconnectedness, or mix of, the financial activities conducted directly or indirectly by a U.S. company or related to the financial activities in the U.S. of a foreign company would pose a threat to the financial stability of the U.S.; (ii) the company is organized or operates in such a manner as to evade the application of Title I; and (iii) such financial activities of the company shall be supervised by the FRB and subject to prudential standards. (§113(c)(1)) Review. Such a determination is subject to the same notice and opportunity to be heard and judicial review procedures as a determination of a nonbank financial company. (see "FRB Supervision Determination, Review and Rescission – Nonbank Financial Companies" above) (§113(c)(4)) Notice to Congress. On making the determination, the Council must report its reasons to the Congress. (§113(c)(2)) Scope of Supervision. Nonfinancial activities of such a company will not be subject to supervision by and enhanced prudential standards of the FRB. (§113(c)(6)) The term "financial activities" is defined to mean (i) activities that are financial in nature as defined in BHCA §4(k); (ii) includes the ownership or control of one or more insured depository institutions; and (iii) does not include internal financial activities conducted for the company or any affiliate thereof, including internal treasury, investment, and employee benefit functions. (§113(c)(5)) Intermediate Holding Company. Upon such a determination, the company that is the subject of the determination may establish an intermediate holding company in which the financial activities of the company and its subsidiaries must be conducted. To facilitate the supervision of the financial activities subject to the determination, the FRB may require the company to establish an intermediate holding company. Only the intermediate holding company would be subject to supervision by the FRB and to the enhanced prudential standards (i.e., the intermediate holding company will be the nonbank holding company supervised by the FRB). (§113(c)(3))
7 - International Coordination	In exercising its duties under Title I with respect to foreign nonbank financial companies, foreign-based bank holding companies, and cross-border activities and markets, the Council shall consult with appropriate foreign regulatory authorities, to the extent appropriate. (§113(i))

Subject	Provisions (Citation)
8 - Treatment of Certain TARP Recipients that De-Bank After 1/1/10	If an entity or its successor (i) was a bank holding company having total consolidated assets equal to or greater than $50 billion as of January 1, 2010; (ii) received financial assistance under or participated in the Capital Purchase Program established under TARP or any successor; and (iii) ceases to be a bank holding company at any time after January 1, 2010, then the entity will be treated as a nonbank financial company supervised by the FRB as if the Council had made a determination under §113 with respect to that entity. (§117)
E - *FRB Supervision – Nonbank Financial Company Supervised by the FRB*	
1 - Registration with FRB	Nonbank financial company must register with the FRB within 180 days of date of final Council determination that it is to be supervised by the FRB. (§114)
2 - Reports, Examination and Enforcement	Reports; Examination. Nonbank financial company supervised by the FRB and its subsidiaries may be required to submit reports to and be subject to examination by the FRB. The FRB must, to the fullest extent possible, use reports submitted to other Federal and State regulatory agencies and reply on reports of examination of any subsidiary depository institution or functionally regulated subsidiary made by the primary financial regulatory agency for that subsidiary. The FRB must provide reasonable notice to, and consult with, the primary financial regulatory agency for any subsidiary and avoid duplication of examination activities, reporting requirements, and requests for information, to the fullest extent possible. (§161) Enforcement (Other than Depository Institution Subsidiaries and Functionally Regulated Subsidiaries). Nonbank financial company supervised by the FRB and any subsidiaries (other than a depository institution subsidiary or a functionally regulated subsidiary) of such company shall be subject to the enforcement provisions of 12 U.S.C. §1818(b)-(n) (FDIA) in the same manner and to the same extent as if the company were a bank holding company. (§162(a)) Enforcement (Depository Institution Subsidiaries and Functionally Regulated Subsidiaries). If the FRB determines that a condition, practice, or activity of a depository institution subsidiary or functionally regulated subsidiary of a nonbank financial company supervised by the FRB does not comply with the regulations or orders prescribed by the FRB or otherwise poses a threat to the financial stability of the U.S., FRB may recommend to the primary financial regulatory agency for the subsidiary that the agency take an enforcement action. If the agency does not take the recommended action, FRB may take the enforcement action itself. (§162(b))

Subject	Provisions (Citation)
3 - Intermediate Holding Company	Permitted. FRB may require a nonbank financial company supervised by the FRB to conduct all or a portion of its financial activities in or through an intermediate holding company. (§167(b)(1)(A)) Required. FRB must require a nonbank financial company supervised by the FRB to establish an intermediate holding company if the FRB makes a determination that the establishment of such intermediate holding company is necessary to (i) appropriately supervise activities that are determined to be financial in nature or incidental thereto; or (ii) ensure that supervision by the FRB does not extend to the commercial activities of such company. (§167(b)(1)(B)) Source of Strength. A company that directly or indirectly controls such an intermediate holding company shall serve as a source of strength to its subsidiary intermediate holding company. (§167(b)(3)) Enforcement. The FRB may enforce compliance with the intermediate holding company requirement that apply to a company that controls the intermediate holding company under FDIA §8 enforcement provisions and the company will be subject to FDIA §8 as if it were a bank holding company. (§176(b)(5)(A))
4 - Deemed a Bank Holding Company	Acquisition of Banks. For purposes of 12 U.S.C. §1842 (acquisition of bank shares or assets), a nonbank financial company supervised by the FRB will be deemed to be a bank holding company. (§163(a)) Management Interlock Prohibition. A nonbank financial company supervised by the FRB will be treated as a bank holding company for purposes of the Depository Institutions Management Interlocks Act (12 U.S.C. §3201 et seq.), except that the FRB shall not exercise the authority provided 12 U.S.C. §3207 to permit service by a management official of a nonbank financial company supervised by the FRB as a management official of any bank holding company with total consolidated assets equal to or greater than $50 billion, or other nonaffiliated nonbank financial company supervised by the FRB (other than to provide a temporary exemption for interlocks resulting from a merger, acquisition, or consolidation). (§164)
F - *FRB Supervision – Nonbank Financial Company Supervised by the FRB and Certain Bank Holding Companies*	
1 - Tailored Application	Generally. In prescribing any prudential standard, the FRB, on its own or pursuant to recommendations by the Council, may differentiate among companies on an individual basis or by category, taking into consideration their capital structure, riskiness, complexity, financial activities (including the financial activities of their subsidiaries), size, and any other risk-related factors that the FRB deems appropriate. Asset Threshold. FRB may, pursuant to recommendations by the Council, establish an asset threshold above $50 billion for the application of certain prudential standards. (§165(a)(2))

Subject	Provisions (Citation)
2 - Enhanced Supervision and Prudential Standards – Generally	Establishment of Standards. FRB must, on its own or pursuant to recommendations by the Council, establish prudential standards applicable to nonbank financial companies supervised by the FRB and bank holding companies with total consolidated assets equal to or greater than $50 billion that (i) are more stringent than the standards and requirements applicable to nonbank financial companies and bank holding companies that do not present similar risks to the financial stability of the U.S.; and (ii) increase in stringency, based on the considerations described below. (§165(a)(1)) Required Standards. Risk-based capital and leverage requirements (unless the FRB, in consultation with the Council, determines that such requirements are not appropriate for a company subject to more stringent prudential standards because of the activities of such company, such as investment company activities or assets under management, or structure, in which case, the FRB must apply other standards that result in similarly stringent risk controls), liquidity requirements, overall risk management requirements, resolution plan and credit exposure report requirements and concentration limits. (§165(b)(1)(A)) (see "Enhanced Supervision and Prudential Standards – Required Standards" below for additional details) Permitted Standards. A contingent capital requirement, enhanced public disclosures, short-term debt limits and such other prudential standards as the FRB, on its own or pursuant to a recommendation made by the Council, determines are appropriate. (§165(b)(1)(B)) (see "Enhanced Supervision and Prudential Standards – Permitted Standards" below for additional details) Factors to Be Considered. In prescribing these prudential standards, the FRB must: (i) take into account differences among nonbank financial companies supervised by the FRB and large, interconnected bank holding companies based on (I) the factors described in §113(a) and (b) (see "Determination Criteria" above); (II) whether the company owns an insured depository institution; (y) nonfinancial activities and affiliations of the company; and (III) any other risk-related factors that the FRB determines appropriate; (ii) to the extent possible, ensure that small changes in the factors listed in §113(a) and (b) (see "Determination Criteria" above) would not result in sharp, discontinuous changes in the prudential standards established under (i); (iii) take into account any recommendations of the Council; and (iv) adapt the required standards as appropriate in light of any predominant line of business of such company, including assets under management or other activities for which particular standards may not be appropriate. (§165(b)(3)) Foreign Nonbank Financial Companies. In applying these prudential standards to any foreign nonbank financial company supervised by the FRB or foreign-based bank holding company, the FRB must (i) give due regard to the principles of national treatment and equality of competitive opportunity; and (ii) take into account the extent to which the foreign financial company is subject on a consolidated basis to home country standards that are comparable to those applied to financial companies in the U.S. (§165(b)(2))

Subject	Provisions (Citation)
3 - Required Consultation	Before imposing prudential standards or any other requirements pursuant to §165 that are likely to have a significant impact on a functionally regulated subsidiary or depository institution subsidiary of a nonbank financial company supervised by the FRB or a bank holding company with total consolidated assets equal to or greater than $50 billion, the FRB must consult with each Council member that primarily supervises any such subsidiary with respect to any such standard or requirement. (§165(b)(4))
4 - Enhanced Supervision and Prudential Standards – Required Standards	Resolution Plan. *Requirement*. Each nonbank financial company supervised by the FRB and bank holding company with total consolidated assets equal to or greater than $50 billion must report periodically to the FRB, Council, and FDIC the company plan for rapid and orderly resolution in the event of material financial distress or failure. (§165(d)(1)) Credit Exposure Report. *Requirement*. Each nonbank financial company supervised by the FRB bank holding company with total consolidated assets equal to or greater than $50 billion must report periodically to the FRB, Council, and FDIC on (i) the nature and extent to which the company has credit exposure to other significant nonbank financial companies and significant bank holding companies; and (ii) the nature and extent to which other significant nonbank financial companies and significant bank holding companies have credit exposure to that company. (§165(d)(2)) *Effective Date*. FRB and FDIC must jointly issue rules implementing the resolution plan and credit exposure report requirements within 18 months of the Date of Enactment. (§165(d)(8)) Concentration Limit. FRB must issue rules prohibiting each nonbank financial company supervised by the FRB and bank holding company with total consolidated assets equal to or greater than $50 billion from having credit exposure to any unaffiliated company that exceeds 25% (or such lesser percentage as the FRB deems appropriate) of the capital and surplus of the company. (§165(e)(2)) The term "credit exposure" is broadly defined to include loans, deposits, repos, securities borrowing, and exposure on derivatives. (§165(e)(3)) These requirements do not apply to any Federal Home Loan Bank. FRB may also exempt transactions by rule or order from the definition of the term "credit exposure". (§165(e)(6)) *Effective Date*. Concentration limits are not effective until 3 years after the Date of Enactment, which period can be extended by the FRB for an additional 2 years. (§165(e)(7))

Subject	Provisions (Citation)
5 - Enhanced Supervision and Prudential Standards – Required Standards (continued)	Leverage Limitation. FRB must require a bank holding company with total consolidated assets equal to or greater than $50 billion or a nonbank financial company supervised by the FRB to maintain a debt to equity ratio of no more than 15 to 1, upon a determination by the Council that such company poses a grave threat to the financial stability of the U.S. and that the imposition of such requirement is necessary to mitigate the risk that such company poses to the financial stability of the U.S. This limitation does not apply to a Federal home loan bank. (§165(j)) Off-Balance Sheet Activities. *Requirement*. For any bank holding company with total consolidated assets equal to or greater than $50 billion or nonbank financial company supervised by the FRB, the computation of capital for purposes of meeting capital requirements must take into account any off-balance-sheet activities of the company. Exemptions are authorized. "Off-balance sheet activities" include standby letters of credit, irrevocable letters of credit that guarantee repayment of commercial paper or tax-exempt securities, risk participations in bankers' acceptances, sale and repurchase agreements, asset sales with recourse against the seller, interest rate swaps, credit swaps, commodities contracts, forward contracts and securities contracts. (§165(k)) Effective Date. The Effective Date, but may be subject to FRB implementing regulations – see "Regulations" below. See also "Required Risk Committee for Publicly Traded Companies" below.

Subject	Provisions (Citation)
6 - Enhanced Supervision and Prudential Standards – Permitted Standards	Contingent Capital. Council is to study the feasibility, benefits, costs, and structure of a contingent capital requirement for nonbank financial companies supervised by the FRB and bank holding companies with total consolidated assets equal to or greater than $50 billion. (§115(c)(1)) Council is to report to Congress regarding the study no later than 2 years from the Date of Enactment and then make recommendation to the FRB. (§§115(c)(2) and 115(c)(3)) FRB may then, after considering certain factors, issue regulations that require each nonbank financial company supervised by the FRB and bank holding companies with total consolidated assets equal to or greater than $50 billion to maintain a minimum amount of contingent capital that is convertible to equity in times of financial stress. (§165(c)) Enhanced Public Disclosures. FRB may prescribe, by regulation, periodic public disclosures by nonbank financial companies supervised by the FRB and bank holding companies with total consolidated assets equal to or greater than $50 billion in order to support market evaluation of the risk profile, capital adequacy, and risk management capabilities thereof. (§165(f)) Short Term Debt Limit. FRB may prescribe, by regulation, a limit on the amount of short-term debt, including off-balance sheet exposures, that may be accumulated by any bank holding company with total consolidated assets equal to or greater than $50 billion and any nonbank financial company supervised by the FRB. Any such limit must be based on the short-term debt of the company as a percentage of capital stock and surplus of the company or on such other measure as the FRB considers appropriate. "Short-term debt'' is defined to mean such liabilities with short-dated maturity that the FRB identifies, by regulation, except that such term does not include insured deposits. FRB may issue to a company an exemption from or adjustment to such limit if the company does not control an insured depository institution. (§165(g))

Subject	Provisions (Citation)
7 - Holding Company Leverage and Risk-Based Capital Requirements – Minimum Requirements	Minimum Requirements. Federal banking agencies must establish minimum leverage capital and risk-based capital requirements on a consolidated basis on depository institution holding companies (both bank holding companies and savings and loan holding companies) and nonbank financial companies supervised by the FRB that are not less than nor quantitatively lower than those generally applicable to insured depository institutions as in effect on the Date of Enactment. (§171(b)(1) and (2)) Investments in Financial Subsidiaries. Investments in financial subsidiaries that insured depository institutions are required to deduct from regulatory capital need not be deducted from regulatory capital by institutions covered by §171, unless such capital deduction is required by the FRB or the primary financial regulatory agency in the case of nonbank financial companies supervised by the FRB. (§171(b)(3)) Requirements to Address Certain Risks. Subject to recommendations from the Council, the Federal banking agencies are to develop capital requirements applicable to all institutions covered by §171 that address the risks that the activities of such institutions pose, including at a minimum, those arising from (i) significant volumes of activity in derivatives, securitized products, financial guarantees, securities borrowing and lending, and repos and reverse repos; (ii) concentrations in assets for which the values are based on models rather than historical prices or deriving from deep and liquid 2-way markets; and (iii) concentrations in market share for any activity that would substantially disrupt financial markets if the institution is forced to unexpectedly cease the activity. (§171(b)(7))

Subject	Provisions (Citation)
8 - Holding Company Leverage and Risk-Based Capital Requirements – Effective Dates and Exceptions	Effective Dates and Phase-In Periods. (i) *Debt or equity instruments issued on or after May 19, 2010 by depository institution holding companies or by nonbank financial companies supervised by the FRB*: deemed effective as of May 19, 2010. (ii) *Debt or equity instruments issued before May 19, 2010, by depository institution holding companies or by nonbank financial companies supervised by the FRB*: any required regulatory capital deductions phased in incrementally over a period of 3 years, beginning January 1, 2013, except as set forth in item (iii). (iii) *Debt or equity instruments issued before May 19, 2010, by depository institution holding companies with total consolidated assets of less than $15 billion as of December 31, 2009, and by organizations that were mutual holding companies on May 19, 2010*: capital deductions that would be required for other institutions under §171 are not required as a result of §171. (iv) *Any depository institution holding company that was not supervised by the FRB as of May 19, 2010*: except as set forth in items (i) and (ii), effective 5 years after the Date of Enactment. (v) *Bank holding company subsidiaries of foreign banking organizations that have relied on Supervision and Regulation Letter SR-01-1 issued by the FRB (as in effect on May 19, 2010)*: except as set forth in item (i), effective 5 years after the Date of Enactment. Exceptions. §171 does not apply to (i) debt or equity instruments issued to the U.S. or any U.S. agency or instrumentality pursuant to the Emergency Economic Stabilization Act of 2008, and prior to October 4, 2010; (ii) any Federal home loan bank; or (iii) any small bank holding company that is subject to the Small Bank Holding Company Policy Statement of the FRB, as in effect on May 19, 2010.

Subject	Provisions (Citation)
9 - Stress Test	By the FRB. FRB, in coordination with the appropriate primary financial regulatory agencies and the FIO, must conduct annual stress tests of nonbank financial companies supervised by the FRB and bank holding companies with total consolidated assets equal to or greater than $50 billion and must require such companies to update their resolution plans, as the FRB determines appropriate, based on the results of the analyses. FRB (i) must provide for at least 3 different sets of conditions under which the evaluation must be conducted, including baseline, adverse, and severely adverse; (ii) may require the stress tests at bank holding companies and nonbank financial companies, in addition to those for which annual tests are; (iii) may develop and apply such other analytic techniques as are necessary to identify, measure, and monitor risks to the financial stability of the U.S.; (iv) must require the companies to update their resolution plans, as the FRB determines appropriate, based on the results of the analyses; and (v) must publish a summary of the results of the stress tests. (§165(i)(1)) By the Company. A nonbank financial company supervised by the FRB and a bank holding company with total consolidated assets equal to or greater than $50 billion must conduct semiannual stress tests and report to the FRB and to its primary financial regulatory agency. (§165(i)(2))
10 - Early Remediation Requirements	Requirement. FRB, in consultation with the Council and the FDIC, must prescribe regulations establishing requirements to provide for the early remediation of financial distress of a nonbank financial company supervised by the FRB or a bank holding company with total consolidated assets equal to or greater than $50 billion. (§166(a)) Purpose. To establish a series of specific remedial actions to be taken by a nonbank financial company supervised by the FRB or a bank holding company with total consolidated assets equal to or greater than $50 billion that is experiencing increasing financial distress, in order to minimize the probability that the company will become insolvent and the potential harm of such insolvency to the financial stability of the U.S. (§166(b)) Regulations. Must (i) define measures of the financial condition of the company, including regulatory capital, liquidity measures, and other forward-looking indicators; and (ii) establish requirements that increase in stringency as the financial condition of the company declines. (§166(c))
11 - Acquisition of Certain Nonbank Companies – Prior Notice to FRB	A bank holding company with total consolidated assets equal to or greater than $50 billion or a nonbank financial company supervised by the FRB must provide prior written notice to the FRB before acquiring any voting shares of any company that is engaged in financial activities (other than as otherwise permitted under BHCA §§4(c) or 4(k)(4)(E)) having total consolidated assets of $10 billion or more and must provide prior written notice to the FRB for the acquisition of any company (other than an insured depository institution), including a company engaged in activities described in BHCA §4(k). (§163(b))

Subject	Provisions (Citation)
12 - Exemptions From FRB Supervision	FRB must promulgate regulations on behalf of, and in consultation with, the Council setting forth the criteria for exempting certain "types or classes" of U.S. nonbank financial companies or foreign nonbank financial companies from supervision by the FRB. (§170(a)).
13 - Mitigation of Systemic Risk	Mitigation. If the FRB determines that a bank holding company with total consolidated assets of $50 billion or more or a nonbank holding company supervised by FRB *poses a grave threat to U.S. financial stability*, the FRB, upon a 2/3 of the voting members of the Council then serving, must require the company to (i) limit the ability of the company to merge with, acquire, consolidate with, or otherwise become affiliated with another company; (ii) restrict the ability to offer a financial product or products; (iii) terminate or impose conditions on the manner in which it conducts one or more activities, or (iv) if such action is inadequate to mitigate the threat, sell or otherwise transfer assets or off-balance-sheet items to unaffiliated entities. (§121(a)) Factors. In making this determination that a company poses a "grave threat" under §113, the FRB and the Council shall take into account the applicable factors from §§ 113(a) and 113(b) (see "Determination Criteria" above). (§121(c)) Notice and Hearing. FRB, in consultation with the Council, must give written notice that a company is being considered for mitigatory action. The company will have 30 days to request a written or oral hearing before the FRB. (§121(b)) Foreign Nonbank Financial Companies. FRB may prescribe regulations regarding the application of this authority to foreign nonbank financial companies supervised by the FRB and foreign-based bank holding companies, giving due regard to the principle of national treatment and equality of competitive opportunity and taking into account the extent to which the foreign nonbank financial or foreign-based bank holding company is subject on a consolidated basis to home country standards that are comparable to those applied to financial companies in the U.S. (§121(d))

Subject	Provisions (Citation)
G - *FDIC Examination Authority – Nonbank Financial Company Supervised by the FRB and Certain Bank Holding Companies*	
1 - FDIC Examination Authority	Examination Authority. The FDIC is authorized to make a special examination of a nonbank financial company supervised by the FRB or a bank holding company with total consolidated assets equal to or greater than $50 billion whenever the FDIC Board of Directors determines that a special examination is necessary for the purpose of implementing its authority to provide for orderly liquidation of any such company under Title II, provided that such authority may not be used with respect to such company that is in a generally sound condition. Limitation. Before conducting such a special examination, the FDIC must review any available and acceptable resolution plan that the company has submitted in accordance with §165(d), consistent with the nonbinding effect of such plan, and available reports of examination, and must coordinate to the maximum extent practicable with the FRB, in order to minimize duplicative or conflicting examinations. (§172(a))
H - *FRB Regulation of Certain Companies*	
1 - Required Risk Committee for Certain Publicly Traded Companies	Requirement. FRB must require each publicly traded bank holding company with $10 billion or more in total consolidated assets, and each publicly traded nonbank financial company it supervises, within 1 year after a determination of FRB supervision, to establish a risk committee. (§§165(h)(1) and 165(h)(2)(A)) FRB may also require a risk committee at a smaller publicly traded bank holding company. (§165(h)(2)(B)) Risk Committee. Risk committee must (i) be responsible for the oversight of the enterprise-wide risk management practices of the nonbank financial company supervised by the FRB or bank holding company with total consolidated assets equal to or greater than $50 billion; (ii) include such number of independent directors as the FRB may determine appropriate, based on the nature of operations, size of assets, and other appropriate criteria related to the nonbank financial company supervised by the FRB or a bank holding company with total consolidated assets equal to or greater than $50 billion; and (iii) include at least 1 risk management expert having experience in identifying, assessing, and managing risk exposures of large, complex firms. (§165(h)(3)) Effective Date. FRB must issue final risk committee rules not later than 1 year after the Transfer Date to take effect not later than 15 months after the Transfer Date. (§165(h)(4))

Subject	Provisions (Citation)
2 - Stress Tests for Certain Financial Companies	All financial companies (other than a nonbank financial company supervised by the FRB and a bank holding company with total consolidated assets equal to or greater than $50 billion) that have total consolidated assets of more than $10 billion and are regulated by a primary Federal financial regulatory agency must conduct annual stress tests and report to the FRB and to its primary financial regulatory agency. (§165(i)(2))
I - *FDIC Backup Authority – Depository Institution Holding Companies*	
1 - FDIC Backup Authority	FDIC, based on an examination of an insured depository institution by the FDIC or by the appropriate Federal banking agency or on other information, may recommend in writing to the appropriate Federal banking agency that the agency take any enforcement action authorized under 12 U.S.C. §§1817(j), 1818 or § 1828(j) with respect to any depository institution holding company (e.g., a bank holding company or savings and loan holding company). If the appropriate Federal banking agency does not, before a stated deadline, take the enforcement action recommended by the FDIC or provide a plan acceptable to the FDIC for responding to the FDIC's concerns, the FDIC may take the recommended enforcement action if the FDIC Board of Directors determines, upon a vote of its members, that the conduct or threatened conduct (including any acts or omissions) of the depository institution holding company poses a risk to the Deposit Insurance Fund. This authority may not be used with respect to a depository institution holding company that is in generally sound condition and whose conduct does not pose a foreseeable and material risk of loss to the Deposit Insurance Fund. For purposes of exercising this backup authority, (i) the FDIC shall have the same powers with respect to a depository institution holding company and its affiliates as the appropriate Federal banking agency has with respect to the holding company and its affiliates; and (ii) the holding company and its affiliates shall have the same duties and obligations with respect to the FDIC as the holding company and its affiliates have with respect to the appropriate Federal banking agency. (§172)

Subject	Provisions (Citation)
J - *Access to U.S. Financial Market by Foreign Institutions*	
1 - Foreign Bank Offices	Establishment of Office. In acting on any application by a foreign bank to establish a branch or an agency, or acquire ownership or control of a commercial lending company, the FRB may take into account, for a foreign bank that presents a risk to the stability of U.S. financial system, whether the home country of the foreign bank has adopted, or is making demonstrable progress toward adopting, an appropriate system of financial regulation for the financial system of such home country to mitigate such risk. Termination of Office. FRB may order a foreign bank that operates a State branch or agency or commercial lending company subsidiary in the U.S. to terminate the activities of such branch, agency, or subsidiary if the FRB finds that, for a foreign bank that presents a risk to the stability of the U.S. financial system, the home country of the foreign bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. (§173(a) and (b))
2 - Foreign Broker or Dealer	Registration. In determining whether to permit a foreign person or its affiliate to register as a U.S. broker or dealer, or succeed to the registration of a U.S broker or dealer, the SEC may consider whether, for a foreign person, or an affiliate of a foreign person that presents a risk to the stability of the U.S. financial system, the home country of the foreign person has adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. Termination of Registration. For a foreign person or its affiliate that presents such a risk to the stability of the U.S. financial system, the SEC may determine to terminate the registration of such foreign person or an affiliate of such foreign person as a broker or dealer in the U.S., if the SEC determines that the home country of the foreign person has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. (§173(c))
K - *Regular Consultation with Foreign Regulators*	
1 - Required Consultation	The Treasury Secretary, as Chairperson of the Council and in consultation with the Council, is required to consult regularly with the financial regulatory entities and other appropriate organizations of foreign governments or international organizations on matters relating to systemic risk to the international financial system. The FRB and the Treasury Secretary must also consult with their foreign counterparts regarding prudential supervision and regulation for all highly leveraged and interconnected financial companies. (§175)

Subject	Provisions (Citation)
L - *Studies and Regulations*	
1 - Required Studies	Effects of Size and Complexity of Financial Institutions. The Chairman of the Council must carry out a study of the economic impact of possible financial services regulatory limitations intended to reduce systemic risk. Report due not later than the end of the 180-day period beginning on the Date of Enactment, and not later than every 5 years thereafter. (§123) Hybrid Capital Instruments. Comptroller General of the United States, in consultation with the FRB, the Comptroller of the Currency, and the FDIC, must conduct a study of the use of hybrid capital instruments as a component of Tier 1 capital for banking institutions and bank holding companies. Due 18 months from Date of Enactment. (§174(a)) Foreign Bank Intermediate Holding Company. Comptroller General of the United States, in consultation with the Treasury Secretary, the FRB, the Comptroller of the Currency, and the FDIC, must conduct a study of capital requirements applicable to U.S. intermediate holding companies of foreign banks that are bank holding companies or savings and loan holding companies. Due 18 months from the Date of Enactment. (§174(b))
2 - Regulations	FRB is authorized to issue regulations to implement Title I, Subtitles A and C. FRB must issue final regulations to implement Title I, Subtitles A (§§ 101-123) and C (§§161-176) not later than 18 months after the Effective Date, unless otherwise specified in Title I, Subtitles A or C. (§168)
Title II - Orderly Liquidation Authority	
A - *Eligible Companies*	
1 - Companies Eligible for Resolution	Covered Financial Company. A financial company for which a determination has been made by the Treasury Secretary to appoint the FDIC as receiver. (§201(a)(8)) Covered Subsidiary. A subsidiary of a covered financial company, other than an insured depository institution, an insurance company, or a covered broker or dealer. (§201(a)(9)) Financial Company. Any company that is incorporated or organized under any provision of Federal law or the laws of any State that is a (i) bank holding company (including any company, the majority of the securities of which are owned by the U.S. or any State); (ii) nonbank financial company supervised by the FRB; (iii) company predominantly engaged in activities that are financial in nature or incidental thereto for purposes of BHCA §4(k); or (iv) subsidiary of a company described in (i)-(iii) that is predominantly engaged in activities that are financial in nature or incidental thereto (other than an insured depository institution or an insurance company). Excludes a Farm Credit System institution, "governmental entity" (undefined), any Federal Home Loan Bank and Freddie Mac and Fannie Mae. (§§201(a)(5) and 201(a)(11))

Subject	Provisions (Citation)
2 - Predominantly Engaged Definition	No company shall be deemed to be predominantly engaged in activities that are financial in nature or incidental thereto if the consolidated revenues of the company from such activities (including those from the ownership of a depository institution) constitute less than 85% of the total consolidated revenues of such company, as the FDIC, in consultation with the Treasury Secretary, shall establish by regulation. (§201(b))
3 - Insurance Company Exception	Exception. If an insurance company is a covered financial company or a subsidiary or affiliate of a covered financial company, the liquidation or rehabilitation of the insurance company (and any subsidiary or affiliate of the insurance company that is itself an insurance company) shall be conducted as provided under State law. FDIC Authority. If the appropriate regulatory agency has not filed the appropriate judicial action in the appropriate State court to place such company into orderly liquidation under relevant State law within 60 days of the systemic risk determination, the FDIC shall have the authority to stand in the place of the appropriate regulatory agency and file such action. (§203(e))
4 - Definition of Insurance Company	Insurance Company. Any entity that is (i) engaged in the business of insurance; (ii) subject to regulation by a State insurance regulator; and (iii) covered by a State law that is designed to specifically deal with the rehabilitation, liquidation, or insolvency of an insurance company. (§201(a)(13))

Subject	Provisions (Citation)
B - *Orderly Liquidation – Determination*	
1 - Systemic Risk Determination	Recommendation. FDIC and the FRB may make a recommendation to the Treasury Secretary to appoint the FDIC as receiver for a financial company upon a 2/3 vote of their respective boards, and shall consider whether to make such a recommendation on their own initiative or at the request of the Treasury Secretary. (§203(a)(1)(A)) SIPC Entity. Where the financial company or its largest U.S. subsidiary (as measured by total assets as of the end of the previous calendar quarter) is a broker or dealer that is registered with the SEC and a SIPC member, the recommendation must be made by the SEC and the FRB by vote of not fewer than 2/3 of their respective commissioners or members and in consultation with the FDIC. (§§203(a)(1)(B) and 201(a)(7)) Insurance Company Entity. Where the financial company or its largest U.S. subsidiary (as measured by total assets as of the end of the previous calendar quarter) is an insurance company, the recommendation must be made by the FRB by vote of not fewer than 2/3 of its board and by the FIO Director and in consultation with the FDIC. (§203(a)(1)(C)) Contents of Recommendation. The written recommendation must contain (i) an evaluation of whether the financial company is in default or in danger of default; (ii) the effect that the default would have on financial stability in the U.S.; (iii) the effect that the default would have on economic conditions for low income, minority, or underserved communities; (iv) a recommendation regarding the nature and the extent of actions to be taken under Title II; (v) an evaluation of the likelihood of a private sector alternative to prevent the default of the company; (vi) an evaluation of effects on creditors, counterparties, and shareholders and other market participants; and (vii) an evaluation of whether the company satisfies the definition of a "financial company." (§203(a)(2)) Treasury Secretary Determination. Upon such recommendation, the Treasury Secretary (in consultation with the President) may make a determination under "Treasury Secretary Determination" below. (§203(b)) Notice. Following the Treasury Secretary determination, the Treasury Secretary must notify the covered financial company and the FDIC of the determination. (§203(c)(1)(C))

Subject	Provisions (Citation)
2 - Treasury Secretary Determination	Treasury Secretary may act if he determines that (i) the financial company is in default or in danger of default; (ii) the failure of the financial company and its resolution under otherwise applicable Federal or State law would have serious adverse effects on financial stability in the U.S.; (iii) no viable private sector alternative is available to prevent the default of the financial company; (iv) any effect on the claims or interests of creditors, counterparties, and shareholders of the financial company and other market participants as a result of actions to be taken is appropriate, given the impact that any action taken would have on financial stability in the U.S.; (v) any orderly liquidation would avoid or mitigate such adverse effects, taking into consideration the effectiveness of the action in mitigating potential adverse effects on the financial system, the cost to the general fund of the Treasury, and the potential to increase excessive risk taking on the part of creditors, counterparties, and shareholders in the financial company; (vi) a Federal regulatory agency has ordered the financial company to convert all of its convertible debt instruments that are subject to the regulatory order; and (vii) the company satisfies the definition of a "financial company." (§203(b))
3 - In Default or in Danger of Default	A financial company will be considered to be in default or in danger of default if' (i) a case has been, or likely will promptly be, commenced with respect to the financial company under the Bankruptcy Code; (ii) the financial company has incurred, or is likely to incur, losses that will deplete all or substantially all of its capital, and there is no reasonable prospect for the company to avoid such depletion; (iii) the assets of the financial company are, or are likely to be, less than its obligations to creditors and others; or (iv) the financial company is, or is likely to be, unable to pay its obligations (other than those subject to a bona fide dispute) in the normal course of business. (§203(c)(4))
4 - Covered Financial Company Acquiesces (No Court Action Required)	If the covered financial company's board of directors acquiesces or consents to the appointment of the FDIC as receiver, the Treasury Secretary must shall appoint the FDIC as receiver. (§202(a)(1)(A)(i))

Subject	Provisions (Citation)
5 - Covered Financial Company Does not Acquiesce (Court Action Required)	Non-acquiescence. If the covered financial company's board of directors does not acquiesce or consent to the appointment of the FDIC as receiver, the Treasury Secretary must petition the U.S. District Court for the District of Columbia under seal for an order authorizing the Treasury Secretary to appoint the FDIC as receiver. The financial company is provided confidential notice and opportunity for a confidential hearing before the District Court. (§202(a)(1)(A)(i)) Scope and Standard of Review. Limited to whether the Treasury Secretary's determination that the covered financial company is in default or in danger of default and satisfies the definition of a "financial company" under §201(a)(11) is arbitrary and capricious. (§202(a)(1)(A)(iii) and (iv)) Timing. If the court does not make a determination within 24 hours of receipt of the petition, then (i) the petition will be granted by operation of law; (ii) the Treasury Secretary must appoint the FDIC as receiver; and (iii) liquidation under Title II is automatically commenced. (§202(a)(1)(A)(v))
6 - Expedited Appeals	U.S Court of Appeals. U.S. Court of Appeals for the District of Columbia has jurisdiction for an expedited appeal of the lower court decision by Treasury Secretary or the financial company. (§202(a)(2)(A)) There is no stay of the lower court decision during any appeal. U.S. Supreme Court. U.S. Supreme Court has discretionary jurisdiction to review the decision of the U.S. Court of Appeals for the District of Columbia on an expedited basis. (§202(a)(2)(B))
C - *Orderly Liquidation – Generally*	
1 - Exclusivity	Provisions of Title II apply exclusively and govern all matters relating to the covered financial company for which FDIC is appointed receiver. No provisions of the Bankruptcy Code apply. (§202(c)(2))
2 - Time Limit	Initial Term. Any appointment of the FDIC as receiver terminates in 3 years, subject to a 1-year extension if Chairperson of the FDIC certifies in writing to the House and the Senate that the extension is necessary and to an additional 1-year extension if Chairperson of the FDIC and Treasury Secretary re-certify to the House and the Senate. Extensions. Subject to certain conditions, the 5-year time limit may be further extended solely for the purpose of completing ongoing litigation in which the FDIC as receiver is a party, provided that the appointment of the FDIC as receiver must terminate not later than 90 days after the date of completion of the litigation. (§202(d))

Subject	Provisions (Citation)
3 - General Principles	Liquidation of a failing financial company by the FDIC is to be conducted in a manner that mitigates such risk and minimizes moral hazard, so that (i) creditors and shareholders will bear the losses of the financial company; (ii) management responsible for the financial company's condition will not be retained; and (iii) the FDIC and other appropriate agencies will take all steps necessary and appropriate to assure that all parties, including management and third parties, having responsibility for the financial company's condition bear losses consistent with their responsibility, including actions for damages, restitution, and recoupment of compensation and other gains not compatible with such responsibility. (§204(a))
4 - Required Consultation	Consultation With Primary Financial Regulatory Agencies. FDIC as receiver must consult with the primary financial regulatory agencies of the covered financial company and its covered subsidiaries for purposes of ensuring an orderly liquidation of the covered financial company. (§204(c)(1)) Covered Subsidiary. A subsidiary of a covered financial company, other than (i) an insured depository institution; (ii) an insurance company; or (iii) a covered broker or dealer. (§201(a)(9)) Additional Consultation With Primary Financial Regulatory Agencies. FDIC as receiver must also consult and coordinate with the primary financial regulatory agencies of any subsidiaries of the covered financial company that are not covered subsidiaries regarding the treatment of solvent subsidiaries and the separate resolution of any insolvent subsidiaries. (§204(c)(3)) Consultation with SEC and SIPC. FDIC as receiver must consult with the SEC and SIPC for any covered financial company that is a SIPC member broker or dealer to determine whether to transfer to a bridge financial company customer accounts of the covered financial company. (§204(a)(4))
5 - Funding for Orderly Liquidation	Upon its appointment as receiver for a covered financial company, the FDIC may make available to the receivership, subject to the conditions specified in §§206 and 210(n)(1), funds for the orderly liquidation of the covered financial company, including funds for making loans to the covered financial company or any covered subsidiary, guaranteeing against loss the assets of the covered financial company or covered subsidiary, or assuming or guaranteeing the obligations of the covered financial company or covered subsidiary to any third parties, or making "additional payments pursuant" to certain provisions in §210. Any such funding by the FDIC will have a priority over other claims in the liquidation. (§204(d))

Subject	Provisions (Citation)
6 - Mandatory Terms for All Orderly Liquidation Actions	In taking action under Title II, the FDIC must (i) determine that such action is necessary for purposes of the financial stability of the U.S., and not for the purpose of preserving the covered financial company; (ii) ensure the shareholders of the covered financial company do not receive payment until after all other claims and the Orderly Liquidation Fund are fully paid; (iii) ensure that unsecured creditors bear losses in accordance with the priority of claim provisions in §210; (iv) ensure that management responsible for the failed condition is removed; (v) ensure that the members of the board of directors responsible for the failed condition of the covered financial company are removed, if such members have not already been removed at the time the FDIC is appointed as receiver; and (vi) not take an equity interest in or become a shareholder of any covered financial company or any covered subsidiary. (§206)
7 - Liquidation Required; No Use of Taxpayer Funds to Prevent Liquidation	Liquidation Required. All financial companies put into receivership under Title II must be liquidated. No Use of Taxpayer Funds. No taxpayer funds may be used to prevent the liquidation of a financial company under Title II. Recovery of Funds. All funds expended in the liquidation of a financial company under Title II must be recovered from the disposition of assets of the financial company or must be the responsibility of the financial sector through assessments (§214)
8 - Rulemaking	FDIC, in consultation with the Council, must adopt regulations to implement Title II, including regulations with respect to the rights, interests, and priorities of creditors, counterparties, security entitlement holders, or other persons with respect to property of or held by such covered financial company. To the extent possible, the FDIC must seek to harmonize regulations implementing Title II with the insolvency laws that would otherwise apply to a covered financial company. (§209)
D - *Orderly Liquidation Procedure – Selected Topics*	
1 - General Actions	FDIC as receiver for a covered financial company is subject to all legally enforceable and perfected security interests and all legally enforceable security entitlements in respect of assets held by the covered financial company. FDIC must liquidate and wind-up the affairs of the covered financial company, including through the sale of assets, the transfer of assets to a bridge financial company, or the exercise of any other rights granted to the receiver under §210. (§210(a)(1)(D))

Subject	Provisions (Citation)
2 - FDIC as Receiver of Certain Failing Subsidiaries	FDIC may appoint itself as receiver of any covered subsidiary of a covered financial company that is organized under Federal law or the laws of any State, if the FDIC and the Treasury Secretary jointly determine that (i) the covered subsidiary is in default or in danger of default; (ii) the action would avoid or mitigate serious adverse effects on the financial stability or economic conditions of the U.S.; and (iii) the action would facilitate the orderly liquidation of the covered financial company. FDIC has the same powers and rights with respect to the covered subsidiary as it does with respect to the covered financial company. (§210(a)(1)(E))
3 - Bridge Financial Company	The FDIC, as receiver for a covered financial company, may organize a bridge financial company under §210(h). (§210(a)(1)(F))
4 - Transfer of Assets and Liabilities	FDIC, as receiver for a covered financial company, may merge the covered financial company or transfer any assets or liabilities of or held by the covered financial company without obtaining any approval or a consent with respect to the transfer, subject to any Federal agency approval and Federal antitrust review. (§210(a)(1)(G))
5 - Coordination With Foreign Financial Authorities	FDIC, as receiver for a covered financial company, must coordinate, to the maximum extent possible, with the appropriate foreign financial authorities regarding the orderly liquidation of any covered financial company that has assets or operations in a country other than the U.S. (§210(a)(1)(N))
6 - Applicable Noninsolvency Law	Except as may otherwise be provided in Title II, the applicable noninsolvency law shall be determined by the noninsolvency choice of law rules otherwise applicable to the claims, rights, titles, persons, or entities at issue. (§210(a)(1)(I))
7 - Avoidable Transfers	Fraudulent Transfers. FDIC as receiver for a covered financial company may avoid fraudulent transfers on terms generally similar to those applicable under the Bankruptcy Code. (§210(a)(11)(A)) Avoidable Transfers. FDIC as receiver for a covered financial company may avoid preferential transfers on terms generally similar to those applicable under the Bankruptcy Code. (§210(a)(11)(B))
8 - Setoff	Creditors of a covered financial company retain set-off rights on terms generally similar to those applicable under the Bankruptcy Code. (§210(a)(12))
9 - Determination of Claims	The process for determining claims by the FDIC as receiver is generally similar to the process contained in the FDIA with additional specificity on judicial review process. (§210(a)(2)-(4))

Subject	Provisions (Citation)
10 - Payment of Claims	A creditor of a covered financial company shall in no event receive less than the amount the creditor would have received had the company been liquidated under chapter 7 of the Bankruptcy Code or, if applicable, as a SIPC member broker or dealer. (§210(a)(7)(B))
11 - Priority of Unsecured Claims	Unsecured claims have the following priority: (i) administrative expenses of the receiver. (ii) any amounts owed to the U.S., unless the U.S. agrees or consents otherwise. (iii) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual (other than an individual described in (vii)), but only to the extent of $11,725 for each individual (as indexed for inflation, by regulation of the FDIC) earned not later than 180 days before the date of appointment of the FDIC as receiver. (iv) contributions owed to employee benefit plans arising from services rendered not later than 180 days before the date of appointment of the FDIC as receiver, to the extent of the number of employees covered by each such plan, multiplied by $11,725 (as indexed for inflation, by regulation of the FDIC), less the aggregate amount paid to such employees under (iii), plus the aggregate amount paid by the receivership on behalf of such employees to any other employee benefit plan. (v) any other general or senior liability of the covered financial company (which is not a liability described under (vi), (vii), or (viii). (vi) any obligation subordinated to general creditors (which is not an obligation described under (vii) or (viii)). (vii) any wages, salaries, or commissions including vacation, severance, and sick leave pay earned, owed to senior executives and directors of the covered financial company. (viii) any obligation to shareholders, members, general partners, limited partners, or other persons, with interests in the equity of the covered financial company arising as a result of their status as shareholders, members, general partners, limited partners, or other persons with interests in the equity of the covered financial company. (§210(b)(1))

Subject	Provisions (Citation)
12 - Unsecured Creditors Similarly Situated	General Rule. All claimants of a covered financial company that are similarly situated under the "Priority of Unsecured Claims" provision described above shall be treated in a similar manner. (§210(b)(4)) Exception. FDIC may take any action that does not comply with this rule if (i) the FDIC determines that such action is necessary, including making "additional payments" to creditors (I) to maximize the value of the assets of the covered financial company; (II) to initiate and continue operations essential to implementation of the receivership or any bridge financial company; (III) to maximize the present value return from the sale or other disposition of the assets of the covered financial company; or (IV) to minimize the amount of any loss realized upon the sale or other disposition of the assets of the covered financial company; and (ii) all similarly situated claimants receive not less than the amount provided in §§210(d)(2) and 210(d)(3) (see "Maximum FDIC Liability" below). (§210(b)(4)) Claimants who benefit from these additional payments are subject to "recoupment assessments" described in "Who Gets Assessed" below. Bridge Financial Company. A similar rule and exception applies to claims of similarly situated claimants in the case of a transfer to a bridge financial company. (§210(h)(5)(E))
13 - Repudiation of Contracts	Repudiating Within Reasonable Time. Subject to certain conditions, the FDIC as receiver may disaffirm or repudiate any contract or lease to which the covered financial company is a party within a "reasonable time." (§210(c)) Limit on Damages. Subject to certain exceptions, the liability of the FDIC as receiver for a disaffirmance or repudiation of any contract is limited to actual direct compensatory damages. Actual Direct Compensatory Damages. (i) Does not include punitive or exemplary damages or damages for lost profits or opportunity, but for a "qualified financial contract" would include normal and reasonable costs of cover or other reasonable measures of damages utilized in the industries. (ii) In the case of any debt for borrowed money or evidenced by a security, "actual direct compensatory damages" shall be no less than the amount lent plus accrued interest plus any accreted original issue discount as of the date that the FDIC is appointed as receiver. (iii) In the case of any contingent obligation of a covered financial company consisting of any obligation under a guarantee, letter of credit, loan commitment, or similar credit obligation, the FDIC may prescribe that actual direct compensatory damages shall be no less than the estimated value of the claim as of the date that the FDIC is appointed as receiver. (§210(c)(3))

Subject	Provisions (Citation)
14 - Qualified Financial Contracts	Rules governing qualified financial contracts (§§210(c)(8) to 210(c)(11)) are generally similar to those applicable under the FDIA, including the provision that any payment or delivery obligations otherwise due another party under a qualified financial contract will be suspended for 1 business day following the date of the appointment of the FDIC as receiver and a right to terminate, liquidate, or net such a contract by reason of appointment of a receiver may not be exercised for 1 business day following the date of the appointment of the FDIC as receiver. (§§210(c)(8)(F)(ii) and 210(c)(10)(B))
15 - Enforcement of Contracts Guaranteed by Covered Financial Companies	FDIC as receiver for a covered financial company can enforce contracts of subsidiaries or affiliates of the covered financial company, the obligations under which are guaranteed or otherwise supported by or linked to the covered financial company, notwithstanding any contractual right to terminate, liquidate, or accelerate the contract based solely on the insolvency, financial condition, or receivership of the covered financial company, if the guaranty or support is transferred to and assumed by a bridge financial company or a third party or if the FDIC otherwise provides adequate protection. (§210(c)(16))
16 - Certain Security And Customer Interests Not Avoidable	The repudiation provision shall not be construed as permitting the avoidance of: (i) any legally enforceable or perfected security interest in any of the assets of any covered financial company, except avoidable transfers (see "Avoidable Transfers" above); or (ii) any legally enforceable interest in customer property, security entitlements in respect of assets or property held by the covered financial company for any security entitlement holder. (§210(c)(12))
17 - Maximum FDIC Liability	The maximum liability of the FDIC, acting as receiver for a covered financial company or in any other capacity, to any person having a claim against the FDIC as receiver or the covered financial company for which the FDIC is appointed shall equal the amount that such claimant would have received if (i) the FDIC had not been appointed receiver with respect to the covered financial company; and (ii) the covered financial company had been liquidated under chapter 7 of the Bankruptcy Code, or any similar provision of State insolvency law applicable to the covered financial company. (§210(d)(2))
18 - Additional Payments Authorized	FDIC may make additional payments or credit additional amounts to or with respect to or for the account of any claimant or category of claimants of the covered financial company, if the FDIC determines that such payments or credits are necessary or appropriate to minimize losses to the FDIC as receiver from the orderly liquidation of the covered financial company. Claimants who benefit from these additional payments are subject to "recoupment assessments" described in "Who Gets Assessed" below. (§210(d)(4))

Subject	Provisions (Citation)
19 - Special Rules for Covered Brokers or Dealers	Generally. There are special rules for the resolution of a "covered broker or dealer," i.e., a broker or dealer registered with the SEC and a SIPC member. (§201(a)(7)) Role of SIPC. Upon the appointment of the FDIC as receiver for a covered broker or dealer, FDIC must appoint SIPC to act as trustee for the liquidation of a covered broker or dealer under SIPA. Upon appointment of SIPC, SIPC must promptly file with any Federal district court of competent jurisdiction specified in SIPA, an application for a protective decree under SIPA as to the covered broker or dealer. The Federal district court is required to accept and approve the filing and immediately issue the protective decree as to the covered broker or dealer. The determination of claims and the liquidation of assets retained in the receivership of the covered broker or dealer and not transferred to the bridge financial company must generally be administered under the SIPA by SIPC, as trustee for the covered broker or dealer. As trustee for the covered broker or dealer, SIPC must determine and satisfy, consistent with Title II and with SIPA, all claims against the covered broker or dealer arising on or before the filing date. (§205(a)) SIPC Duties. SIPC will generally have the powers and duties provided by SIPA and must conduct the liquidation in accordance with the terms of SIPA, except that SIPC will have no powers or duties with respect to assets and liabilities transferred by the FDIC from the covered broker or dealer to any bridge financial company. However, the FDIC may still, among other things, (i) take any action, except as otherwise provided in Title II, (ii) organize, establish, operate, or terminate any bridge financial company; (iii) transfer assets and liabilities; and (iv) enforce or repudiate contracts. Rights and obligations of any party to a qualified financial contract to which a covered financial company is a party shall be governed exclusively by §210. (§205(b)) Satisfaction of Customer Claims. All obligations of a covered broker or dealer or of any bridge financial company established with respect to such covered broker or dealer to a customer relating to, or net equity claims based upon, customer property or customer name securities shall be promptly discharged by SIPC, the FDIC, or the bridge financial company, by the delivery of securities or the making of payments to or for the account of such customer, in a manner and in an amount at least as beneficial to the customer as would have been the case had the actual proceeds realized from the liquidation of the covered broker or dealer under this title been distributed in a proceeding under SIPA without the appointment of the FDIC as receiver and without any transfer of assets or liabilities to a bridge financial company. SIPC, as trustee for a covered broker or dealer, must satisfy customer claims in the manner and amount provided under SIPA, as if the appointment of the FDIC as receiver had not occurred. (§205(f)) Other Claims. Claims other than those related to customer property and customer name securities are to be paid in accordance with the Title II priorities (see "Priority of Unsecured Claims" above). (§205(g)(2))

Subject	Provisions (Citation)
E - *Orderly Liquidation Fund*	
1 - Establishment of the Fund	An Orderly Liquidation Fund is established in the Treasury which shall be available to the FDIC to carry out the authorities contained in Title II, and for the cost of actions authorized by Title II, including the orderly liquidation of covered financial companies. (§210(n)(1))
2 - FDIC Authority to Issue Obligations; Limitations	FDIC Authority. Following its appointment as a receiver for a covered financial company, the FDIC is authorized to issue obligations to the Treasury Secretary. (§210(n)(5)(A)) Limitation. The maximum amount of such obligations incurred by the FDIC for each covered financial company is on aggregate amount equal to (i) 10% of the total consolidated assets of the covered financial company (based on the most recent financial statement available) during the 30-day period immediately following the date of appointment of the FDIC as receiver; and (ii) 90% of the fair value of the total consolidated assets of the covered financial company that are available for repayment after the 30-day period. (§210(n)(6)) Mandatory Repayment Plan. The Treasury Secretary may not provide any amount to the FDIC under this authority unless an agreement is in effect between the Treasury Secretary and the FDIC that (i) provides a specific plan and schedule to achieve the repayment of the outstanding amount of any such borrowing; and (ii) demonstrates that income to the FDIC from the liquidated assets of the covered financial company and assessments under §210(o) will be sufficient to amortize the outstanding balance within the period established in the repayment schedule and pay the interest accruing on such balance within the 60-month period provided in §210(o)(1)(B). (§210(n)(9)(B))
3 - Required Assessments	Repayment in 60 Months. FDIC must impose risk-based assessments if such assessments are needed to pay in full the obligations issued by the FDIC to the Treasury Secretary under Title II within 60 months of the date of issue of the obligations. (§210(o)(1)(B)) Extension. The FDIC may, with the approval of the Treasury Secretary, extend the 60-month time period if it determines that an extension is necessary to avoid a serious adverse effect on the financial system of the U.S. (§210(o)(1)(C))

Subject	Provisions (Citation)
4 - Who Gets Assessed	Recoupment Assessments. Assessments are first imposed by the FDIC, as soon as practicable, on any claimant that received additional payments or amounts from the FDIC pursuant to §§210(b)(4), 210(d)(4), or 210(h)(5)(E), except for payments or amounts necessary to initiate and continue operations essential to implementation of the receivership or any bridge financial company. The recoupment assessments is to recover on a cumulative basis, the entire difference between (i) the aggregate value the claimant received from the FDIC on a claim pursuant to Title II as of the date on which such value was received, and (ii) the value the claimant was entitled to receive from the FDIC on such claim solely from the proceeds of the liquidation of the covered financial company under Title II. Additional Assessments. If recoupment assessment are insufficient, then additional assessments are imposed by the FDIC on "eligible financial companies" (any bank holding company with total consolidated assets equal to or greater than $50 billion and any nonbank financial company supervised by the FRB) and financial companies with total consolidated assets over $50 billion. (§210(o)(1)(D))

Subject	Provisions (Citation)
5 - Assessment Method and Factors	Graduated Assessment Rate. FDIC must impose assessments on a graduated basis, with financial companies having greater assets and risk being assessed at a higher rate. (§210(o)(2)) Risk-Based Assessment Factors. In imposing "additional assessments" under §210(o)(1)(D), the FDIC must use a risk matrix. Council must make a recommendation to the FDIC on the risk matrix to be used in imposing "additional such assessments," and the FDIC must take into account any such recommendation in the establishment of the risk matrix to be used to impose such assessments. In recommending or establishing the risk matrix, the Council and the FDIC must take into account various factors, including (i) economic conditions generally affecting financial companies so as to allow assessments to increase during more favorable economic conditions and to decrease during less favorable economic conditions; (ii) any assessment imposed on a financial company or its affiliate that is an insured depository institution, a SIPC member broker-dealer, an insured credit union or an insurance company (assessed pursuant to applicable State law to cover (or reimburse payments made to cover) the costs of the rehabilitation, liquidation, or other State insolvency proceeding with respect to one or more insurance companies); (iii) the risks presented by the financial company to the financial system and the extent to which the financial company has benefited, or likely would benefit, from the orderly liquidation of a financial company under Title II (including the amount, different categories, and concentrations of liabilities, both insured and uninsured, contingent and non-contingent, including both on-balance sheet and off-balance sheet liabilities, of the financial company and its affiliates); (iv) any risks presented by the financial company during the 10-year period immediately prior to the appointment of the FDIC as receiver for the covered financial company that contributed to the failure of the covered financial company; and (v) such other risk-related factors as the FDIC, in consultation with the Treasury Secretary, may determine to be appropriate. (§210(o)(4)) Equitable Treatment. FDIC must adopt regulations in consultation with the Treasury Secretary to implement the assessment mechanism. The required regulations must take into account the differences in risks posed to the financial stability of the U.S. by financial companies, the differences in the liability structures of financial companies, and the different bases for other assessments that such financial companies may be required to pay, to ensure that assessed financial companies are treated equitably and that assessments reflect such differences. (§210(n)(6))
F - *Required Studies*	
1 - Secured Haircuts	Study. Council must conduct a study evaluating the importance of maximizing U.S. taxpayer protections and promoting market discipline with respect to the treatment of fully secured creditors in the utilization of the orderly liquidation authority authorized by the Dodd-Frank Act. Report. Council must issue a report to the Congress not later than the end of the 1-year period beginning on the Date of Enactment. (§215)

Subject	Provisions (Citation)
2 - Bankruptcy Process	Study. FRB, in consultation with the Administrative Office of the United States Courts, must conduct a study regarding the resolution of financial companies under chapters 7 and 11 of the Bankruptcy Code. Among the issues to be studied include the effectiveness of chapters 7 and 11 of the Bankruptcy Code in facilitating the orderly resolution or reorganization of systemic financial companies. Report. The Administrative Office of the United States courts must submit to various Congressional committees a report not later than 1 year after the Date of Enactment and in each successive year until the fifth year after the Date of Enactment. (§216)
3 - International Coordination	Study. FRB, in consultation with the Administrative Office of the United States Courts, must conduct a study regarding international coordination relating to the resolution of systemic financial companies under the Bankruptcy Code and applicable foreign law. Report. The Administrative Office of the United States courts must submit to various Congressional committees a report not later than 1 year after the Date of Enactment. (§217)
Title III - Transfer of Powers to the Comptroller of the Currency, the Corporation, and the FRB	**Enhancing Financial Institution Safety and Soundness Act of 2010**
A - *Transfer of Powers and Duties of OTS*	
1 - Transferred Functions – FRB	OTS Supervisory Functions. All functions of the OTS relating to the supervision of any savings and loan holding company and any non-depository subsidiary of a savings and loan holding company are transferred to the FRB on the Transfer Date. (§312(b)(1)(A)) OTS Rulemaking Functions. All rulemaking authority of the OTS relating to savings and loan holding companies, savings association transactions with affiliates, extensions of credit to insiders, and tying arrangements are transferred to the FRB on the Transfer Date. (§312(b)(1) (A) and §312(b)(2)(A))
2 - Transferred Functions – OCC	Federal Savings Associations. All functions of the OTS relating to federal savings associations are transferred to the OCC on the Transfer Date. Rulemaking Authority. All rulemaking authority relating to both state and federal savings associations, with the exception of the rulemaking authority that resides with the FRB, are transferred to the OCC on the Transfer Date. (§312(b)(2)(B)) New Deputy Comptroller. A new Deputy Comptroller is created to assume responsibility for supervision and examination of federal savings associations. (§314)

Subject	Provisions (Citation)
3 - Transferred Functions – FDIC	All functions other than rulemaking of the OTS relating to state savings associations are transferred to the FDIC on the Transfer Date. (§312(b)(2)(C))
4 - Assessments	As of the Transfer Date: OCC Assessments. The OCC may collect an assessment from any entity for which it is the appropriate federal regulator, including a federal savings association, as the Comptroller determines is necessary or appropriate to carry out the OCC's responsibilities. (U.S. Rev. Stat. tit. LXII, ch. 4, §5240A, *as added by* §318(b)) FRB Assessments. The FRB shall collect assessments equal to the cost of carrying out its supervisory and regulatory responsibilities with respect to bank holding companies with assets of $50 billion or more, savings and loan holding companies with assets of $50 billion or more, and all nonbank financial companies that are supervised by the FRB under Title I. (12 U.S.C. §248, *as amended by* §318(c)) FDIC Assessments. The FDIC may collect assessments covering the costs of conducting an examination or equal to the amount that is necessary to carry out its responsibilities from certain depository institutions and any entity for which it is the appropriate federal banking agency, including state savings associations. (12 U.S.C. §1820(e), *as amended by* §318(d))
B - *Timing of Transfer of Authority and Abolishment of OTS*	
1 - Transfer Date	The term "Transfer Date" means the date that is 1 year after the Date of Enactment. In consultation with the OTS, OCC, FRB and FDIC, the Treasury Secretary may extend the Transfer Date for up to an additional 6 months if the Treasury Secretary makes a written determination that it is necessary for the orderly implementation of Title III. (§311)
2 - Abolishment	90 days after the Transfer Date the OTS and the position of Director of the OTS are abolished. (§313)
C - *Existing Rights, Duties and Obligations and Continuation of Suits*	
1 - Rights, Duties and Obligations	The transfer of powers and duties will not affect the validity of any right, duty or obligation of the OTS or the Director of the OTS. (§316(a)(1))
2 - Continuation of Suits	The new law provides for the continuation of suits by or against the OTS or the Director of the OTS. As appropriate, after the Transfer Date, the FRB, OCC or FDIC shall be substituted for the OTS or the Director of the OTS as a party to the action or proceeding. (§316(a)(2))

Subject	Provisions (Citation)
3 - Continuation of Existing OTS Orders, etc.	Existing OTS orders, resolutions, determinations, agreements, regulations, guidelines, interpretations and other advisory materials that have been issued by the OTS, and remaining in effect on the Transfer Date, shall remain in effect according to the terms of those documents unless otherwise superseded. They shall be enforceable, as appropriate, by the FRB, OCC or FDIC. (§316(b))
4 - Identification of Continued Regulations	On or before the Transfer Date, as appropriate, the FRB, the OCC and the FDIC must identify the OTS regulations within their respective jurisdictions that will continue to be enforced and publish a list in the Federal Register. (§316(c))
5 - Status of Proposed or Not Yet Effective Regulations	Proposed OTS Regulations. Any regulation proposed by the OTS in advance of the Transfer Date, but which has not been published as a final regulation, shall be deemed a proposed regulation of either the FRB or the OCC, as appropriate. (§316(d)(1)) Not Yet Effective OTS Regulations. Any interim or final regulation that has not yet become effective as of the Transfer Date shall become effective as a regulation of either the FRB or the OCC, unless modified in accordance with applicable law by the OCC or FRB, as appropriate, by any court or by operation of law. (§316(d)(2))
D - *Deposit Insurance Reforms*	
1 - Expanded Asset-Based Assessments	FDIC must amend its regulations under FDIA §7(b)(2) (12 U.S.C. §1817(b)(2)) to define the term "assessment base" to mean the average total consolidated assets of an insured depository institution during the assessment period, minus the sum of the average tangible equity of the insured depository institution during the assessment and, in the case of an insured depository institution that is a custodial bank or a banker's bank, an amount that the FDIC determines is necessary to establish assessments consistent with the definition of a custodial bank or a banker's bank as those terms are defined under FDIA §7(b)(1) (12 U.S.C. §1817(b)(1)). (§331(b))
2 - Limitation on Dividend Payments from the Insurance Fund	The FDIC may suspend or limit the payment of dividends from the federal deposit insurance fund when the fund reserve ratio exceeds 1.5 percent. (12 U.S.C. §1817(e)(2), *as amended by* §332)
3 - Enhanced Access to Information for Deposit Insurance Purposes	The FDIC is granted additional authority to require reports from insured depository institutions, after consultation with other federal regulators. Previous law had required the agreement of other federal regulators for the FDIC to obtain such additional reports. (12 U.S.C. §1817(a)(2)(B), *as amended by* §333(a))

Subject	Provisions (Citation)
4 - Minimum Reserve Ratio	The minimum reserve ratio for the deposit insurance fund is increased from 1.15% to 1.35% of estimated insured deposits or the comparable percentage of the assessment base. The FDIC shall take such steps as may be necessary for the reserve ratio to reach 1.35% of estimated deposits by September 30, 2020. In setting the assessments necessary to meet this requirement, the FDIC shall offset the effects of the requirement on depository institutions with total consolidated assets of less than $10 billion. (12 U.S.C. §1817(b)(3)(B), *as added by* §334)
5 - Insurance Modifications	FDIC Deposit Insurance. The standard FDIC maximum deposit insurance amount is increased from $100,000 to $250,000 (with retroactive effect for any institution for which the FDIC was appointed receiver or conservator on or after January 1, 2008 and before October 3, 2008). (12 U.S.C. §1821(a)(1)(E), *as amended by* §335(a)) NCUA Share Insurance. A similar change is made to the Federal Credit Union Act with respect to the share insurance amount for credit unions. (12 U.S.C. §1787(k)(5), *as amended by* §335(b))
6 - Transaction Account Insurance	Depository Institution Non-Interest Bearing Transaction Accounts. The FDIC shall fully insure the net amount that any depositor at an insured depository institution maintains in a non-interest bearing transaction account. (12 U.S.C. §1821(a)(1), *as amended by* §343(a)(1)) This provision will sunset after 2 years. (12 U.S.C. §1821(a)(1), *as amended by* §343(a)(3)) Credit Union Non-Interest Bearing Transaction Accounts. The NCUA shall fully insure the net amount that any depositor at an insured credit union maintains in a non-interest bearing transaction account. (12 U.S.C. §1787(k)(1), *as amended by* §343(b)(1)) This provision will similarly sunset after 2 years. (12 U.S.C. §1821(a)(1), *as amended by* §343(b)(3))
7 - CFPB Representation on FDIC Board	The Director of the Consumer Financial Protection Bureau will replace the Director of the OTS as a member of the FDIC's Board. (12 U.S.C. §1812(f)(2), *as amended by* §336(a)(3))
E - *Other Matters*	
1 - Office of Women and Minority Inclusion	Within 6 months of the Date of Enactment, each agency shall establish an Office of Minority and Women Inclusion that will be responsible for agency matters relating to diversity in management, employment and business activities. Each such agency director shall develop standards for equal employment opportunities and the diversity of the agency's workforce, increased participation of minority and women-owned businesses in agency activities, and assessing the agency's diversity policies and practices. (§342)
2 - Exceptions to Anti-Tying Restrictions	The FRB is required to consult with the OCC and the FDIC before granting exceptions to the anti-tying restrictions of §106(b)(1) of the BHCA Amendments of 1970. (12 U.S.C. §1972(1), *as amended by* §355)

Subject	Provisions (Citation)
3 - Branching	A savings association that becomes or converts to a bank may continue to operate any branch or agency that the savings association operated immediately before it became a bank. A savings association may also establish or acquire additional branches and agencies in any state in which the savings association operated a branch immediately before becoming a bank, if the law of that state would permit a state bank chartered by such state to establish such branch. (§341)
Title IV - Regulation of Advisers to Hedge Funds and Others	**Private Fund Investment Advisers Registration Act of 2010**
A - *Registration of Private Fund Advisers*	
1 - General	General. As a general matter, Title IV rescinds the exemption from registration under the Investment Advisers Act of 1940 (the "Investment Advisers Act") currently relied upon by many hedge fund and private equity fund advisers, but also by certain foreign institutions with a small number of U.S. clients. Certain advisers continue to be eligible for exemptions but may be subject to recordkeeping and reporting requirements. Private Fund. Title IV adds a new definition to Investment Advisers Act §202(a) for the term "private fund". The term "private fund" is defined to mean an issuer that would be an investment company, as defined in Investment Company Act of 1940 (the "Investment Company Act") §3, but for §3(c)(1) (i.e., privately-offered funds with fewer than 100 investors) or §3(c)(7) (i.e., privately-offered funds where all investors are qualified purchasers) of that Act. (15 U.S.C. §80b–2(a), *as amended by* §402) Title IV Effective Date. In general, except as otherwise provided, the provisions of Title IV will become effective one year after the Date of Enactment (the "Title IV Effective Date"). (§419) Unless otherwise noted, the SEC rulemaking requirements below have no required date for completion.

Subject	Provisions (Citation)
2 - Changes to Exemptions from Registration under the Investment Advisers Act for Private Fund Advisers	Removal of Fewer than 15 Client Exemption. The exemption provided by Investment Advisers Act §203(b)(3), which provides an exemption from SEC registration for an investment adviser who had fewer than 15 clients and who did not hold itself out to the public as investment adviser, will no longer be available after the Title IV Effective Date. The amended §203(b)(3) will provide an exemption for "foreign private advisers" (described below). (15 U.S.C. §80b–3(b), *as amended by* §403) Limitation on Intrastate Exemption. The exemption provided by Investment Advisers Act §203(b)(1), which provides an exemption from SEC registration for certain intrastate advisers, will no longer be available to investment advisers to private funds after the Title IV Effective Date. (15 U.S.C. §80b–3(b), *as amended by* §403) Limitation on CFTC-Registered Exemption. The exemption provided by Investment Advisers Act §203(b)(6), which provides an exemption from SEC registration for certain advisers registered with the CFTC, will no longer be available to an investment adviser to a private fund if, after the Date of Enactment, the business of the adviser should become predominantly the provision of securities-related advice. (15 U.S.C. §80b–3(b), *as amended by* §403)

Subject	Provisions (Citation)
3 - New Exemptions from Registration under the Investment Advisers Act for Private Fund Advisers	Addition of Foreign Private Adviser Exemption. Investment Advisers Act §203(b)(3) is amended to provide an exemption for a "foreign private adviser." (15 U.S.C. §80b–3(b)(3), *as amended by* §403) A "foreign private adviser" is defined as any investment adviser who (A) has no place of business in the U.S.; (B) has, in total, fewer than 15 clients and investors in the U.S. in private funds advised by the investment adviser; (C) has aggregate assets under management attributable to clients in the U.S. and investors in the U.S. in private funds advised by the investment adviser of less than $25 million (or such higher amount set by the SEC by rule); and (D) neither (i) holds itself generally to the U.S. public as an investment adviser; nor (ii) acts as (I) an investment adviser to any investment company registered under the Investment Company Act or (II) a company that has elected to be a business development company pursuant to Investment Company of 1940 §54 and has not withdrawn its election (a "BDC"). (15 U.S.C. §80b–2(a), *as amended by* §402) Addition of SBIC Adviser Exemption. Investment Advisers Act §203(b)(7) is added to provide an exemption for an investment adviser who is not a BDC and who solely advises (i) small business investment companies that are licensees under the Small Business Investment Act of 1958 (the "Small Business Investment Act"); (ii) entities that have received a notice to proceed to qualify as a small business investment company and (iii) affiliates of the entities described in (i) who have a pending application to be licensed under the Small Business Investment Act. (15 U.S.C. §80b–3(b)(7), *as added by* §403) Addition of Venture Capital Fund Adviser Exemption. Investment Advisers Act §203(l) is added to provide an exemption from registration for an investment adviser that acts as an investment adviser solely to one or more "venture capital funds" with respect to the provision of investment advice relating to a "venture capital fund." The SEC is required to define the term "venture capital fund" within one year of the Date of Enactment. Exempt venture capital fund advisers will be required to maintain such records and provide such annual or other reports to the SEC as the SEC determines necessary or appropriate in the public interest or for the protection of investors. (15 U.S.C. §80b–3(l), *as added by* §407) Addition of Small Private Fund Adviser Exemption. Investment Advisers Act §203(m) is added to direct the SEC to promulgate a rule providing an exemption from registration for any investment adviser that (i) acts solely as an adviser to private funds and (ii) has assets under management in the U.S. of less than $150 million. An exempt "small" investment adviser will be required to maintain such records and provide such annual or other reports to the SEC as the SEC determines necessary or appropriate in the public interest or for the protection of investors. (15 U.S.C. §80b–3(m), *as added by* §408)

Subject	Provisions (Citation)
4 - Other Changes to Registration under the Investment Advisers Act	Change in State/Federal Registration Line. Prior to the Dodd-Frank Act, as a general matter, investment advisers not otherwise exempt from registration were prohibited from registering with the SEC if they had less than $25 million of assets under management (or such higher amount as may be set by the SEC – currently $30 million). Under Title IV, an adviser with assets under management of up to $100 million (or such higher amount as the SEC determines) will be required to register with the state (and not the SEC) where the adviser maintains its principal office and place of business if the adviser is subject to both state registration and examination in that state. Advisers who would be required to register in 15 or more states may register with the SEC instead. (15 U.S.C. §80b–3a(a), *as amended by* §410) Addition of Family Office Exclusion. Investment Advisers Act §202(a)(11)(G) is added to exclude "family offices" from the definition of "investment adviser." The requirements of the "family office" exclusion are to be set by SEC rulemaking to be consistent with prior exemptive relief and to recognize the range of organizational, management and employment structures and arrangement employed by family offices. There is a grandfather provision for certain advisers who were providing advice before Jan. 1, 2010 to (i) officers, directors or employees of a family office have invested in the family office and are "accredited investors" as defined by Regulation D under the Securities Act of 1933 (the "Securities Act"); (ii) any company owned exclusively and controlled by members of the family of the family office (or as the SEC may prescribe); or (iii) any registered investment adviser who identifies (and invests on substantially the same terms in) investment opportunities for the family office unless the adviser invests in other funds advised by the family office and the adviser's assets as to which the family office provides investment advice represent more than 5% of the family office's total assets under management. A grandfathered entity will be deemed to be an investment adviser for purpose of the general anti-fraud provisions of the Investment Advisers Act (§§ 206(1), (2) and (4)). (15 U.S.C. §80b–2(a)(11), *as added by* §409)
B - *Private Fund Systemic Risk Data Collection*	
1 - General.	Title IV may result in certain recordkeeping and reporting requirements being imposed on advisers to private funds. As noted above, certain exempt advisers may also be subject to reporting and recordkeeping requirements.

Subject	Provisions (Citation)
2 - General Recordkeeping and Reporting Requirement and SEC Examinations.	The SEC may require any registered investment adviser to maintain records and file reports with the SEC (and provide or make available those reports or records or the information contained therein to the Council) regarding the private funds advised by the investment adviser as necessary and appropriate in the public interest and for the protection of investors or for the assessment of systemic risk by the Council. The records and reports of any private fund advised by an investment adviser shall be deemed to be the records and reports of the investment adviser. These records will be subject to periodic SEC examination as well as additional examinations as the SEC may deem necessary and appropriate in the public interest and for the protection of investors or for the assessment of systemic risk. (15 U.S.C. §80b–4, *as amended by* §404)
3 - Required Information.	The SEC shall require the records and reports to include (i) the amount of assets under management and use of leverage, including off-balance-sheet leverage, (ii) counterparty credit risk exposure, (iii) trading and investment positions, (iv) valuation policies and practices of the fund, (v) types of assets held, (vi) side arrangements or side letters, whereby certain investors in a fund obtain more favorable rights or entitlements than other investors, (vii) trading practices, and (viii) any other information the SEC (in consultation with the Council) determines is necessary and appropriate in the public interest and for the protection of investors or for the assessment of systemic risk. (15 U.S.C. §80b–4, *as amended by* §404)
4 - SEC/CFTC Joint Registrants.	Title IV requires the SEC and the CFTC to jointly promulgate rules with regard to the recordkeeping and reporting of private funds within 12 months of the Date of Enactment for investment advisers registered under the Investment Advisers Act and the Commodity Exchange Act. (15 U.S.C. §80b–11, *as amended by* §406)
5 - Information Sharing.	The SEC will make available all reports, documents, records and information filed pursuant to the above private fund reporting requirements ("Private Fund Reporting Requirements") (i) as the Council considers necessary for the purpose of assessing the systemic risk posed by a private fund; (ii) necessary to comply with any request for information from any other Federal department or agency or any self-regulatory organization requesting a report or information for purposes within the scope of its jurisdiction; and (iii) necessary to comply with any order of U.S. court in an action brought by the U.S. or the SEC. The SEC shall report annually to Congress on how the SEC has used the data collected pursuant to the Private Fund Reporting Requirements to monitor the markets for the protection of investors and the integrity of the markets. (15 U.S.C. §80b–4, *as amended by* §404)

Subject	Provisions (Citation)
6 - Confidentiality.	The SEC, the Council and any department, agency or self-regulatory organization that receives reports or information from the SEC pursuant to the Private Fund Reporting Requirements cannot be compelled to disclose any report or information (except as provided above) and are exempt from FOIA requests with respect to such reports or information. Any proprietary information of an investment adviser ascertained by the SEC shall be subject to the same limitations on public disclosure as any facts ascertained during an examination (as provided in Investment Advisers Act §210(b)). (15 U.S.C. §80b–4, *as amended by* §404) The SEC will be allowed to compel an investment adviser disclose the identity, investments, or affairs of its clients for the purposes of assessment of potential systemic risk. (15 U.S.C. §80b–10(c), *as amended by* §405)
C - *Miscellaneous*	
1 - Adjustment for Advisers to Mid-Sized Funds.	Investment Advisers Act §203(n) is added to direct the SEC to take into account the size, governance, and investment strategy of mid-sized private funds to determine whether they pose systemic risk and to adjust the registration and examination procedures to reflect the level of systemic risk posed by such funds. (15 U.S.C. §80b–3(n), *as added by* §408)
2 - Clarification of Rulemaking Authority	Title IV clarifies that the SEC has the rulemaking authority to define technical, trade and other terms used in the Investment Advisers Act. Title IV provides that the SEC may not define the term "client" to include an investor in a private fund for purposes of Investment Advisers Act §§206(1) and (2) (the anti-fraud provisions), if such private fund has entered into an advisory contract with the investment adviser. (15 U.S.C. §80b–11, *as amended by* §406)
3 - Custody of Client Assets	Custody Rule. Title IV allows the SEC to prescribe rules requiring registered investment advisers to safeguard client assets over which the adviser has custody, including verification of such assets by an independent public accountant. (Investment Advisers Act §223, *as added by* §411) GAO Study on Custody Rule Costs. The U.S. Comptroller General will conduct a study of the compliance costs associated with current SEC rules (Rule 204-2 (books and records) and Rule 206(4)-2 (custody rule)) regarding custody and the additional costs if subsection Rule 206-4(b)(6) relating to operational independence were eliminated. The report shall be submitted to the relevant House and Senate committees not later than 3 years after the Date of Enactment. (§412)
4 - Effect on Commodity Exchange Act	Investment Advisers Act is amended to clarify that the Investment Advisers Act does not relieve any person of any obligation or duty or affect the availability of any right or remedy available to the CFTC or any private party arising under the Commodity Exchange Act governing commodity pools, commodity pool operators or commodity trading advisors. (Investment Advisers Act §224, *as added by* §414)

Subject	Provisions (Citation)
D - ***Adjustment to Accredited Investor & Qualified Clients Standard***	
1 - Accredited Investor Standard	Background. Current SEC rules define the term "accredited investor" applicable to certain exemptions from registration under the Securities Act: (i) Rule 215, which is applicable to offerings exempt under Securities Act §4(6) and (ii) Rule 501, which is applicable to offerings exempt under Regulation D. The applicable rules currently categorize a natural person as an "accredited investor" based on either the person's net worth ($1 million, including the person's primary residence) or the person's prior or anticipated net income. Net Worth Standard for Natural Persons. Tile IV provides that the SEC must set the individual net worth standard at $1 million (excluding the value of the primary residence) and authorizes the SEC to periodically adjust this standard except for during the 4 year period following the Date of Enactment. (§413) Initial Adjustments to Definition for Natural Persons. The SEC may undertake a review of the definition of "accredited investor" as applicable to natural persons to determine whether the definition (except for the net worth standard) should be adjusted. (§413) Future Review of "Accredited Investor" for §4(6) Offerings. The SEC must review the definition (as applicable to natural persons) contained in Rule 215 in its entirety commencing 4 years from the Date of Enactment and at least once every 4 years thereafter. The SEC may adjust the definition as it deems appropriate for the protection of investors, in the public interest and in light of the economy. (§413) Disqualification under Regulation D. §926 (see below) also requires the SEC to promulgate rules not later than the Title IV Effective Date expanding the issuer disqualification provisions with regard to any offering under Regulation D of the Securities Act to match the disqualifications provisions of Regulation A and provide additional bases for disqualification, including state administrative orders. (§926)
2 - Qualified Client Standard under Investment Advisers Act Performance Fee Rule	Investment Advisers Act §205(e) is amended to require the SEC to adjust the dollar tests used in the definition of "qualified client" within one year after the Date of Enactment, and every 5 years thereafter, for the effects of inflation. (15 U.S.C. §80b–5(e), *as amended by* §418)

Subject	Provisions (Citation)
E - *Other Studies*	
1 - Other Studies	GAO Study and Report on Accredited Investors and Private Fund Investors. The U.S. Comptroller General will conduct a study on the appropriate criteria for determining financial thresholds or other criteria needed to qualify for accredited investor status and eligibility to invest in private funds. The report shall be submitted to the relevant House and Senate committees not later than 3 years after Date of Enactment. (§415) GAO Study on Self-Regulatory Organizations for Private Funds. The U.S. Comptroller General shall conduct a study on the feasibility of forming a self-regulatory organization to oversee private funds and submit the report to the relevant House and Senate committees not later than 1 year after Date of Enactment. (§416) Commission Study and Report on Short Selling. The Division of Risk, Strategy and Financial Innovation of the SEC shall conduct (i) a study on the state of short selling with particular attention to the impact of recent rulemaking and the incidence of the failure to deliver shares sold short or delivery on the fourth day following the short sale transaction and (ii) a study of the feasibility and cost-benefits analysis of requiring real time reporting of short sale positions of publicly listed securities to the public or to the SEC and FINRA and the feasibility and cost-benefits analysis of a voluntary pilot program where public companies will agree to have all trades of their shares marked "short" "market maker short", "buy", "buy-to-cover", or "long", and reported real time through the Consolidated Tape. The first study should be reported to the relevant House and Senate committees not later than 2 years after the Date of Enactment and the second study should be reported not later than 1 year after the Date of Enactment. (§417)
Title V - Insurance	
A - *Federal Insurance Office*	**Subtitle A – Office of National Insurance Act of 2010**
1 - Office; Director	Establishment of Office. Establishes the "Federal Insurance Office" as an office of the Department of the Treasury ("FIO"). (31 U.S.C. §313(a), *as added by* §502(a)(3)) FIO Director. FIO is to be headed by a Director, who shall be appointed by the Treasury Secretary. (31 U.S.C. §313(b), *as added by* §502(a)(3)) Date Established. FIO is established one day after the Date of Enactment. (§4)

Subject	Provisions (Citation)
2 - FIO Functions	Functions. FIO functions include (i) monitoring all aspects of the insurance industry; (ii) recommending to the Council that it designate an insurer, including its affiliates, as an entity subject to enhanced prudential standards, (iii) coordinating Federal efforts and developing Federal policy on prudential aspects of international insurance matters, including representing the U.S. as appropriate in the International Association of Insurance Supervisors or any successor organization and assisting the Treasury Secretary in negotiating covered agreements, and (iv) determining whether State insurance measures are preempted by covered agreements. (31 U.S.C. §313(c)(1), *as added by* §502(a)(3)) Covered Agreements. Means a written bilateral or multilateral agreement regarding prudential measures with respect to the business of insurance or reinsurance that (i) is entered into between the U.S. and one or more foreign governments, authorities, or regulatory entities; and (ii) relates to the recognition of prudential measures with respect to the business of insurance or reinsurance that achieves a level of protection for insurance or reinsurance consumers that is substantially equivalent to the level of protection achieved under State insurance or reinsurance regulation. (31 U.S.C. §313(r)(2), *as added by* §502(a)(3)) Advisor to Council. FIO Director must serve in an advisory capacity in the Council. (31 U.S.C. §313(c)(3), *as added by* §502(a)(3))
3 - Scope of FIO Authority	All lines of insurance except health, long-term care insurance (except long-term care insurance that is included with life and annuity insurance components) and crop insurance. (31 U.S.C. §313(d), *as added by* §502(a)(3))
4 - FIO Information Gathering; Small Insurer Exception	Information Gathering. FIO may require an insurer or its affiliate to submit data or information. (31 U.S.C. §313(e)(2)(A), *as added by* §502(a)(3)) Small Insurer Exception. FIO may establish by rule a small insurer exception to this information gathering requirement. (31 U.S.C. §313(e)(3), *as added by* §502(a)(3)) Process. FIO required to first obtain data and information from each relevant Federal agency and State insurance regulator and any publicly available sources. If the FIO Director determines that the data or information is not so available, any data or information collection from and insurer or affiliate must comply with the Paperwork Reduction Act. (44 U.S.C. §3501, et. seq.). (31 U.S.C. §313(e)(4), *as added by* §502(a)(3)) Confidentiality. Includes provisions protecting the confidentiality of insurer-submitted data or information. (31 U.S.C. §313(e)(5), *as added by* §502(a)(3)) Subpoena Power. FIO Director has power to require by subpoena the production of data or information from an insurer and its affiliate on condition that the FIO has first coordinated with State insurance regulators. (31 U.S.C. §313(e)(6), *as added by* §502(a)(3))

Subject	Provisions (Citation)
5 - FIO Preemption of State Insurance Measures	Standard. A State insurance measure (State law, regulation, administrative ruling, bulletin, guideline, or practice relating to or affecting prudential measures applicable to insurance or reinsurance) will be preempted under 31 U.S.C. §§313 and 314 only to the extent that the FIO Director determines that the measure (i) results in less favorable treatment of a non-U.S. insurer domiciled in a foreign jurisdiction that is subject to a covered agreement than a U.S. insurer domiciled, licensed or admitted in that State, and (ii) is inconsistent with a covered agreement. (31 U.S.C. §313(f)(1), *as added by* §502(a)(3)) Scope. Any determination of the FIO Director regarding State insurance measures, and any preemption as a result of such determination, must be limited to the subject matter contained within the covered agreement involved and must achieve a level of protection for insurance or reinsurance consumers that is substantially equivalent to the level of protection achieved under State insurance or reinsurance regulation. (31 U.S.C. §313(f)(2)(B), *as added by* §502(a)(3)) Administrative Procedure. Determinations of inconsistency must be subject to the applicable provisions of subchapter II of chapter 5 of title 5, United States Code (relating to administrative procedure), and chapter 7 of such title (relating to judicial review), except that in any action for judicial review of a determination of inconsistency, the court shall determine the matter de novo. (31 U.S.C. §313(g), *as added by* §502(a)(3)) Definition. The term "substantially equivalent to the level of protection achieved" means the prudential measures of a foreign government, authority, or regulatory entity achieve a similar outcome in consumer protection as the outcome achieved under State insurance or reinsurance regulation. (31 U.S.C. §313(r)(9), *as added by* §502(a)(3))
6 - Preemption Exemptions (Savings Provision)	New 31 U.S.C. §313 shall not (i) preempt any State insurance measure that governs any insurer's rates, premiums, underwriting or sales practices, or State coverage requirements for insurance, or to the application of the antitrust laws of any State to the business of insurance, or any State insurance measure governing the capital or solvency of an insurer, except to the extent that such State insurance measure directly results in less favorable treatment of a non-U.S. insurer than a U.S. insurer; (ii) be construed to alter, amend, or limit the responsibility of the Bureau of Consumer Financial Protection (see Title X, below); or (iii) affect the preemption of any State insurance measure otherwise inconsistent with and preempted by Federal law. (31 U.S.C. §313(j), *as added by* §502(a)(3))
7 - No General Supervisory Authority for FIO Established	Nothing in 31 U.S.C. §§313 or 314 shall be construed to establish a general supervisory or regulatory authority of the FIO or the Department of the Treasury over the business of insurance. (31 U.S.C. §313(k), *as added by* §502(a)(3))

Subject	Provisions (Citation)
8 - Reports on U.S. and Global Reinsurance Market	FIO Director shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate (i) a report received not later than September 30, 2012, describing the breadth and scope of the global reinsurance market and the critical role such market plays in supporting insurance in the U.S.; and (ii) a report received not later than January 1, 2013, and updated not later than January 1, 2015, describing the impact of Part II of the Nonadmitted and Reinsurance Reform Act of 2010 (see "Reinsurance" below) on the ability of State insurance regulators to access reinsurance information for regulated companies in their jurisdictions. (31 U.S.C. §313(o), *as added by* §502(a)(3))
9 - FIO Director Study and Report on Regulation of Insurance	Study Required. Director must conduct a study and submit a report to Congress on how to modernize and improve the system of insurance regulation in the U.S. not later than 18 months after the Date of Enactment. (31 U.S.C. §313(p)(1), *as added by* §502(a)(3)) Study Guidance. Study and report to be based on and guided by, among other things, the degree of national uniformity of state insurance regulation. (31 U.S.C. §313(p)(2)(D), *as added by* §502(a)(3)) Study Factors. Study and report must examine factors, including (i) the costs and benefits of potential Federal regulation of insurance across various lines of insurance (except health insurance); and (ii) the feasibility of regulating only certain lines of insurance at the Federal level, while leaving other lines of insurance to be regulated at the State level. (31 U.S.C. §313(p)(3), *as added by* §502(a)(3))
10 - Covered Agreement Negotiation Authority	Authority. Authority to negotiate and enter into covered agreements is granted to the Treasury Secretary and the U.S. Trade Representative, jointly. (31 U.S.C. §314(a), *as added by* §502(a)(3)) Congressional Consultation. Treasury Secretary and U.S. Trade Representative to jointly consult with designated Congressional committees before initiating negotiation of covered agreements. (31 U.S.C. §314(b)(1), *as added by* §502(a)(3)).

Subject	Provisions (Citation)
B - *Nonadmitted Insurance*	**Subtitle B – Nonadmitted and Reinsurance Reform Act of 2010**
1 - Premium Taxes	Prohibition. Prohibits any State other than the "home State" of an insured from requiring any premium tax payment for nonadmitted insurance. (§521(a)) "State" is defined to include any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa. (§527(15)) The term "home State" has a special meaning in §527(6). Uniform Requirements. States may enter into a compact or otherwise establish procedures to allocate among the States the premium taxes paid to an insured's home State. (§521(b)(1)) Congress intends that each State adopt nationwide uniform requirements, forms, and procedures, such as an interstate compact, that provides for the reporting, payment, collection, and allocation of premium taxes for non-admitted insurance. (521(b)(4)) Special rules apply to the effective date of the allocation rules depending on when the compact or procedures are adopted by the States. (§521(b)(2))
2 - Regulation by Insured's Home State	Placement of nonadmitted insurance is subject only to the statutory and regulatory requirements of the insured's "home State." (§522(a)) Only the insured's home State may require a surplus lines broker to be licensed in order to sell, solicit, or negotiate nonadmitted insurance with respect to the insured. (§522(b)) All other State laws, regulations, provisions, and actions are preempted. (§522(c)) These provisions do not apply to workers' compensation insurance or excess insurance for self-funded workers' compensation plans. (§522(d)) The term "home State" has a special meaning in §527(6).
3 - Uniform Eligibility Standards	A State may not: (i) impose eligibility requirements on U.S. domiciled nonadmitted insurers except in conformance with such requirements and criteria in NAIC Non-Admitted Insurance Model Act §§5.A(2) (the insurer must be authorized to write the type of insurance in its domiciliary jurisdiction) and 5.C(2)(a) (capital/surplus and trusteed surplus requirements), unless the State has adopted nationwide uniform requirements, forms, and procedures; or (ii) prohibit a surplus lines broker from placing nonadmitted insurance with, or procuring non-admitted insurance from, a non-U.S. domiciled nonadmitted insurer that is listed on the Quarterly Listing of Alien Insurers maintained by the NAIC International Insurers Department. (§524)

Subject	Provisions (Citation)
4 - Streamlined Application for Exempt Commercial Purchasers	Preemption. Subject to certain disclosure and written request requirements, a surplus lines broker need not satisfy any State requirement to make a due diligence search to determine whether the full amount or type of insurance sought by an "exempt commercial purchaser" can be obtained from admitted insurers. (§525) Exempt Commercial Purchaser. A person purchasing commercial insurance that (i) employs or retains a "qualified risk manager" (defined in §527(12)) to negotiate insurance coverage; (ii) has paid aggregate nationwide commercial property/casualty insurance premiums in excess of $100,000 in the immediately preceding 12 months; and (iii) satisfies a designated net worth, annual revenue or aggregate employment test or is a not-for-profit or municipality that meets certain standards. (§527(5))
5 - Effective Date	Nonadmitted insurance reform provisions to take effect 12 months from the Date of Enactment of Title V, Subtitle B. (§512)
C - *Reinsurance*	
1 - Deference to Domestic State Reinsurance Credit and Other Rules	Reinsurance Credit. If the State of domicile of a ceding insurer is an NAIC-accredited State, or has financial solvency requirements substantially similar to the requirements necessary for NAIC accreditation, and recognizes credit for reinsurance for the insurer's ceded risk, then no other State (i.e., a non-domestic State) may deny such credit for reinsurance. (§531(a)) "State" is defined to include any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa. (§533(5)) Other Requirements. Includes other preemption of reinsurance-related laws, regulations, provisions, or other actions of non-domestic State of the ceding insurer. (§531(b))
2 - Regulation of Reinsurer Solvency by Domestic State	If the State of domicile of a reinsurer is an NAIC-accredited State or has financial solvency requirements substantially similar to the requirements necessary for NAIC accreditation, then (i) the State of domicile shall be solely responsible for regulating the financial solvency of the reinsurer (§532(a)); and (ii) no other State (i.e., a non-domestic State) may require the reinsurer to provide any additional financial information other than the information the reinsurer is required to file with its domiciliary State. (§532(b)).
3 - Effective Date	Reinsurance reform provisions to take effect 12 months from the Date of Enactment of Title V, Subtitle B. (§512)

Subject	Provisions (Citation)
Title VI - Improvements to Regulation of Bank and Savings Association Holding Companies and Depository Institutions	**Bank and Savings Association Holding Company and Depository Institution Regulatory Improvements Act of 2010**
A - *Ownership of Limited Purpose Banks*	
1 - Definition of Commercial Firm	For purposes of Title VI, a "commercial firm" is a company that derives less that 15% of its consolidated annual gross revenues from engaging in activities that are financial in nature, as defined in BHCA §4(k), and, if applicable, from the ownership of one or more insured depository institutions. (§602)
2 - Moratorium on Establishment and Acquisition of Limited Purpose Banks	Deposit Insurance Moratorium. The FDIC may not approve an application for deposit insurance received after November 23, 2009 from a credit card bank, industrial bank, or trust company that is otherwise exempt from the BHCA (per §§ 2(c)(2)(F), 2(c)(2)(H), and 2(c)(2)(D), respectively) that is controlled, directly or indirectly, by a commercial firm. (§603(a)(2)) Change in Control Moratorium. A moratorium is also imposed on changes in control that would result in a commercial firm acquiring direct or indirect control of a credit card bank, industrial bank or trust company, unless the institution is in danger of default as determined by the appropriate federal banking agency, the change in control results from the merger or "whole acquisition" of a commercial firm that controls a limited purpose bank, or the change in control results from an acquisition of voting shares of a publicly traded company that controls a limited purpose bank, if, after the acquisition, the acquiror holds less than 25% of any class of voting shares. (§603(a)(3)) Both of these provisions sunset 3 years after the Date of Enactment. (§603(a)(4))
3 - GAO Study	The GAO will conduct a study on whether, in order to the strengthen the safety and soundness of financial institutions and the financial system, it is necessary to eliminate the BHCA exemptions for holding companies of credit card banks, industrial banks, trust companies and savings associations. (§603(b))

Subject	Provisions (Citation)
B - *Regulation of Holding Companies and Functionally Regulated Subsidiaries*	
1 - Financial Holding Company Requirements	Bank Holding Companies. To qualify as a financial holding company, a bank holding company must be well capitalized and well managed at the holding company level, not merely at the depository institution level. (12 U.S.C. §1843(l)(1), *as amended by* §606(a)) Savings and Loan Holding Companies. For a savings and loan holding company (other than a grandfathered unitary savings and loan holding company) to engage in the expanded financial activities permitted to a financial holding company, the savings and loan holding company must meet all the criteria to qualify as a financial holding company (including being well capitalized and well managed) as if the savings and loan holding company were a bank holding company. (12 U.S.C. §1467a(c)(2), *as amended by* §606(b))
2 - Reports and Examination of BHCs and Functionally Regulated Subsidiaries	FRB Authority Granted. The FRB is granted broader authority to require reports from and examine functionally regulated subsidiaries of bank holding companies and savings and loan holding companies. (12 U.S.C. §1844(c)(1) and 12 U.S.C. §1844(c)(2), *as amended by* §604(a) and §604(b)) Limit to FRB Authority Repealed. BHCA §10A, which had limited the FRB's authority over functionally regulated subsidiaries of bank holding companies, has been repealed. (12 U.S.C. §1848a, *as repealed by* §604(c)(2))

Subject	Provisions (Citation)
3 - FRB's Oversight of Non-Depository Institution Subsidiaries of Holding Companies	FRB Examination. The FRB shall examine the activities of non-depository institution subsidiaries of a holding company, other than the activities of functionally regulated subsidiaries and subsidiaries of a depository institution, that are permissible for the holding company's depository institution subsidiaries in the same manner and to the same extent as if the activities were conducted by the lead insured depository institution of the holding company. (FDIA §26(b), *as added by* §605) Backup Examination Authority. If the FRB does not perform the required examination, the appropriate federal banking agency for the lead insured depository institution may recommend in writing that the FRB do so. (FDIA §26(d)(1), *as added by* §605) Examination by Federal Banking Agency. If the FRB does not begin the recommended examination or respond to the recommendation in writing within 60 days of receiving the recommendation referenced above, the appropriate federal banking agency for the lead insured depository institution may, subject to the CFPA, examine the above-described activities to determine if they pose a threat to the safety and soundness of any insured depository institution subsidiary of the holding company; are conducted in compliance with applicable federal law; and are subject to appropriate risk controls. (FDIA §26(d)(2), *as added by* §605) Coordination with FRB. A federal banking agency that conducts an examination as discussed above shall coordinate such examination with the FRB in a manner to avoid duplication, share relevant supervisory information, meet examination requirements, and ensure that involved entities are not subject to conflicting supervisory demands. (FDIA §26(d)(3), *as added by* §605) Enforcement by Federal Banking Agency. Based on the above-described examination, the federal banking agency conducting the exam may recommend that the FRB bring an enforcement action against the nondepository institution subsidiary of the holding company. If the FRB fails to take action within 60 days, the federal banking agency may take action. (FDIA §26(e)(2), *as added by* §605)
4 - Bank Acquisition Limits	U.S. Financial Stability. In approving bank acquisitions, the FRB is required to take into consideration the financial stability of the U.S. (12 U.S.C. 1842(c), *as amended by* §604(d)) Prior Approval. FRB prior approval is required for a financial holding company acquisition of a nonbank company if the assets to be acquired in the transaction exceed $10 billion. (12 U.S.C. 1843(k)(6)(B), *as amended by* §604(e)) Interstate Bank Acquisition. An acquiring bank holding company must be well capitalized and well managed in order to make an interstate bank acquisition. (12 U.S.C. §1842(d)(1)(A), *as amended by* §607(a)) Interstate Merger. The resulting bank in an interstate merger must be well capitalized and well managed upon consummation of the transaction. (12 U.S.C. §1831u(b)(4)(B), *as amended by* §607(b))

Subject	Provisions (Citation)
5 - Regulations Regarding Holding Company Capital Levels	Bank Holding Company Capital. The FRB shall seek to make regulations regarding bank holding company capital levels countercyclical such that the amount of capital required to be retained increases in times of economic expansion and decreases in times of economic contraction. (12 U.S.C. §1844(b), *as amended by* §616(a)) Thrift Holding Company Capital. Similarly, the regulations regarding savings and loan holding company capital levels are to be made countercyclical such that the amount of capital required to be retained increases in times of economic expansion and decreases in times of economic contraction. (12 U.S.C. §1467a(g)(1), *as amended by* §616(b)) Source of Strength. The appropriate federal banking agency shall require any company that directly or indirectly controls an insured depository institution to serve as a "source of strength" for such institution. (FDIA §38A, *as added by* §616(d))
6 - Exclusions from the Definition of Savings and Loan Holding Company	The definition of a "savings and loan holding company" in HOLA is amended to exclude (i) a company that owns a savings association that functions solely in a trust or fiduciary capacity such that it would qualify for the limited purpose trust company exemption in the BHCA; or (ii) a company that controls an intermediate holding company established pursuant to HOLA §10A. (12 U.S.C. 1467a(a)(1)(D)(ii), *as amended by* §604(i)) (see "Intermediate Holding Company" below)
C - *Activities Restrictions*	
1 - Enhanced 23A and 23B Restrictions	Covered Transaction. The definition of "covered transaction" under Federal Reserve Act §§23A and 23B is expanded to include credit exposure on derivative transactions, and securities borrowing and lending transactions. Further, any investment fund that is advised by a bank or an affiliate of the bank is now treated as an affiliate. (12 U.S.C. §371c, *as amended by* §608(a)) Exemptive Authority. The FRB's authority to grant exemptions from §23A by individual order is removed. Exemptions can be provided by FRB regulation if the FDIC does not object. In addition, the OCC may exempt by order a transaction of a national bank or federal savings association if the FRB and OCC jointly agree and the FDIC does not object. The FDIC and the FRB may jointly exempt by order a transaction by a State non-member bank, a State member bank or a state savings association. (12 U.S.C. §371c, *as amended by* §608(a)) Financial Subsidiaries. Exceptions under §23A for transactions with financial subsidiaries are prospectively eliminated. (12 U.S.C. §371c(e), *as amended by* §609)

Subject	Provisions (Citation)
2 - Transactions with Insiders	Lending to Insiders. Restrictions on lending to insiders are strengthened and expanded to include, among others, credit exposures on derivative transactions with insiders. (12 U.S.C. §375b(9)(D)(i), *as amended by* §614) Insider Asset Purchase. Imposes limitations on an insider's ability to purchase assets. An insured depository institution is prohibited from purchasing or selling assets from an executive, a director, or principal shareholder of the institution unless the transaction is on market terms. If the transaction represents more than 10% of the institution's capital stock, a majority of the board of directors that do not have an interest in the transaction must approve it in advance. The FRB must also consult with the OCC and FDIC before proposing or adopting rules under the asset purchase provision. (12 U.S.C. §1828(z), *as added by* §615(a))
3 - De Novo Branching	*De novo* interstate branching by national banks and insured state banks is permitted if, under the laws of the state where the branch is to be located, a state bank chartered in that state would be permitted to establish a branch. (12 U.S.C. §36(g)(1)(A), *as amended by* §613)
4 - Restrictions on Conversions	Conversions. Conversions of bank and thrift charters from federal to state, and vice versa, are prohibited if the converting entity is subject to an enforcement action with respect to a significant supervisory matter and, in the case of a state-chartered institution, an enforcement action by a state attorney general. (§612) Exceptions. The prohibition on approving conversions will not apply if the appropriate post-conversion federal regulator gives the pre-conversion regulator satisfactory written notice of the conversion including a plan to address the supervisory issues; within 30 days of receipt of the notice the pre-conversion regulator does not object to the plan; the plan is implemented after the conversion; and, in the case of a final enforcement action by a State attorney general, approval of the conversion is conditioned on compliance with the terms of the action. (§612(d))
5 - Lending Limits	Lending Limits. The lending limits that are applicable to national banks are revised to include credit exposures from derivative, repurchase and reverse repurchase, and securities borrowing and lending transactions as loans or extensions of credit. (12 U.S.C. §84(b), *as amended by* §610) Derivative Transactions. An insured state bank may engage in a derivative transaction only if the law of the state where the bank was chartered takes into consideration credit exposure to derivative transactions in setting lending limits. (12 U.S.C. §1828(y), *as added by* §611)

Subject	Provisions (Citation)
D - *Volcker Rule*	
1 - Definitions	Banking Entity. Means any insured depository institution (as defined in FDIA § 3), any company that controls an insured depository institution, any company that is treated as a bank holding company under International Banking Act of 1978 §8, and any affiliate of such an entity. (BHCA §13(h)(1), *as added by* §619) *De Minimis* Investment. Means an investment that within 1 year of a fund being established (with a possible 2-year extension upon an individual application) is not more than 3% of the total ownership interests of the fund, and is immaterial to the banking entity, as defined by rule pursuant to §619, but in no case may the aggregate of all the interests of the banking entity in all such funds exceed 3% of the Tier 1 capital of the banking entity. (BHCA §13(d)(4), *as added by* §619) Hedge Fund; Private Equity Fund. Means an issuer that would be an investment company as defined in the Investment Company Act of 1940 but for §3(c)(1) or §3(c)(7) of that Act, or such similar funds as the appropriate federal agencies determine by regulation. (BHCA §13(h)(2), *as added by* §619) Illiquid Funds. Means a hedge or private equity fund that, as of May 1, 2010, was principally invested in, or was invested in and contractually committed to principally invest in, illiquid assets, which include portfolio companies, real estate investments, and venture capital investments. (BHCA §13(h)(7), *as added by* §619) Proprietary Trading. Means engaging as a principal for the trading account to purchase, sell, or otherwise acquire or dispose of, any security, any derivative, any contract of sale of a commodity for future delivery, any option on a security, derivative, or contract, or any other security or financial instrument as determined by the appropriate federal agencies. (BHCA §13(h)(4), *as added by* §619) Sponsoring. Means serving as a general partner, managing member, or trustee of a fund; in any manner selecting or controlling (or having employees, officers, directors or agents who constitute) a majority of directors, trustees, or management of the fund; or sharing with the fund, for corporate, marketing, promotional, or other purposes, the same name or a variation of the same name. (BHCA §13(h)(5), *as added by* §619) Trading Account. Means any account used for acquiring or taking positions in securities and other financial instruments principally for the purpose of selling in the near term or with the intent to resell and capture short-term price movements, and any other such accounts determined by regulation. (BHCA §13(h)(6), *as added by* §619)
2 - General Prohibitions	Proprietary Trading Prohibition. Unless otherwise permitted, no banking entity shall engage in proprietary trading. (BHCA §13(a)(1), *as added by* §619) Private Equity and Hedge Fund Prohibition. Unless otherwise permitted, no banking entity shall acquire or retain an ownership stake in or sponsor a hedge or private equity fund. (BHCA §13(a)(1), *as added by* §619)

Subject	Provisions (Citation)
3 - Restrictions on a Nonbank Financial Company Supervised by the FRB	Any nonbank financial company supervised by the FRB that engages in proprietary trading or retains an ownership stake in a hedge or private equity fund will be subject to additional capital requirements and quantitative limits on such activities that will be set by regulation. (BHCA §13(a)(2), *as added by* §619)
4 - Study & Rulemaking	Study. Within 6 months of the Date of Enactment, the Council is required to study the definitions and provisions of the Volcker Rule in order to determine, among other things, whether they promote safety and soundness, minimize the risk of unsafe and unsound practices, and generally serve to promote financial stability as intended. (BHCA §13(b)(1), *as added by* §619) Rulemaking. Within 9 months of the completion of the study, the appropriate federal banking agencies, the SEC, and the CFTC must issue final regulations implementing certain subsections. (BHCA §13(b)(2), *as added by* §619)
5 - Effective Date	Effective Date. The prohibitions, requirements and limitations of the Volcker Rule will become effective on the earlier of (i) 12 months after the issuance of final rules implementing the Volcker Rule, or (ii) 2 years after the Date of Enactment. (BHCA §13(c)(1), *as added by* §619) Conformance Period. Investments and activities of a banking entity must be in compliance with the requirements of the Volcker Rule not later than two years after the effective date. The FRB has discretionary authority to grant three one-year extensions by rule or by order. (BHCA §13(c)(2), *as added by* §619) Extended Transition for Illiquid Funds. Upon the application of a banking entity, the FRB may grant one extension, which may not exceed 5 years, during which time the banking entity, to the extent necessary to fulfill a contractual obligation that was in effect on May 1, 2010, may take or retain its equity, partnership, or other ownership interest in, or otherwise provide additional capital to, an illiquid fund. (BHCA §13(c)(3), *as added by* §619) Rulemaking Regarding Conformance Periods. The FRB must issue rules within 6 months of the Date of Enactment to implement the conformance and extended transition periods. (BHCA §13(c)(6), *as added by* §619) Additional Capital During Transition Period. The appropriate federal agencies shall issue rules to impose additional capital requirements and any other restrictions as appropriate on any equity or ownership interest or on sponsorship of a hedge fund or private equity fund. (BHCA §13(c)(5), *as added by* §619)

Subject	Provisions (Citation)
6 - Exemptions from Prohibitions	Notwithstanding the general prohibitions discussed above, and subject to limits discussed below, the following activities are permitted: (i) the purchase, sale, acquisition or disposition of obligations of the U. S. government, U.S. agencies, certain government-sponsored entities (including Fannie Mae, Freddie Mac and the Federal Home Loan Banks) and state or political subdivisions; (ii) the purchase, sale, acquisition or disposition of securities or instruments in connection with underwriting or as part of market-making activities to the extent that such activities are designed not to exceed reasonably expected near term demands of clients, customers or counterparties; (iii) risk-mitigating hedging activities in connection with individual or aggregated positions of a banking entity that are designed to reduce specific risk to such entity from such positions, contracts or holdings; (iv) the purchase, sale, acquisition or disposition of securities or other instruments on behalf of a customer; (v) investments in small business investment companies; investments that are designed primarily to promote the public welfare (as defined in 12 U.S.C. §24 (Eleventh)); or investments that are qualified rehabilitation expenditures with respect to certain building or historical structures; (vi) the purchase, sale, acquisition or disposition of securities or other instruments by a regulated insurance company for the general account of the company or by an affiliate of such regulated insurance company solely for the general account of the insurance company if - conducted in compliance with and subject to insurance company investment laws, regulations and written guidance of the state in which the insurance company is domiciled and - the federal banking agencies, after consultation with the Council and the relevant State insurance commissioner, have not determined that a particular law, regulation or written guidance is insufficient to protect the safety and soundness of the banking entity or the financial stability of the U.S.;

Subject	Provisions (Citation)
7 - Exemptions from Prohibitions (continued)	(vii) organizing and offering a private equity or hedge fund, including serving as a general partner, managing member, or trustee of a fund, subject to the following restrictions: (I) the banking entity provides bona fide trust, fiduciary or investment advisory services; (II) the fund is organized and offered only in connection with the provision of those services, and only to customers of the banking entity that use such services; (III) the banking entity does not acquire or retain an equity interest, or other ownership interest in the fund other than a *de minimis* investment subject to certain conditions; and the banking entity and affiliates comply with the requirements of §23A and §23B of Federal Reserve Act; (IV) the banking entity complies with the affiliate transaction restrictions on respect of the fund (see "Restrictions on Affiliate Transactions with Private Equity and Hedge Funds" below); (V) the banking entity does not directly or indirectly guarantee, assume, or otherwise insure the obligations or performance of the fund; (VI) the banking entity does not share with the fund, for corporate, marketing, promotional, or other purposes, the same name or a variation of the same name; (VII) other than a director or employee who is directly engaged in providing advisory or other services to the fund, no director or employee of the banking entity takes an ownership interest in the fund; and (VIII) the banking entity discloses to investors, in writing, that any losses in the fund will be borne solely by investor and not the banking entity; (viii) proprietary trading by a banking entity pursuant to BHCA §§4(c)(9) or 4(c)(13), provided that it occurs solely outside of the U.S. and the banking entity is not controlled by a banking entity organized under U.S. law or the laws of a state; (ix) a banking entity pursuant to BHCA §§4(c)(9) or 4(c)(13) may acquire or retain an equity or ownership interest in or sponsor a hedge or private equity fund solely outside of the U.S. if the banking entity is not directly or indirectly controlled by a banking entity organized in the U.S., and no ownership interest in such fund is offered for sale or sold to a U.S. resident; and (x) such activity as the appropriate federal banking agencies, the SEC and the CFTC, determine, by rule, would promote the safety and soundness of the banking entity and the financial stability of the U.S. (BHCA §13(d)(1), *as added by* §619)

Subject	Provisions (Citation)
8 - Limits on Permitted Activities	No transaction, class of transactions or activity may be deemed to be a "permitted activity" under the Volcker Rule if it would: (i) involve or result in a material conflict of interest between the banking entity and its customers or counterparties; (ii) result, directly or indirectly, in a material exposure by the banking entity to high risk assets or high risk trading strategies; (iii) pose a threat to the safety and soundness of the banking entity; or (iv) pose a threat to the financial stability of the U.S. (BHCA §13(d)(2), *as added by* §619)
9 - Restrictions on Affiliate Transactions with Private Equity and Hedge Funds	Covered Transaction Restrictions. A banking entity that serves, directly or indirectly, as the investment manager or investment adviser or as sponsor to a hedge or private equity fund, or that organizes and offers a hedge or private equity fund, may not enter into a covered transaction, as defined in Federal Reserve Act §23A, with such fund. (BHCA §13(f)(1), *as added by* §619) §23B Restrictions. Transactions between such a company and a hedge or private equity fund are also subjected to the requirements of Federal Reserve Act §23B. (BHCA §13(f)(2), *as added by* §619) Prime Brokerage. Under certain circumstances, the FRB may permit a banking entity to enter into a prime brokerage transaction with a hedge or private equity fund managed, sponsored or advised by such banking entity. Such prime brokerage transaction would be subject to the requirements of §23B as if the counterparty were an affiliate of the banking entity. (BHCA §13(f)(3), *as added by* §619)
E - *Liability Cap*	
1 - Liability Cap	Subject to certain narrowly drawn exceptions, no depository institution, depository institution holding company, company treated as a bank holding company or nonbank financial company supervised by the FRB may merge with or acquire substantially all of the assets or control of another company if the resulting company's total consolidated liabilities would be in excess of 10% of the aggregate consolidated liabilities of all financial companies as of the close of the previous calendar year. (BHCA §14(b), *as added by* §622)
F - *Securities Holding Company Supervision*	
1 - Registration with the FRB	Registering with FRB. A securities holding company that is required by a foreign regulator or provision of foreign law to be subject to comprehensive consolidated supervision may register with the FRB to become a supervised securities holding company and thus satisfy the supervisory requirement. (§618(b)(1)) Manner of Registration. A securities holding company that elects to register with the FRB shall do so in a manner prescribed by the FRB. (§618(b)(2))

Subject	Provisions (Citation)
2 - Supervision of Securities Holding Companies	Records and Reports. Each supervised securities holding company will be required to keep records and make reports as determined by the FRB. To the extent possible, the FRB will accept reports that have been provided to another regulatory agency or self-regulatory organization. (§618(c)) Examinations. The FRB is permitted to examine any registered securities holding company and affiliates and to impose capital adequacy and other risk management standards on registered securities holding companies. Deference to other examinations is required. (§618(c))
3 - Applicability BHCA	Supervised securities holding companies are subject to the provisions of the BHCA in the same manner as a bank holding company, except for the restrictions on nonbanking activities and investments in §4 of BHCA and except as the FRB may otherwise provide. (§618(f)(2))
4 - Definition of Securities Holding Company	A securities holding company is defined as a company that owns or controls one or more SEC-registered broker-dealers. The definition does not include a systemically important nonbank financial company supervised by the FRB or other entities already subject to comprehensive consolidated supervision. (§618(a)(4))
G - *Other Key Provisions*	
1 - Conflicts of Interest	Unless certain exceptions apply, an underwriter, placement agent, initial purchaser or sponsor, or affiliate or subsidiary of such an entity, of an asset-backed security shall not, for 1 year after closing of the sale of the security, engage in any transaction involving a material conflict of interest with respect to any investor arising out of such activity. The SEC must issue rules to implement this section. (Securities Act §27B(a), *as added by* §621)
2 - Intermediate Holding Company	Intermediate Holding Company Permitted. The FRB may require a grandfathered unitary thrift holding company that conducts activities other than financial activities to establish an intermediate holding company to conduct all or a portion of its financial activities, other than "internal financial activities". (HOLA §10A, *as added by* §626) Intermediate Holding Company Required. The FRB must require a grandfathered unitary thrift holding company that conducts non-financial activities to establish an intermediate holding company if the FRB determines it is necessary to supervise the company's financial activities or to ensure FRB supervision is limited to such financial activities (HOLA §10A, *as added by* §626) Source of Strength. A grandfathered unitary savings and loan holding company is required to serve as a source of strength to the intermediate holding company. (HOLA §10A, *as added by* §626)

Subject	Provisions (Citation)
3 - Interest on Demand Deposits	The federal prohibitions on paying interest on demand deposits are eliminated. (12 U.S.C. 371a; 12 U.S.C. 1464(b)(1)(B); 12 U.S.C. 1828(g), *as amended by* §627)
4 - Credit Card Bank Small Business Lending	Credit card banks are permitted to make credit card loans to small businesses that meet the criteria for a small business concern to be eligible for loans under Small Business Administration regulations. Credit card banks making such loans will still retain their exemption from the term "bank" under the BHCA. (12 U.S.C. 1841(c)(2)(F)(v), *as amended by* §628)
Title VII - Wall Street Transparency and Accountability	**Wall Street Transparency and Accountability Act of 2010**
A - *Regulatory Authority*	
1 - General	The CFTC and the SEC (either, a "Commission") are to prescribe the regulations that are necessary to carry out the purposes of Title VII. Both Commissions shall consult and coordinate with each other to assure that, to the extent possible, the regulations prescribed by one are consistent and comparable with those prescribed by the other. The regulations shall be issued in final form not later than 360 days after the Date of Enactment. In adopting rules and orders, either Commission shall treat functionally or economically similar products or entities in a similar manner; however, neither Commission is required to adopt rules or orders that treat functionally or economically similar products in an identical manner. Both Commissions, after consultation with the FRB, shall jointly prescribe regulations regarding mixed swaps to carry out the purposes of Title VII. (§712(a))
2 - Limitation on the CFTC's Jurisdiction	Title VII does not confer jurisdiction on the CFTC to issue rules, regulations or orders providing for oversight or regulation of: (i) security-based swaps, or (ii) the activities or functions concerning security-based swaps of (I) security-based swap dealers, (II) major security-based swap participants, (III) security-based swap data repositories, (IV) associated persons of a security-based swap dealer or major security-based swap participant, (V) eligible contract participants with respect to security-based swaps, or (VI) swap execution facilities with respect to security-based swaps. (§712(b)(1))

Subject	Provisions (Citation)
3 - Limitation on the SEC's Jurisdiction	Title VII does not confer jurisdiction on the SEC to issue rules, regulations or orders providing for oversight or regulation of: (i) swaps, or (ii) the activities or functions concerning swaps of (I) swap dealers, (II) major swap participants, (III) swap data repositories, (IV) persons associated with a swap dealer or major swap participant, (V) eligible contract participants with respect to swaps, or (VI) swap execution facilities with respect to swaps. (§712(b)(2))
4 - Objection to Commission Regulation	If one of the Commissions determines that a rule, regulation or order issued by the other Commission conflicts with the limitation imposed on either Commission's jurisdiction by Title VII, then such Commission may obtain review in the U.S. Court of Appeals for the District of Columbia Circuit by a filing a written petition to set aside such rule, regulation or order, not later than 60 days after the date of its publication. Such a proceeding shall be expedited by the U.S. Court of Appeals for the District of Columbia Circuit. Until the date on which the U.S. Court of Appeals for the District of Columbia Circuit makes a final determination with respect thereto, such rule, regulation or order shall be stayed. (§712(c))
5 - Authority to Prohibit Participation in Swap Activities by Foreign-Domiciled Entities	If the CFTC or the SEC determines that the regulations of swaps or security-based swaps markets in a foreign country undermine the stability of the U.S. financial system, either Commission, in consultation with Treasury Secretary, may prohibit an entity domiciled in the foreign country from participating in the U.S. in any swap or security-based swap activities. (§715)

Subject	Provisions (Citation)
B - *Prohibition Against Federal Government Bailouts of Swaps Entities*	
1 - Prohibition	No federal assistance may be provided to a swap entity with respect to any swap, security-based swap or other activity related to such swaps. This prohibition shall become effective two years after the Date of Enactment. "Federal assistance" is defined as the use of any advances from any FRB credit facility, discount window that is not part of a program or facility eligible under the FRB emergency lending authority, FDIC insurance or guarantees for the purpose of making any loan to any swap entity; purchasing any stock, interest or asset of any swap entity; guaranteeing any loans or debt of any swap entity; or entering into any assistance arrangement, loss sharing, or profit sharing with any swap entity. A "swap entity" includes any swap dealer, security-based swap dealer, major swap participant or major security-based swap participant that is registered under the Commodities Exchange Act or the Securities Exchange Act of 1934 (the "Securities Exchange Act"), but does not include a major swap participant or major security-based swap participant that is an insured depositary institution. An insured depositary institution that is part of a bank holding company or a savings and loan holding company and subject to FRB oversight would not be subject to the prohibition on federal assistance even if it has an affiliate that is a swap entity. However, an insured depositary institution must limit its swaps-related activity to hedging and risk-mitigating activities directly related to its activities or serving as a swap entity for swaps that involve rates or reference assets permissible for investment by a national bank under 12 U.S.C. §24 (other than uncleared credit default swaps). Furthermore, after the expiration of a the transition period, the depositary institution may not trade in credit default swaps unless such swaps are cleared by a registered derivatives clearing organization or one that is exempt from registration. A bank or bank holding company that is a swap entity shall be subject to the standards and rules established by the relevant prudential regulator. An insured depository institution has up to 24 months of transition period to divest or cease the swap activities that prohibits it from receiving federal assistance, such transition period may be extended for up to one additional year as determined by the appropriate federal banking agency (after consultation with the CFTC and the SEC). Depositary institutions that are under receivership, conservatorship or a bridge bank under the FDIC are subject to separate rules under this provision. The Council may determine on a case-by-case basis if a swap entity may no longer access federal assistance with respect to its swaps activity under a catch-all provision. (§716)

Subject	Provisions (Citation)
C - *Regulation of Swap Markets -- Definitions*	
1 - Swap	The term "swap" means any agreement, contract, or transaction (i) that is a put, call, cap, floor, collar, or similar option of any kind that is for the purchase or sale, or based on the value, of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind; (ii) that provides for any purchase, sale, payment, or delivery (other than a dividend on an equity security) that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence; (iii) that provides on an executory basis for the exchange, on a fixed or contingent basis, of one or more payments based on the value or level of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and that transfers, as between the parties to the transaction, in whole or in part, the financial risk associated with a future change in any such value or level without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred, including any agreement, contract, or transaction commonly known as (I) an interest rate swap; (II) a rate floor; (III) a rate cap; (IV) a rate collar; (V) a cross-currency rate swap; (VI) a basis swap; (VII) a currency swap; (VIII) a foreign exchange swap; (IX) a total return swap; (X) an equity index swap; (XI) an equity swap; (XII) a debt index swap; (XIII) a debt swap; (XIV) a credit spread; (XV) a credit default swap; (XVI) a credit swap; (XVII) a weather swap; (XVIII) an energy swap; (XIX) a metal swap; (XX) an agricultural swap; (XXI) an emissions swap; and (XXII) a commodity swap; (iv) that is an agreement, contract, or transaction that is, or in the future becomes commonly known to the trade as a swap; (v) including any security-based swap agreement which meets the definition of "swap agreement" as defined in Gramm-Leach-Bliley Act §206A of which a material term is based on the price, yield, value, or volatility of any security or any group or index of securities, or any interest therein; or that is any combination or permutation of, or option on, any agreement, contract, or transaction described in any of clauses (i) through (v). The term "swap" includes a master agreement that provides for an agreement, contract, or transaction that is a swap together with each supplement to any master agreement, without regard to whether the master agreement contains an agreement, contract, or transaction that is not a swap. The master agreement shall be considered to be a swap only with respect to each agreement, contract, or transaction covered by the master agreement that is a swap. (7 U.S.C. §1a, *as amended by* §721(a)(21)) In this document, the term "swap" shall generally be used to include a swap, a security-based swap and a mixed swap, unless otherwise specified.

Subject	Provisions (Citation)
2 - Swap Exclusions	The term "swap" does not include (i) any contract of sale of a commodity for future delivery (or option on such a contract), leverage contract authorized under Commodity Exchange Act §19, security futures product, or agreement, contract, or transaction described in Commodity Exchange Act §§2(c)(2)(C)(i) or 2(c)(2)(D)(i); (ii) any sale of a nonfinancial commodity or security for deferred shipment or delivery, so long as the transaction is intended to be physically settled; (iii) any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities, including any interest therein or based on the value thereof, that is subject to (I) the Securities Act; and (II) the Securities Exchange Act; (iv) any put, call, straddle, option, or privilege relating to a foreign currency entered into on a national securities exchange registered pursuant to Securities Exchange Act §6(a); (v) any agreement, contract, or transaction providing for the purchase or sale of one or more securities on a fixed basis that is subject to (I) the Securities Act; and (II) the Securities Exchange Act; (vi) any agreement, contract, or transaction providing for the purchase or sale of one or more securities on a contingent basis that is subject to the Securities Act and the Securities Exchange Act, unless the agreement, contract, or transaction predicates the purchase or sale on the occurrence of a bona fide contingency that might reasonably be expected to affect or be affected by the creditworthiness of a party other than a party to the agreement, contract, or transaction; (vii) any note, bond, or evidence of indebtedness that is a security, as defined in Securities Act §2(a); (viii) any agreement, contract, or transaction that is (I) based on a security; and (II) entered into directly or through an underwriter (as defined in Securities Act §2(a)) by the issuer of such security for the purposes of raising capital, unless the agreement, contract, or transaction is entered into to manage a risk associated with capital raising; (ix) any agreement, contract, or transaction a counterparty of which is the FRB, the federal government, or a federal agency that is expressly backed by the full faith and credit of the U.S.; and (x) any security-based swap, other than a security-based swap described as a mixed swap. (7 U.S.C. §1a, *as amended by* §721(a)(21))

Subject	Provisions (Citation)
3 - Security-Based Swap	The term "security-based swap" means any agreement, contract, or transaction that (i) is a swap (as defined by Title VII); and (ii) is based on (I) an index that is a narrow-based security index, including any interest therein or on the value thereof; (II) a single security or loan, including any interest therein or on the value thereof; or (III) the occurrence, nonoccurrence, or extent of the occurrence of an event relating to a single issuer of a security or the issuers of securities in a narrow-based security index, provided that such event directly affects the financial statements, financial condition, or financial obligations of the issuer. (The term "index" means an index or group of securities, including any interest therein or based on the value thereof.) The term "security-based swap" shall be construed to include a master agreement that provides for an agreement, contract, or transaction that is a security-based swap, together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement, contract, or transaction that is not a security-based swap, except that the master agreement shall be considered to be a security-based swap only with respect to each agreement, contract, or transaction under the master agreement that is a security-based swap. The term "security-based swap" does not include any agreement, contract, or transaction that meets the definition of a security-based swap only because such agreement, contract, or transaction references, is based upon, or settles through the transfer, delivery, or receipt of an exempted security unless such agreement, contract, or transaction is of the character of, or is commonly known in the trade as, a put, call, or other option. (15 U.S.C. §78c(a)(68), *as added by* §761(a)(6))
4 - Mixed Swap	The term "mixed swap" includes any security-based swap that also is based on the value of one or more interest or other rates, currencies, commodities, instruments of indebtedness, indices, quantitative measures, other financial or economic interest or property of any kind (other than a single security or a narrow-based security index), or the occurrence, non-occurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence. (15 U.S.C. §78c(a)(68)(D), *as added by* §761(a)(6))
5 - Swap Dealer	The term "swap dealer" means any person who (i) holds itself out as a dealer in swaps; (ii) makes a market in swaps; (iii) regularly enters into swaps with counterparties in the ordinary course of business for its own account; or (iv) engages in any activity causing the person to be commonly known in the trade as a dealer or market maker in swaps, provided that in no event shall an insured depositary institution be considered a swap dealer to the extent it offers to enter into a swap with a customer in connection with originating a loan with that customer. A person may be designated as a swap dealer for a single type or single class or category of swap or activities and considered not to be a swap dealer for other types, classes, or categories of swaps or activities. (7 U.S.C. §1a, *as amended by* §721(a)(21))

Subject	Provisions (Citation)
6 - Swap Dealer Exclusions	The term "swap dealer" does not include a person that enters into swaps for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business. A swap dealer that engages in a *de minimis* quantity of swaps shall be exempt from designation as a swap dealer. (7 U.S.C. §1a, *as amended by* §721(a)(21))
7 - Security-Based Swap Dealer	The term "security-based swap dealer" means any person who (i) holds himself out as a dealer in security-based swaps; (ii) makes a market in security-based swaps; (iii) regularly engages in the purchase and sale of security-based swaps in the ordinary course of business; or (iv) regularly enters into security-based swaps with counterparties as an ordinary course of business for its own account. A person may be designated as a security-based swap dealer for a single type or single class or category of security-based swap or activities and considered not to be a security-based swap dealer for other types, classes, or categories of security-based swaps or activities. The term "security-based swap dealer" does not include a person that enters into security-based swaps for such person's own account, either individually or in a fiduciary capacity, but not as a part of regular business. A swap dealer that engages in a *de minimis* quantity of security-based swaps shall be exempt from designation as a security-based swap dealer. (15 U.S.C. §78c(a)(71), *as added by* §761(a)(6))
8 - Major Swap Participant	The term "major swap participant" means any person who is not a swap dealer, and (i) maintains a substantial position in swaps for any of the major swap categories as determined by the CFTC, excluding (I) positions held for hedging or mitigating commercial risk; and (II) positions maintained by any employee benefit plan (or any contract held by such a plan) as defined in Employee Retirement Income Security Act §3(3) and §(32) for the primary purpose of hedging or mitigating any risk directly associated with the operation of the plan; or (ii) whose outstanding swaps create substantial counterparty exposure that could have serious adverse effects on the financial stability of the U.S. banking system or financial markets; or (iii)(I) is a financial entity that is highly leveraged relative to the amount of capital it holds and that is not subject to capital requirements established by an appropriate federal banking agency; and (II) maintains a substantial position in outstanding swaps in any major swap category as determined by the CFTC. The term "major swap participant" does not include an entity whose primary business is providing financing, and which uses derivatives for the purposes of hedging underlying commercial risks related to interest rate and foreign exchange exposures, where 90% or more of such business arise from financing that facilitates the purchase or lease of products manufactured by the parent company or another subsidiary of such parent company. A person may be designated as a major swap participant for one or more categories of swaps without being classified as a major swap participant for all classes of swaps.(7 U.S.C. §1a, *as amended by* §721(a)(33))

Subject	Provisions (Citation)
9 - Major Security-Based Swap Participant	The term "major security-based swap participant" means any person (i) who is not a security-based swap dealer; and (ii)(I) who maintains a substantial position in security-based swaps for any of the major security-based swap categories, as such categories are determined by the Commission, excluding both positions held for hedging or mitigating commercial risk and positions maintained by any employee benefit plan (or any contract held by such a plan) as defined in Employee Retirement Income Security Act of 1974 §§3(3) and 3(32) (29 U.S.C. 1002) for the primary purpose of hedging or mitigating any risk directly associated with the operation of the plan; (II) whose outstanding security-based swaps create substantial counterparty exposure that could have serious adverse effects on the financial stability of the U.S. banking system or financial markets; or (III) that is a financial entity that (a) is highly leveraged relative to the amount of capital such entity holds and that is not subject to capital requirements established by an appropriate federal banking regulator; and (b) maintains a substantial position in outstanding security-based swaps in any major security-based swap category, as such categories are determined by the Commission. A person may be designated as a major security-based swap participant for one or more categories of security-based swaps without being classified as a major security-based swap participant for all classes of security-based swaps. (15 U.S.C. §78c(a)(67), *as added by* §761(a)(6))
10 - Substantial Position	The appropriate Commission shall define by rule or regulation the term "substantial position" at the threshold that such Commission determines to be prudent for the effective monitoring, management, and oversight of entities that are systemically important or can significantly impact the financial system of the U.S. Such definition shall take into consideration the person's relative position in uncleared as opposed to cleared swaps or security-based swaps and the value and quality of collateral held against counterparty exposures. (7 U.S.C. §1a, *as amended by* §721(a)(16); 15 U.S.C. §78c(a)(67(B), *as added by* §761(a)(6))

Subject	Provisions (Citation)
11 - Prudential Regulator	The term "prudential regulator" means (i) the FRB, in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is (I) a State-chartered bank that is a member of the Federal Reserve System; (II) a State-charted branch or agency of a foreign bank; (III) any foreign bank which does not operate an insured branch; (IV) any organization operating under Federal Reserve Act §25A or having an agreement with the FRB under the Federal Reserve Act; (V) any bank holding company, any foreign bank, and any subsidiary of such company or foreign bank (other than a subsidiary that is required to be regulated hereunder or a subsidiary that is required to be registered with the relevant Commission as a swap dealer, major swap participant, security-based swap dealer or major security-based swap participant); (VI) any savings or loans holding company and any of its subsidiary (other than a subsidiary that is required to be regulated hereunder or a subsidiary that is required to be registered with the relevant Commission as a swap dealer, major swap participant, security-based swap dealer or major security-based swap participant); (ii) the OCC in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is (I) a national bank; (II) a federally chartered branch or agency of a foreign bank; or (III) any Federal savings association; (iii) the FDIC in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is (I) a State-chartered bank that is not a member of the FRB; or (II) any State savings association; (iv) the Farm Credit Administration, in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is an institution chartered under the Farm Credit Act; or (v) the Federal Housing Finance Agency, in the case of a swap dealer, major swap participant, security-based swap dealer, or major security-based swap participant that is a regulated entity under such Act. (7 U.S.C. §1a, *as amended by* §721(a)(17); 15 U.S.C. §78c(a)(74), *as added by* §761(a)(6))
12 - Associated Person of a Swap Dealer or Major Swap Participant	The term "associated person of a swap dealer or major swap participant" means a person who is associated with a swap dealer or major swap participant as a partner, officer, employee or agent (or person occupying a similar status or performing a similar function), in any capacity that involves (i) the solicitation or acceptance of swaps; or (ii) the supervision of any person or persons so engaged. (7 U.S.C. §1a, *as amended by* §721(a)(2))
13 - Associated Person of a Swap Dealer or Major Swap Participant Exclusions	The term "associated person of a swap dealer or major swap participant" does not include any person associated with a swap dealer or major swap participant the functions of which are solely clerical or ministerial. (7 U.S.C. §1a, as added by §721(a)(2))

Subject	Provisions (Citation)
14 - Associated Person of a Security-Based Swap Dealer or Major Security-Based Swap Participant	The term "associated person with a security-based swap dealer or major security-based swap participant" means (i) any partner, officer, director, or branch manager of such security-based swap dealer or major security-based swap participant (or any person occupying a similar status or performing similar functions); (ii) any person directly or indirectly controlling, controlled by, or under common control with such security-based swap dealer or major security-based swap participant; or (iii) any employee of such security-based swap dealer or major security-based swap participant. (15 U.S.C. §78c(a)(70), *as added by* §761(a)(6))
15 - Associated Person of a Security-Based Swap Dealer or Major Security-Based Swap Participant Exclusions	The term "associated person with a security-based swap dealer or major security-based swap participant" does not include any person associated with a security-based swap dealer or major security-based swap participant whose functions are solely clerical or ministerial. (15 U.S.C. §78c(a)(70), *as added by* §761(a)(6))
16 - Swap Data Repository	The term "swap data repository" means any person that collects and maintains information or records with respect to transactions or positions in, or the terms and conditions of, swaps entered into by third parties for the purpose of providing a centralized recordkeeping facility for swaps. (7 U.S.C. §1a, *as amended by* §721(a)(21))
17 - Swap Execution Facility	The term "swap execution facility" means a facility trading system or platform in which multiple participants have the ability to execute or trade swaps by accepting bids and offers made by other participants that are open to multiple participants in the facility or system, through any means of interstate commerce, including any trading facility, that (i) facilitates the execution of security-based swaps between persons; and (ii) is not a designated contract market. (7 U.S.C. §1a, *as amended by* §721(a)(21))
18 - Financial Entity	The term "financial entity" means (i) a swap dealer; (ii) a security-based swap dealer; (iii) a major swap participant; (iv) a major security-based swap participant; (v) a commodity pool; (vi) a private fund as defined in Investment Advisers Act §202(a); (vii) an employee benefit plan as defined in the Employee Retirement Income Security §3(3) and §3(32); or (viii) person predominantly engaged in activities that are in the business of banking or financial in nature, as defined in BHCA §4(k). The appropriate Commission shall consider whether to exempt small banks, savings associations, farm credit system institutions and credit unions, including depositary institutions, farm credit system institutions or credit unions with total assets of $10 billion or less. (7 U.S.C. §2, *as amended by* §723(a)(2); Securities Exchange Act §3C, *as added by* §763(a))

Subject	Provisions (Citation)
D - *Clearing Requirement*	
1 - Mandatory Clearing of Swaps	All swaps and security-based swaps that are required to be cleared shall be submitted for clearing to a clearing organization, which shall (i) prescribe that all swaps and security-based swaps with the same terms and conditions may be offset with each other within the clearing organization and (ii) provide for nondiscriminatory clearing of a bilaterally-executed swap or security-based swaps or of a swap or security-based swap executed on or through an unaffiliated designated contract market or execution facility. Clearing organizations shall submit to the appropriate Commission for prior approval any group, category, type or class of swaps or security-based swaps that the clearing organization seeks to accept for clearing. The appropriate Commission shall make publicly available such submission and determine whether such swaps or security-based swaps submitted by the clearing organizations are required to be cleared, such determination to be subject to a 30-day comment period. The Commission has 90 days after such submission to take final action. The Commission's review of a submission should consider (i) the existence of significant outstanding notional exposures, trading liquidity and adequate pricing data, (ii) the ability to clear the contract on terms that are consistent with the material terms and trading conventions on which the contract is then traded, (iii) the effect on mitigation of systemic risk, (iv) the effect on competition, and (v) the insolvency ramifications. Further, the appropriate Commission shall adopt rules to identify swaps or security-based swaps that the Commission deems should be accepted for clearing, and provide a 30-day public comment period for any determination made by the Commission. To the extent that the appropriate Commission finds that certain swaps or security-based swaps that would otherwise be subject to mandatory clearing but no clearing organization has listed them for clearing, the Commission shall investigate and issue a public report within 30 days and take such actions as necessary and in the public interest, which may include applying margin and capital requirements to such swaps and security-based swaps. (7 U.S.C. §2, *as amended by* §723(a); Securities Exchange Act §3C, *as added by* §763(a))
2 - Transitional Rules with respect to Reporting	Swaps and security-based swaps entered into before the Date of Enactment shall be reported to a registered data repository or the appropriate Commission not later than 180 days after the Date of Enactment. Swaps and security-based swaps entered into on or after the Date of Enactment shall be reported to a registered data repository or the appropriate Commission not later than the later of (i) 90 days after the Date of Enactment or (ii) such other time period after the swaps or security-based swaps were entered as the Commission may prescribe. (7 U.S.C. §2, *as amended by* §723(a); Securities Exchange Act §3C, *as added by* §763(a))

Subject	Provisions (Citation)
3 - Transitional Rules with respect to Clearing	Swaps and security-based swaps entered into before the Date of Enactment or before the effective date of the clearing requirement are exempt from the clearing requirements if they are reported to a registered data repository or the appropriate Commission. (7 U.S.C. §2, *as amended by* §723(a); Securities Exchange Act §3C, *as added by* §763(a))
4 - Exceptions to Clearing Requirement	Qualification. For any swap or security-based swap that is otherwise subject to clearing under Title VII, such swap would not be required to be cleared if one of the counterparties (i) is not a financial entity, (ii) uses swaps to hedge or mitigate commercial risk and (iii) notifies the relevant Commission how it generally meets its financial obligations associated with entering into non-cleared swaps. Such counterparty may elect to clear such a swap or security-based swap that otherwise would qualify for this exemption. An affiliate of a counterparty qualifying for this exemption may itself qualify for this exemption only if such affiliate is acting on behalf of such counterparty when using a swap to hedge or mitigate the commercial risk of (i) such counterparty or (ii) other affiliate of such counterparty that is not a financial entity. The following types of affiliates of such qualifying counterparty is prohibited from using this exemption: (i) a swap dealer or security-based swap dealer; (ii) a major swap participant or a major security-based swap participant; (iii) an issuer that would be an investment company as defined in the Investment Company Act but for §3(c)(1) or §3(c)(7) therein; (iv) a commodity pool; or (v) a bank holding company with over $50 billion in consolidated assets. An affiliate of a person that qualifies for an exception for clearing and is predominantly engaged in providing financing for the purchase or lease of merchandise or manufactured goods of such qualifying person will not be subject to mandatory clearing or margin rules with respect to swaps entered into to mitigate the risk of the financing activities for not less than a two-year period beginning on the enactment date of this clause. Choice of Clearing Organization. If a swap or security-based swap that is subject to the clearing requirement is entered into between a swap dealer, security-based swap dealer, major swap participant or major security-based swap participant and a counterparty that is not a swap dealer, security-based swap dealer, major swap participant or major security-based swap participant, then such counterparty may choose the clearing organization for clearing. With respect to any swap that is not subject to the mandatory clearing requirement and entered into by a swap dealer or a major swap participant with a counterparty that is not a swap dealer, major swap participant, security-based swap dealer or major security-based swap participant, then such counterparty may nevertheless elects to require the clearing of the swap and the clearing organization for clearing. (7 U.S.C. §2, *as amended by* §723(a); Securities Exchange Act §3C, *as added by* §763(a))

Subject	Provisions (Citation)
5 - Derivatives Clearing Organizations	An entity must register with the CFTC if it performs the functions of a derivatives clearing organization with respect to contract of sale of a commodity for future delivery (or an option on the contract of sale) or option on a commodity, unless it only clears such contract or option that is (i) excluded from the jurisdiction of the CFTC by Commodity Exchange Act §§2(a)(1)(C)(i), 2(c) or 2(f) (such as put, call or option on securities, foreign currency contracts, government securities contracts, security warrants, security rights, repo on excluded commodity, contracts on mortgages, hybrid instruments that are predominantly securities) or (ii) a security futures product cleared by a clearing agency registered with the SEC. (7 U.S.C. §7a-1, *as amended by* §725(a)) With respect to existing depository institutions and clearing agencies, to the extent they already cleared swaps before the Date of Enactment, they are deemed to be registered. The CFTC may also exempt a derivatives clearing organization from registration if it determines that such organization is subject to comparable, comprehensive supervision and regulation by the SEC or the appropriate government authorities in the home country of such organization. Each derivatives clearing organization shall have a chief compliance officer whose duties include: (i) reporting directly to the board or to the senior officer of the clearing organization, (ii) reviewing the compliance of the clearing organization with respect to the core principles of a clearing organization (described below), (iii) resolving any conflict of interest, in consultation with the senior officer, the board or a body performing a similar function to the board, (iv) being responsible for administering the policy and procedure required by the foregoing, (v) ensuring compliance with the Dodd-Frank Act (and related regulations), (vi) establishing procedures for the remediation of noncompliance issuers identified by the compliance officer through (I) compliance office review, (II) look-back, (III) internal or external audit, (IV) self-reported error or (V) validated complaint, and (vi) establishing and following appropriate procedures for the handling, management response, remediation, retesting and closing of compliance issues. Further, pursuant to rules prescribed by the CFTC, the compliance officer shall annually prepare and sign a report that describes (i) the compliance of the derivatives clearing organization with the Dodd-Frank Act, (ii) each policy and procedure of the clearing organization. This annual report shall accompany each financial report of the clearing organization that is required to be furnished to the CFTC and must include a certification that it is accurate and complete. (7 U.S.C. §7a-1(g), *as added by* §725(b)) Security-based Swaps. An entity must register with the SEC if it performs the functions of a clearing agency with respect to security-based swaps. The SEC may exempt clearing agencies from such registration requirement. (15 U.S.C. §78q-1(g), *as added by* §763(b))

Subject	Provisions (Citation)
6 - Core Principles of Derivatives Clearing Organizations	Compliance. A derivatives clearing organization shall comply with all core principles and any requirement imposed by the CFTC. Financial Resources. Each derivatives clearing organization shall have adequate financial, operational and managerial resources, as determined by the CFTC. A derivatives clearing organization must have financial resources that, at a minimum, exceed the total amount that would enable (i) the organization to meet its financial obligations to its members and participants notwithstanding a default by the member or participant creating the largest financial exposure for such organization in extreme but plausible market conditions, and (ii) the organization to cover its own operating costs for a period of one year (calculated on a rolling basis). Participant and Product Eligibility. Each derivatives clearing organization shall establish (i) appropriate admission and continuing eligibility standards for its members and participants and (ii) appropriate standards for determining the eligibility of agreements, contracts and transactions submitted for clearing. Further, a derivatives clearing organization shall establish and implement procedures to verify on an ongoing basis the compliance of each of its participation and membership requirements. The membership and participation requirements must be objective, publicly disclosed and permit fair and open access. Risk Management. Each derivatives clearing organization shall ensure that it possesses the ability to manage the risks associated with discharging the responsibilities of the organization through the use of appropriate tools and procedures. Not less than once during each business day, the organization must measure its credit exposures to each member and participant and monitor such exposure periodically during such business day. Through margin requirements and other risk control mechanisms, the organization must limit its exposure to potential losses from defaults by its members and participants to ensure that its own operations will not be disrupted and non-defaulting members and participants will not be exposed to losses that such members or participants cannot anticipate or control. The margin requirements from each member and participant must be sufficient to cover potential exposures in normal market conditions. All models and parameters used in setting the margin requirements must be risk-based and reviewed on a regular basis. Settlement Procedures. Each derivatives clearing organization shall (i) complete money settlements on a timely basis (not less frequently than once each business day), (ii) employ money settlement arrangements to eliminate or strictly limit exposure of such organization to settlement bank risks (including credit and liquidity risks), (iii) ensure that money settlements are final when effected, (iv) maintain an accurate record of the flow of funds associated with each money settlements, (v) possess the ability to comply with each term and condition of any permitted netting or offset arrangement with any other clearing organization, (vi) establish rules that clearly state each of its obligations with respect to physical deliveries in connection with physical settlements, and (vii) ensure that each risk arising with respect to physical deliveries is identified and managed.

Subject	Provisions (Citation)
7 - Core Principles of Derivatives Clearing Organizations (continued)	Treatment of Funds. Each derivative clearing organization shall (i) establish standards and procedures that are designed to protect and ensure the safety of member and participant funds and assets, (ii) hold member and participant funds and assets in a manner by which to minimize the risk of loss or of delay in the access by such organization, and (iii) hold its investments in instruments with minimal credit, market and liquidity risks. Default Rules and Procedures. Each derivatives clearing organization shall have rules and procedures designed to allow for the efficient, fair and safe management of events during which its members or participants become insolvent or otherwise default on their obligations to such organization. The organization shall (i) clearly state its default procedures, (ii) make publicly available its default rules and (iii) ensure that it may take timely actions to contain losses and liquidity pressures and continue to meet each of its own obligations. Rule Enforcement. Each derivatives clearing organization shall (i) maintain adequate arrangements and resources for the effective monitoring and enforcement of compliance with its own rules and the resolution of disputes, (ii) have the authority and ability to discipline, limit, suspend or terminate the activities of a member or participant due to violation of the organization's rule, and (iii) report to the CFTC regarding rule enforcement activities and sanctions imposed against its members and participants. System Safeguards. Each derivatives clearing organization shall (i) establish and maintain a program of risk analysis and oversight to identify and minimize sources of operational risk through the development of appropriate controls and procedures, and automated systems that are reliable, secure and have adequate scalable capacity, (ii) establish and maintain emergency procedures, backup facilities and a plan for disaster recovery and (iii) periodically conduct tests to verify that the backup resources are sufficient to ensure daily processing, clearing and settlement. Reporting. Each derivatives clearing organization shall provide to the CFTC all information that the CFTC determines to be necessary to conduct oversight of such organization. Recordkeeping. Each derivatives clearing organization shall maintain records of all activities related to its business in a form and manner that is acceptable to the CFTC for a period not less than 5 years. Public Information. Each derivatives clearing organization shall provide to market participants sufficient information to enable them to identify and evaluate accurately the risks and costs associated with using the services of such organization. The organization shall disclose publicly and to the CFTC information concerning (i) terms and conditions of each contract, agreement and transaction that it clears and settles, (ii) each clearing and other fee that it charges its members and participants, (iii) the margin-setting methodology and the size and composition of its financial resource package, (iv) daily settlement prices, volume and open interest for each contract settled or cleared by it and (v) any other matter relevant to participation in its settlement and clearing activities.

Subject	Provisions (Citation)
8 - Core Principles of Derivatives Clearing Organizations (continued)	Information Sharing. Each derivatives clearing organization shall enter into and abide by the terms of each appropriate and applicable domestic and international information-sharing agreement and use relevant information obtained in carrying out its risk management programs. Antitrust Considerations. A derivatives clearing organization shall not adopt any rule or take any action that results in any unreasonable restraint of trade or impose any material anticompetitive burden. Governance Fitness Standards. Each derivatives clearing organization shall establish governance arrangements that are transparent to fulfill public interest requirements and to support the objectives of owners and participants. There shall be appropriate fitness requirements for its directors, members of any of its disciplinary committee, its members, any other individual or entity with direct access to its clearing or settlement activities and any party affiliated with any such individual or entity listed above. Conflict of Interests. Each derivatives clearing organization shall establish and enforce rules to minimize conflicts of interests and process for resolving such conflicts of interests. Composition of Governing Boards. Each derivatives clearing organization shall ensure that the composition of its governing board or committee includes market participants. Legal Risk. Each derivatives clearing organization shall have a well-founded, transparent and enforceable legal framework for each aspect of its activities. Modification of Core Principles. The CFTC may conform the core principles to reflect evolving U.S. and international standards. (7 U.S.C. §7a-1(c), *as amended by* §725(c))

Subject	Provisions (Citation)
9 - Other CFTC and SEC Requirements	The appropriate Commission shall adopt rules mitigating conflicts of interests in connection with the conduct of business by a swap dealer, a security-based swap dealer, a major swap participant or a major security-based swap participant with a derivatives clearing organization, board of trade or a swap execution facility, in which such person has a material debt or equity investment. (§§726, 765) The CFTC shall require each derivatives clearing organization to provide to the CFTC all information that it determines is necessary and adopt data collection and maintenance requirements for swaps cleared by each such organization. Such requirements shall be comparable to swaps data reported to the swap data repositories and swaps traded on swap execution facilities. Further, a derivatives clearing organization that clears security-based swaps shall, upon request by the SEC, make available to the SEC all books and records relating to such security-based swaps. Subject to certain confidentiality requirements, the CFTC shall share information collected from derivatives clearing organizations with FRB, the SEC, each appropriate prudential regulators, the Council, the Department of Justice, and any person that the CFTC determines to be appropriate (including foreign financial supervisors, foreign central banks and foreign ministries). However, before the CFTC share any such information it collects, it shall receive (i) a written agreement from the relevant entities that they shall abide by confidentiality requirements and (ii) indemnification of the CFTC for any expenses arising from litigation relating to the provision of such information. (7 U.S.C. §7a-1(k), *as added by* §725(e))

Subject	Provisions (Citation)
10 - Segregation of Margin and Bankruptcy Treatment	Cleared Swaps. Any person who accepts any money, securities or property (or extends any credit in lieu of money, securities or property) from, for, or on behalf of a swaps or security-based swap customer to margin, guarantee or secure a swap or security-based swap cleared by or through a clearing organization, must register with the appropriate Commission as a futures commission merchant, broker, dealer, or security-based swap dealer, as appropriate. Such person must treat all margin and collateral received from a swaps or security-based swap customer to margin, guarantee or secure swaps or security-based swaps cleared by or through a clearing organization as belonging to the swaps or security-based swap customer, and such margin and collateral must be segregated from the funds of the futures commission merchant and cannot be used to margin, secure or guarantee any trade or contract of any other person. The appropriate Commission may prescribe rules or regulations to allow the commingling of margin or collateral received from all swaps customers of futures commission merchant, broker, dealer, or security-based swap dealer, as appropriate. Money received as margin or collateral from a swaps customer may be invested in obligations of the U.S., in general obligations of any state or any political subdivision of any state, and in obligations fully guaranteed as to principal and interest by the U.S., or in any other instrument that the Commission may prescribe. A swap cleared by or through a clearing organization shall be considered to be a commodity contract as defined in 11 U.S.C. §761 with regard to all money, securities or property of any swaps customer received by a futures commission merchant or a clearing organization. Uncleared Swaps. A swap dealer, security-based swap dealer, major swap participant or major security-based swap participant must notify its counterparty at the beginning of any swap transaction that the counterparty has the right to require segregation of the margin or collateral used to margin, guarantee or secured its obligations. At the request of the counterparty, the swap dealer, security-based swap dealer, major swap participant or major security-based swap participant shall (i) segregate the margin or collateral for the benefit of the counterparty, and (ii) maintain such margin or collateral in a segregated account separate from the assets of the swap dealer, security-based swap dealer, major swap participant or major security-based swap participant. The initial (but not variation) margin or collateral shall be held at an independent third party custodian in an account designated as an account for and on behalf of the counterparty. (7 U.S.C. §6d(f), *as added by* §724; Securities Exchange Act §3E, *as added by* §763(d))

Subject	Provisions (Citation)
E - *Public Reporting of Swap Transactional Data*	
1 - Real Time Public Reporting	Scope. The appropriate Commission shall promulgate rules to make swap-related transaction and pricing data publicly available on a real-time basis for the purpose of enhancing price discovery. Real-time public reporting is required for swaps that are (i) subject to mandatory clearing, including those that are required to be cleared but are not cleared or those that are excepted from the mandatory clearing requirements, or (ii) not subject to mandatory clearing, but are cleared at a registered derivatives clearing organization. With respect to swaps that are not cleared at a registered derivatives clearing organization but are reported to a swap data repository, the appropriate Commission shall require real-time public reporting for such swap transactions in a manner that does not disclose the business transactions and market positions of any party. All cleared and uncleared swaps (including those swaps excepted from mandatory clearing requirements) would be required to report swap transaction data to a registered swap data repository. Guidelines. The rules to be promulgated for real-time public reporting of swap transactions must (i) ensure that the information provided does not identify any participant, (ii) specify the criteria for determining what constitutes a large notional swap transaction (block trade) for particular markets and contracts, (iii) specify the appropriate time delay for reporting large notional swap transactions to the public, and (iv) take into account whether public disclosure will materially reduce market liquidity. Periodic Reports. The appropriate Commission is required to issue semi-annual and annual public reports utilizing the information gained from swap data repositories and derivatives clearing organizations concerning the trading and clearing of swaps, the market participants and the development of new derivatives products. (7 U.S.C. §2(a)(13), *as added by* §727; 15 U.S.C. §78m(m), *as added by* §763(i))

Subject	Provisions (Citation)
2 - Swap Data Repositories	A swap data repository must be registered with the appropriate Commission. A derivatives clearing organization may register as a swap data repository. Registered swap data repositories are subject to inspection and examination by the appropriate Commission. Standards. The appropriate Commission shall be required to establish specific standards for the operation of swap data repositories. The standards promulgated by the appropriate Commission shall (i) specify the data elements to be collected by swap data repositories, (ii) prescribe data collection and data maintenance standards for swap data repositories and (iii) be consistent with other data standards imposed on derivatives clearing organizations or clearing agencies. Duties. A swap data repository shall generally accept and confirm the accuracy of data relating to swaps, provide data access to the Commission and other relevant regulators and for complying with real-time public reporting requirements, and maintain appropriate systems to monitor and analyze swaps data and to ensure proper disaster recovery. Each swap data repository is required to designate a chief compliance officer. (Commodity Exchange Act §21, *as added by* §728; 15 U.S.C. §78m(m), *as added by* §763(i))
3 - Reporting and Recordkeeping	All swaps not accepted for clearing by a derivatives clearing organization shall report swap transaction data to a swap data repository. In the case of uncleared swaps for which data had not been accepted by a swap data repository, the parties to such swaps must, upon the written request of the appropriate Commission, provide reports to the requesting Commission regarding such swaps that are at least as comprehensive as reports required to be provided to a swap data repository, and maintain books and reports pertaining to such swaps that are subject to inspection by relevant regulatory bodies. Swaps that were entered into before the enactment of the clearing requirement must be reported to a registered swap data repository or the appropriate Commission. (Commodity Exchange Act §4r, *as added by* §729; Securities Exchange Act §13A, *as added by* §766)
4 - Large Swap Trader Reporting	A party may not enter into or otherwise directly or indirectly participate, in a swap that, according to the CFTC, performs a significant price discovery function in excess of a certain amount to be determined by the CFTC for any one-day period; provided that such limitation shall not apply to any party that properly reports data pertaining to such swap in such form and manner as requested by the CFTC, and keeps books and records of such swap and related commodities subject to the inspection of the CFTC. (Commodity Exchange Act §4t, *as added by* §730) The SEC may establish limits on the size of positions in any security-based swap that may be held by any person, and may require such person to report information pertaining to such swaps or related securities. (Securities Exchange Act §10B, *as added by* §763(h))

Subject	Provisions (Citation)
F - *Registration and Regulation of Swap Dealers and Major Swap Participants*	
1 - Swap Dealer	A swap dealer or security-based swap dealer must register with the appropriate Commission and be subject to continual report requirements. A swap dealer that is required to register with the CFTC must do so regardless of whether such person is required to register with the SEC as a security-based swap dealer. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))
2 - Major Swap Participant	A major swap participant or major security-based swap participant must register with the appropriate Commission and be subject to continual report requirements. A major swap participant that is required to register with the CFTC must do so regardless of whether such person is required to register with the SEC as a security-based major swap participant. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))
3 - Capital Requirement	The appropriate Commission is required to impose capital requirements on swap dealers, security-based swap dealers, major swap participants and major security-based swap participants for which there is not a prudential regulator. The appropriate federal banking agency is required to impose similar requirements for such parties for which there is a prudential regulator. In setting capital requirements for a security-based swap dealer or a major security-based swap participant for a single type or single class or category of security-based swap or activities, the prudential regulator and the Commission must take into account the risks associated with other types of security-based swaps or classes of security-based swaps or categories of security-based swaps engaged in and that are not otherwise subject to regulation applicable to that person by virtue of the status of the person. The capital requirements for uncleared swaps must be appropriate for the greater risk they pose to the financial system. In setting the capital requirements for a swap dealer, a security-based swap dealer, a major swap participant or a major security-based swap participant for a single category or type of swap, the appropriate Commission may take into consideration the risks associated with such person's engagement in other categories or types of swaps or its other activities even if such activity is not otherwise regulated. The appropriate Commission is permitted to set stricter capital requirements and other financial responsibility rules for futures commission merchants and other broker-dealers. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))

Subject	Provisions (Citation)
4 - Margin Requirement	In the case of swaps that are not cleared by a registered derivatives clearing organization, the appropriate Commission is required to impose initial and variation margin for such swaps on swap dealers, security-based swap dealers, major swap participants and major security-based swap participants for which there is not a prudential regulator. The appropriate federal banking agency is required to impose similar requirements for such parties for which there is a prudential regulator. The margin requirements for uncleared swaps must be appropriate for the greater risk they pose to the financial system. Regulators may permit the use of non-cash collateral if its use would be consistent with the preservation of the financial integrity of the swaps markets and stability of the U.S. financial system. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))
5 - Reporting and Recordkeeping Requirements	Each registered swap dealer, a security-based swap dealer, a major swap participant or a major security-based swap participant is required to make reports to the appropriate Commission regarding its transactions, positions and financial condition, and to keep books and records that are open to inspection and examination by the appropriate Commission. Such records shall include (i) information for each counterparty with respect to the daily trading of swaps and other related records (including related cash or forward transactions), (ii) recorded communications such as electronic mail, instant messages and telephone calls, and (iii) a complete audit trail appropriate for conducting trade reconstructions. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))
6 - Business Conduct Standards	The appropriate Commission shall adopt business conduct standards and requirements applicable to swap dealers, security-based swap dealers, major swap participants and major security-based swap participants. With respect to each such party, such standards shall require that each party (i) have a duty to verify that a counterparty meets the eligibility standards for an eligible contract participant; (ii) disclose risks, incentives or conflicts of interests, and daily marks to any transaction counterparty; and (iii) communicate in a fair and balanced manner based on principles of fair dealing and good faith. Each swap dealer, security-based swap dealer, major swap participant or major security-based swap participant shall be required to (i) monitor its trades to prevention violation of applicable position limits and establish risk management systems, (ii) disclose to appropriate regulatory bodies information concerning the terms, trading practices and financial integrity protections pertaining to its swaps, (iii) establish internal information-gathering systems and institutional safeguards to prevent conflicts of interests, and (iv) guard against unlawful anti-competitive practices. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))

Subject	Provisions (Citation)
7 - Responsibilities to Certain Special Entities	Definition. A "special entity" shall include any federal agency or other government entity (including at the state (and political subdivision of a state), state agency, city, county, or municipal levels), or any employee benefits or government plans subject to Employee Retirement Income Security Act §3, or endowment plans. Duties. A swap dealer, security-based swap dealer, major swap participant or major security-based swap participant that acts as an advisor regarding a swap to any "special entity" must (i) comply with anti-fraud provision with respect to such entity, (ii) have a duty to act in the best interests such entity and (iii) obtain the necessary information to make a determination that any swap recommended by such person is in the best interest of such entity. A swap dealer, security-based swap dealer, major swap participant or major security-based swap participant that enters into or offers to enter into a swap with a "special entity" must (i) comply with any duty established by the appropriate Commission with respect to an eligible contract participant counterparty that requires such person to have reasonable belief that each "special entity" counterparty has an independent representative representing such counterparty's interests and (ii) disclose to such counterparty the capacity in which the swap dealer, security-based swap dealer, major swap participant or major security-based swap participant is acting. Exception. The responsibilities of swap dealers, security-based swap dealers, major swap participants or major security-based swap participants toward special entities shall not apply for transactions (i) initiated by a special entity on an exchange or swap execution facility and (ii) where the counterparty's identity is not known. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))
8 - Documentation and Back Office Standards	Swap dealers, security-based swap dealers, major swap participants or major security-based swap participants are required to conform to standards relating to timely and accurate confirmation, processing, netting, documentation and valuation of all swaps. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))
9 - Duties of Chief Compliance Officer	Each swap dealer, security-based swap dealer, major swap participant or major security-based swap participant must designate a chief compliance officer to monitor and ensure compliance with the rules with respect to swaps and to annually prepare and sign an annual report that contains a description of policies and procedures and state of compliance of such person. Any future commission merchant must also designate a chief compliance officer. (Commodity Exchange Act §4s, *as added by* §731; Securities Exchange Act §15F, *as added by* §764(a))

Subject	Provisions (Citation)
G - *Other Provisions*	
1 - Swap Execution Facilities	Any facility for the trading or processing of swaps or security-based swaps must be registered with the relevant Commission as a swap execution facility or a designated contract market. A registered swap execution facility may make any swap available for trading or facilitate the trade processing of any swap, except that swaps in agricultural commodities may not be listed for trading or confirmation except pursuant to a CFTC rule. The SEC and the CFTC may promulgate rules defining the universe of swaps that can be executed on a swap execution facility, which rules must promote the trading of swaps on swap execution facilities and pre-trade price transparency in the swap market. For all swaps that are not required to be executed through a swap execution facility, they may be executed through any other available means of interstate commerce. Swap execution facilities shall operate pursuant to certain core principles, which include ensuring compliance with rules concerning the trading or processing of swaps, monitoring swap trades to prevent market manipulation and other fraud, enforcing rules that allows the facility to obtain information regarding swaps traded on the facility, establishing relevant position limits, adopting rules authorizing the facility to curtail or suspend trading, publishing and recording information in accordance with Commission requirements, establishing systemic safeguards, designating a chief compliance officer, and producing annual reports of its compliance. The relevant Commission may exempt a swap execution facility from registration if it is subject to comparable supervision and regulation by other regulatory bodies such as a prudential regulator or an appropriate regulator in a foreign jurisdiction. (Commodity Exchange Act §5h, *as added by* §733; Securities Exchange Act §3D, *as added by* §763(c))

Subject	Provisions (Citation)
2 - Position Limits	With respect to contracts for future delivery, options on the contracts or commodities traded on or subject to the rules of a designated contract market, or contracts that are their economic equivalent, the CFTC shall establish limits appropriate position limits for such contracts (other than those contracts that are "bona fide hedge transactions") for the purpose of diminishing, eliminating or preventing excessive speculation, deterring market manipulation, ensuring that bone fide hedger have sufficient market liquidity and that the price discovery function for such underlying market is not disrupted. Certain exempt commodities and agricultural commodities shall be subject to this requirement after a period of 180 days or 270 days, respectively. A "bona fide hedge transaction" shall be defined by the Commission but shall pertain to certain derivatives transactions entered into for the reduction of risks in the conduct of a commercial enterprise. The CFTC shall also establish aggregate position limits for any person for each month across (i) contracts limited by designated contract markets; (ii) contracts that settles against any price of one or more contracts settled on a registered market or foreign board of trade or (iii) swap contracts that perform or affect a significant price discovery function with respect to regulated entities. Significant Price Discovery Function. In determining whether a swap performs a significant price discovery function, the CFTC shall consider (i) the extent to which such swap uses a daily or final settlement price of another contract traded on a regulated market based on the same underlying commodity, (ii) the extent to which the price of such swap is sufficiently related to permit market participants to effectively arbitrage between markets, (iii) the extent to which bids, offers or transactions on a contract traded on a regulated market are directly based on the price generated by such swap, (iv) the extent to which the volume of swaps being traded is sufficient to have a material effect on another contract traded on a regulated market. (7 U.S.C. §6a(a), *as amended by* §737) For the purpose of preventing fraud and manipulation in the markets, the SEC may establish limits on the size of positions in any security-based swap and related securities and loans that may be held by any person, and may require such person to report information pertaining to such swaps or related securities and loans. The SEC may direct a self-regulating organization to adopt similar position limit rules and rules requiring aggregation of positions. (Securities Exchange Act §10B, *as added by* §763(h))
3 - Repeal of Prohibition on Regulation of Security-Based Swap Agreements	The Securities Act and Securities Exchange Act are amended to permit the regulation of securities-based swaps, and to clarify the ability to regulate security-based swap dealers and major security-based swap dealers. (15 U.S.C. §77b-1, *as amended by* §762(c); 15 U.S.C. §77q, *as amended by* §762(c); 15 U.S.C. §78a et seq., *as amended by* §762(d))

Subject	Provisions (Citation)
4 - Exclusion of Identified Banking Product	Neither Commission shall exercise regulatory authority over identified banking products. An appropriate federal banking agency may permit an identified banking product of a bank under its regulatory jurisdiction to be regulated by the appropriate Commission if it is determined that it would meet the definition of a "swap" and a "security-based swap" and has been known to be traded as a swap or a security-based swap or has been structured to evade regulation by the CFTC and SEC. In addition, identified banking products of banks not under the regulatory jurisdiction of an appropriate federal banking agency shall be regulated by the appropriate Commission if it is determined that it would meet the definition of a "swap" and a "security-based swap" and has been known to be traded as a swap or a security-based swap or has been structured to evade regulation by the CFTC and SEC. (7 U.S.C. §27a, *as amended by* §725(g))

Subject	Provisions (Citation)
5 - Commission Studies on Position Limits, Derivatives Markets, Standardized Algorithmic Descriptions, International Swap Regulation, and Stable Value Contracts	The CFTC, in consultation with each designated contract market, shall conduct a study of the effects of the position limits imposed by Title VII and submit a report to the Congress within 12 months of the imposition of the position limits. The Chairman of the CFTC will prepare and submit to the Congress biennial reports on the growth or decline of derivatives markets in the U.S. and abroad. The SEC and the CFTC shall conduct a joint study on the feasibility of requiring the derivatives industry to adopt standardized computer-readable algorithmic descriptions of complex and standardized financial derivatives. Such algorithmic descriptions shall be used to calculate net exposure to complex derivatives, and the SEC and the CFTC shall submit a written report with respect to this study, within eight months of the Date of Enactment, to the Committees on Agriculture and on Financial Services of the House of Representatives and the Committees on Agriculture, Nutrition and Forestry and on Banking, Housing and Urban Affairs of the Senate. The CFTC and the SEC shall conduct a joint study relating to swap, clearing house and clearing agency regulations in the U.S., Asia and Europe to identify areas of regulations that are similar and areas that could be harmonized. The CFTC and the SEC shall submit a written report with respect to this study, within 18 months of the Date of Enactment, to the Committees on Agriculture and on Financial Services of the House of Representatives and the Committees on Agriculture, Nutrition and Forestry and on Banking, Housing and Urban Affairs of the Senate. The SEC and the CFTC shall conduct a joint study, within 15 months of the Date of Enactment, to determine whether stable value contracts fall within the definition of a swap. In making such determination, the Commissions shall consult with the Department of Labor, the Department of the Treasury and the state entities that regulate the issuers of stable value contracts. If the Commissions determine that stable value contracts constitute swaps, then they shall jointly determine whether to exempt such contracts from the swap definition and determine appropriate regulations with respect to such contracts. Until the effective date of such regulations, the requirements of Title VII will not apply to stable value contracts, and stable value contracts in effect prior to the effective date of such regulations shall not be considered to be swaps. (§719)
6 - Effective Date	The provisions of Title VII will become effective on the later of 360 days after the Date of Enactment, or not less than 60 days after publication of a final rule or regulation implementing any provision of Title VII which requires rulemaking. (§§754 and 774)

Subject	Provisions (Citation)
Title VIII - Payment, Clearing, and Settlement Supervision	**Payment, Clearing, and Settlement Supervision Act of 2010**
A - *Payment, Clearing, and Settlement Supervision*	
1 - Definitions	Systemically Important. A situation where the failure of or a disruption to the functioning of a financial market utility or the conduct of a payment, clearing, or settlement activity could create or increase the risk of significant liquidity or credit problems spreading among financial institutions or markets and threaten the stability of the U.S. financial system. (§803(9)) Designated Activity. A systemically important payment, clearing, or settlement activity. (§803(2)) Designated Clearing Entity. A designated financial market utility that is a derivatives clearing organization registered under §5b of the Commodity Exchange Act or a clearing agency registered with the SEC under §17A of the Securities Exchange Act. (§803(3)) Designated Financial Market Utility. A financial market utility designated as systemically important by the Council. (§803(4)) Financial Institutions. Includes a: depository institution; branch or agency of a foreign bank; organization operating under Sections 25 or 25A of the Federal Reserve Act; broker or dealer, as defined in §3 of the Securities Exchange Act; investment company, as defined in §2 of the Investment Company Act; investment adviser, as defined in §202 of the Investment Advisers Act of 1940 (the "Investment Advisers Act"); futures commission merchant, commodity trading advisor, or commodity pool operator, as defined in §1(a) of the Commodity Exchange Act; and any company engaged in activities that are financial in nature or incidental to a financial activity, as described in BHCA §4. The term ''financial institution'' does not include designated contract markets, registered futures associations, swap data repositories, and swap execution facilities registered under the Commodity Exchange Act, or national securities exchanges, national securities associations, alternative trading systems, securities information processors solely with respect to the activities of the entity as a securities information processor, security-based swap data repositories, and swap execution facilities registered under the Securities Exchange Act, or designated clearing entities, provided that the exclusions apply only with respect to the activities that require the entity to be so registered. (§803(5))

Subject	Provisions (Citation)
2 - Definitions (continued)	Financial Market Utility. Any person that manages or operates a multilateral system for the purpose of transferring, clearing, or settling payments, securities, or other financial transactions among financial institutions or between financial institutions and the person. The term does not include (i) designated contract markets, registered futures associations, swap data repositories, and swap execution facilities registered under the Commodity Exchange Act, or national securities exchanges, national securities associations, alternative trading systems, security-based swap data repositories, and swap execution facilities registered under the Securities Exchange Act , solely by reason of their providing facilities for comparison of data respecting the terms of settlement of securities or futures transactions effected on such exchange or by means of any electronic system operated or controlled by such entities, provided that these exclusions apply only with respect to the activities that require the entity to be so registered; and (ii) any broker, dealer, transfer agent, or investment company, or any futures commission merchant, introducing broker, commodity trading advisor, or commodity pool operator, solely by reason of functions performed by such institution as part of brokerage, dealing, transfer agency, or investment company activities, or solely by reason of acting on behalf of a financial market utility or a participant therein in connection with the furnishing by the financial market utility of services to its participants or the use of services of the financial market utility by its participants, provided that services performed by such institution do not constitute critical risk management or processing functions of the financial market utility. (§803(6)) Financial Transaction. Includes: funds transfers; securities contracts; contracts of sale of a commodity for future delivery; forward contracts; repurchase agreements; swaps; security-based swaps; swap agreements; security-based swap agreements; foreign exchange contracts; financial derivatives contracts; and any similar transaction that the Council determines to be a financial transaction. (§803(7)) Payment, Clearance and Settlement Activities. May include the calculation and communication of unsettled financial transactions between counterparties; netting of transactions; provision and maintenance of trade, contract, or instrument information; management of risks and activities associated with continuing financial transactions; transmittal and storage of payment instructions; funds movement; final settlement of financial transactions; and other similar functions that the Council may determine but does not include public reporting of swap transaction data under §727 or §763(i) of the Dodd-Frank Act. (§803(7)) Supervisory Agency. The federal agency that has primary jurisdiction over a designated financial market utility under federal banking, securities, or commodity futures laws. (§803(8))

Subject	Provisions (Citation)
3 - Systemic Importance Designation	The Council shall designate as systemically important financial market utilities or payment, clearing, or settlement activities, taking into account: the aggregate monetary value of transactions processed by the entity; the aggregate exposure of such entity; the entity's relationship, interdependencies or other interactions with other financial market utilities or payment, clearing, or settlement activities; the effect that failure of or disruption to the financial market utility or payment, clearing, or settlement activity would have on critical markets, financial institutions, or the broader financial system; and any other factors the Council deems appropriate. Such designation may be rescinded. Before making or rescinding a designation, the Council must consult with the relevant supervisory agency and give the subject entity advance notice (which is provided by a notice published in the Federal Register) of the proposed designation and an opportunity for an oral or written hearing, which must be held within 30 days of a request. The Council may waive or modify the notice and hearing requirements by a two-thirds vote of its members if necessary to prevent or mitigate an immediate threat to the financial system posed by the financial market utility or the payment, clearing, or settlement activity, giving 24 hours notice to a financial market utility and three days notice to a financial institution. (§804)

Subject	Provisions (Citation)
4 - Standards for Systemically Important Financial Market Utilities and Payment, Clearing or Settlement Activities	Establishment of Standards. The FRB, in consultation with the Council and the supervisory agencies, shall prescribe risk management standards for designated financial market utilities to achieve robust risk management; safety and soundness; reduction of systemic risks; and support the stability of the broader financial system. The SEC and CFTC may each prescribe regulations, in consultation with the Council and the FRB, containing risk management standards. The FRB may determine that existing prudential requirements of the SEC and CFTC are insufficient to prevent or mitigate significant liquidity, credit, operational, or other risks to the financial markets or to U.S. financial stability and if such a determination is made, the FRB shall provide a written explanation to the SEC or CFTC, containing a detailed analysis to support its finding and specifying which prudential requirements are insufficient. If the Council finds the response of the SEC or CFTC insufficient, it may require the SEC or CFTC to prescribe risk management standards prescribed by the Council. (§805(a)and (b)) Scope of Standards. The standards may include: risk management policies and procedures; margin and collateral requirements; participant or counterparty default policies and procedures; the ability to complete timely clearing and settlement of financial transactions; capital and financial resource requirements for designated financial market utilities; and other areas that are necessary to achieve the objectives and principles of the standards. (§805(b)) Limitations on Scope. Neither the FRB nor the Council may: approve, disapprove or stay the clearing requirement for any group, category, type, or class of swaps that a designated clearing entity may accept for clearing; determine that any group, category, type, or class of swaps shall be subject to the mandatory clearing requirement of §2(h) of the Commodity Exchange Act or §3C(a)(1) of the Securities Exchange Act; determine that any person is exempt from the mandatory clearing requirement of §2(h) of the Commodity Exchange Act or §3C(a)(1) of the Securities Exchange Act; or exercise any authority granted to the SEC or CFTC with respect to transaction reporting or trade execution. (§805(d)) Threshold Level. The standards governing the conduct of designated activities by financial institutions shall, where appropriate, establish a threshold as to the level or significance of engagement in the activity at which a financial institution will become subject to those standards. (§805(e))

Subject	Provisions (Citation)
5 - Operations of Designated Market Utilities	Discount and Borrowing Privileges. The FRB may authorize a federal reserve bank to provide discount and borrowing privileges, subject to such limitations, restrictions and regulations as the FRB may prescribe, to a designated financial market utility but only in unusual or exigent circumstances upon the affirmative vote of a majority of the FRB then serving, after consultation with the Treasury Secretary and upon a showing that the designated market utility is unable to secure adequate credit from other banking institutions. The designated market utility does not have to become a bank or bank holding company to avail itself of such discount and borrowing privileges. (§806(b)) The FRB may exempt a designated financial market utility from, or modify any, reserve requirements under §19 of the Federal Reserve Act applicable to a designated financial market utility. (§806)(d)) Changes to Rules, Procedures or Operations. A designated financial market utility must provide 60 days' advance notice to its supervisory agency of any proposed change to its rules, procedures, or operations that could materially affect, the nature or level of risks presented by the designated financial market utility, stating the nature of the change and expected effects on risks to the designated financial market utility, its participants, or the market and how the designated financial market utility plans to manage any identified risks. If the Supervisory Agency objects to the change, it may not be implemented. The change may be implemented earlier if the supervisory agency gives notification of no objection or if an emergency exists, immediate implementation is necessary for safe and sound continued operations, and notice of the emergency change setting forth the nature of the emergency and the reason the change was necessary is given to the supervisory agency within 24 hours. The supervisory agency may modify or rescind the change if it finds the change inconsistent with the Dodd-Frank Act. Before taking any action on, or completing its review of, a change proposed by a designated financial market utility, the supervisory agency must consult with the FRB. (§806(e))
6 - Examination of Designated Financial Market Utilities	Each designated financial market utility shall be examined annually by its supervisory agency on: its operations; financial and operational risks to financial institutions, critical markets or the broader financial system; its resources and capabilities to monitor and control risks; safety and soundness; and compliance with laws and regulations. If services are provided by an affiliated or non-affiliated third party, the supervisory agency may examine whether the provision of services is in compliance with law. (§807(b)) The supervisory agency shall consult annually with the FRB regarding the scope and methodology of examinations; the FRB has discretion to participate in such examinations. (§807(c) and (f))

Subject	Provisions (Citation)
7 - Enforcement Actions Against Designated Financial Market Utilities	Authority. For enforcement purposes, a designated financial market utility shall be subject to, and the appropriate supervisory agency shall have authority under, FDIA §§8(b)-(n) in the same manner and to the same extent as if the designated financial market utility was an insured depository institution and the supervisory agency was the appropriate federal banking agency for such insured depository institution. (§807(c) FRB Enforcement Recommendations. The FRB may, after consulting with the Council and the supervisory agency, recommend that the supervisory agency take enforcement action against a designated financial market utility to prevent or mitigate significant liquidity, credit, operational, or other risks to the financial markets or to U.S. financial stability. Any enforcement recommendation shall include a detailed supporting analysis. The supervisory agency must respond within 60 days. If it rejects the recommendation in whole or in part, the FRB may refer the recommendation to the Council for a binding decision on whether an enforcement action is warranted. A majority of the Council may require the supervisory agency to exercise its enforcement authority and take enforcement action against the designated financial market utility. (§807(e)) Emergency Action. By majority vote, the FRB may take action against a designated financial market utility it finds engaging in or contemplating an action that or its condition poses an imminent risk of substantial harm to financial institutions, critical markets, or the broader U.S. financial system the imminent risk of substantial harm precludes the FRB's use of enforcement recommendation procedures. (§807(f))
8 - Examination of the Activities of Financial Institutions Subject to §805(a) standards	Examination by the appropriate financial regulator of a financial institution subject to §805(a) standards includes determining: the nature and scope of designated activities; the financial and operational risks posed to the financial institution's safety and soundness and to other financial institutions, critical markets or the broader financial system; the resources available to and the capabilities of the financial institution to monitor and control the risks; and the financial institution's compliance with the Dodd-Frank Act and the rules and regulations prescribed under §805(a). (§808(a))
9 - Enforcement Actions Against Financial Institutions Subject to §805(a) Standards	For enforcement purposes a financial institution subject to §805(a) standards shall be subject to, and the appropriate financial regulator shall have authority under, FDIA §§8(b)-(n) in the same manner and to the same extent as if the financial institution was an insured depository institution and the appropriate financial regulator was the appropriate federal banking agency for such insured depository institution. (§808(b))
10 - Delegation	The appropriate financial regulator may request the FRB to conduct or participate in an examination of or bring an enforcement action against a financial institution subject to §805(a) standards. (§808(d))

Subject	Provisions (Citation)
11 - Back Up Authority of FRB	FRB Examination. FRB examination is permitted if the FRB reasonably believes a financial institution subject to §805(a) standards is not in compliance with the Dodd-Frank Act or the rules or orders thereunder with respect to a designated activity, notifies the financial regulator and the Council of its belief and requests the financial regulator to conduct a prompt examination, and either is not been afforded a reasonable opportunity to participate in such examination within 30 days after the date of the FRB's notification or has reasonable cause to believe that the financial institution's noncompliance poses a substantial risk to other financial institutions, critical markets, or the broader financial system. The FRB must permit the financial regulator to participate in the examination and must obtain the approval of a majority of the Council. (§808(e)(1)(A)) FRB Enforcement Action. The FRB's enforcement action is permitted if the FRB reasonably believes the financial institution is not in compliance with the Dodd-Frank Act or the rules or orders thereunder with respect to a designated activity, notifies the financial regulator and the Council of its belief and recommends the financial regulator take specific enforcement actions and either not been notified within 60 days that the enforcement action has been commenced or reasonably believes the noncompliance poses significant liquidity, operational or other risks to the financial markets or U.S. financial stability and obtained the approval of a majority of the Council. For enforcement purposes, the FRB shall have authority under the provisions of FDIA §§8(b)-(n) as if the financial institution was an insured depository institution and the FRB was the appropriate federal banking agency for such insured depository institution. (§808(e)(B))

Subject	Provisions (Citation)
12 - Requests for Information, Reports or Records from Financial Market Utilities and Financial Institutions Subject to §805(a) Standards	The Council may require a financial market utility or financial institution to submit information for the sole purpose of assessing whether such entity is systemically important if the Council reasonably believes the entity is systemically important. (§809(a)(1)) The FRB and the Council may each require a designated financial market utility to submit information to assess the safety and soundness of the utility and the systemic risk that the utility's operations pose to the financial system and may require a financial institution to submit information with respect to the designated activity to assess whether the FRB's rules, orders and standards address appropriately address the risks presented and if the financial institution is in compliance with §805(a) standards. (§809(b)) The FRB may impose recordkeeping and reporting requirements on designated financial market utilities or financial institutions subject to §805(a) standards. (§809(b)) Before requesting information or imposing recordkeeping or reporting requirements, the FRB or the Council must coordinate with the supervising agency to determine whether it has such information. (§809(c)) The Council, FRB and supervising agency are permitted to share material concerns and related information, but may not share such information with others without complying with applicable law. (§809(e)) Information obtained or developed by the Council, FRB or supervising agencies is deemed confidential. (§809(g))
13 - SEC and CFTC Consultation with FRB	The SEC and CFTC are required to consult with the FRB before exercising their respective authority granted under the Dodd-Frank Act. (§812)
14 - Coordinated Framework for Designated Clearing Agency Risk Management	The SEC, CFTC and FRB must jointly develop risk management programs for designated clearing entities. Within a year of the Date of Enactment. they must submit a joint report to the Senate Banking, Housing and Urban Affairs Committee, the Senate Agriculture, Nutrition and Forestry Committee and the House Financial Services Committee and Agriculture Committee containing recommendations for improving consistency in the oversight of designated clearing agencies, promoting robust risk management by designated clearing agencies and their regulators and improving the regulators' ability to monitor the effects of risk management on U.S. financial system stability. (§813)

Subject	Provisions (Citation)
Title IX - Investor Protections and Improvements to the Regulation of Securities	**Investor Protection and Securities Reform Act of 2010**
A - *Increasing Investor Protection (Subtitle A)*	
1 - Establishment of Committee	Establishes the Investor Advisory Committee (the "Committee") within the SEC. (Securities Exchange Act §39, *as added by* §911)
2 - Committee Membership	The members of the Committee are the Investor Advocate; a representative of State securities commissions; a representative of the interests of senior citizens; and between 10 and 20 members appointed by the SEC who represent the interests of individual equity and debt investors, represent the interests of institutional investors, including the interests of pension funds and registered investment companies, and are knowledgeable about investment issues and decisions. The chairman and vice chairman of the Committee may not be employed by an issuer. (Securities Exchange Act §39, *as added by* §911)
3 - Committee Purpose	The purpose of the Committee is to advise and consult with the SEC on: (i) regulatory priorities of the SEC; (ii) issues relating to the regulation of securities products, trading strategies, and fee structures, and the effectiveness of disclosure; (iii) initiatives to protect investor interest; and (iv) initiatives to promote investor confidence and the integrity of the securities marketplace. (Securities Exchange Act §39, *as added by* §911)
4 - Committee Duties	The Committee will submit, as appropriate, findings and recommendations to the SEC, including recommendations for proposed legislative changes. The SEC is not required to agree to, or act upon, any finding or recommendation but must issue a public statement assessing the findings of the Committee and disclosing any action the SEC intends to take. (Securities Exchange Act §39, *as added by* §911)
B - *Clarifications on SEC Authority*	
1 - Authority to Engage in Investor Testing	Enables the SEC to consult with investors, the public, academics and consultants, and to engage in temporary investor testing programs, for the purpose of rulemaking and developing new programs. (15 U.S.C. §77s, *as amended by* §912).
2 - Authority to Require Investor Disclosures Before Purchase of Investment Products and Services	Enables the SEC to issue rules designating documents or information that shall be provided by a broker or dealer to a retail investor before the purchase of an investment product or service (15 U.S.C. §78o, *as amended by* §919)

Subject	Provisions (Citation)
C - *Office of the Investor Advocate*	
1 - Establishment of Office	The Office of the Investor Advocate (the "Office") is established within the SEC. (15 U.S.C. §78d, *as amended by* §915)
2 - The Investor Advocate	The Office will be headed by the Investor Advocate, who is appointed by, and reports to, the Chairman of the SEC. The Investor Advocate will assist retail investors in resolving significant problems with the SEC or SROs, identify areas in which investors would benefit from changes in regulations or SRO rules, identify problems investors have with financial service providers and investment products, analyze the impact of proposed rules and regulations on investors, and propose appropriate changes to the SEC and Congress. (15 U.S.C. §78d, *as amended by* §915)
3 - Report of the Investor Advocate	The Investor Advocate must submit reports to the Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee regarding: (i) the objectives of the Investor Advocate for the following year, due by June 30; and (ii) the activities of the Investor Advocate during the preceding year, due by December 31. The SEC must establish, by regulation, procedures requiring a formal response to these reports within 3 months. (15 U.S.C. §78d, *as amended by* §915)
4 - Ombudsman	The Investor Advocate, no later than 180 days after the date of his or her appointment, must appoint an Ombudsman, who reports directly to the Investor Advocate. The Ombudsman must: (i) act as a liaison between the SEC and any retail investor in resolving problems the retail investor may have with the SEC or an SRO; (ii) review and make recommendations regarding policies and procedures to encourage persons to present questions to the Investor Advocate regarding compliance with the securities laws; and (iii) establish safeguards to maintain confidentiality between retail investors and the Ombudsman. The Ombudsman must submit a semiannual report on his or her activities and their effectiveness, which the Investor Advocate shall include in his or her reports to Congress. (Securities Exchange Act §4(g), *as amended by* §919D)

Subject	Provisions (Citation)
D - *Streamlined SRO Rule Filing Procedures*	
1 - Timeline for Acting on SRO Rule Proposals	Maximum and Minimum Time to Act; Consequence of SEC's Failure to Act. The maximum time within which the SEC must act on a Self Regulatory Organization ("SRO") rule change proposal is lengthened from 35 to 45 days after publication of the proposed rule change. The maximum permissible extension period is shortened from 90 to 45 days. The minimum period during which the SEC may not act on the proposal remains at 30 days unless the SEC has good cause for approving the proposed rule change in a shorter period and publishes its reasons therefor. If the SEC fails to act within the prescribed time period, the proposed rule shall be deemed approved. Proceedings. If the SEC does not approve a proposed rule, it must give the SRO notice of the grounds for disapproval under consideration and conduct proceedings regarding approval or disapproval of the proposed rule ("Proceedings"). Proceedings must be concluded within 180 days of publication of the proposed rule change (with a maximum extension period of 60 days). These provisions are unchanged by the Dodd-Frank Act. SEC Rules for Proceedings. The SEC must promulgate rules setting forth the procedural requirements for Proceedings within 180 days after the Date of Enactment. The rules are not required to include republication of proposed rule changes nor must public comment be solicited. SRO Proposed Rule Publication. An SRO may publish the proposed rule on a publicly accessible website. If the SEC does not send the notice for publication in the Federal Register within 15 days of the SRO's publication, the date of publication of the proposed rule is deemed to be the date the SRO published the rule. (15 U.S.C. §78s(b), *as amended by* §916(a))
2 - Standards for SEC Approval	The SEC must approve proposed SRO rule changes if they are consistent with the Securities Exchange Act and the rules and regulations issued thereunder. These provisions are unchanged by the Dodd-Frank Act. (15 U.S.C. §78s(b), *as amended by* §916(a))
3 - Clarification of Filing Date; Time of SEC Publication	The filing date of a proposed SRO rule is deemed to be the date the SEC receives the filing. The filing will be deemed not received by the SEC if, not later than 7 business days after receipt, the SEC notifies the SRO that the proposed rule change does not comply with SEC rules regarding the required form. If a rule filing is unusually lengthy or raises novel regulatory issues, the SEC may notify the SRO of such determination within 7 business days and has 21 calendar days to review the filing for such purpose. The SEC must publish a proposed SRO rule as soon as practicable after the date of filing. (15 U.S.C. §78s(b), *as amended by* §916(b))

Subject	Provisions (Citation)
4 - Effective Date of Proposed Rules; Temporary Suspensions	Effective Date. A proposed SRO rule change shall take effect upon filing with the SEC if designated by the SRO as (i) constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the SRO, (ii) establishing or changing a due, fee, or other charge imposed on any person, whether or not the person is a member of the SRO, by the SRO, or (iii) concerned solely with the administration of the SRO or other matters that may be specified by SEC rule. Enforcement of Effective Rule; Temporary Suspension of Effective Rule. Any proposed SRO rule change that is effective may be enforced by the SRO to the extent not inconsistent with the provisions of applicable federal and state laws and rules. At any time within 60 days of the date of filing of such a proposed rule change, the SEC summarily may temporarily suspend the rule change and require that the proposed rule change be refiled and reviewed if the SEC determines such action necessary or appropriate to further the public interest or investor protection. If the SEC suspends a rule's effectiveness, the SEC must initiate Proceedings. Such SEC action does not affect the validity or force of the rule change during the period it was in effect and is not be reviewable or deemed to be "final agency action". (15 U.S.C. §78s(b), *as amended by* §916(c))
5 - Conforming Clearing Agency Rule Suspensions	The SEC must temporarily suspend any change in the rules of a clearing agency made by a proposed rule change that has taken effect, if the appropriate regulatory agency for the clearing agency notifies the SEC not later than 30 days after the date on which the proposed rule change was filed of: (i) such agency's determination that the changed rules may be inconsistent with the safeguarding of securities or funds in the custody or control of such clearing agency or for which it is responsible; and (ii) the reasons for that determination. If the SEC temporarily suspends such a rule, the SEC must institute proceedings to determine if the proposed rule change should be approved or disapproved. (15 U.S.C. §78s(b), *as amended by* §916(d))

Subject	Provisions (Citation)
E - *Harmonization of Investment Adviser and Broker Dealer Duties with Respect to Certain Clients and Customers*	
1 - Required Study	The SEC shall conduct a study to evaluate (i) the effectiveness of existing legal or regulatory standards of care for brokers, dealers, investment advisers and persons associated with them for providing personalized investment advice and recommendations about securities to retail customers; and (ii) whether there are legal or regulatory gaps, shortcomings or overlaps that should be addressed by rule or statute. (§913(b)) A "retail customer" is a natural person who receives personalized investment advice about securities primarily for personal, family or household purposes. (§913(a)) The SEC must consider, among other things, (i) the effectiveness of existing legal or regulatory standards of care, including whether there are legal or regulatory gaps, shortcomings or overlaps in such standards of care; (ii) the regulatory, examination and enforcement resources devoted to, and activities of, the SEC and FINRA; (iii) whether retail investors understand the different standards of care applicable to brokers, dealers and investment advisers, and persons associated with them; (iv) whether the existence of different standards of care is a source of confusion for retail customers; (v) the regulatory, examination and enforcement resources devoted to enforcement of existing standards of care; (vii) the potential impact on retail customers of imposing on brokers and dealers and persons associated with them the standard of care applied under the Investment Advisers Act; (viii) the potential impact of eliminating the broker and dealer exclusion from the definition of "investment adviser" in the Investment Advisers Act; and (xii) various cost/benefit issues. (§913(c)) Report Submitted To. Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. (§913(d)) Due Date. The report must be submitted not later than 6 months after the Date of Enactment. (§913(d))

Subject	Provisions (Citation)
2 - Rulemaking Authority	The SEC may, but is not required to, commence rulemaking, as necessary or appropriate to address the legal or regulatory standards of care for brokers, dealers and investment advisers, and persons associated with them, for providing personalized investment advice about securities to retail customers. (§913(f)) SEC Authority to Establish a Standard of Conduct for Brokers and Dealers. The SEC is provided with the authority to establish a standard of conduct applicable to brokers and dealers when providing personalized investment advice to retail customers and such other customers as the SEC may by rule provide. The standard of conduct will be to act in the best interest of the customer without regard to the financial or other interest of the broker or dealer providing the advice. In accordance with such rules, any material conflicts of interest must be disclosed and may be consented to by the customer. (15 U.S.C. §78o, *as amended by* §913(g)) The standard of conduct is to be no less stringent than that applicable to investment advisers under rules adopted by the SEC under a newly adopted parallel provision of the Investment Advisers Act. The Investment Advisers Act provision also provides that the SEC shall not ascribe a meaning to the term "customer" that would include an investor in a private fund managed by the adviser where such private fund has entered into an advisory contract with the adviser. (15 U.S.C. §80b-11, *as amended by* §913(g)) The receipt of compensation based on fees, commission or other standard of compensation shall not, in an of itself, be considered a violation of the standard applicable to broker dealers or investment advisers. Nothing in the new provision requires a broker dealer or a registered representative to have a continuing duty of care or loyalty to the customer after providing personalized investment advice. Where a broker or dealer sells only proprietary or other limited range of products, the SEC may require that such broker or dealer provide notice to each retail customer and obtain that customer's consent or acknowledgment. (15 U.S.C. §78o, *as amended by* §913(g); 15 U.S.C. §80b-11, *as amended by* §913(g)) The SEC is to facilitate the provision of simple and clear disclosures to investors regarding the terms of their relationships with brokers, dealers and investment advisers and examine and, where appropriate, promulgate rules prohibiting or restricting certain sales practices, conflicts of interest and compensation schemes that the SEC deems contrary to the public interest and protection of investors. (15 U.S.C. §78o, *as amended by* §913(g)) The SEC has authority to enforce violations of the standard of conduct applicable to brokers and dealers and may prosecute and sanction violators to the same extent it would an investment adviser. (15 U.S.C. 78o, *as amended by* §913(h); 15 U.S.C. §80b-11, *as amended by* §913(h))

Subject	Provisions (Citation)
3 - Other SEC Studies	Enhancing Investment Adviser Examinations. The SEC shall review and analyze the need for enhanced examination and enforcement resources for investment advisers, including: (i) the number and frequency of SEC examinations over the past 5 years, (ii) whether a Congress-authorized SRO to augment the SEC's efforts would improve the frequency of examinations; and (iii) current and potential approaches to examining the investment advisory activities of dually registered broker-dealers and investment advisers or affiliated broker-dealers and investment advisers. (§914(a)) The SEC's report should include a discussion of regulatory or legislative steps that are recommended or that may be necessary to address concerns identified in the study. The SEC's findings should be used to revise its rules and regulations, as necessary. (§914(b)) *Report Submitted To*. Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. (§914(b)). *Due Date*. Not later than 180 days after the Date of Enactment. (§914(b)) Regarding Financial Literacy Among Investors. The SEC shall conduct a study to identify the existing level of financial literacy among retail investors, methods to improve disclosure, the most useful and understandable, relevant information retail investors need to make informed financial decisions, methods to increase transparency of expenses and conflicts of interests, the most effective means to educate investors, and a strategy to increase financial literacy of investors. (§917(a)) *Report Submitted To*. Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. (§917(b)). *Due Date*. Not later than 2 years after the Date of Enactment. (§917(b)) On Improved Investor Access to Information on Investment Advisers and Broker-Dealers. The SEC shall conduct a study on ways to improve investor access to registration information about investment advisers and brokers and dealers, including consideration of consolidating the CRD and IARD systems further, and identifying additional information that should be made publicly available. (§919B(a)) *Due Date*. Not later than 6 months after the Date of Enactment. (§919B(a)) *Implementation of Recommendations*. Within 18 months after completion of the study. (§919B(b))

Subject	Provisions (Citation)
4 - Comptroller General Studies	Regarding Mutual Fund Advertising. The Comptroller General shall conduct a study on mutual fund advertising to identify existing and proposed regulatory requirements, current marketing practices, including the use of past performance data, the impact of such advertising on consumers, and recommendations to improve investor protections. (§918(a)) *Report Submitted To*. Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. (§918(b)) *Due Date*. Not later than 18 months after the Date of Enactment. (§918(b)) On Conflicts of Interest. The Comptroller General shall study potential conflicts of interest between the staffs of the investment banking and equity and fixed income securities analyst functions within the same firm. (§919A(a)) Should consider among other things: (i) the forms of misconduct engaged in by the several securities firms and individuals that entered into the Global Analyst Research Settlements in 2003; (ii) the nature and benefits of the undertakings that those firms agreed to, including firewalls, separate reporting lines, dedicated legal and compliance staffs, employee performance evaluations, coverage decisions, limitations on soliciting investment banking business, disclosures, transparency and whether other measures should be codified; and (iii) whether other regulatory or legislative measures to mitigate possible adverse consequences to investors should be adopted. (§919A(b)) *Report Submitted To*. Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. (§919A(b)) *Due Date*. Not later than 18 months after the Date of Enactment. (§919A(b))

Subject	Provisions (Citation)
5 - Comptroller General Studies (continued)	On Financial Planners and the Use of Financial Designations. The Comptroller General shall study the effectiveness of state and federal regulation of financial planners including the effectiveness of regulation to protect consumers from individuals who hold themselves out as financial planners through the use of misleading titles, designations or marketing materials. (§919C(a)) The study should consider, among other things: (i) the role of financial planners in providing advice regarding investment, income tax, education, retirement and estate planning; (ii) whether current regulations provide adequate ethical and professional standards; (iii) the possible risk posed to investors and other consumers by individuals who hold themselves out as financial planners or as otherwise providing financial planning services; (iv) the possible risk posed by individuals who otherwise use titles, designations or marketing materials in a misleading way in connection with the delivery of financial advice; and (v) the possible benefits to consumers of regulating financial planners. (§919C(b)) The Comptroller General must submit a report concerning its study, including recommendations for the appropriate regulation of financial planners and others who provide financial planning services. (§919C(c)) *Report Submitted To*. Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee. (§919C(d)) *Due Date*. Not later than 180 days after the Date of Enactment. (§919C(d))
F - *Increasing Regulatory Enforcement and Remedies (Subtitle B)*	
1 - Authority To Restrict Mandatory Pre-Dispute Arbitration	Section 15 of the Securities Exchange Act and Section 205 of the Investment Advisers Act are amended to allow the SEC to prohibit or impose conditions or limitations on any mandatory arbitration agreements between broker-dealers and their clients if the SEC finds it "in the public interest and for the protection of investors." (§921)

Subject	Provisions (Citation)
2 - Whistleblower Protection	These provisions add a new section, §21F, to the Securities Exchange Act. Whistleblowers providing "original" information leading to a successful enforcement action resulting in monetary sanctions exceeding $1 million shall be paid between 10-30% of any money the government collects as a result of the information provided. Whistleblowers will also be paid if their information leads to a successful "related" action by another government enforcement agency. The SEC has complete discretion to determine the amount of the award, and may use criteria including the significance of the information provided by the whistleblower. (§922(a)) Whistleblowers must be denied an award if they are members of an SRO, the PCAOB, or a regulatory or law enforcement agency. Award will also be denied if the whistleblower is convicted of a crime related to the information provided by the whistleblower, or if the whistleblower discovers the information during a required financial audit. Whistleblowers may appeal a final determination by the SEC, except that whistleblowers may not appeal the amount of an award. (§922(a)) A new Investor Protection Fund will pay whistleblower awards and fund the activities of the SEC's Inspector General. (§922(a)) No employer may retaliate or discriminate against a whistleblower in any manner because the whistleblower provided information to the SEC, initiated or assisted in an SEC investigation, or made disclosures required by the Sarbanes-Oxley Act or the Securities Exchange Act. A whistleblower who alleges retaliation or discrimination may pursue a private right of action in federal district court. (§922(a)) Except under limited circumstances, the SEC shall not disclose any information that could reasonably be expected to reveal the identity of the whistleblower. This information is also exempted from FOIA disclosure by statute; however, the SEC may be required to disclose such information to a defendant or respondent in connection with a proceeding instituted by the SEC. Additionally, the SEC may share whistleblower information with other government agencies, but the information will maintain its confidential status. (§922(a)) The SEC must establish a new office to administer and enforce the whistleblower provisions, and to annually report back to Congress. (§924(d)) The SEC's Inspector General must conduct a study of the whistleblower protections established under this Act and report back to Congress. (§922(d))
3 - Collateral Bars	The SEC may bar for 12 months a person who is associated with a broker, dealer, investment adviser, municipal securities dealer, municipal adviser or transfer agent from being associated with a broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, or nationally recognized statistical rating organization if such person is found to have committed or is enjoined from committing enumerated "bad acts". (§925)

Subject	Provisions (Citation)
4 - Disqualifying Felons And Other ''Bad Actors'' From Regulation D Offerings	Within one year, the SEC must issue rules that disqualify an offering or sale of securities by a person who (i) is subject to a final order from a state securities, bank or insurance regulator that (I) bars the person from associating or engaging in certain activities, or (II) is based on a violation that occurred within 10 years prior to the date of the filing of the offer or sale, or (ii) who has been convicted of any felony or misdemeanor in connection with the purchase or sale of any security or who was involved in making a false filing with the SEC. (§926)
5 - Equal Treatment Of Self-Regulatory Organization Rules	Section 29(a) of the Securities Exchange Act was broadened to void any provision that binds a person to waive compliance with any part of the Securities Exchange Act or the rules of any self-regulatory organization. (§927)
6 - Clarification That Section 205 Of The Investment Advisers Act Does Not Apply To State-Registered Advisers	Section 205 of the Investment Advisers Act, which addresses compensation, assignment, and partnership-membership provisions in investment adviser contracts, was amended to clarify that it does not apply to state-registered advisers. (§928)
7 - Protection For Employees of Subsidiaries And Affiliates of Publicly Traded Companies	Federal whistleblower protection was extended to prohibit retaliation or discrimination by subsidiaries or affiliates, not only the parent company. (§929A)
8 - Fair Fund Amendments	If the SEC obtains a civil penalty in a proceeding, the amount of the civil penalty must be added to and become part of a disgorgement fund for the benefit of the victims. (§929B)
9 - Nationwide Service Of Subpoenas	In any action or proceeding instituted by the SEC in a federal district court, a subpoena issued to compel the attendance of a witness or the production of documents may be served anywhere in the U.S. (§929E)
10 - Formerly Associated Persons	The PCAOB may, at its discretion, investigate persons formerly associated with a registered public accounting firm. (§929F)
11 - SIPC Reforms	The standard maximum cash advance from SIPC to trustees is raised to $250,000, and shall be readjusted for inflation every 5 years. (§929H)
12 - Protecting Confidentiality Of Materials Submitted To The Commission	Except for requests from Congress or other federal agencies, the SEC cannot be compelled to disclose records or information obtained during a period examination by the SEC pursuant to §17(b) of the Securities Exchange Act, §31 of the Investment Company Act, or §210 of the Investment Advisers Act, if such records or information have been obtained for use in furtherance of surveillance, risk assessments, or other regulatory and oversight activities. (§929I)

Subject	Provisions (Citation)
13 - Expansion Of Audit Information To Be Produced And Exchanged	The Sarbanes-Oxley Act of 2002 was amended to require more accountability from foreign audit firms. Any foreign public accounting firm that performs material services upon which a registered public accounting firm relies in the conduct of an audit or interim review, is required to produce its audit work papers and any other relevant documents to the SEC or the PCAOB upon request. Additionally, any public accounting firm that relies on a foreign audit firm in using an audit report, performing audit work, or conducting an interim review is required to (i) produce the same documents to the SEC or the PCAOB upon request, and (ii) obtain the agreement of the foreign public accounting firm to produce such documents as a condition of relying on the foreign firm's work. (§929J) Any foreign public accounting firm that performs work for a domestic registered public accounting firm must furnish to the domestic firm a written irrevocable consent and power of attorney that designates the domestic firm as an agent who may be served any request by the SEC or PCAOB under this section, or legal papers in any action to enforce this section of the Sarbanes-Oxley Act. If a foreign public accounting firm does work upon which a registered public accounting firm relies, the foreign firm must designate to the SEC or PCAOB an agent in the U.S for the same purposes. (§929J)
14 - Sharing Privileged Information With Other Authorities	The SEC will not waive any privilege by sharing privileged information with other government agencies, the PCAOB, SROs, foreign securities or law enforcement authorities, or state securities or law enforcement authorities. Conversely, any of the above-listed organizations will not waive privilege by sharing privileged information to the SEC, and the SEC cannot be compelled to disclose privileged information obtained from foreign securities or law enforcement authorities. (§929K) Privilege includes work-product privilege, attorney-client privilege, governmental privilege, or other privilege recognized by federal, state or foreign law. (§929K)
15 - Enhanced Application Of Antifraud Provisions	The antifraud provisions in Sections 9, 10 and 15 of the Securities Exchange Act were broadened to include fraud involving all securities "other than a government security." Previously, the fraud had to involve securities "registered on a national securities exchange." (§929L)
16 - Aiding And Abetting Authority Under The Securities Act And The Investment Company Act	Aiding and abetting liability has been added to the Securities Act and the Investment Company Act: "any person that knowingly or recklessly provides substantial assistance to another person in violation of a provision of this Act … shall be deemed in violation of such provision to the same extent as the person to whom such assistance is provided." (§929M(a)-(b)) Section 20(e) of the Securities Exchange Act already had liability for aiding and abetting, but it only required a "knowing" standard of knowledge. This was amended to heighten the standard of knowledge to include "reckless" acts. (§929O) Additionally, aiding and abetting liability was added to the Investment Advisers Act of 1940. (§929N)

Subject	Provisions (Citation)
17 - Strengthening Enforcement By The SEC	In any cease-and-desist proceeding, the SEC may order a civil penalty (after notice and opportunity for a hearing). The size of the penalty depends on the seriousness of the violation. "First Tier" penalties, which involve a simple violation of a regulatory provision, can be fined $7,500 per violation by a natural person or $75,000 for a company. "Second Tier" penalties, which involves fraud, deceit, manipulation or deliberate or reckless disregard of a regulatory requirement, may be fined $75,000 per violation by a natural person or $375,000 for a company. "Third Tier" penalties, which involve a Second Tier violation plus substantial losses to the victim or substantial gain to the perpetrator, may be fined $150,000 per violation by a natural person or $725,000 for a company. If any penalty would create financial hardship on a defendant, the defendant may present evidence of such to the SEC. (§929P(a)) The SEC's extraterritorial enforcement jurisdiction is expanded to cover "significant steps in furtherance" of a violation, even if the securities transaction occurred outside the U.S. and involves only foreign investors. It also covers conduct occurring outside the U.S. that has a "foreseeable substantial effect within the U.S." (§929P(b)) The Act clarifies that control person liability under Section 20(a) of the Securities Exchange Act applies in SEC enforcement actions, not only in private actions. (§929P(c))
18 - Revision To Recordkeeping Rule	Recordkeeping and examination requirements have been expanded for custodians who hold property of clients of investment companies or investment advisers. Additionally, the SEC has authority to examine all records of investment companies. (§929Q)
19 - Beneficial Ownership And Short-Swing Profit Reporting	The SEC is authorized to adopt rules that would require more timely reporting when a person acquires more than 5% ownership interest in an issuer ("beneficial ownership") (§929R(a)), or makes a short-swing profit. (§929R(b))
20 - Fingerprinting	Personnel of national securities exchanges and national securities associations must be fingerprinted. (§929S)
21 - Equal Treatment Of Self-Regulatory Organization Rules	Any contractual provision requiring persons to waive compliance with any SRO rules is invalidated. (§929T)

Subject	Provisions (Citation)
22 - Deadline For Completing Examinations, Inspections And Enforcement Actions	No later than 180 days after SEC staff provide a written Wells notice to any person, the SEC staff must either file an action against the person or notify the Director of the Division of Enforcement of the staff's intent not to file an action. (§929U) No later than 180 days after SEC staff completes the on-site portion of its compliance examination or inspection or receives all requested documents, SEC staff must provide the entity being examined or inspected with written notice indicating that the examination or inspection has concluded, has concluded without findings, or that corrective action is required. (§929U) If a division director or other senior SEC official determines that a particular enforcement investigation or compliance examination or inspection is sufficiently complex such that filing or notice cannot be completed within the 180 days, the division director may authorize a 180 day extension after first notifying the Commissioners. (§929U)
23 - Security Investor Protection Act Amendments	The assessments on SIPC members is increased from $150 annually to .02% of the member's gross revenues derived from the securities business. (§929V(a)) The penalty for fraud under SIPA is increased from $50,000 to $250,000. (§929V(b)) Misrepresenting SIPC membership or protection is punishable by no more than $250,000 fine or 5 years in prison. Courts having jurisdiction over civil actions are authorized to grant temporary or final injunctions to prevent or restrain any violation involving misrepresentation. (§929V(c))
24 - Short Sale Reforms	The SEC must adopt rules requiring financial institutions filing reports pursuant to Exchange Act §13(f) to file reports, at least monthly, disclosing information regarding short sales, including the name of the issuer and the title, class, CUSIP number and aggregate amount of the number of short sales of each security. (§929X(a)) Exchange Act §9 is amended to explicitly include manipulative short sales of any security and grants the SEC authority to adopt appropriate rules. (§929X(b)) Broker-dealers are required to notify their customers that customers may elect not to allow their fully paid securities to be used in connection with stock lending by the broker-dealer. If a broker or dealer uses a customer's securities in connection with short sales, the broker or dealer shall provide notice to its customer that the broker or dealer may receive compensation in connection with lending the customer's securities. (§929X(c))

Subject	Provisions (Citation)
25 - Study On Extraterritorial Private Rights of Action	The SEC must solicit public comment and conduct a study to determine the extent to which private rights of action under the antifraud provisions of the Securities Exchange Act should be extended to cover (i) conduct within the U.S. that constitutes a significant step in furtherance of the violation, even if the securities transaction occurs outside the U.S. and involves only foreign investors, and (ii) conduct occurring outside the U.S. that has a foreseeable substantial effect within the U.S. (§929Y(a)) The study must consider the scope of such a private right of action, implications on international comity, the economic costs and benefits of extending a private right of action for transactional securities fraud, and whether a narrower extraterritorial standard should be adopted. (§929X(b)) A report with the SEC's findings must be made to Congress within 18 months after the Date of Enactment. (§929X(c))
26 - GAO Study On Securities Litigation	The Comptroller General of U.S. must conduct a study on the impact of authorizing a private right of action against any person who aids or abets another person in violation of the securities laws. The study should include a review of the role of secondary actors in companies' issuance of securities, the courts' interpretation of the scope of liability for secondary actors under federal securities laws, the types of lawsuits decided under the PSLRA. (§929Z(a)) The Comptroller General must submit the report to Congress no later than one year after the Date of Enactment. (§929Z(b))
G - *Improvements to the Regulation of Credit Rating Agencies (Subtitle C)*	
1 - Findings	Congress finds that credit rating agencies, including nationally recognized statistical rating organizations ("NRSROs"), are matters of national public interest because of the reliance placed on credit ratings by investors and regulators. Credit rating agencies play a "gatekeeper" role in the debt market similar to that of auditors and securities analysts in the equity market, justifying a similar level of public oversight and accountability. (§931)
2 - Liability for Material Misstatements in NRSRO Submissions to the SEC	Amends §15E of the Securities Exchange Act in several places (although perhaps due to oversight, not §15E(a)(1)(A)) to change the word "furnish" to "file" (and their derivations), thereby subjecting NRSROs to liability under §18 of the Securities Exchange Act for material misstatements in specified submissions to the SEC. (§§932(a)(1); (3)(C); (3)(G)(i); (6)-(7))

Subject	Provisions (Citation)
3 - Antifraud Defense Clarification	Amends §15E(c)(2) of the Securities Exchange Act to clarify that the existing prohibition against regulation by the SEC or any state of the substance of credit ratings or the procedures and methodologies used by NRSROs to determine such credit ratings may not be construed to provide a defense to an antifraud action or proceeding brought by the SEC under the securities laws. (§932(a)(2)(A))
4 - Internal Controls and Annual Report	NRSROs must establish, maintain, enforce, and document an effective internal control structure governing the implementation of and adherence to policies, procedures, and methodologies for determining credit ratings. Each NRSRO must submit an annual internal controls report to the SEC describing the responsibility of the NRSRO's management in establishing and maintaining such controls and an assessment of those controls' effectiveness, including an attestation of the NRSRO's CEO. (15 U.S.C. §78o-7(c)(3), *as added by* §932(a)(2)(B))
5 - Penalizing Individuals	Grants the SEC authority to penalize individuals associated with NRSROs (in addition to its existing authority to penalize the NRSRO itself) for specified misconduct. Permissible penalties include censure and barring individuals from being associated with an NRSRO. (§932(a)(3)(A))
6 - Penalty for Failure to Supervise	Broadens the conditions under which the SEC may impose certain penalties upon NRSROs, and individuals associated with NRSROs, to include failure to reasonably supervise an individual who violates the securities laws. (15 U.S.C. §78o-7(d)(1)(F), *as added by* §932(a)(3)(I))
7 - Suspension /Revocation of Registration for a Particular Class of Securities	Allows the SEC, upon notice and a hearing, to suspend temporarily or revoke permanently the registration of an NRSRO with respect to a particular class of securities if the SEC finds that the NRSRO does not have adequate financial and managerial resources to consistently produce ratings with integrity, taking into consideration whether the NRSRO has failed to produce accurate ratings over time for such class of securities, among other factors. (15 U.S.C. §78o-7(d)(2), *as added by* §932(a)(3)(I))
8 - Separation of Rating from Sales & Marketing	The SEC is required to issue rules to prevent an NRSRO's sales and marketing considerations from influencing its credit ratings. Such rules shall provide for suspension or revocation of an NRSRO's registration if the SEC finds, after notice and hearing, a violation of a rule issued under this section that affected a rating. The rules are required to include an exemption for small NRSROs for which the SEC determines such separation would not be appropriate. (15 U.S.C. §78o-7(h)(3), *as added by* §932(a)(4))

Subject	Provisions (Citation)
9 - One-Year Look-Back Requirement for Conflicts of Interest	Review by NRSRO. Each NRSRO is required to establish, maintain, and enforce policies and procedures reasonably designed to ensure that, if an employee of a person rated by an NRSRO or the issuer, underwriter or sponsor of a security or money market instrument rated by an NRSRO was employed by such NRSRO and participated in determining the credit rating for such person, security, or money market instrument during the one-year period preceding the date an action was taken regarding that credit rating, the NRSRO will conduct a review to determine whether any conflicts of interest of the employee influenced the credit rating and take action to revise the rating if appropriate, in accordance with such rules as the SEC shall prescribe. Review by SEC. The SEC is mandated to conduct periodic reviews of the above policies and their implementation by each NRSRO to ensure they are reasonably designed and implemented to most effectively eliminate conflicts of interest. Such reviews must be conducted at least annually, and whenever such policies are materially modified or amended. (15 U.S.C. §78o-7(h)(4), *as added by* §932(a)(4))
10 - Report to SEC on Certain Employment Transitions	NRSROs are required to report to the SEC (and the SEC then is required to disclose to the public) any case where an NRSRO knows, or can reasonably be expected to know, that a person associated with that NRSRO in the past five years obtains employment with any obligor, issuer, underwriter, or sponsor of a security or money market instrument for which the NRSRO issued a rating in the twelve months prior to such employment if such employee: (i) was a senior officer of the NRSRO, (ii) participated in any capacity in determining credit ratings for the new employer, or (iii) supervised an employee described in (ii) above. (15 U.S.C. §78o-7(h)(5), *as added by* §932(a)(4))
11 - Compliance Officer Limitations and Duties	Limitations on Compliance Officer. NRSRO compliance officers are prohibited from performing credit ratings, developing ratings methodologies or models, performing marketing or sales functions, and participating in establishing compensation levels (other than for compliance personnel). The SEC may exempt small NRSROs for which these limitations would pose an unreasonable burden. The compensation of compliance officers must ensure the independence of such officers' judgment and cannot be linked to the financial performance of the officer's NRSRO. Duties. A compliance officer shall establish procedures for the receipt, retention, and treatment of complaints about credit ratings, models, methodologies, and compliance with the securities laws and other policies and procedures, as well as confidential, anonymous complaints from employees or ratings users. A compliance officer must also submit to the NRSRO (and the NRSRO must file with the SEC) an annual report on compliance with securities laws and with internal policies and procedures, and include any material changes in the NRSRO's code of ethics or conflict of interest policies, as well as a certification that the annual report is accurate and complete. (15 U.S.C. §§78o-7(j)(1)-(5), *as added by* §932(a)(5))

Subject	Provisions (Citation)
12 - SEC Office of Credit Ratings	Requires the SEC to establish within itself an Office of Credit Ratings (the "Office") to administer the SEC's rules regarding credit rating agencies. Annual Examinations. The Office is required to conduct examinations at least annually of each NRSRO, including a review of the NRSRO's compliance with its own policies, procedures, and ratings methodologies; its management of conflicts of interest; implementation of ethics policies; internal supervisory controls; governance; compliance officer activities; complaints processing; and policies governing the post-employment activities of its former staff. Inspection Reports. The Office shall make available to the public the results of the above examinations. Rulemaking Authority. By rulemaking, the SEC shall establish fines and penalties applicable to any NRSRO that violates this section or the rules promulgated hereunder. (15 U.S.C. §78o-7(p), *as added by* §932(a)(8))
13 - Disclosure of Ratings Performance	To allow users of credit ratings to evaluate those ratings' accuracy and compare different NRSROs' rating performance, the SEC is required to establish rules requiring NRSROs to disclose information on the initial credit ratings determined by an NRSRO for each type of obligor, security, and money market instrument, and any subsequent changes to such credit ratings. Such rules must provide, at a minimum, that the disclosure be comparable among NRSROs, be clear and informative to investors, include performance information over a range of years and for a variety of rating types, be published and freely available on an NRSRO's website and, when requested, in writing, and appropriate to the business model of an NRSRO. (15 U.S.C. §78o-7(q), *as added by* §932(a)(8))
14 - Attestation to Accompany Credit Ratings	Each NRSRO is required to include an attestation with any credit rating it issues affirming: (i) that no part of the rating was influenced by any other business activities, (ii) that the rating was based solely on the merits of the instrument being rated, and (iii) that such rating was an independent evaluation of the risks and merits of the instrument. (15 U.S.C. §78o-7(q)(2)(F), *as added by* §932(a)(8))

Subject	Provisions (Citation)
15 - Credit Ratings Methodologies	The SEC is required to prescribe rules regarding the procedures and methodologies used by NRSROs, including qualitative and quantitative data and models, requiring each NRSRO to: (i) ensure that credit ratings are determined using procedures and methodologies approved by the NRSRO's board and in accordance with the policies and procedures of the NRSRO for the development of such procedures and methodologies; (ii) ensure that when material changes to rating procedures and methodologies are made, they are applied consistently to all applicable credit ratings, including then-current ratings (if the changes affect surveillance procedures and methodologies), and that the reason for such changes is publicly disclosed; and (iii) notify ratings users: of the procedure or methodology version used for a particular rating; when a material change is made to a procedure or methodology and the likelihood of such change resulting in a change in current credit ratings; and when a significant error is identified in a procedure or methodology that may result in credit rating actions. (15 U.S.C. §78o-7(r), *as added by* §932(a)(8))

Subject	Provisions (Citation)
16 - Credit Rating Methodology Transparency: New Disclosure to Accompany Credit Ratings	The SEC is required to adopt rules requiring each NRSRO to prescribe a form to accompany publication of each credit rating that discloses: information about assumptions underlying the rating procedures and methodologies; the data used in determining the rating; how the NRSRO used servicer or remittance reports (if any) in determining the rating; and other information that might help ratings users to understand the NRSRO's ratings across ratings classes. The form must be easy to use and helpful, present information in a way that is directly comparable across types of securities, and be readily available to users. Qualitative Content. The form must include: (i) the credit ratings produced by the NRSRO; (ii) the main assumptions the NRSRO used in constructing procedures and methodologies; (iii) the potential limitations of the ratings and the types of risks the NRSRO is not commenting on; (iv) information on the uncertainty of the ratings including (I) the reliability, accuracy, and quality of the data relied on in determining the ratings; and (II) a statement on the extent to which key data were reliable or limited as to historical scope or accessibility of information; (v) whether and to what extent third-party due diligence services were used by the NRSRO in determining the ratings and a description of the information reviewed and conclusions made by such third party; (vi) a description of the data about any obligor, issuer, security, or money market instrument that were relied upon in determining the rating; (vii) a statement containing an overall assessment of the quality of information available and considered in relation to the quality of information available in rating similar issuances; and (vii) information on the NRSRO's conflicts of interest. Quantitative Content. The form must include an explanation of the potential volatility of the rating, including factors that might lead to a change in the rating, and the extent of the change that might be expected under different conditions; information on the content of the rating including the rating's historical performance and expected probability of default and the expected loss in such event; and the rating's sensitivity to assumptions made by the NRSRO, including the five assumptions that would have the greatest impact on a rating if proven false or inaccurate and an analysis, using specific examples, of how each of these five assumptions impacts a rating. (15 U.S.C. §78o-7(s)(1)-(3), *as added by* §932(a)(8))

Subject	Provisions (Citation)
17 - Due Diligence Services for Asset-Backed Securities	Issuers or underwriters of any asset-backed security must make available publicly the findings of any third-party due diligence report. When an NRSRO, issuer, or underwriter uses third-party due diligence services, the due diligence provider must certify to the NRSRO, in a format determined by the SEC, that it has conducted a thorough review of the information necessary for an NRSRO to provide an accurate rating. The SEC is mandated to adopt rules requiring an NRSRO to disclose such certification to the public when a rating is produced. (15 U.S.C. §78o-7(s)(4), *as added by* §932(a)(8))
18 - Corporate Governance	An NRSRO shall have a board of directors, half of whom (but not fewer than two) are independent of the NRSRO. A portion of the independent directors must be users of ratings from an NRSRO. In addition to other duties, the board shall oversee the: (i) policies and procedures for determining credit ratings; (ii) policies and procedures for addressing, managing, and disclosing conflicts of interest, (iii) effectiveness of the NRSRO's internal control systems; and (iv) compensation and promotion policies and practices of the NRSRO. When the NRSRO is a subsidiary, the parent entity's board may satisfy these requirements by assigning duties to a committee meeting specified independence requirements. The SEC may permit a small NRSRO to delegate governance to a committee of the board if the SEC finds that these requirements are too burdensome on the NRSRO. (15 U.S.C. §78o-7(t), *as added by* §932(a)(8))
19 - Private Right of Action	Statements by Credit Rating Agencies. The enforcement and penalty provisions of the Securities Exchange Act (including a private right of action) apply to statements made by a credit rating agency in the same manner and to the same extent as such provisions apply to statements made by a registered public accounting firm or a securities analyst under the securities laws. Statements made by credit rating agencies are not forward-looking statements within Securities Exchange Act §21E's safe harbor provision. (§933(a)) State of Mind. In a private securities fraud action against a credit rating agency for money damages, the complaint must state with particularity facts giving rise to a strong inference that the credit rating agency knowingly or recklessly failed to conduct a reasonable investigation of the rated security with respect to factual elements relied upon by its own methodology for evaluating credit risk or to obtain reasonable verification of such factual elements from other sources the agency considered competent and that were independent of the issuer and underwriter. (§933(b)).
20 - Duty to Report Violations of Law	An NRSRO shall refer to appropriate law enforcement or regulatory authorities any credible information that the NRSRO receives from a third party alleging that an issuer rated by the NRSRO has committed, or is committing, a material violation of law. (15 U.S.C. §78o-7(u), *as added by* §934).

Subject	Provisions (Citation)
21 - Considering Information on the Issuer from Third Parties	In producing a credit rating, an NRSRO is required to consider information about an issuer that does not come from the issuer or the underwriter (i.e., from the NRSRO or from a third-party source). (15 U.S.C. §78o-7(v), *as added by* §935)
22 - Qualifications for Ratings Analysts	The SEC is required to issue rules ensuring that any person employed by an NRSRO to perform credit ratings meets standards of training, experience, and competence necessary to produce accurate ratings for the categories of issuers whose securities the person rates, and is tested for knowledge of the rating process. (§936)
23 - Timing of Regulations	Unless otherwise provided, the SEC shall issue final regulations required by this subtitle no later than one year after the Date of Enactment. (§937)
24 - Universal Ratings Symbols	The SEC is required to create rules requiring each NRSRO to establish, maintain, and enforce written policies and procedures that assess the probability that an issuer will default, fail to make timely payments, or otherwise not pay investors as required; clearly define and disclose the meaning of any symbol used by the NRSRO to denote a credit rating; and apply such symbols consistently for all types of securities and money market instruments for which the symbol is used. However, an NRSRO may use different sets of symbols for different types of securities or money market instruments. (§938)
25 - Removal of Statutory References to Credit Ratings	Removes references to credit ratings from specified statutes, effective two years from the Date of Enactment, including among others the FDIA, Investment Company Act, and Securities Exchange Act. As a result, in several cases, regulatory agencies would be required to develop standards of creditworthiness instead of being required by statute to use credit ratings provided by NRSROs. (§939)
26 - Review of Regulatory Reliance on Credit Ratings	No later than one year after the Date of Enactment, each Federal agency is required to review any regulation issued by such agency requiring the use of an assessment of the credit-worthiness of a security or money market instrument and any references in such regulations regarding credit ratings. Each such agency is required to modify such regulation to remove any reference to credit ratings and must substitute a standard of credit-worthiness determined to be appropriate by such agency for such regulation, seeking to establish uniform standards of credit-worthiness for use by such agency. Each Federal agency is required to submit a report to Congress detailing any such modification. (§939A)
27 - Elimination of Exemption from Fair Disclosure Rule	No later than 90 days after the Date of Enactment, the SEC is required to revise Regulation FD (17 C.F.R. 243.100) to remove the exemption for entities whose primary business is the issuance of credit ratings (17 C.F.R. 243.100(b)(2)(iii)). (§939B)

Subject	Provisions (Citation)
28 - Studies and Reports	Standardization of Terminology. An SEC study on the feasibility and desirability of standardizing credit ratings terminology across agencies and across asset classes, standardizing the market stress conditions under which ratings are evaluated, and requiring a quantitative correspondence between credit ratings and a range of default probabilities and loss expectations under standardized stress conditions. The SEC is required to report its findings and recommendations to Congress no later than one year after the Date of Enactment. (§939(h)) NRSRO Independence. An SEC study on the independence of NRSROs and how their independence affects the ratings they issue. The study will evaluate, among other things, the management of conflicts of interest raised by an NRSRO providing other services, such as consulting or risk management advisory services, and the potential impact of rules prohibiting the provision of such services. The SEC Chairman must report the results and any recommendations to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives no later than three years of the Date of Enactment. (§939C) Alternative Business Models. A study by the Comptroller General of the U.S. on alternative means for compensating NRSROs to create incentives to provide more accurate ratings and report the results and recommendations, if any, to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives no later than 18 months of the Date of Enactment. (§939D) Independent Professional Analyst Organization. A study by the Comptroller General of the U.S. on the feasibility and merits of creating an independent professional organization for rating analysts employed by NRSROs. This organization would oversee the profession of rating analysts and would create a code of ethical conduct and develop independent standards for governing the profession. The Comptroller General must submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives no later than one year after the publication of SEC rules issued pursuant to §936. (§939E)

Subject	Provisions (Citation)
29 - Studies and Reports (continued)	Study and Rulemaking on Assigned Credit Ratings. A study by the SEC of the credit rating process for "structured finance products" (ABS and any structured product based on an ABS, as determined by rule by the SEC) and the conflicts of interest associated with the issuer-pay and the subscriber-pay models and the feasibility of establishing a system in which a public or private utility or self-regulatory organization assigns NRSROs to determine the rating of structured finance products. Such study is required to include, among other things, an assessment of potential fee mechanisms and alternative means for compensating NRSROs to create incentives for accurate credit ratings. No later than 24 months after the Date of Enactment, the SEC is required to submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report of its findings and recommendations for regulatory or statutory changes. After submitting such report, the SEC shall, by rule, as it determines is necessary or appropriate in the public interest or for the protection of investors, establish a system for the assignment of NRSROs to determine initial credit ratings of structured finance products such that issuers, sponsors, or underwriters are prevented from selecting the NRSRO to determine such initial credit rating. The SEC is required to give thorough consideration to the provisions of Securities Exchange Act §15E(w) as that provision would have been added by §939D of H.R. 4173 (111th Congress) (sometimes referred to as the Franken Amendment, which, among other things, would create a self-regulatory board to assign NRSROs to provide initial credit ratings to structured finance products), as passed by the Senate on May 20, 2010, and implement that system unless the SEC determines an alternative would better serve the public interest and the protection of investors. (§939F)
30 - Elimination of NRSRO Exemption from Expert Liability	The exemption provided by SEC Rule 436(g) from expert liability for security ratings in registration statements filed under the Securities Act is eliminated. (§939G)
31 - Conflicts of Interest and the Provision of Services Not Related to Credit Ratings by NRSROs	It is the sense of Congress that the SEC should use its rulemaking authority under §15E(h)(2)(B) to prevent improper conflicts of interest arising from NRSRO employees providing services to issuers unrelated to the issuance of credit ratings, such as consulting, advisory, and other services. (§939H)
H - *Improvements to the Asset Backed Securitization Process (Subtitle D)*	
1 - Definitions	An asset-backed security ("ABS") is defined as any fixed-income or other security collateralized by any type of self-liquidating financial asset (including a loan, a lease, a mortgage or receivable). Examples of ABS include CMO, CDO, and a CDO of ABS or other CDOs. Securities issued by a finance subsidiary held by the parent company, or another company controlled by the parent company, are not considered to be ABS. (15 U.S.C. §78c(a)(77), *as added by* §941(a))

Subject	Provisions (Citation)
2 - Credit Risk Retention	Generally. Within 270 days of the Date of Enactment, the SEC, OCC, FRB and FDIC (the "ABS agencies") and with respect to only residential mortgage assets, HUD and the FHFA, are to jointly issue regulations requiring the "securitizer" to retain (without hedging) specified percentages of the credit risk of the securitized assets collateralizing the ABS. A "securitizer" is defined as the issuer of any ABS or a person who organizes and initiates an ABS transaction by selling or transferring assets to the issuer. The regulations are required to differentiate among asset classes, including residential mortgages, commercial mortgages, commercial loans, auto loans and other classes the ABS agencies deem appropriate. The regulations are to also address the risk retention requirements of CDOs and securities collateralized by CDOs or other ABS. The regulations must also establish the permissible forms of risk retention and the minimum duration. The Council shall coordinate all joint rulemaking. Amount of Retained Risk. The specified percentage of retained credit risk for securitized assets that are not qualified residential mortgages is to be at least 5%. However, the specified percentage is to be less than 5% if the if the asset was originated within underwriting standards approved by the OCC, FRB and FDIC. ABS backed entirely by qualified residential mortgages will be exempt from any risk retention requirement. However, if an ABS includes even one securitized asset other than a qualified residential mortgage, the specified percentage of retained credit risk for the qualified residential mortgage assets in that ABS is to be at least 5%. Qualified Residential Mortgages. The ABS agencies, together with HUD and the FHFA, are required to define the term "qualified residential mortgage" taking into consideration the documentation and verification of the mortgagor's financial resources, loan product features, mortgages covered by mortgage insurance or other types of credit enhancement that reduce the risk of default, and the restricted use of mortgage features associated with higher risk of default (e.g., balloon payments, negative amortization). In addition, the SEC is required to adopt a rule requiring, for each ABS issuance composed entirely of qualified residential mortgages, that the issuer certify that it has evaluated the internal supervisory controls of the issuer to ensure that all collateral are qualified residential mortgages. Risk Retention Allocation. The ABS agencies are also required to jointly adopt rules providing for the allocation of risk retention obligations between the securitizer and the entity that created the securitized asset. The risk retention obligation of a securitizer will be reduced by the risk retention obligation of the originator. Factors to be considered in making this allocation include the credit risk of the securitized asset, whether the securitization creates incentives for imprudent origination of the class of assets securitized, and the potential impact on the access of consumers and business to credit on reasonable terms.

Subject	Provisions (Citation)
3 - Credit Risk Retention (continued)	Permitted Exemptions. In addition, the ABS agencies are authorized to jointly adopt rules exempting, in whole or in part, the securitization of assets issued by the U.S. government or an agency thereof (other than Fannie Mae and Freddie Mac) or any state or local government, or that are otherwise in the public interest. Loans and other financial assets made, insured, guaranteed or purchased by an institution subject to the supervision of the Farm Credit Administration and residential, multifamily and health care facility mortgage assets, including ABS based on such assets, insured or guaranteed by the U.S. or a federal agency (but not Fannie Mae, Freddie Mac or the Federal home loan banks) are exempt from the credit risk retention requirements. Enforcement. The SEC will have enforcement authority over any non-insured depository institution, and the FRB, FDIC and OCC will have authority over their respective insured depository institutions. Effective Date. The effective date of these regulations for (i) residential mortgage assets will be one year after final rules are published in the federal register, and (ii) for all other assets will be two years after final rules are published in the federal register. (Securities Exchange Act §15G, *as added by* §941(b))
4 - Suspension of Duty to File	Securities Exchange Act §15(d) is amended to eliminate, with respect to ABS, automatic suspension of the duty to file periodic reports with the SEC and the SEC is authorized to adopt rules providing for the suspension or termination of the duty to file for any class of ABS. (§942(a))
5 - Disclosure	The SEC is required to adopt rules requiring issuers of ABS to disclose, for each tranche or class, information regarding the underlying assets. The rules are required to establish disclosure standards that would facilitate easy comparison across securities of similar asset classes, and require disclosure of loan-level data including the loan broker or originator's unique identifier and compensation, as well as the amount of risk retained by the originator and securitizer. (15 U.S.C. §77g(c), *as added by* §942(b))
6 - ABS Representations and Warranties	Within 180 days of the Date of Enactment, the SEC is required to adopt regulations requiring each national recognized statistical ratings organization to include in any report accompanying a credit rating of an ABS (i) representations, warranties and enforcement mechanisms available to investors, (ii) a comparison of those representations, warranties and mechanisms of similar securities, and (iii) the disclosure of fulfilled and unfilled repurchase requests across all trusts aggregated by the securitizer to identify originators with delinquent underwriting standards. (§943)
7 - Due Diligence Review	Within 180 days of the Date of Enactment, the SEC is required to adopt regulations requiring the issuer of any ABS to perform a review of the ABS's underlying assets and disclose the nature of that review. (15 U.S.C. §77g(d), *as added by* §945)

Subject	Provisions (Citation)
8 - Study on Macroeconomic Effects of Risk Retention	The Financial Services Oversight Council is to conduct a study, and report to Congress within 180 days of the Date of Enactment, on the macroeconomic effects of these risk retention requirements, looking particularly at their effect on constraining asset price bubbles and the comparable effect of alternate regulation on proactively adjusting mortgage origination. (§946)
I - *Accountability and Executive Compensation (Subtitle E)*	
1 - Shareholder Resolution on Executive Compensation ("Say on Pay")	In any proxy statement issued for a shareholder meeting occurring more than six months after the Date of Enactment, each public company must provide for a separate, non-binding shareholder vote to approve the compensation of certain executive officers in their annual or special meeting proxy materials ("Say on Pay"). Additionally, at the first such meeting, the public company shall also have a shareholder resolution allowing shareholders to determine whether the company shall have additional Say on Pay resolutions every year, every two years or every three years. A Say on Pay resolution shall not be deemed to overrule any decision of the board or the issuer, to create or imply any additional fiduciary duties for the board, or to preclude shareholder proposal on compensation matters. (Securities Exchange Act §14A, *as added by* §951))
2 - Shareholder Resolution on Golden Parachutes	Beginning six months after the Date of Enactment, requires disclosure of any compensation payments triggered by an acquisition, merger, or other extraordinary transaction ("golden parachute" payments) in proxy materials related to any meeting where shareholders are asked to approve the transaction, and that this "golden parachute" compensation be put to a separate, non-binding shareholder vote for approval, unless the arrangements have previously been subject to a prior shareholder Say-on-Pay vote. The shareholder resolution shall not be deemed to overrule any decision of the board or the issuer, to create or imply any additional fiduciary duties for the board, or to preclude shareholder proposal on compensation matters. (Securities Exchange Act §14A, *as added by* §951))

Subject	Provisions (Citation)
3 - Compensation Committee Independence	Requires (through listing standards) that the compensation committee of each listed company consist entirely of independent directors. Independence is determined by considering relevant factors, including the source of all compensation paid to a director, and any affiliation the director may have with the issuer. Also requires that the compensation committee have the authority to hire independent advisors. The compensation committee must *consider* the independence of any such outside advisor, applying independence factors to be identified by the SEC, which must be competitively neutral among categories of advisors. The proxy statement for any annual meeting of shareholders (or any special meeting in lieu of an annual meeting) occurring more than one year after the Date of Enactment must disclose whether the compensation committee retained a compensation consultant and, if the consultant's work raised a conflict of interest issue, the nature of the conflict and how such conflict is being addressed. Directs the SEC to provide issuers an opportunity to cure any defect that would result in delisting, and allows exemptions from independence requirements for certain categories of issuers (such as smaller reporting issuers) as the SEC determines appropriate. Requires the SEC to deliver a report within two years of the Date of Enactment on the use of compensation consultants and the effect thereof. (Securities Exchange Act §10C, *as added by* §952)
4 - Broker Voting Restrictions	Prohibits brokers from voting in a shareholder vote with respect to election of directors, executive compensation, or any other "significant matter" (as determined by the SEC), unless they receive specific voting instructions from the beneficial owners of the securities to be voted. (§957)
5 - Additional Compensation Disclosure in Proxy Statements	Proxy materials in which compensation disclosures are required must include a clear description of compensation, including information showing the relationship between executive compensation actually paid and the financial performance of the employer. (Securities Exchange Act §14(i), *as added by* §953) The SEC is directed to amended Item 402 of Regulation S-K to require disclosure of (i) median employee compensation, excluding the compensation of the issuer's CEO (or equivalent executive), (ii) CEO compensation, and (iii) the ratio of median employee compensation to CEO compensation would also be required. (§953)

Subject	Provisions (Citation)
6 - Clawbacks	Requires listed companies must develop and implement policies providing for both (i) disclosure of the issuer's policy on incentive compensation based on reported financial information and (ii) recovery ("clawback") from current or former executive officers of "erroneously awarded" incentive compensation in the event of an accounting restatement required due to material noncompliance with financial reporting requirements under the securities laws. For purposes of the clawback, "erroneous compensation" would consist of the incentive compensation paid to an executive officer of the issuer during the three years preceding the restatement in excess of what would have been paid to the executive under the accounting restatement. This clawback applies to all executive officers, whether or not the officer engaged in misconduct. Companies that do not comply with these clawback requirements could not be listed. (Securities Exchange Act §10D, *as added by* §954)
7 - Financial Institution Compensation Prohibitions	Not later than 180 days after the Transfer Date, requires the FRB, in consultation with the OCC and the FDIC, to issue rules prohibiting "unsafe and unsound" compensation practices by bank holding companies, including practices that provide for excessive compensation, fees or benefits, or could lead to "material financial loss." (BHCA §5(i), *as added by* §956)
8 - Hedging Disclosure	Requires all issuers to include hedging policy disclosure in annual meeting proxy or consent solicitation material indicating whether employees or directors are permitted to purchase financial instruments designed to hedge or offset any decrease in the market value of equity securities of the issuer held by or granted to an employee or director. (Securities Exchange Act §14(j), *as added by* §955))
J - Improvements to the Management of the SEC (Subtitle F)	
1 - Annual Report and Certification of Internal Supervisory Controls	The SEC must submit a report annually to the relevant House and Senate committees on the conduct by the SEC of examination of registered entities, enforcement investigations and review of corporate financial securities filings. Each report will include (i) an assessment of the effectiveness of the internal supervisory controls and the procedures of the SEC applicable to the SEC staff who perform the relevant examinations, investigations and reviews; (ii) a certification signed by the Directors of the Division of Enforcement, the Division of Corporate Finance and the Office of Compliance Inspections and Examinations that the SEC has adequate internal supervisory controls; and (iii) a summary by the Comptroller General of a report (at least once every 3 years) submitted to the relevant House and Senate committees that contains a review of the adequacy and effectiveness of the internal supervisory control structures. (§961)

Subject	Provisions (Citation)
2 - Report on Personnel Management	The Comptroller General shall submit a report once every 3 years to the relevant House and Senate committees on the quality of management by the SEC including evaluation of the effectiveness of supervisors, the fairness of the application of promotion criteria, the competence of the professional staff and other relevant issues. Within 90 days of the Comptroller General's report, the SEC will submit a report describing the actions to be taken by the SEC to act on the Comptroller General's recommendations. (§962)
3 - Annual Financial Controls Audit Report	The SEC shall publish and submit to Congress within 6 months after the end of each fiscal year a report that describes the responsibility of the SEC management for establishing and maintaining an adequate internal control structure and procedures for financial reporting; and contains an assessment of the effectiveness of the internal control structure and procedures for financial reporting of the SEC during that fiscal year. The Comptroller General will also submit a report to Congress within 6 months after the first fiscal year following the Date of Enactment that assesses the effectiveness of the internal control structure and procedures of the SEC for financial reporting and assesses the SEC's own assessment. (§963)
4 - Report on Oversight of National Securities Associations	Within 2 years of the Date of Enactment and every 3 years after that, the Comptroller General must submit to the relevant House and Senate committees a report that includes an evaluation of the SEC oversight of national securities associations registered under Securities Exchange Act §15A with respect to their governance, internal examinations, executive compensation practices, arbitration services, review of member advertising, cooperation with the states, methods and level of funding, policies for former employees, effectiveness of their rules, transparency and other issues. (§964)
5 - Compliance Examiners	Title IX adds a staff of examiners to both the Division of Trading and Markets and the Division of Investment Management of the SEC to examine entities under the jurisdiction of these Divisions. (§965)
6 - Suggestion Program for Employees of the SEC	Title IX requires the SEC Inspector General to establish a telephone hotline or other electronic means of receipt of employee suggestions for improvements in work efficiency, effectiveness and productivity and allegations of waste, abuse, misconduct and mismanagement. Any such reports shall be kept confidential. (§966)

Subject	Provisions (Citation)
7 - SEC Organization Study and Reform	Within 90 days following the Date of Enactment, the SEC must hire an independent consultant to examine the internal operations, structure, funding and the need for comprehensive reform of the SEC and the SEC's relationship with and reliance on self-regulatory organizations and other relevant entities. The study will be required (at a minimum) to cover (i) the possible elimination of unnecessary units; (ii) improvement of internal communication; (iii) need for clear chain-of-command structure; (iv) issued related to monitoring high-frequency trading and other technological advances; (v) hiring practices; and (vi) oversight and reliance on self-regulatory organizations. The consultant will be required to issue a report to the SEC and Congress within 150 days after being retained containing its findings and recommendations for legislative, regulatory or administrative action. Within 6 months after the consultant's report is issued and every 6 months after that for 2 years, the SEC must issue a report to the relevant House and Senate committees describing the SEC's implementation of the consultant's recommendations. (§967)
8 - Study on SEC Revolving Door	The U.S. Comptroller General must conduct a study (and make a number of determinations) regarding former SEC employees who are employed by SEC-regulated financial institutions, the necessity of related internal controls and post-employment restrictions, and the related impact on the SEC's effectiveness. This report must be submitted to the relevant House and Senate committees within one year after the Date of Enactment. (§968)
K - *Corporate Governance (Subtitle G)*	
1 - Proxy Access	The SEC is granted specific authority to adopt rules providing shareholders with access to the corporate proxy to nominate directors. The SEC is granted authority to exempt issuers or classes of issuers (*e.g.*, small issuers). (§971)
2 - Chairman and CEO Structure	Within 180 days after the Date of Enactment, the SEC must adopt rules requiring issuers to disclose in their annual proxy statement why the issuer has determined to combine or not to combine the roles of chairman of the board and chief executive officer. (§972)

Subject	Provisions (Citation)
L - *Municipal Securities (Subtitle H)*	
1 - Definition of Municipal Advisor	A "municipal advisor" is a person, other than a municipality or its employee, that provides advice to or on behalf of a municipal entity or person obligated to support payments ("Obligated Person") with respect to municipal financial products or the issuance of municipal securities, including advice regarding structure, timing, terms, and other similar matters; or (ii) solicits a municipal entity. The term "municipal advisor" includes a financial advisor, guaranteed investment contract broker, third-party marketer, placement agent, solicitor, finder and swap advisor, if such person provides the services described above, but excludes a broker, dealer or municipal securities dealer serving as an underwriter or any federally registered investment adviser or associated person providing investment advice, registered commodity trading advisor or associated person providing advice related to swaps, attorneys offering legal advice or providing services that are of a traditional legal nature, or engineers providing engineering advice. (§975(e))

Subject	Provisions (Citation)
2 - Registration and Oversight of Municipal Advisors	Registration. Municipal advisors must be registered under the Securities Exchange Act to provide advice or solicit services. (Securities Exchange Act §15B(a)(1)(B), *as added by* §975(a)(1)(B)) Fraudulent Acts. Municipal advisors may not engage in fraudulent, deceptive or manipulative acts or practices. (Securities Exchange Act §15B(a)(5), *as added by* §975(a)(5)) Regulation. The MSRB is authorized to regulate municipal advisors by engaging in rulemaking regarding municipal advisors, including advice provided to or on behalf of municipal entities or Obligated Persons by municipal advisors. Such rules must include a continuing education requirement, professional standards, and means reasonably designed to prevent acts, practices and courses of business as are not consistent with the fiduciary duty a municipal advisor is deemed to have to any municipal entity for which it acts as advisor. However, small municipal advisors should not have burdensome regulations placed on them that are not necessary for the protection of the public. (Securities Exchange Act §15B(b), *as added by* §975(b)(2)(L) and §975(c)) If such rules are violated, the MSRB is authorized to issue sanctions and penalties, and revoke registration of municipal advisors. (Securities Exchange Act §15B(c), *as added by* §975(c)) MSRB rules regarding the circumstances under which a new issue of municipal securities may be sold during the underwriting period are applicable to broker-dealers as well as municipal securities dealers. (Securities Exchange Act §15B(b)(2)(K), *as added by* §975(b)(2)(I)) The recordkeeping requirements of §17(a)(1) of the Securities Exchange Act are imposed upon securities transactions by exchanges and broker-dealers with municipal advisors. (§975(h)) Transparency. The MSRB may establish information systems and may assess fees for the submission to or receipt from such systems, including commercially reasonable subscription fees, but may not charge fees to municipal entities or Obligated Persons to submit documents or to any person to obtain information from the MSRB website. (Securities Exchange Act §15B(b)(3)), *as added by* §975(b)(4)) Composition of the MSRB. The MSRB is to be comprised of 8 members who are independent of any municipal securities broker or dealer or municipal advisor (including at least one representative of institutional or retail investors in municipal securities, at least one representative of municipal entities, and at least one member of the public with knowledge of or experience in the municipal industry) and 7 members who are so associated, at least one of whom shall be associated with a municipal advisor. (Securities Exchange Act §15B(b), *as added by* §975(b)(1))

Subject	Provisions (Citation)
3 - Registration and Oversight of Municipal Advisors (continued)	SEC Office of Municipal Securities. The Office of Municipal Securities shall be created at the SEC. It is responsible for administering SEC rules related to practices of municipal securities brokers and dealers, municipal securities advisors, municipal securities investors, and municipal securities issuers and for coordinating rulemaking and enforcement with the MSRB. (§979) Effective Date. October 1, 2010.
4 - Studies Required	Increased Disclosure. The GAO shall review the disclosures required to be made by issuers of municipal securities. Such study shall describe the current size of the market and disclosures currently made, comparing them with the disclosures required by issuers of corporate securities and evaluate the costs and benefits of requiring additional financial disclosures by issuers of bonds. Recommendations shall be made concerning disclosure requirements and the potential repeal of the prohibition on the SEC or MSRB requiring issuers to file municipal securities documents prior to sale. A report shall be submitted to Congress within 24 months after the Date of Enactment. (§976) Municipal Securities Markets. The GAO shall study the municipal securities markets, analyzing the trading and transparency and the needs of markets and investors. The study shall make recommendations regarding improving transparency, efficiency, fairness and liquidity in trading and potential uses of derivatives in the municipal securities market. The report shall be submitted to the Senate Banking, Housing and Urban Affairs Committee and the House Financial Services Committee, with copies to the SEC and the Senate Special Committee on Aging, within 18 months after the Date of Enactment. The SEC must submit a response to all such parties describing the actions it has taken in response to the report's recommendations. (§977)

Subject	Provisions (Citation)
5 - Governmental Accounting Standards Board	Establishment; Financial Support; Purpose. The SEC may require a national securities association to establish (i) a reasonable annual accounting support fee to adequately fund the annual budget of the Governmental Accounting Standards Board (the "GASB"); and (ii) rules and procedures, in consultation with the principal organizations representing state governors, legislators, local elected officials, and state and local finance officers, to provide for the equitable allocation, assessment, and collection of the accounting support fee from the members of the association, and the remittance of all such accounting support fees to the Financial Accounting Foundation. These fees shall be used to support the efforts of the GASB to establish standards of financial accounting and reporting recognized as generally accepted accounting principles applicable to state and local governments and shall not be considered public monies. Neither the SEC nor the director of any national securities association shall have any indirect authority over the budget or technical agenda of the GASB or affect the setting of generally accepted accounting principles by the GASB. The foregoing shall not limit the authority of the states to set generally accepted accounting principles. Study. The SEC shall evaluate (i) the role and importance of the GASB and the manner in which it has been funded. The SEC shall consult with the principal organizations representing state governors, legislators, local elected officials and state and local financial officers in performing its study. The SEC must submit the report to the Senate Banking, Housing and Urban Affairs Committee and the House Financial Services Committee within 180 days after the Date of Enactment. (§978)
M - *Public Company Accounting Oversight Board, Portfolio Managing and Other Matters (Subtitle I)*	
1 - Foreign Audit Oversight Authority	Information that relates to a public accounting firm may be made available to a foreign auditor oversight authority at the discretion of the PCAOB. (15 U.S.C. §7215(b)(5)(C), *as added by* §981(b))

Subject	Provisions (Citation)
2 - Amendments to Sarbanes-Oxley Act	Brokers and Dealers Added. Title I of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") is amended to require brokers and dealers, as well as issuers, to be audited in accordance with PCAOB standards by a PCAOB member. Foreign public accounting firms auditing U.S. broker-dealers must comply with all PCAOB rules. (§982) Auditor Independence. The PCAOB must establish rules regarding independence standards, in addition to already established standards, applicable to auditors. (§982(d)) Inspections. The PCAOB may, by rule, conduct and require a program of inspection of registered public accounting firms that provide one or more audit reports for a broker or dealer. The PCAOB, in establishing such a program, may allow for differentiation among classes of brokers and dealers, as appropriate. If the PCAOB establishes an inspection program, it shall consider in establishing any inspection schedules whether differing schedules would be appropriate with respect to registered public accounting firms that issue audit reports only for one or more brokers or dealers that do not receive, handle, or hold customer securities or cash or are not a member of SIPC. Any PCAOB rules under §982 shall be subject to prior approval by the SEC before the rules become effective, including an opportunity for public notice and comment. (§982(e)) Registration. A public accounting firm shall not be required to register with the PCAOB if the public accounting firm is exempt from the inspection program established by the PCAOB. (§982(e)) Conforming Amendment. §17(e)(1)(A) of the Securities Exchange Act is amended by striking "registered public accounting firm" and inserting "independent public accounting firm, or by a registered public accounting firm if the firm is required to be registered under the Sarbanes-Oxley Act of 2002". (§982(e)) PCAOB Assessments. PCAOB assessments are applicable to brokers and dealers, allocated in proportion to the net capital of the broker or dealer (before or after any adjustments) compared to the total net capital of all brokers and dealers (before or after any adjustments). (§982(h)) Referral of Investigations to SRO. The PCAOB is authorized to refer an investigation of the audit of a broker or dealer to an SRO. (§982(i)) Use of Documents. Without the loss of status as confidential and privileged in the hands of the PCAOB, the PCAOB may share with an SRO documents and information obtained by it in connection with an investigation of the audit of a broker or dealer. (§982(j))

Subject	Provisions (Citation)
3 - Portfolio Margining – SIPA Amendments	Definition of Customer. "Included persons" is also amended to include any person who has a claim against the debtor broker-dealer for cash, securities, futures contracts, or options on futures contracts received, acquired or held in a portfolio margining account carried as a securities account pursuant to a portfolio margining program approved by the SEC (a "Portfolio Margining Account"). An "excluded persons" section was added which excludes from the definition of customer persons whose claims arise out of transactions with foreign subsidiary of a SIPC member, and persons who have a claim for cash or securities that by contract, agreement, understanding or operation of law is part of the capital of the debtor broker or dealer, or is subordinated to the claims of any or all creditors of the broker or dealer, notwithstanding grounds for declaring such contract, agreement or understanding void or voidable. Definition of Customer Property. "Customer Property" is amended to include, in the case of a Portfolio Margining Account, a futures contract or an option on a futures contract received, acquired or held by or for the account of the broker or dealer from or for such account, and the proceeds thereof. Definition of Gross Revenues from the Securities Business. The definition now includes revenues earned by a broker or dealer in connection with a transaction in a Portfolio Margining Account. Definition of Net Equity. "Net equity" now includes the value of all positions in futures contracts and options on futures contracts held in a Portfolio Margining Account, including all property collateralizing such positions, to the extent such property is not otherwise included. In determining net equity, a claim for a commodity futures contract received, acquired or held in a Portfolio Margining Account for a security futures account shall be deemed to be a claim with respect to such contract as of the filing date and shall be treated as a claim for cash. (§983(b))
4 - Loan or Borrowing of Securities	§10 of the Securities Exchange Act is amended to make it unlawful to effect, accept or facilitate a transaction involving the loan or borrowing of securities in contravention of SEC rules. Nothing in this amendment is deemed to limit the authority of any other federal department or agency with a responsibility to prescribe rules or regulations restricting transactions involving the loan or borrowing of securities in order to protect the safety and soundness of a financial institution or to protect the financial system from systemic risk. (§984(a)) The amendment requires the SEC to promulgate rules designed to increase the transparency of information available to brokers, dealers and investors with respect to the loan or borrowing of securities within two years after the Date of Enactment. (§984(b))
5 - Technical Corrections to Federal Securities Law	Technical corrections were made to federal securities laws including the Securities Act, the Securities Exchange Act, and the Investment Company Act. (§985)

Subject	Provisions (Citation)
6 - Conforming Amendments Relating to Repeal of the Public Utility Holding Company Act	Strikes language related to the Public Utility Holding Company Act from the Securities Exchange Act, the Trust Indenture Act, and the Investment Company Act so that they conform to its repeal. (§986)
7 - Definitions of Material Loss; Reports	A "material loss" for purposes of the FDIA is any estimated loss in excess of (i) $200 million if the loss occurs between January 1, 2010 and December 31, 2011, (ii) $150 million if the loss occurs between January 1, 2012 and December 31, 2013, and (iii) $50 million if the loss occurs on or after January 1, 2014 (provided that if the inspector general of a federal banking agency certifies to the Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee that the number of projected failures of depository institutions that would require material loss reviews for the following 12 months will be greater than 30 and would hinder the effectiveness of its oversight functions, then the definition of "material loss" shall be $75 million for a duration of one year from the date of the certification). (12 U.S.C §1831o(k), as added by §987(a)(1)) When Deposit Insurance Fund losses occur, the inspector general of each federal banking agency must identify the losses, make a determination if further review is warranted, and prepare and submit a written report to the appropriate federal banking agency and Congress within 90 days at the end of each six-month period starting with the period ended March 31, 2010. (12 U.S.C §1831o(k), *as added by* §987(a)(5) The Inspector General of the NCUA shall prepare a report for the Board reviewing supervision of a credit union if the National Credit Union Share Insurance Fund incurs a material loss, defined as an amount exceeding $25 million plus an amount equal to 10% of the credit union's total assets on the date the Board initiated assistance or was appointed liquidating agent. The report shall address why the loss occurred and recommendations for prevention and shall be submitted to the Board, the U.S. Comptroller General, the FDIC, the appropriate state supervisor, if a state credit union and any member of Congress, on request. A semiannual report for all losses, including non-material losses, incurred by the Fund shall be prepared and submitted to the Board and Congress within 90 days at the end of each six month period starting with the period ended March 31, 2010. The report shall identify any loss that requires further review. These reports shall be subject to GAO review and recommendations. (12 U.S.C. §1790(d)(j), *as added by* §988(a))

Subject	Provisions (Citation)
8 - GAO Study of Proprietary Trading	Covered Entities Definition. Insured depository institutions and their affiliates, bank holding companies and their subsidiaries, financial holding companies and their subsidiaries and any other entity designated by the U.S. Comptroller General. Proprietary Trading Definition: The act of a covered entity investing as principal in securities, commodities, derivatives, hedge funds, private equity firms or such other financial entities as the Comptroller General designates. Subject of Study. The Comptroller General shall study the risks and conflicts associated with proprietary trading by and within covered entities, evaluating whether: (i) proprietary trading presents a material systemic risk to the stability of the U.S. financial system; (ii) proprietary trading present material risks to the safety and soundness of the covered entities that engage in such activities; (iii) proprietary trading presents material conflicts of interest between covered entities that engage in proprietary trading and the clients of the institutions who use the firm to execute trades or who rely on the firm to manage assets; (iv) adequate disclosure regarding the risks and conflicts of proprietary trading is provided to depositors, trading and asset management clients and investors of covered entities that engage in proprietary trading; and (v) the banking securities and commodities regulators of institutions that engage in proprietary trading have in place adequate systems and controls to monitor and contain risks and conflicts of interest related to proprietary trading. The costs and benefits of options for mitigating such risks and conflicts of interest, and for improving disclosure and systems and controls to monitor and contain risks and conflicts of interest must also be analyzed. The Comptroller General shall consider current practices, the advisability of a complete ban, limitations on the scope of permissible proprietary trading, additional capital requirements, enhanced restrictions on transactions between affiliates, enhanced accounting disclosures, enhanced public disclosure and other options. Report. The Comptroller General shall make a report to Congress within 15 months after the Date of Enactment. Requirements Regarding Information. The Comptroller General shall have access to any information of a covered entity engaging in proprietary trading but may not disclose specific information about trading positions or strategy or the identity of individuals interviewed except to an agent or agency of the federal government for official use, a Congressional Committee or pursuant to a court order. (§989)

Subject	Provisions (Citation)
9 - Senior Investor Protection	Misleading Designations. A certification, professional designation, or other purported credential that indicates or implies that a salesperson or adviser has special certification or training in advising or servicing seniors; and does not include a certification, professional designation, license, or other credential that (i) was issued by or obtained from an academic institution having regional accreditation; (ii) meets the standards for certifications and professional designations outlined by the NASAA Model Rule on the Use of Senior-Specific Certifications and Professional Designations (the "NASAA Model Rule") or by the Model Regulations on the Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities adopted by the NAIC (the "NAIC Model Regulation"); or (iii) was issued by or obtained from a state. Grants. Grants of up to $500,000 a year for up to three consecutive years are available to be used to hire investigatory and prosecutorial staff, fund technology and equipment and educate staff and seniors regarding misleading designations. The grants are available to (A) state securities commissions whose rules meet or exceed the NASAA Model Rule; (B) insurance commissions that (i) have adopted rules that conform, to the extent practicable, to the minimum requirements of the NAIC Model Regulation, and (ii) have adopted rules with respect to fiduciary or suitability requirements in the sale of annuities that meet or exceed the minimum requirements established by the NAIC Model Regulation on Suitability in Annuity Transactions; and (C) state consumer protection agencies if the securities commission or like agency of the state is eligible under clause (A) or the insurance commission of the state is eligible under clause (B), and to sub-grantees. (§989A)
10 - Inspector General appointed and reports to the board or commission	The definition of "head of designated Federal entity" is modified to mean in the first instance the board or commission of the designated entity, and if no board or commission exists, then the chief person. The effect of the change is that the Inspector General is appointed by and reports to the board or commission of an agency and not to the head of the agency. (5 U.S.C. App. 8G, *as added by* §989B)
11 - Strengthening Accountability	The Inspector General is required to include in biannual reports (i) an appendix containing the results of peer reviews conducted by another Office of Inspector General during the last six months, (ii) a list of outstanding peer review recommendations that have not been implemented, including status, and (iii) a list of peer reviews and outstanding recommendations for another Office of the Inspector General. (5 U.S.C. App. 5(a), *as added by* §989C)
12 - Removal	For a designated federal entity with a board or commission, an inspector general may only be removed by a written concurrence of two-thirds of the board or commission. (5 U.S.C. App. 8G(e), *as added by* §989D)

Subject	Provisions (Citation)
13 - Council of Inspectors General on Financial Oversight	The Council is chaired by the Inspector General of the Treasury Department and includes the inspectors general of the FRB, CFTC, HUD, Treasury, FDIC, Federal Housing Finance Committee, National Credit Union Administration, SEC and TARP (*until position is terminated*). (§989E(a)(1)) Financial Oversight. The Council shall meet at least every quarter and discuss ways to improve financial oversight in the broad financial market. The Council shall issue an annual report addressing the concerns and recommendations of each inspector general and a summary of general views of the Council, with a focus on measures to improve financial oversight. (§989E(a)(2)). The report shall be submitted to Congress and the Council shall respond to concerns raised in the report. (§989E(a)(2)-(3))
14 - GAO Study	Person to Person Lending Study. The Comptroller General shall study person to person lending to determine the optimal federal regulatory structure. In consultation with other groups and experts, the study shall examine: (i) the current regulatory structure including the Securities Act, EDGAR's consumer loan information, and the treatment of privately held lending platforms as public companies; (ii) state and federal regulators who oversee person to person lending; (iii) other studies; (iv) existing safeguards; and (v) the uses of person to person lending. The Comptroller General shall prepare a report, which shall include alternative regulatory options that involve other federal agencies and alternative approaches. The report shall be submitted to the Senate Banking, Housing and Urban Affairs Committee and the House Financial Services Committee within one year of the Date of Enactment. The Council shall respond to concerns raised in the report. (§989F)
15 - Sarbanes-Oxley Act § 404(b) – Small Cap Exemption to Management Assessment of Internal Controls	Issuers that are not "large accelerated filers" or "accelerated filers" will be exempt from Sarbanes-Oxley Act §404(b), which requires issuers to provide an attestation report by their external auditor on management's assessment of internal controls over financial reporting. Such non-accelerated filers would include issuers that have a market capitalization of less than $75 million or are newly registered companies (less than 12 months). (Sarbanes-Oxley Act §404(c), *as added by* §989G(a)) Moreover, the SEC is to conduct a study, and report to Congress within nine months of the Date of Enactment, on reducing the burden of companies with market capitalizations between $75-250 million of complying with Sarbanes-Oxley Act §404(b). (§989G(b))
16 - Corrective Responses by Heads of Certain Establishments to Deficiencies Identified by Inspectors General	Addressing Deficiencies Described in Inspector General Report. The Chairman of the FRB, the Chairman of the CFTC, the Chairman of the National Credit Union Administration, the Director of the Pension Benefit Guaranty Corporation, and the Chairman of the SEC shall each take action to address deficiencies identified by a report or investigation of the Inspector General of the establishment concerned; or certify to both Houses of Congress that no action is necessary or appropriate in connection with a deficiency described in any such report. (§989H)

Subject	Provisions (Citation)
17 - GAO Study Regarding Exemption for Smaller Issuers	Within three years of the Date of Enactment, the GAO is to conduct a study on the effect of the Dodd-Frank Act on Sarbanes-Oxley Act §404(b), including (i) a comparison of exempt issuers' frequency of accounting restatements and cost of capital and of investor confidence in the integrity of the financial statements of exempt issuers compared to other issuers, (ii) whether issuers that do not receive an attestation for internal controls should be required to disclose the lack of such attestation, and (iii) the costs and benefits to exempt issuers that have voluntarily obtained an attestation from an independent auditor. (§989I)
18 - Further Promoting NAIC Model Regulations that Enhance the Protection of Seniors and Others	Fixed Income Annuities. The SEC shall treat as an exempt security: (i) any insurance or endowment policy or annuity contract or optional annuity contract the value of which does not vary according to the performance of a separate account and satisfies standard nonforfeiture laws or similar requirements of the applicable state at the time of issue; or (ii) in the absence of applicable standard nonforfeiture laws or requirements, satisfies the Model Standard Nonforfeiture Law for Life Insurance or Model Standard Nonforfeiture Law for Individual Deferred Annuities, or any successor model law, as published by the NAIC; and (iii) that is issued on and after June 16, 2013, in a state, or issued by (A) an insurance company that is domiciled in a state, that (x) adopts rules that govern suitability requirements in the sale of an insurance or endowment policy or annuity contract or optional annuity contract, which substantially meet or exceed the minimum requirements established by the Suitability in Annuity Transactions Model Regulation adopted by the NAIC in March 2010; and (y) adopts rules that substantially meet or exceed the minimum requirements of any successor modifications to the model regulations described above within five years of the adoption by the NAIC of any further successors thereto; or (B) by an insurance company that adopts and implements practices on a nationwide basis for the sale of any insurance or endowment policy or annuity contract or optional annuity contract that meet or exceed the minimum requirements established by the NAIC Suitability in Annuity Transactions Model Regulation (Model 275), and any successor thereto, and is therefore subject to examination by the state of domicile of the insurance company, or by any other state where the insurance company conducts sales of such products, for the purpose of monitoring compliance under §989J. Variable Products. Nothing in §989J shall be construed to affect whether any insurance or endowment policy or annuity contract or optional annuity contract that is not described therein is or is not an exempt security under §3(a)(8) of the Securities Act. (§989J)

Subject	Provisions (Citation)
N - *SEC Match Funding (Subtitle J)*	
1 - SEC Match Funding	The SEC is to collect transaction fees and assessments that are designed to recover the costs to the Government of the annual appropriation to the SEC by Congress. The SEC is to adjust, by order, the fee rates for a fiscal year to a uniform adjusted rate that is reasonably likely to produce aggregate fee collections that are equal to the regular appropriation to the SEC by Congress for such fiscal year. The SEC may adjust this rate, as needed, by March 1 of such fiscal year. (15 U.S.C. 78ee and 15 U.S.C. 78n(g), *as amended by* §991) SEC Reserve Fund. A separate fund, known as the "Securities and Exchange Commission Reserve Fund" is established in the U.S. Treasury, where the SEC is to deposit any registration fees collected, but not in excess of $50 million for any one fiscal year. The balance of the account shall not exceed $100 million. Any excess amounts are deposited in the General Fund of the Treasury and are not available for obligation by the SEC. (15 U.S.C. 78d, 15 U.S.C. 78m(e) and 15 U.S.C. 78n(g), *as amended by* §991) Effective Date. The amendments shall take effect on the later of October 1, 2011 or the Date of Enactment, making a regular appropriation to the SEC for fiscal year 2012. (15 U.S.C. 78ee, *as amended by* §991) The amendments establishing the Reserve Fund shall take effect on October 1, 2011. (15 U.S.C. 78d, *as amended by* §991) Title IX, Subtitle J also addresses other issues related to the SEC budget and appropriation process.
Title X - Bureau of Consumer Financial Protection	**Consumer Financial Protection Act of 2010**
A - *Structure; Funding, Formation and Relationship with Other Agencies*	
1 - Structure	Establishes the independent Bureau of Consumer Financial Protection (the "Bureau") within the FRB. The FRB is generally prohibited from intervening with respect to Bureau matters, including rulemaking, orders, and personnel. With regard to congressional testimony, specifically exempts reports and testimony of Bureau officials from legislative clearance by any other executive agency. (§§1011-1013)
2 - Director	Director retains the full authority of the Bureau and is appointed by the President, subject to Senate confirmation, for a 5-year term, and reports directly to the President. President may remove the Director at any time for cause, defined as "inefficiency, neglect of duty, or malfeasance in office." (§1011)

Subject	Provisions (Citation)
3 - Funding	The FRB will fund the new Bureau from the combined earnings of the Federal Reserve System, in an amount determined by the Director, but not in excess of a fixed percentage of Federal Reserve System operating expenses, set at 12% in 2013 and each year thereafter and adjustable annually. The Director may determine that such funds are insufficient and seek congressional appropriations. (§§1011-1019)
4 - Formation and Effective Dates	Certain administrative, rulemaking, and supervisory functions of the Bureau will be effective upon the Date of Enactment. Other authorities, enforcement powers, and functions transferred to the Bureau from other federal agencies will take effect on a date to be determined by the Treasury Secretary after consultation with affected agencies, and which date must be within 18 months of the Date of Enactment. (§§1011-1018; 1029A; 1037; 1048; 1058; 1061-1066)
5 - Delegation by the Federal Reserve and Transfer of Functions from other Agencies	The FRB may delegate to the Bureau "the authorities to examine [entities] subject to the jurisdiction of [the FRB]" with respect to federal consumer financial laws. (§1012(c)) Certain consumer financial protection functions of federal agencies, including the FRB, OCC, OTS, FDIC, NCUA, and HUD, including the authority to prescribe rules or issue orders or guidelines pursuant to the Enumerated Consumer Protection Laws, and the examination authority with respect to "very large" banks, thrifts, and credit unions, are transferred to the Bureau. (§1061)
6 - Relationship with the Federal Trade Commission	The authority of the FTC under an Enumerated Consumer Protection Law to prescribe rules, issue guidelines, or conduct a study or issue a report mandated under such law shall be transferred to the Bureau, but the FTC's authority under the FTC Act and other laws remains with the FTC. The Bureau and the FTC will each have certain authority to enforce rules prescribed by the other agency. The Bureau must consult with the FTC in defining who are nondepository covered persons, and must reach an agreement with the FTC with respect to rule-making and enforcement actions regarding nondepository covered persons and their service providers. If one agency has instituted a civil action against a party, the other agency is generally prohibited from doing so independently but may intervene in the existing action. (§§1001(14); 1013; 1024; 1061(b)(5), 1061(d))

Subject	Provisions (Citation)
7 - Relationship with the Banking Agencies	In instances where the Bureau and another banking or regulatory agency (including state authorities) share supervisory authority over a "very large" bank, thrift or credit union, the agencies are to take efforts to coordinate supervision. If there is a supervisory conflict, upon the request of the affected institution, the Bureau and other agency are required to provide a joint statement of coordinated supervisory action to the institution, and there are procedures for the affected institution to appeal to a governing panel. The panel will include a member of the Bureau, the other agency, and a representative of the one of the following, so long as the agency is not involved in the underlying conflict: the FRB, FDIC, OCC, or NCUA. Federal agencies other than the Bureau and FTC retain certain "back-up" authority to enforce federal consumer financial laws with respect to "very large" institutions in the event the Bureau is provided notice and fails to take action. (§1025(c), (e))
8 - Council Review of Bureau Rulemaking	The Council established under Title I, on the petition of a member agency and by a two-thirds vote, may set aside a regulation of the Bureau. (§1023)
B - *Jurisdiction*	
1 - "Very Large" Banks, Thrifts, and Credit Unions	The Bureau shall have certain supervisory and enforcement authority regarding insured depository institutions and insured credit unions with more than $10 billion in assets. Assets may be measured by combining subsidiaries and affiliates. Such "very large" financial institutions will be subject to the Bureau's rulemaking, supervisory, and enforcement authority regarding the consumer financial protection laws the Bureau enforces. The Bureau is also charged with reporting to the IRS any tax noncompliance it uncovers. (§1025)
2 - "Other" Banks, Thrifts, and Credit Unions	"Other" smaller insured depository institutions and insured credit unions, with $10 billion or less in assets, will be subject to the Bureau's rulemaking authority, but existing banking agencies continue to have supervisory and enforcement authority, except that the Bureau will have the authority to: (i) require reports from such entities; (ii) refer suspected violations law to other agencies; (iii) report tax noncompliance; and (iv) include its examiners in the reviews conducted by other agencies. (§1026)

Subject	Provisions (Citation)
3 - Covered Persons and Nondepository Covered Persons	A "covered person" is any person that engages in offering or providing a consumer financial product or service, and any affiliate of such person that acts as a service provider to that person. (§§ 1002(6), 1024) (see "Definition of Financial Product or Service" and "Definition of Consumer Financial Product or Service" below) The Bureau shall generally have supervisory and enforcement authority over a nondepository covered person that: (i) offers or provides "origination, brokerage, or servicing of loans secured by real estate for use by consumers primarily for personal, family, or household purposes, or loan modification or foreclosure relief services in connection with such loans," (ii) is a "larger participant [in the] market for other consumer financial products or services, as defined by rule," (iii) that the Bureau reasonably determines, by order after notice and an opportunity to respond, is engaged in conduct that poses risks to consumers regarding the offering or provision of consumer financial products or services, (iv) offers or provides a consumer private education loans under Truth in Lending Act §140, 15 U.S.C. §1650, or (v) offers or provides a consumer a payday loan. (§1024(a)) The Bureau will issue regulations to define such covered persons, and in assessing an entity's activity levels, the Bureau will aggregate the activities of all its non-depository affiliates.
4 - Service Providers	A service provider to a nondepository covered person, to a very large bank, thrift, or credit union, or to a substantial number of other, smaller banks, thrifts, and credit unions shall be subject to the authority of the Bureau to the same extent as if the Bureau were an appropriate Federal bank agency under Bank Service Company Act §7(c) (12 U.S.C. §1867(c)). (§§1024(e); 1025(d); 1026(e))
5 - Exemptions for Insurance, Securities, Commodities, and Others	The Bureau is prohibited from exercising rulemaking, supervisory, enforcement or other authority with respect to persons regulated by a state insurance regulator, state securities commission, the SEC and CFTC, as well as accountants, attorneys, merchants/retailers, real estate brokers, and certain other identified entities, in certain circumstances generally other than when such entities offer consumer financial products or services or are otherwise subject to the Enumerated Consumer Protection Laws. (§1027)

Subject	Provisions (Citation)
6 - Definition of Financial Product or Service	Financial products and services are defined generally to include: (i) extending credit and servicing loans, including acquiring, purchasing, selling, brokering, or other extensions of credit (other than solely extending commercial credit to a person who originates consumer credit transactions); (ii) extending or brokering certain leases of personal or real property that are the functional equivalent of purchase finance arrangements; (iii) providing real estate settlement services; (iv) engaging in deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds or any financial instrument for use by or on behalf of a consumer; (v) providing or issuing stored value or payment instruments and selling such instruments in certain circumstances; (vi) providing check cashing, check collection, or check guaranty services; (vii) providing certain payments or other financial data processing products or services; (viii) providing certain financial advisory services other than those regulated by the SEC or state securities regulators; (ix) collecting, analyzing, maintaining, or providing consumer report information or other account information subject to certain exceptions; (x) collecting debt related to any consumer financial product or service; and (xi) such other financial product or service as may be defined by the Bureau, by regulation if the Bureau finds it is a entered into or conducted as a subterfuge or permissible for a bank or financial holding company, subject to certain identified exceptions, and which has or likely will have a material impact on consumers. The business of insurance and electronic conduit services are excluded from this definition. (§1002(15))
7 - Definition of Consumer Financial Product or Service	A "consumer" financial product or service is one that that "is offered or provided for use by consumers primarily for personal, family, or household purposes" or is one of the financial products or services identified in (i), (iii), (ix), or (x) above and is delivered, offered, or provided in connection with a consumer financial product or service. (§1002(5)) A "consumer" is an individual or an agent, trustee, or representative acting on behalf of an individual. (§1002(4))

Subject	Provisions (Citation)
C - *Areas of Substantive Authority*	
1 - Enumerated Consumer Protection Laws	The Bureau will become responsible for writing rules, implementing, and enforcing the following federal laws (except as otherwise specifically provided in §1029 and Title X, Subtitles G or H): (i) Alternative Mortgage Transaction Parity Act of 1982 (12 U.S.C. §3801 et seq.); (ii) Consumer Leasing Act of 1976 (15 U.S.C. §1667 et seq.); (iii) Electronic Fund Transfer Act, except for §920 (15 U.S.C. §1693 et seq.), except with respect to §920 of that Act; (iv) Equal Credit Opportunity Act (15 U.S.C. §1691 et seq.); (v) Fair Credit Billing Act (15 U.S.C. §1666 et seq.); (vi) Fair Credit Reporting Act (15 U.S.C. §1681 et seq.), except with respect to §§615(e) and 628 of that Act (15 U.S.C. §§1681m(e), 1681w); (vii) Home Owners Protection Act of 1998 (12 U.S.C. §4901 et seq.); (viii) Fair Debt Collection Practices Act (15 U.S.C. §1692 et seq.); (ix) FDIA §43(b)-(f) (12 U.S.C. §1831t(c)–(f)); (x) Gramm-Leach-Bliley Act (§§502 through 509) (15 U.S.C. §§6802– 6809) except for §505 as it applies to §501(b); (xi) Home Mortgage Disclosure Act of 1975 (12 U.S.C. §2801 et seq.); (xii) Home Ownership and Equity Protection Act of 1994 (15 U.S.C. §1601 note); (xiii) Real Estate Settlement Procedures Act of 1974 (12 U.S.C. §2601 et seq.); (xiv) S.A.F.E. Mortgage Licensing Act of 2008 (12 U.S.C. §5101 et seq.); (xv) Truth in Lending Act (15 U.S.C. §1601 et seq.); (xvi) Truth in Savings Act (12 U.S.C. §4301 et seq.); (xvii) Omnibus Appropriations Act §626, 2009 (Public Law 111–8). §1002 (12, 14); and (xviii) Interstate Land Sales Full Disclosure Act (15 U.S.C. §1701), (collectively "Enumerated Consumer Protection Laws"). (§1002(12))
2 - Power to Restrict Mandatory Arbitration Clauses	Bureau by regulation may prohibit or impose conditions or limitations on the use of an agreement between a covered person and a consumer for a consumer financial product or service providing for arbitration of any future dispute between the parties; an exception exists for arbitration agreements entered into voluntarily after a dispute has arisen. (§1028)
3 - Regulation and Enforcement against Unfair, Deceptive and Abusive Practices	Bureau may prescribe rules and take enforcement actions with respect to covered persons and service providers to prevent unfair, deceptive and abusive practices in connection with a consumer financial product or service. Subject to the limitations outlined below, the Bureau's rulemaking power includes the authority to identify practices that meet these definitions. (§1031(a)-(b))
4 - Unfair Practices	Bureau may not declare an act or practice in connection with a consumer financial product or service to be unlawful on the grounds that such act or practice is unfair, unless the Bureau has a reasonable basis to conclude that "(A) the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and (B) such substantial injury is not outweighed by countervailing benefits to consumers or to competition." (§1031(c))

Subject	Provisions (Citation)
5 - Abusive Practices	Bureau may not declare an act or practice abusive in connection with the provision of a consumer financial product or service, unless the act or practice "(1) materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service; or (2) takes unreasonable advantage of (A) a lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service; (B) the inability of the consumer to protect the interests of the consumer in selecting or using a consumer financial product or service; or (C) the reasonable reliance by the consumer on a covered person to act in the interests of the consumer." (§1031(d))
6 - Deceptive Practices	Title X does not provide guidance on deceptive practices. Pursuant to §§1031(a) and 1031(b) and the Bureau's general regulatory authority, the Bureau may define and address such practices through rulemaking. (§1031)
7 - Interchange Fees	Amends the Electronic Fund Transfer Act to add a new section 920 and regulate interchange transaction fees for electronic debit transactions, including a requirement that interchange transaction fees that an issuer may receive or charge with respect to an electronic debit transaction shall be "reasonable and proportional to the cost incurred by the issuer with respect to the transaction," and related regulations regarding exclusivity arrangements, restrictions on offering discounts for use of certain forms of payment, and restrictions on setting transaction minimums or maximums. (§1075)
8 - Consumer Remittances	Amends the Electronic Fund Transfer Act regarding regulation of consumer remittances with respect to certain storefront, internet, and telephone remittance services and obligations regarding disclosure, language accessibility, currency, refund, and processes for error resolution. (§1074)
9 - Disclosures	Bureau may prescribe rules to ensure that the features of any consumer financial product or service are fully, accurately, and effectively disclosed to consumers to permit consumers to understand their costs, benefits, and risks. Bureau must take into account "available evidence about consumer awareness, understanding of, and responses to disclosures or communications about the risks, costs, and benefits of consumer financial products or services." (§1032(c)). Bureau may develop model disclosure forms, validated through consumer testing, the use of which will provide a safe harbor to be deemed in compliance with the disclosure requirements. (§1032)
10 - Consumer Rights to Access Information	Requires a covered person to make available to a consumer, upon request, information in the control or possession of the covered person concerning the consumer financial product or service the consumer obtained from such covered person, including information relating to any transaction, series of transactions, or to the account including costs, charges and usage data"; however, certain confidential business and other information is protected from disclosure. (§1033)
11 - No Usury Limits	No provision of Title X may be construed as conferring authority on the Bureau to establish a usury limit for an extension of credit by a covered person to a consumer, unless authorized by law. (§1027(o))

Subject	Provisions (Citation)
12 - Prohibited Acts	Provides that it shall be unlawful for a covered person or service provider to offer or provide to a consumer any financial product or service not in conformity with federal consumer financial law or otherwise commit any act or omission in violation of such law; to engage in any unfair, deceptive, or abusive act or practice; to fail or refuse, as required by federal consumer financial law or Bureau rule or order, to permit access to records, establish or maintain records, or make reports or provide information to the Bureau. Provides an exception for selling time or space to a covered person or service provider placing an advertisement. (§1036)
D - *State Enforcement and Preemption*	
1 - Enforcement by State Attorneys General and Other State Regulators	State Attorneys General may generally enforce both Title X and Bureau regulations by civil suit in federal court or in a state court having jurisdiction, but may enforce only Bureau regulations, not Title X, against national banks and federal thrifts. Other State regulators may bring actions against entities that are state-chartered, incorporated, licensed, or otherwise authorized to do business under state law. The attorneys general and state regulators must first consult with the Bureau before bringing an action, and the Bureau may prescribe rules and guidance to further such coordination. (§1042)
2 - Preemption Standards for National Banks and Federal Thrifts	State consumer financial laws are generally not preempted for national banks unless such laws: (i) discriminate against national banks in favor of state banks; (ii) prevent or significantly interfere with the exercise by the national bank of its powers, in accordance with the preemption standard established in *Barnett Bank of Marion County, N.A. v. Nelson, Florida Insurance Commissioner, et al.*, 517 U.S. 25 (1996); or (iv) are preempted by another provision of federal law. Any such preemption determinations may be made by a court, or by the OCC on a case-by-case basis with respect to a particular state consumer financial law or other state law with substantially equivalent terms. (§1044) Federal preemption will not apply to subsidiaries and affiliates of national banks that are not themselves national banks. (§1045) The preemption standards for federal thrifts are made the same as those for national banks. (§1046)
3 - Visitorial Standards	In accordance with the decision in *Cuomo v. Clearing House Ass'n., L L.C.* (129 S. Ct. 2710 (2009)), the visitorial powers provisions of federal law shall not be construed to limit the authority of State Attorneys General to bring an action in court, nor does the OCC's enforcement authority or FTC Act § 5 preclude a private party from enforcing rights granted under Federal or State law in the courts, against national banks. The same standards are applied to federal thrifts. (§1047).
E - *Investigation and Enforcement*	
1 - Investigation and Information Gathering	Gives Bureau broad powers to investigate potential violations, obtain documents and information, inspect and copy records, and compel statements and testimony. (§1052)

Subject	Provisions (Citation)
2 - Administrative Proceedings	The Bureau is authorized to conduct administrative hearings and adjudication proceedings to enforce Title X, Bureau regulations, and other federal laws the Bureau is authorized to enforce, which may result in the imposition of cease-and-desist orders and other penalties. (§§1053, 1055)
3 - Litigation Authority	If a person violates federal consumer financial law, the Bureau may bring a civil action, in its own name, to impose a civil penalty or seek other appropriate legal and equitable relief. (§1054)
4 - Remedies	In administrative proceedings or court actions, the court or Bureau may grant appropriate legal or equitable relief, including civil money penalties, damages, restitution, disgorgement, rescission, refunds and other relief. (§1055)
5 - Referral for Criminal Prosecution	The Bureau may refer matters to the Department of Justice for criminal investigation and prosecution. (§1056)
6 - Statute of Limitations	No action may be brought under Title X more than three years after the date of discovery of the violation, except as otherwise provided for an action arising solely under an Enumerated Consumer Protection law, or otherwise permitted by law or equity. (§1054(g))
F - *Protections for Whistleblowers and Employees*	
1 - Discrimination & Retaliation Banned	No covered person or service provider may retaliate against employees who report violations, cooperate with authorities, or refuse to perform work that the employee "reasonably believe[s]" may violate laws and rules enforced by the Bureau. (§1057)
2 - Employee Remedies	Employees retaliated against may recover back pay, interest, and be reinstated to prior status. (§1057)
3 - Administrative Process for Whistleblower Claims	Establishes a process within the Department of Labor for investigation of such claims, hearings and fact finding, attorney fee awards, and penalties. (§1057(c)) Bans enforcement of employment policies or mandatory arbitration agreements with respect to such claims, other than certain collective bargaining agreements, unless the Bureau provides otherwise through its rulemaking authority. (§1057(d))
G - *Offices of the Bureau and Missions Served*	
1 - Office of Financial Education	Office of Financial Literacy ("OFE") will "be responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions." (§1013(d))

Subject	Provisions (Citation)
2 - Research Functional Unit	Research Functional Unit will study consumer economic behavior, the markets, financial products and services, and the access of "traditionally underserved" communities to such products and services. (§1013(b))
3 - Community Affairs Functional Unit	Community Affairs Functional Unit will offer "information, guidance, and technical assistance regarding the offering and provision of consumer financial products or services to traditionally underserved consumers and communities." (§1013(b))
4 - Office of Fair Lending and Equal Opportunity	Office of Fair Lending and Equal Opportunity ("OFLEO") will provide oversight and enforcement of federal laws intended to ensure the "fair, equitable, and nondiscriminatory access to credit" for both individuals and communities by working with private industry, fair lending, civil rights, and consumer and community advocates on the promotion of fair lending compliance and education. (§1013(e)) OFLEO will also make "annual reports to Congress on the efforts of the Bureau to fulfill its fair lending mandate." (§1013(e))
5 - Office of Financial Protection for Older Americans	Office of Financial Protection for Older Americans ("OFPOA") will provide functions similar to the OFE but with a specific focus on Americans at least 62 years old and will produce recommendations on legislation to improve financial services to seniors, including a certification or credentialing system for financial advisors that senior citizens can easily access. (§1013(g))
6 - Consumer Advisory Board	Consumer Advisory Board is established for the purpose of advising the Bureau to assemble "experts in consumer protection, financial services community development, fair lending, and consumer financial products or services and representatives of depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation." (§1014(b))
7 - International Automated Clearing House	Instructs the FRB to work with the Federal Reserve Banks and the Department of the Treasury to expand the use of the automated clearing house ("ACH") system with a focus on countries that receive significant remittance transfers from the United States and requires related reports to Congress. (§1074(b))
8 - Office of Service Member Affairs	Office of Service Member Affairs will perform functions similar to OFE but with a special focus on the service members and military families. (§1013(e))
9 - Private Student Loan Ombudsman	Private Student Loan Ombudsman's office serves to "receive, review, and attempt to resolve informally complaints from borrowers" of such loans, including attempts to resolve such complaints in collaboration with the Department of Education and with institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in private education loan programs. (§1035(c))

Subject	Provisions (Citation)
H - *New Government Studies and Reports*	
1 - Private Student Loans	The Director and the Secretary of Education, in consultation with other agencies, must issue a report to Congress about private educational lending, including data on borrowers, lending business models, and compliance with federal law. (§1078)
2 - Fannie Mae & Freddie Mac	Department of the Treasury will study and report on ending the conservatorship of Fannie Mae and Freddie Mac and related questions regarding reform of the housing finance system. (§1074)
3 - Consumer Credit Scores & Credit Reporting	The Bureau must study and report to Congress on "the nature, range, and size of variations between the credit scores sold to creditors and those sold to consumers by consumer reporting agencies that compile and maintain files on consumers on a nationwide basis …and whether such variations disadvantage consumers." (§1079)
4 - Arbitration Clauses	The Bureau must study and report to Congress on the use of mandatory pre-dispute arbitration clauses in connection with consumer financial products or services. (§1028(a))
Title XI - Federal Reserve System Provisions	
A - *Federal Reserve Emergency Lending Authority*	
1 - Emergency Lending Limited to Broad-Based Programs	Discount Window. Section 13(3) of the Federal Reserve Act is amended to provide that the FRB may only authorize a Federal reserve bank to discount obligations for participants in a program or facility "with broad-based eligibility." (12 U.S.C. §343(3)(A), *as amended by* §1101(a)(2)) Broad-Based Eligibility. A program is not considered broad-based if it is structured to remove assets from a single and specific company's balance sheet, or if it is established to assist a single and specific company in avoiding bankruptcy, resolution under Title II, or any other insolvency proceeding. (12 U.S.C. §343(3)(B)(iii), *as added by* §1101(a)(6)) Bankruptcy. Any realized net loss incurred by a Federal reserve bank to a company that subsequently becomes subject to a liquidation proceeding under Title II or a bankruptcy proceeding under the Bankruptcy Code will have a priority in the Title II proceeding or the bankruptcy proceeding. (12 U.S.C. §343(3)(E), *as added by* §1101(a)(6))

Subject	Provisions (Citation)
2 - FRB Emergency Lending Rulemaking	Rulemaking. The FRB is required to establish by regulation, in consultation with the Treasury Secretary, the policies and procedures related to emergency lending as soon as practicable. These policies and procedures must be designed to ensure that the program is for the purpose of providing liquidity to the financial system, and not to aid a failing financial company. (12 U.S.C. §343(3)(B)(i), *as added by* §1101(a)(6)) Requirement of Security. The procedures established must also ensure that the security for emergency loans is sufficient to protect taxpayers from losses and that a Federal reserve bank assign a lendable value to all collateral for an emergency loan. (12 U.S.C. §343(3)(B)(i), *as added by* §1101(a)(6)) Requirement of Solvency. Additionally, the procedures must prohibit insolvent borrowers from receiving an emergency loan. The procedure may include a certification from an authorized officer of the borrower at the time of initial borrowing that the borrower is not insolvent. (12 U.S.C. §343(3)(B)(ii), *as added by* §1101(a)(6)) Approval. The FRB may not establish any program or facility under this emergency lending authority without prior approval of the Treasury Secretary. (12 U.S.C §343(3)(B)(iv), *as added by* §1101(a)(6))
3 - Reports to Congress from FRB	Report to Congress. Within seven days of authorization of any loan or financial assistance under this authority, the FRB must report to the Senate Banking Committee and the House Committee on Financial Services the justification for the assistance, the identity of the recipients, the date, amount, and form of assistance, and the material terms of the assistance. (12 U.S.C. §343(3)(C), *as added by* §1101(a)(6)) Material Terms. Material terms include duration, collateral pledged and its value, any interest or items of value to be received in exchange for the loan, restrictions or requirements on corporate decisions, and expected taxpayer cost. (12 U.S.C. §343(3)(C)(i)(IV), *as added by* §1101(a)(6)) Updates. Every 30 days, the FRB must give written updates on the value of the collateral, the amount of interest or items of value received in exchange for the aid, and the expected or final taxpayer cost. (12 U.S.C. §343(3)(C)(ii), *as added by* §1101(a)(6)) Confidentiality. Upon written request of the Chairman of the FRB, the required information concerning the identity of participants, the amounts borrowed, or identifying information relating to the collateral shall be kept confidential and made available only to the Chairpersons or Ranking Members of the Committees. (12 U.S.C. §343(3)(D), *as added by* §1101(a)(6)) GAO Audit. Any credit facility established by the FRB is subject to audit by the GAO (see "Reports to Congress on FRB's Credit Facilities from GAO" below). (31 U.S.C. §714(f), *as added by* §1102)

Subject	Provisions (Citation)
B - *Emergency Financial Stabilization*	
1 - General	Stabilization Program. Upon a written finding of a liquidity event (defined below) by the FDIC and the FRB, the FDIC shall create a widely available emergency financial stabilization program to guarantee the obligations of solvent depository institutions, depository institution holding companies, and their affiliates during times of severe economic stress. The guarantees may not include the provision of equity in any form. (§1105(a)) Rulemaking. The FDIC, in consultation with the Treasury Secretary, shall as soon as practicable after the Date of Enactment establish by regulation policies and procedures governing the issuance of guarantees under this authority. These regulations may include a requirement of collateral. (§1105(b)(1)) Program Terms. The terms and conditions of any guarantee program shall be established by the FDIC with the concurrence of the Treasury Secretary. (§1105(b)(2)) Guarantee Limit. The maximum amount of debt that the FDIC may guarantee will be determined by the Treasury Secretary in consultation with the President and subject to passage of a Congressional joint resolution of approval. (§1105(c)(1)) The maximum may be increased only upon a written report to Congress by the President, and a Congressional resolution of joint approval. (§1105(c)(2)) Approval Process. The Congressional joint approval resolution process is subject to special procedural rules to expedite consideration. (§1105(d))
2 - Liquidity Events	Definition. A liquidity event is defined as an exceptional and broad reduction in the general ability of market participants to sell financial assets without an unusual and significant discount or to borrow using financial assets as collateral without an unusual and significant increase in margin, or as an unusual and significant reduction in the ability of financial market participants to obtain unsecured credit. (§1105(g)(3)) Finding. At the request of the Treasury Secretary, the FDIC and the FRB will determine whether there is a liquidity event. (§1104(a)(1)) This finding requires a 2/3 vote of the members of both the FDIC and the FRB that a liquidity event exists. (§1104(b)) The written determination shall include an evaluation of the evidence that to avoid serious adverse effects on the U.S.'s financial stability or economic conditions, an emergency financial stabilization program is needed. (§1104(a)(2)) Reports. The Treasury Secretary will maintain written documentation of each determination of a liquidity event, and shall provide this documentation for the GAO to review in preparing its report to Congress. (§§1104(c)(1), 1104(c)(2)) The Treasury Secretary must also provide a report to Congress on the earlier of the date of the GAO's review, or within 30 days of a liquidity event determination. (§1104(d))

Subject	Provisions (Citation)
3 - Funding	In General. The FDIC may borrow funds from the Treasury needed to carry out any guarantee program, including funds for administrative costs. (§1105(e)(3)(A)) However, the FDIC may not borrow funds from the Deposit Insurance Fund for purposes of a guarantee program. (§1105(e)(3)(B)) Fees. The FDIC shall charge fees and other assessments to all participants in the guarantee program, the proceeds of which will repay any and all obligations to the Treasury. The FDIC shall also impose charges on participants if these fees are insufficient to cover expenses or losses. (§§1105(e)(1), 1105(e)(3)(A), 1105(e)(4)) Excess Funds. Any excess funds collected from fees will be deposited into the Treasury. (§1105(e)(2))
4 - FDIC Emergency Assistance Authority	Other Debt Programs Prohibited. The FDIC may not exercise its authority under FDIA §13(c)(4)(G)(i) to establish any other widely available debt guarantee program. (§1106(a)) Any other action allowed under the FDIC's authority in FDIA §13(c)(4)(G)(i) must be for the purpose of winding up an insured depository institution for which the FDIC has been appointed receiver. (§1106(b)) Defaults. The FDIC shall appoint itself receiver of any depository institution that defaults on a guarantee under either the emergency financial stabilization program or the emergency systemic assistance provisions. (§1106(c)(1)) If the company is not a depository institution, the FDIC can require consideration of resolving the company under Title II's authority. (§1106(c)(2)(A)(i)) If the FDIC is not appointed receiver under Title II within 30 days of the default, the FDIC can require the company to file for bankruptcy. (§1106(c)(2)(A)(ii)) The FDIC can also file for bankruptcy on behalf of the defaulting company. (§1106(c)(2)(B))
C - *FRB Governance*	
1 - Selection of Reserve Bank Presidents	The president of a Federal reserve bank shall be selected by Class B directors, who are chosen by member banks to represent the public, and Class C directors, who are appointed by the FRB to represent the public. Class A directors, who represent the interests of the member banks and are chosen by member banks, are no longer allowed to vote for the presidents. (12 U.S.C. §341, *as amended by* §1107)
2 - Vice Chairman for Supervision	A new position on the Federal Reserve Board, the Vice Chairman for Supervision, is created. The Vice Chairman for Supervision will be appointed by the President with the advice and consent of the Senate to develop policy recommendations regarding supervision and regulation of financial firms, including depository institutions. The Vice Chairman for Supervision will also oversee the supervision and regulation of these firms and will report to and appear before Congress semiannually. (12 U.S.C. §242, *as amended by* §1108(a) and §1108(b))
3 - Delegation Prohibited	The FRB may not delegate to a Federal reserve bank its functions for the establishment of policies relating to the supervision and regulation of depository institution holding companies and other financial firms supervised by the FRB. (§1108(c))

Subject	Provisions (Citation)
D - *Related GAO Audits and Reports*	
1 - Reports to Congress on FRB's Credit Facilities from GAO	In General. Any FRB credit facility or program established under Federal Reserve Act §13(3) (12 U.S.C. §343) is subject to audit upon a determination of the GAO that such a review is appropriate to assess the accounting or internal controls of the program, the effectiveness of the collateral policies, whether the program favors one participant over others, and policies governing program contractors. (31 U.S.C. §714(f)(2), *as added by* §1102(a)) GAO reports, which shall include detailed findings and conclusions, shall be submitted to Congress within 90 days of completion of the audit. (31 U.S.C. §§714(f)(3)(A), 714(f)(3)(B), *as added by* §1102(a)) Confidentiality. Identifying details of the program participants, including names, amounts borrowed, and collateral are to be kept confidential, including from Congress, as long as the FRB has kept the information confidential. A year after a credit facility or program ends, a nonredacted version of the GAO report will be released. (31 U.S.C. §714(f)(3)(C), *as added by* §1102(a)) Public Access. These reports will be publicly accessible on the FRB's website not later than six months after they are released. (12 U.S.C. §225b(c)(1), *as added by* §1103(a))
2 - Audit of Financial Assistance Given Prior to Dodd-Frank Act	In General. The GAO will conduct a one-time audit of all financial assistance given by the FRB or a Federal reserve bank under various programs beginning on December 1, 2007 and ending on the Date of Enactment. (§1109(a)(1)) Timing. The audit must begin within 30 days of the Date of Enactment and within a year of Date of Enactment, must be completed and a report must be given to Congress. (§§1109(a)(3), 1109(a)(4)) Audit Requirements. These audits will consider the operational integrity of the program, the effectiveness of the collateral in minimizing risk to taxpayers and the Federal reserve banks, whether the program favors one participant over others, and policies governing program contractors. (§1109(a)(2))
3 - Audit of FRB Governance	Timing. The GAO must complete an audit on the FRB's governance within one year of the Date of Enactment, and must report to Congress within 90 days of the completion of such audit. (§§1109(b)(1)(A), 1109(b)(1)(B)(2)) Audit Requirements. This audit should consider the extent to which the governance adequately represents the public and whether there are any conflicts of interest created when member banks elect the members of the FRB. The audit should also make any recommendations on how to improve any of these factors. (§1109(b)(1)(B))

Subject	Provisions (Citation)
E - *Publication of FRB Actions*	
1 - General	Pre-Dodd-Frank Act Assistance. The FRB must also publish on its website information about financial assistance given under various programs between December 1, 2007 and the Date of Enactment. This information includes the identity of the business, the type of assistance, the value of assistance, the date assistance was provided, the specific terms of the assistance, and the specific rationale for the program. (§1109(c)) Post-Dodd-Frank Act Assistance. Reports to Congress by the FRB on Federal emergency lending, along with the FRB's annual financial statements and any other information the FRB believes is helpful to the public in understanding the way the FRB works, will be publicly accessible on the FRB's website not later than six months after they are released. (12 U.S.C. §§225b(c)(2), 225b(c)(3), 225b(c)(4), *as added by* §1103(a))
Title XII - Improving Access to Mainstream Financial Institutions	**Improving Access to Mainstream Financial Institutions Act of 2010**
A - *Increased Access*	
1 - Expanded Access to Mainstream Financial Institutions	Establishment of Programs. The Treasury Secretary is authorized to establish a multiyear program of grants, cooperative agreements, financial agency agreements, and similar contracts or undertakings to promote initiatives designed to enable low and moderate income individuals to set up accounts in federally insured depository institutions and to improve access to the provision of accounts for such individuals. Program participation is restricted to "eligible entities," which may offer products and services related to these accounts, including small-dollar value loans and financial education and counseling relating to conducting transactions in and managing accounts. (§1204) Eligible Entities. "Eligible entity" is defined as (i) a 501(c)(3) tax exempt organization; (ii) a federally insured depository institution (including any insured depository institution as defined in FDIA §3 (12 U.S.C. §1813) and any insured credit union as defined in Federal Credit Union Act §101 (12 U.S.C. §1752)); (iii) a community development financial institution (as defined in Community Development Banking and Financial Institutions Act of 1994 §103(5) (12 U.S.C. §4702(5) ("CDBFIA")); (iv) a state, local, or tribal government entity; or (v) a partnership or joint venture comprised of 1 or more such entities. The Treasury Secretary may issue interpretive regulations. (§1203(3)) An eligible entity seeking to participate in a program or obtain a grant under Title XII must submit an application to the Treasury Secretary, in such form and containing such information as the Treasury Secretary may require. (§1207)

Subject	Provisions (Citation)
2 - Low-Cost Alternatives to Small Dollar Loans	The Treasury Secretary is authorized to create multiyear demonstration programs by means of grants and other arrangements with eligible entities to provide low-cost, small loans to consumers that will provide alternatives to more costly small dollar loans, which must be made on terms and conditions that are reasonable for consumers. Each eligible entity that receives such a grant must promote and take appropriate steps to ensure the provision of financial literacy and educational opportunities to each consumer provided with such a loan. The Treasury Secretary is authorized to implement reasonable measures or programs designed to expand access to financial literacy and education opportunities to individuals who obtain such loans. (§1205)
3 - Grants to Establish Loan-Loss Reserve Funds	The CDBFIA is amended to require the Community Development Financial Institutions Fund (the "CDFIF") to make grants to community development financial institutions or to any partnership between such institutions and any other federally insured depository institution with a primary mission to serve targeted investment areas (as defined under CDBFIA §103(16)) to enable such institutions or partnerships to establish loan-loss reserve funds in order to defray the costs of small dollar loan programs they establish or maintain. Such community development financial institutions and partnerships must provide non-federal matching funds in an amount equal to 50% of the amount of any such grants received. Any received grants may not be used to provide direct loans to consumers, but may be used to recapture a portion or all of a defaulted loan made under a small dollar loan program and may also be used to designate and utilize a fiscal agent for services normally provided by such an agent. The CDFIF must also make technical assistance grants to such community development financial institutions and partnerships to support and maintain a small dollar loan program. Grants received may be used for technology, staff support and other costs associated with establishing such a program. (§1206) The term "small dollar loan program" is defined as a loan program wherein a community development financial institution offers loans to consumers (i) that are made in amounts not exceeding $2,500; (ii) that must be repaid in installments; (iii) that have no pre-payment penalty; (iv) on which payments must be reported by the institution to at least 1 of the consumer reporting agencies that compiles and maintains files on consumers on a nationwide basis (as defined in the Fair Credit Reporting Act §603(p) (15 U.S.C. §1681a(p))); and (v) that meet any other affordability requirements as may be established by the Administrator of the CDFIF. (§1206)
B - *Implementation and Funding*	
1 - Authorization of Appropriations	An appropriation is authorized to the Treasury Secretary of funds necessary both to administer and to fund the programs and projects authorized by Title XII. An amount equal to the amount of the administrative costs of the CDFIF for the operation of the grant program established under Title XII is authorized to be appropriated to the CDFIF for each fiscal year beginning in 2010. (§1208)

Subject	Provisions (Citation)
2 - Regulations	The Treasury Secretary is authorized to promulgate regulations to implement and administer the grant programs and undertakings authorized by Title XII. Regulations may provide for such adjustments and exceptions as are necessary or proper, in the Treasury Secretary's judgment, to prevent circumvention or evasion of Title XII and to facilitate compliance with Title XII. (§1209)
3 - Evaluation and Reports to Congress	The Treasury Secretary is required to submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives for each fiscal year in which a program or project is carried out under Title XII containing a description of the activities funded, amounts distributed and measurable results. (§1210)
Title XIII - Pay It Back Act	**Pay It Back Act**
A - *General Provisions*	
1 - Amendment to Reduce TARP Authorization	Emergency Economic Stabilization Act of 2008 ("EESA")) §115(a) is amended to reduce authorized TARP funds to $475 billion and to remove the "outstanding at any one time" description of this cap. This authorized TARP funds shall not be reduced by (i) any amounts received by the Treasury Secretary received at any time from repayment of the principal of financial assistance by an entity that has received TARP funds or any other program enacted by the Treasury Secretary under EESA, (ii) any amounts committed for any guarantees pursuant to TARP that became or become uncommitted or any losses realized by the Treasury Secretary. However, no new obligations may be incurred under EESA for any program or initiative that was not initiated prior to June 25, 2010. (12 U.S.C. §5225(a), *as amended by* §1302)
2 - Report	EESA §106 is amended to require the Treasury Secretary to report to Congress every 6 months on amounts received and transferred to the general fund under EESA §106(d). (12 U.S.C. §5216, *as amended by* §1303)

Subject	Provisions (Citation)
3 - Amendments to Housing and Economic Recovery Act of 2008	Federal National Mortgage Association Charter Act §304(g)(2), Federal Home Loan Mortgage Corporation Act §306(l)(2) and Federal Home Loan Bank Act §11(l)(2) are amended to require proceeds from any sale of Fannie Mae, Freddie Mac and federal home loan banks obligations and securities to be deposited in the general fund of the U.S. Treasury and dedicated for the sole purpose of deficit reduction and prohibited from use as an offset for other spending increases or revenue reductions. In addition, any fees or assessments paid by Fannie Mae or Freddie Mac to the Treasury Secretary as a result of any preferred stock purchase agreement, mortgage-backed security purchase program or any other program or activity authorized or carried out pursuant to the authorities granted to the Treasury Secretary under Housing and Economic Recovery Act of 2008 §1117 (Pub. L. 110-289, 122 Stat. 2683) are also required to be deposited in the general fund of the U.S. Treasury and dedicated for the sole purpose of deficit reduction and prohibited from use as an offset for other spending increases or revenue reductions. (12 U.S.C. §§1431(l)(2), 1455(l)(2), 1719(g)(2), *as amended by* §1304)
4 - Federal Housing Finance Agency Report	The Director of FHFA is required to submit to Congress a report on the plans of the FHFA to continue to support and maintain "the Nation's vital housing industry, while … guaranteeing that the American taxpayer will not suffer unnecessary losses." (§1305)
5 - Repayment of Unobligated ARRA Funds	Statewide Rejection of Funds. American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5, 123 Stat. 115 et seq.) ("ARRA") is amended to provide that if ARRA funds provided to a state are not accepted by either the governor or legislature of such state, then all such funds shall be rescinded, deposited in the general fund of the U.S. Treasury, dedicated solely to deficit reduction and prohibited from use as an offset to other spending increases or revenue reductions. (ARRA §1607, *as amended by* §1306(a)) Withdrawal or Recapture of Unobligated Funds. ARRA is amended to provide that if the head of an executive agency withdraws or recaptures for any reason funds appropriated or otherwise made available, and such funds have not been obligated by a state to a local government or for a specific project, such recaptured funds shall be rescinded, deposited in the general fund of the U.S. Treasury, dedicated solely to deficit reduction and prohibited from use as an offset to other spending increases or revenue reductions. (ARRA §1613, *as amended by* §1306(b)) Return of Unobligated Funds. ARRA is amended to require any unobligated funds as of December 31, 2012 to be deposited in the general fund of the U.S. Treasury, dedicated solely to deficit reduction and prohibited from use as an offset to other spending increases or revenue reductions. The President may waive these requirements. The head of an executive agency may apply to the President for a waiver from these requirements. (ARRA §1603, *as amended by* §1306(c))

Subject	Provisions (Citation)
Title XIV - Mortgage Reform and Anti-Predatory Lending	**Mortgage Reform and Anti-Predatory Lending Act**
A - *Residential Mortgage Loan Origination Standards*	
1 - Designation as Enumerated Consumer Laws; Effective Date of Regulations	Subtitles A, B, C and E of Title XIV, and certain provisions of Subtitle F of Title XIV, are Enumerated Consumer Financial Protection Laws and shall come under the purview of the Bureau of Consumer Financial Protection ("Bureau") established pursuant to Title X. Regulatory responsibility assigned in Title XIV to the FRB will transferred to the Bureau in accordance with Title X, and the regulations shall be prescribed in final form within 18 months of the designated transfer date, to take effect within 12 months after that. (§1400)
2 - Purpose of Standards	The Truth in Lending Act is amended by adding a new section (§129B), the purpose of which is to assure that consumers receive residential mortgage loans (a "mortgage") on terms that reasonably reflect their ability to repay the loans and that the terms are understandable and not unfair, deceptive or abusive. (§1402)
3 - Definition of "Residential Mortgage Loan"	A "residential mortgage loan" is defined as any consumer credit transaction secured by a mortgage, deed of trust or equivalent consensual lien on a dwelling or residential real property that includes a dwelling, but excludes open end credit plans. (§1401)
4 - Mortgage Originator Definition	A "mortgage originator" is any person who is compensated or expects to be compensated for (i) taking a residential mortgage application, (ii) helping a customer to obtain or apply for a residential mortgage, or (iii) offers or negotiates terms of a residential mortgage, and includes any person who represents to the public that such person can perform such mortgage origination services. A "mortgage originator" does not include, among others: (i) those who perform purely administrative or clerical tasks on behalf of a mortgage originator, (ii) licensed real estate brokers, unless they are compensated by a lender, mortgage broker or mortgage originator, (iii) a person, estate or trust that provides a qualified mortgage in connection with the sale of 3 properties in any 12-month period, provided, among other conditions, the mortgage is not made by an entity that has constructed or contracted for the construction of a residence on the property in the ordinary course of business, (iv) a servicer, including one who offers or negotiates a mortgage for purposes of renegotiating, modifying, replacing and subordinating the principal of existing troubled mortgages. (§1401)
5 - Registration Requirements	In addition to the duties imposed by other applicable law, each mortgage originator must be qualified and, when required, registered and licensed in accordance with applicable law, including the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, and must include any unique identifier of the mortgage originator in loan documents. (§1402)

Subject	Provisions (Citation)
6 - Prohibition on Steering Incentives	No mortgage originator may receive from any person and no person may pay a mortgage originator, directly or indirectly, compensation that varies based on the terms of the mortgage loan (other than the amount of principal). No mortgage originator may receive from any person other than the consumer (and no person other than the consumer who knows or should know that a consumer has or will compensate a mortgage originator may pay to a mortgage originator) any origination fee or charge other than bona fide third party charges not retained by the creditor, mortgage originator or their affiliates. (§1403)
7 - FRB Regulatory Authority	Regulations. The FRB is required to prescribe regulations to prohibit: (i) mortgage originators from steering consumers to mortgages that they are unlikely to be able to repay or that have predatory characteristics or effects (such as equity stripping, excessive fees or abusive terms); (ii) mortgage originators from steering consumers from a qualified to a non-qualified mortgage (as defined in Title XIV, Subtitle B, below); (iii) abusive or unfair lending practices that promote disparities among consumers based on race, ethnicity, gender or age; (iv) mischaracterizations of consumers' credit histories or of property values; and (v) mortgage originators from discouraging consumers from seeking mortgages from other mortgage originators in certain circumstances. (§1403) The FRB is also given discretionary regulatory authority to prohibit or condition terms, acts or practices it finds to be abusive, unfair, deceptive, predatory, not in the interest of the borrower, necessary or proper to ensure responsible affordable mortgages remain available and to effectuate the purposes of Subtitles A and B of the Mortgage Reform and Anti-Predatory Lending Act. (§1405) Rules of Construction. These provisions are not to be construed to (i) permit any yield spread premium or similar compensation that would permit the total direct and indirect compensation to a mortgage originator from all sources to vary based on the terms of the loan (other than the amount of principal, (ii) limit or affect the amount of compensation received by a creditor upon a subsequent sale of a consummated loan, (iii) restrict a consumer's ability, at its option, to finance permitted origination fees or costs, so long as they do not vary based on the terms of the loan (other than the amount of principal) or the consumer's decision to finance them; or (iv) prohibit incentive payments to a mortgage originator based on the number of residential mortgages initiated with a specified period of time. (§1403)
8 - Maximum Liability	The maximum liability for violation of the steering prohibitions shall not exceed the greater of actual damages or 3 times the total direct and indirect compensation or gain accruing to the mortgage originator in connection with the subject mortgage loan, plus costs. (§1404)

Subject	Provisions (Citation)
9 - Study of Shared Appreciation Mortgages	The Secretary of HUD, in consultation with other relevant agencies, will study and report on how best to provide for the widespread use of shared appreciation mortgages (in which a consumer exchanges a percentage of any appreciation on the property securing a loan for a reduction in the interest rate) to strengthen housing markets and reduce foreclosures. (§1406)
B - *Minimum Standards for Mortgages*	
1 - Ability to Repay	Ability to Pay. Creditors are proscribed from making residential mortgages without having made a reasonable, good faith determination based on verified and documented information that, at the time of consummation, the consumer has a reasonable ability to repay the loan according to its terms, along with all applicable taxes, insurance and assessments. If the creditor knows or should know that more than one mortgage will be secured by the same dwelling, the ability to repay determination must be based on repayment of all such loans. In making its determination, a creditor must consider the consumer's credit history, current income, expected income, current obligations, debt-to-income ratio, employment status and other financial resources other than equity in the property securing the loan. The ability to repay must be based on a payment schedule that fully amortizes the loan over the term of the loan. For income verification, the creditor must review a consumer's W-2 forms, tax returns, payroll receipts, financial institution records, or other documents that provide reasonably reliable evidence of income or assets. Verification of income shall include verification by use of IRS transcripts of tax returns or a method that verifies income documentation by a third party subject to rules prescribed by the FRB. Exemptions. HUD, the Department of Veterans Affairs, the Department of Agriculture and the Rural Housing Service may exempt refinancings made, guaranteed or insured by them from the income verification requirements under certain limited conditions. The provisions of this §1411 of Title XIV, Subtitle B do not apply with respect to reverse mortgages or temporary or bridge loans with terms 12 months or less, including to any loan to purchase a new dwelling where the consumer plans to sell a different dwelling within 12 months.

Subject	Provisions (Citation)
2 - Ability to Repay (continued)	Non-Standard Loans. For purposes of determining ability to repay: (i) variable rate loans that defer repayment of any principal or interest, a creditor must use a fully amortizing repayment schedule; (ii) interest-only loans, a creditor must use the payment amount required to amortize the loan by its final maturity. Negative Amortization. In determining ability to repay, a creditor must also consider any balance increase that may accrue from any negative amortization provision. Calculation Process. A creditor must base its determination of ability to repay on the following assumptions: (i) the loan proceeds are fully disbursed upon consummation; (ii) the loan will be repaid in substantially equal monthly payments, unless the terms require more rapid repayment, and (iii) the loan has a fixed interest rate equal to the fully indexed rate at the time of the loan closing. However, a creditor may consider the seasonality of income, provided it has been documented and verified, in the underwriting of and scheduling of payments for an extension of credit. (§1411)
3 - Safe Harbor	Safe Harbor. Any creditor with respect to a residential mortgage, and any assignee of such loan, may presume that a loan has met the "ability to repay" requirements if it is a "qualified mortgage." Qualified Mortgage Definition. A qualified mortgage is one: (i) for which regular periodic payments may not result in an increase of or allow for deferred repayment of principal; (ii) that does not result in a balloon payment (a payment more than twice as large as the earlier average payment), except as otherwise provided by the FRB in its discretion with respect to balloon loans that, among other things, are extended by creditors of a limited size who operate predominately in rural or underserved areas and who retain the balloon loans in their portfolios; (iii) for which the obligors' income and financial resources have been verified and documented; (iv) in the case of a fixed rate loan, for which the underwriting process is based on full amortization of the loan over the loan term, accounting for all applicable taxes, insurance and assessments; (v) in the case of an adjustable rate loan, for which the underwriting is based on the maximum rate permitted during the first 5 years and full amortization of the loan over the loan term, accounting for all applicable taxes, insurance and assessments; (vi) that complies with any guidelines or regulations established by the FRB relating to ratios of total monthly debt to monthly income or alternative measures of ability to pay regular expenses; (vii) for which certain total points and fees do not exceed 3% of the total loan amount; (viii) with a term of 30 years or less (with limited exceptions); (ix) in the case of reverse mortgages and "smaller loans", those which meet standards to be set by the FRB adjusting the "qualified mortgage" criteria to allow such smaller loans to meet the requirements of the safe harbor in a manner consistent with the purposes of Title XIV, Subtitle B. (§1412)
4 - Defense to Foreclosure	A creditor may assert a defense by recoupment or set-off to a judicial or non-judicial foreclosure initiated by a creditor, assignee or holder of a mortgage based on (i) a violation of the prohibition on steering incentives or (ii) the ability to repay standards, without regard to the time limit on a private action for damages under the Truth in Lending Act. (§1413)

Subject	Provisions (Citation)
5 - Prohibition on Certain Prepayment Penalties	A residential mortgage loan that is not a qualified mortgage may not require a prepayment penalty for paying all or part of the principal after the loan is consummated, nor may an adjustable rate mortgage or certain other mortgages based on the degree to which the APR for the mortgage exceeds the average prime offer rate for a comparable transaction. A qualified mortgage may not impose prepayment penalties in excess of: (i) during the first year, 3% of the outstanding balance; (ii) during the second year, 2% of the outstanding balance, (iii) during the third year; 1% of the outstanding balance. Thereafter, no prepayment penalty may be imposed. A creditor may not offer a consumer a residential mortgage allowing for prepayment penalties without also offering a mortgage with no prepayment penalty term. (§1414)
6 - Single Premium Credit Insurance Prohibited	No creditor may finance, directly or indirectly, any credit life, credit disability, credit unemployment or credit property insurance, or any other accident, loss-of-income, life or health insurance, in connection with any residential mortgage or any extension of credit under an open end consumer credit plan secured by a consumer's principal dwelling, except that premiums or fees calculated and paid in full on a monthly basis shall not be considered financed by the creditor and this prohibition does not apply to credit unemployment insurance for which the premiums are reasonable and in connection with which the creditor (and its affiliates) receives no direct or indirect compensation. (§1414)
7 - Arbitration	No residential mortgage loan and no extension of credit under an open end consumer credit plan may require mandatory arbitration (although the parties may agree to arbitration once a controversy has arisen) or include a provision that waives or be interpreted to waive statutory causes of action. (§1414)
8 - Negative Amortization Loans	Negative amortization loans are prohibited unless certain disclosures are made to the consumer (as prescribed by the FRB, including the fact that negative amortization increases the principal balance and reduces the consumer's equity in the dwelling), and in the case of first time borrowers receiving non-qualified mortgages, the creditor has documentation showing the borrower has received homeownership counseling. (§1414)
9 - Protection Against Loss of Anti-Deficiency Protection	Creditors or mortgage originators must provide consumers with certain notices of any applicable state laws which provide that, in the event of foreclosure, a consumer is not liable for any deficiency between the sale price obtained through foreclosure and the outstanding balance of the mortgage, describing the significance for consumers of the loss of any such protections, including in connection with refinancings that would cause the loss of such protection. (§1414)
10 - Statute of Limitations	There is a 3-year statute of limitations from the date of occurrence for violations of the standards of Title XIV, Subtitles A and B (§§1401-25). (§1416)

Subject	Provisions (Citation)
11 - Borrower Deception	There is an exemption from liability and rescission if a borrower has been convicted of obtaining by actual fraud the mortgage. (§1417)
12 - Additional Disclosures	Certain additional disclosure regarding settlement charges, mortgage origination fees and total interest is required with respect to all residential mortgages, both before making the loan and in monthly statements, and more specific disclosure requirements are required (i) before resetting hybrid adjustable rate mortgages (or as required by the FRB, adjustable rate mortgages that are not hybrid adjustable rate mortgages), (ii) before making a variable rate mortgage with an escrow account for the payment of taxes, insurance and assessments. (§§1418-20)
13 - Report of the Comptroller General	The Comptroller General shall conduct a study and report within one year on the effect of the Mortgage Reform and Anti-Predatory Lending Act on the availability and affordability of credit for consumers, small businesses, home-buyers, and mortgage lending. (§1421)
14 - State Attorneys General	State attorneys general are given certain enforcement authority with respect to Title XIV, Subtitles A and B (§§1401-22). (§1422).
C - *High Cost Mortgages*	
1 - High Cost Mortgage Definition	A "high cost mortgage" means: (i) a first lien on a principal dwelling with an APR more than 6.5% (or 8.5% in the case of subordinated liens or certain first lien transactions for less than $50,000) higher than the average prime offer rate for a comparable transaction; (ii) a mortgage for which total fees and points exceed 5% of the total transaction amount (if >$20,000) or the lesser of 8% or $1,000 (if <$20,000); or (iii) a mortgage allowing the lender to charge prepayment fees more than 3 years after consummation or for which prepayment fees exceed 2% of the amount prepaid. (§1431)
2 - Points and Fees Definition	"Points and Fees" is defined to include all direct and indirect compensation paid to a mortgage originator from any source, certain insurance premiums, and certain prepayment fees; a number of bona fide discount points may be excluded from the calculation, varying based on the amount by which the mortgage's interest rate exceeds the average prime offer rate. (§1431)
3 - No Balloon Payments	No high-cost mortgage may contain a scheduled payment that is more than twice as large as the earlier average payment, except in circumstances where the payment schedule is adjusted to account for seasonal or irregular income. (§1432)
4 - No Recommended Default	No creditor may encourage default on an existing debt in connection with the closing of a high-cost mortgage refinancing any portion of such debt. (§1433)

Subject	Provisions (Citation)
5 - Restrictions on Late Fees	Among other restrictions, no creditor may charge a late fee on a high-cost mortgage (i) in excess of 4% of the amount past due (ii) unless specifically authorized in the loan documents, (iii) before payment is at least 15 days past due, or (iv) more than once on a single late payment. (§1433)
6 - Acceleration of Debt	No high-cost mortgage may contain a provision which permits the creditor to accelerate the indebtedness except (i) as a result of default in payment, (ii) pursuant to a due-on-sale provision, or (iii) pursuant to a material violation of another provision unrelated to payment schedule. (§1433)
7 - Restriction on Financing Points and Fees	No creditor, in connection with a high cost mortgage, may finance (i) any prepayment fee payable by the consumer in a refinancing transaction if the creditor is the noteholder, or (ii) any points or fees. (§1433)
8 - No Modification or Deferral Fees	A creditor, successor in interest, assignee or agent of any of the above may not charge a fee to modify, renew, extend or amend a high cost mortgage, or defer payment due on a high cost mortgage. (§1433)
9 - Pre-Loan Counseling Required	A creditor may not make a high cost mortgage to a consumer without verification that the consumer has received counseling from a HUD-approved counselor or state housing finance authority. (§1433)
10 - Unintentional Violations	A creditor or assignee of a high cost mortgage who violates any of these provisions in good faith has 30 or 60 days to cure the violation, depending on the circumstances. (§1433)
D - *Office of Housing Counseling*	**Expand and Preserve Home Ownership Through Counseling Act**
1 - Office of Housing Counseling	Office. The Office of Housing Counseling (the "Office") is established as part of HUD. Director. The Director is appointed by the Secretary of HUD, and heads the Office. The Director has primary responsibility for all matters relating to homeownership and rental housing counseling, including establishing and administering regulations, requirements, standards, procedures and performance measures under the programs, disseminating home buying information booklets, certifying counseling service providers, monitoring HUD counseling procedures, establishing standards for and certifying computer software programs for consumers to evaluate mortgage loan proposals, and conducting a national multimedia campaign to promote housing counseling and foreclosure rescue education programs (with an emphasis on retirement communities and low-income minority communities). Advisory Committee. The Secretary of HUD shall appoint a non-paid advisory committee to assist the Director, of not more than 12 members, each to serve a term of 3 years. (§1442)
2 - Grants for Housing Counseling Assistance	The Secretary of HUD shall make homeownership and rental housing counseling grants to HUD-approved counseling agencies and state housing finance agencies. (§1444)

Subject	Provisions (Citation)
3 - Study of Defaults and Foreclosures	The Secretary of HUD shall conduct an extensive study of the root causes of default and foreclosure of home loans, and examine the role of escrow accounts in helping prime and nonprime borrowers to avoid defaults and foreclosures, and the role of computer registries of mortgages, including those used to trade mortgage loans. The Secretary shall submit a preliminary report to Congress within 12 months of the Date of Enactment, and a final report within 24 months. (§1446)
4 - Default and Foreclosure Database	The Secretary of HUD and the Director of the Bureau shall establish, maintain and make public a database of information on foreclosures and defaults on mortgages on one- to four-unit residential properties. (§1447)
5 - Mortgage Information Booklet	The Director of the Bureau shall prepare and distribute at least once every 5 years a Mortgage Information Booklet to help consumers applying for federal mortgage loans understand the nature and costs of real estate settlement services. (§1450)
6 - Warnings to Homeowners of Foreclosure Rescue Scams	A portion of funds shall be reserved for assistance to the Neighborhood Reinvestment Corporation to make delinquent borrowers aware of the dangers of fraudulent activities associated with foreclosure. (§1452)
E - *Mortgage Servicing*	
1 - Mandatory Escrow or Impound Accounts	Creditors are required to establish escrow accounts in connection with high cost, subprime or other specified mortgages to cover payment of taxes, insurance premiums, and certain other payments; this requirement does not apply with respect to loans secured by shares in a cooperative or in which an association must maintain a master insurance policy. Such accounts generally must remain in existence for at least 5 years. The FRB may, in its discretion, provide certain exemptions from the escrow requirements for creditors of a limited size who operate predominantly in rural or underserved areas and who retain their mortgage loan originations in their portfolios. (§1461) If an escrow account has been established in connection with a mortgage, repayment information required to be provided to the borrower must reflect the amounts of any monthly payment to the escrow account. (§1465)
2 - Optional Escrow Account	Where an escrow account for the payment of taxes and other charges is optional in connection with a mortgage, and a consumer elects to forego or to close an escrow account, the creditor or servicer must provide detailed written disclosure to the consumer of its responsibility to make such payments. (§1462)
3 - Servicer Prohibitions	The Real Estate Settlement Procedures Act of 1974 is amended to prohibit servicers from (i) obtaining force-placed hazard insurance without a reasonable basis to believe the borrower has failed to comply with the requirement to maintain property insurance, (ii) charge a borrower fees for responding to certain requests, (iii) fail to timely respond to a borrower's request to correct errors or for certain information regarding an assignee of the loan. (§1463)

Subject	Provisions (Citation)
4 - Prompt Crediting of Home Loan Payments	Servicers must credit payments as of the day of receipt, except for payments that do not conform to established requirements, which if accepted must be credited 5 days after receipt. Servicers must respond to a request for a payoff balance within 7 business days. (§1464)
F - *Appraisal Activities*	
1 - Property Appraisal Requirements	Except as regulators may otherwise prescribe with respect to certain loans in the public interest, before making a higher-risk mortgage, a creditor must obtain a written appraisal of the property from a certified or licensed appraiser. If the property is being flipped within 180 days of purchase for a higher resale value, a second appraisal must be acquired from a different certified or licensed appraiser. One free copy of each such appraisal must be provided to the applicant in advance of closing. (§1471)
2 - Appraisal Independence Requirements	Appraisal Independence. It shall be unlawful: (i) to compensate, coerce, bribe, or otherwise attempt to influence an appraiser for the purpose of causing the results to be based on any factor other than the appraiser's independent judgment; (ii) to mischaracterize the results of an appraisal; (iii) to encourage a targeted value in order to facilitate a mortgage; (iv) to withhold or threaten to withhold payment for properly provided appraisal services. Conflicts of Interest. No appraiser or appraisal management company conducting a appraisal in connection with a mortgage transaction may have a direct or indirect interest in the property being appraised. Mandatory Reporting. Involved parties who become aware of a violation of applicable law or ethical duty in connection with an appraisal are required to report it to the applicable state licensing agency. Customary and Reasonable Fee. Lenders and their agents shall compensate fee appraisers (those not employees of the mortgage loan originator or appraisal management company) at a customary and reasonable rate for the relevant market, as established by objective third-party information, with limited exceptions to account for the increased time, difficulty and scope of complex appraisals. Penalties. Penalties of between $10,000 and $20,000 per day are imposed for violations of these prohibitions. (§1472)

Subject	Provisions (Citation)
3 - Consumer Protection	The Appraisal Subcommittee of the interagency Federal Financial Institutions Examination Council ("FFIEC") must monitor the performance of State appraisal oversight agencies, reporting annually to Congress. Appraiser licensing and education standards are strengthened, and a Federal grant program to assist States with appraisal regulatory activities is established. A state-by-state system for registration, licensing and supervision of appraisal management companies ("AMC"), with oversight by the FFIEC Appraisal Subcommittee, is created, along with a parallel Federal system of oversight for AMC subsidiaries of insured depository institutions. A toll-free Appraisal Complaint National Hotline is established to receive complaints of non-compliance with appraisal independence standards. Automated valuation models used to value mortgages are subjected to quality control standards. Broker price opinions may not be used as the primary basis to determine the value of a property in connection with a mortgage. (§1473) The Comptroller General must conduct a study and report within 12 months of the Date of Enactment on the effectiveness and impact of appraisal methods, appraisal valuation models, appraisal distribution channels, the Home Valuation Code of Conduct, and the Appraisal Subcommittee's functions. (§1476)
G - *Mortgage Resolution and Modification*	
1 - Multifamily Mortgage Resolution Program	The Secretary of HUD shall, in coordination with other regulators, develop a program to protect tenants and at-risk multifamily properties designed to, as necessary, create sustainable financing for such properties, maintain the level of subsidies currently in effect for them, provide funds for their rehabilitation, and facilitate their transfer, when appropriate and with the agreement of owners, to responsible new owners. No person who has been convicted within 10 years of certain felonies, of money-laundering or of tax evasion in connection with a mortgage or real estate transaction is eligible to receive certain mortgage assistance. (§1481)
2 - Home Affordable Modification Program	Required Program Revision. The Treasury Secretary shall revise the Home Affordable Modification Program ("HAMP") to require participating mortgage servicers who deny requests for mortgage modifications to provide borrowers with all borrower- and mortgage-related data used in any net present value ("NPV") analysis performed in connection with the denial. (§1482(a)) Website. The Secretary shall establish a website that calculates the NPV of a mortgage, provides a determination of whether it would be accepted or rejected for modification under HAMP, and if reasonably possible, includes a method for applying for a mortgage modification. The website shall disclose that a given mortgage servicer may use a different method to calculate the NPV. (§1482(b))

Subject	Provisions (Citation)
3 - Public Availability of Information	The data being collected by the Treasury Secretary from each mortgage servicer and lender participating in HAMP shall be made public, including the number of requests for modification a servicer or lender (i) received, (ii) processed, (iii) approved and (iv) denied in a given month. (§1483)
H - *Miscellaneous Provisions*	
1 - Government Sponsored Enterprises Reform	Expresses the sense of Congress that Fannie Mae and Freddie Mac must be the subject of meaningful structural reform. (§1491)
2 - Studies	Mortgage Foreclosure Scams. The Comptroller General is to conduct a study of interagency efforts to crack down on mortgage foreclosure rescue scams and loan modification fraud, and submit a report to Congress containing recommendations for legislative and administrative actions to protect homeowners. (§1492) Drywall. The Secretaries of HUD and the Treasury shall study and report to Congress on the effect on mortgage foreclosures of drywall imported from China between 2004 and 2007, and the availability of property insurance for homes incorporating such drywall. (§1494)
3 - Emergency Mortgage Relief	The Secretary of HUD is allocated funds necessary to provide $1 billion in assistance through an Emergency Homeowners' Relief Fund to be established by the Secretary pursuant to the Emergency Housing Act of 1975 (12 U.S.C. 2706). The aggregate amount of such assistance provided for any homeowner shall not exceed $50,000. (§1496)
4 - Neighborhood Stabilization Program	The Secretary of HUD is allocated $1 billion to be used to assist States and local governments with the redevelopment of abandoned and foreclosed homes in accordance with the "Community Planning and Development – Community Development Fund" provisions of the American Recovery and Reinvestment Act of 2009, and in compliance with certain other provisions regulating, among other things, the minimum amounts benefiting each State and the uses to which the funds are put. (§1497)
5 - Legal Assistance for Foreclosure-Related Issues	The Secretary of HUD shall establish a program for making grants for providing foreclosure legal assistance to low- and moderate-income homeowners and tenants; such grants shall be allocated to State and local legal assistance providers on the basis of a competitive process, with priority given to those operating in the 125 metropolitan statistical areas with the highest home foreclosure rates. (§1498)

Subject	Provisions (Citation)
Title XV - Miscellaneous Provisions	
A - *Miscellaneous Provisions*	
1 - Restrictions on the Use of U.S. Funds for Foreign Governments	Bretton Woods Agreements Act (22 U.S.C. §286 et seq.) ("Bretton Woods") is amended to require the Treasury Secretary to instruct the U.S. Executive Director at the International Monetary Fund (the "IMF") to evaluate proposals submitted to the Board of the IMF for loans to countries if (i) the amount of the country's public debt exceeds the GDP of the country as of the most recent year that information is available and (ii) the country is not eligible for assistance from the International Development Association. The Treasury Secretary must instruct the Executive Director to oppose loan proposals if it is deemed that the loan is not likely to be repaid in full. The Treasury Secretary must periodically report in writing to the Committee on Financial Services of the House of Representatives and the Committees on Foreign Relations and on Banking, Housing, and Urban Affairs of the Senate assessing the likelihood that the loans made will be repaid in full. (Bretton Woods §68, *as added by* §1306)

Subject	Provisions (Citation)
2 - Congo Conflict Minerals	Disclosure Requirements. Securities Exchange Act §13 is amended to require the SEC, not later than 270 days after the Date of Enactment, to promulgate regulations requiring annual disclosure by certain persons relating to minerals originating in the Democratic Republic of Congo. The SEC may revise or temporarily waive these requirements if the President determines that such action is in the national security interest of the U.S. The disclosure requirements shall terminate on a date determined by the President and certified to the appropriate congressional committees that is at least 5 years after the Date of Enactment. (15 U.S.C. §78m, *as amended by* §1502(b)) Strategy and Map to Address Linkages Between Conflict Minerals and Armed Groups. The Secretary of State is required, in consultation with the Administrator of the U.S. Agency for International Development, to submit to the appropriate congressional committees a strategy to address the linkages between human rights abuses, armed groups, mining of conflict minerals and commercial products. The Secretary of State is also required to create, publish and update a "Conflict Minerals Map" depicting mineral-rich zones, trade routes and areas under the control of armed groups in the Democratic Republic of the Congo and adjoining countries. (§1502(c)) Reports. The Comptroller General of the U.S. is required to submit to appropriate congressional committees (i) not later than 1 year after the Date of Enactment, a report that includes an assessment of the rate of sexual- and gender-based violence in war-torn areas of the Democratic Republic of the Congo, and (ii) not later than 2 years after the Date of Enactment and annually thereafter, a report including, among other items, an assessment of the effectiveness of the disclosure requirements added to Securities Exchange Act §13 in promoting peace and security in the Democratic Republic of the Congo and adjoining countries. In addition, not later than 30 months after the Date of Enactment, an annually thereafter, the Secretary of Commerce is required to submit to the appropriate congressional committees a report related to independent private sector audits and other due diligence processes added to Securities Exchange Act §13. (§1502(d))
3 - Coal and Other Mine Safety	Each issuer that is required to file reports under Securities Exchange Act §13(a) or §15(d) and that is an operator or that has a subsidiary that is an operator of a coal or other mine is required to include in each periodic report filed with the SEC on or after the Date of Enactment certain information regarding violations of health or safety standards and orders, citations, notices and assessments under Federal Mine Safety and Health Act of 1977 ("FMSHA") §104 (30 U.S.C. §814), and any pending legal action before the Federal Mine Safety and Health Review Commission, at each coal or other mine of which the issuer or subsidiary of the issuer is an operator, as well as the total number of mining-related fatalities at each such mine. Each such issuer is also required to file a Form 8-K report with the SEC disclosing the receipt of certain notices and orders under the FMSHA. The SEC is authorized to issue necessary or appropriate rules or regulations for the protection of investors to carry out the purposes of this section. (§1503)

Subject	Provisions (Citation)
4 - Disclosure of Payments by Resource Extraction Issuers	The Securities Exchange Act is amended to require the SEC, not later than 270 days after the Date of Enactment, to issue final rules, to take effect not earlier than 1 year after the issuance of such rules, requiring issuers engaged in the commercial development of oil, natural gas or minerals to include in their annual reports information related relating to any payment to a foreign government or the federal government made by such issuers or their subsidiaries or entities they control for the purpose of the commercial development of oil, natural gas or minerals. (§1504)
5 - Study on the Effectiveness of Inspectors General	Not later than 1 year after the Date of Enactment, the Comptroller General of the U.S. is required to issue a report assessing the relative independence, effectiveness and expertise of presidentially appointed inspectors general and inspectors general of designated federal agencies and the effects on independence of the amendments to the Inspector General Act of 1978 made by the Dodd-Frank Act. (§1505)
6 - Study on Core Deposits and Brokered Deposits	FDIC is required to conduct a study to evaluate the definition of core deposits for the purpose of calculating the insurance premiums of banks, the potential impact on the Deposit Insurance Fund of revising the definitions of brokered deposits and core deposits, an assessment of the differences between core deposits and brokered deposits and their role in the U.S. economy and banking sector, the potential stimulative effect on local economies of redefining core deposits and the competitive parity between large institutions and community banks that could result from redefining core deposits. FDIC is required to submit a report based on such study to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not later than 1 year after the Date of Enactment, including legislative recommendations, if any, to address concerns arising in connection with the definitions of core deposits and brokered deposits. (§1506)
Title XVI - Section 1256 Contracts	
A - *Section 1256 Contracts*	
1 - Section 1256 Contracts	Internal Revenue Code of 1986 §1256 is amended (applicable to taxable years beginning after the Date of Enactment to exclude from the definition of "section 1256 contract" (i) any securities futures contract or option on such contract unless such contract or option is a dealer securities futures contract and (ii) any interest rate swap, currency swap, basis swap, interest rate cap, interest rate floor, commodity swap, equity swap, equity index swap, credit default swap or similar agreement. (21 U.S.C. §1256, *as amended by* §1601)

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