

# Union Calendar No. 868

115TH CONGRESS  
2D SESSION

# H. R. 4302

**[Report No. 115–1010, Part I]**

To amend the Federal Reserve Act to create congressional accountability for emergency lending programs, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2017

Mr. TIPTON introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

NOVEMBER 6, 2018

Reported from the Committee on Financial Services

NOVEMBER 6, 2018

Referral to the Committee on Rules extended for a period ending not later than December 7, 2018

NOVEMBER 28, 2018

Referral to the Committee on Rules extended for a period ending not later than December 28, 2018

DECEMBER 28, 2018

Additional sponsor: Mr. BARR

DECEMBER 28, 2018

Committee on Rules discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# **A BILL**

To amend the Federal Reserve Act to create congressional accountability for emergency lending programs, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Congressional Ac-  
 5       countability for Emergency Lending Programs Act of  
 6       2017”.

7       **SEC. 2. CONGRESSIONAL ACCOUNTABILITY FOR EMER-**  
 8       **GENCY LENDING PROGRAMS.**

9       Section 13(3) of the Federal Reserve Act (12 U.S.C.  
 10      343(3)) is amended—

11               (1) in subparagraph (A)—

12                       (A) by inserting “that pose a threat to the  
 13                       financial stability of the United States” after  
 14                       “unusual and exigent circumstances”; and

15                       (B) by striking “the affirmative vote of not  
 16                       less than five members” and inserting “the  
 17                       prior approval of the Secretary of the Treasury  
 18                       and not less than  $\frac{2}{3}$  of the members of the  
 19                       Federal Open Market Committee”;

20               (2) in subparagraph (B)—

21                       (A) in clause (i), by inserting at the end  
 22                       the following: “Federal reserve banks may not  
 23                       accept equity securities issued by the recipient  
 24                       of any loan or other financial assistance under  
 25                       this paragraph as collateral. Not later than 6

1 months after the date of the enactment of this  
2 sentence, the Board shall, by rule, establish—

3 “(I) a method for determining  
4 the sufficiency of the collateral re-  
5 quired under this paragraph;

6 “(II) acceptable classes of collat-  
7 eral;

8 “(III) the amount of any dis-  
9 count on the value of the collateral  
10 that the Federal reserve banks will  
11 apply for purposes of calculating the  
12 sufficiency of collateral under this  
13 paragraph; and

14 “(IV) a method for obtaining  
15 independent appraisals of the value of  
16 collateral the Federal reserve banks  
17 receive.”;

18 (B) in clause (ii)—

19 (i) by striking the second sentence;  
20 and

21 (ii) by inserting after the first sen-  
22 tence the following: “A borrower shall not  
23 be eligible to borrow from any emergency  
24 lending program or facility unless the  
25 Board and all Federal banking regulators

1 with jurisdiction over the borrower certify  
2 that, at the time the borrower initially bor-  
3 rows under the program or facility, the  
4 borrower is not insolvent.”; and  
5 (C) by striking clause (iv);

6 (3) by inserting “financial institution” before  
7 “participant” each place such term appears;

8 (4) in subparagraph (D)(i), by inserting “finan-  
9 cial institution” before “participants”; and

10 (5) by adding at the end the following new sub-  
11 paragraphs:

12 “(G) JOINT RESOLUTION OF APPROVAL.—

13 “(i) IN GENERAL.—A program or fa-  
14 cility created under subparagraph (A) shall  
15 terminate on the date that is 30 calendar  
16 days after the date on which Congress re-  
17 ceives a report described in subparagraph  
18 (C) unless there is enacted into law a joint  
19 resolution approving the program or facil-  
20 ity not later than 30 calendar days after  
21 the date on which the report is received.  
22 Any loan offered through the program or  
23 facility that is outstanding as of the date  
24 on which the program or facility is termi-  
25 nated shall be repaid in full not later than

1 30 calendar days after the date on which  
2 the program or facility is terminated.

3 “(ii) CONTENTS OF JOINT RESOLU-  
4 TION.—For the purpose of this subpara-  
5 graph, the term ‘joint resolution’ means  
6 only a joint resolution—

7 “(I) that is introduced not later  
8 than 3 calendar days after the date on  
9 which the report described in subpara-  
10 graph (C) is received by Congress;

11 “(II) that does not have a pre-  
12 amble;

13 “(III) the title of which is as fol-  
14 lows: ‘Joint resolution relating to the  
15 approval of a program or facility cre-  
16 ated by the Board of Governors of the  
17 Federal Reserve System’; and

18 “(IV) the matter after the resolv-  
19 ing clause of which is as follows:  
20 ‘That Congress approves the program  
21 or facility created by the Board of  
22 Governors of the Federal Reserve Sys-  
23 tem on \_\_\_\_\_.’ (The  
24 blank space being appropriately filled  
25 in).

1 “(iii) FAST TRACK CONSIDERATION IN  
2 HOUSE OF REPRESENTATIVES.—

3 “(I) RECONVENING.—Upon re-  
4 ceipt of a report under subparagraph  
5 (C), the Speaker, if the House would  
6 otherwise be adjourned, shall notify  
7 the Members of the House that, pur-  
8 suant to this subparagraph, the  
9 House shall convene not later than  
10 the second calendar day after receipt  
11 of such report.

12 “(II) REPORTING AND DIS-  
13 CHARGE.—Any committee of the  
14 House of Representatives to which a  
15 joint resolution is referred shall report  
16 it to the House not later than 5 cal-  
17 endar days after the date of receipt of  
18 the report described in subparagraph  
19 (C). If a committee fails to report the  
20 joint resolution within that period, the  
21 committee shall be discharged from  
22 further consideration of the joint reso-  
23 lution and the joint resolution shall be  
24 referred to the appropriate calendar.

1                   “(III) PROCEEDING TO CONSID-  
2                   ERATION.—After each committee au-  
3                   thorized to consider a joint resolution  
4                   reports it to the House or has been  
5                   discharged from its consideration, it  
6                   shall be in order, not later than the  
7                   sixth day after Congress receives the  
8                   report described in subparagraph (C),  
9                   to move to proceed to consider the  
10                  joint resolution in the House. All  
11                  points of order against the motion are  
12                  waived. Such a motion shall not be in  
13                  order after the House has disposed of  
14                  a motion to proceed on the joint reso-  
15                  lution. The previous question shall be  
16                  considered as ordered on the motion  
17                  to its adoption without intervening  
18                  motion. The motion shall not be de-  
19                  batable. A motion to reconsider the  
20                  vote by which the motion is disposed  
21                  of shall not be in order.

22                  “(IV)       CONSIDERATION.—The  
23                  joint resolution shall be considered as  
24                  read. All points of order against the  
25                  joint resolution and against its consid-

1           eration are waived. The previous ques-  
2           tion shall be considered as ordered on  
3           the joint resolution to its passage  
4           without intervening motion except 2  
5           hours of debate equally divided and  
6           controlled by the proponent and an  
7           opponent. A motion to reconsider the  
8           vote on passage of the joint resolution  
9           shall not be in order.

10           “(iv) FAST TRACK CONSIDERATION IN  
11           SENATE.—

12                   “(I) RECONVENING.—Upon re-  
13           ceipt of a report under subparagraph  
14           (C), if the Senate has adjourned or  
15           recessed for more than 2 days, the  
16           majority leader of the Senate, after  
17           consultation with the minority leader  
18           of the Senate, shall notify the Mem-  
19           bers of the Senate that, pursuant to  
20           this subparagraph, the Senate shall  
21           convene not later than the second cal-  
22           endar day after receipt of such report.

23                   “(II) PLACEMENT ON CAL-  
24           NDAR.—Upon introduction in the

Senate, the joint resolution shall be placed immediately on the calendar.

“(III) FLOOR CONSIDERATION.—

“(aa) IN GENERAL.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time during the period beginning on the fourth day after the date on which Congress receives a report described in subparagraph (C) and ending on the sixth day after the date on which Congress receives the report (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the

1 motion is agreed to or disagreed  
2 to shall not be in order. If a mo-  
3 tion to proceed to the consider-  
4 ation of the resolution is agreed  
5 to, the joint resolution shall re-  
6 main the unfinished business  
7 until disposed of.

8 “(bb) DEBATE.—Debate on  
9 the joint resolution, and on all  
10 debatable motions and appeals in  
11 connection therewith, shall be  
12 limited to not more than 10  
13 hours, which shall be divided  
14 equally between the majority and  
15 minority leaders or their des-  
16 ignees. A motion further to limit  
17 debate is in order and not debat-  
18 able. An amendment to, or a mo-  
19 tion to postpone, or a motion to  
20 proceed to the consideration of  
21 other business, or a motion to re-  
22 commit the joint resolution is not  
23 in order.

24 “(cc) VOTE ON PASSAGE.—  
25 The vote on passage shall occur

1 immediately following the conclu-  
2 sion of the debate on a joint reso-  
3 lution, and a single quorum call  
4 at the conclusion of the debate if  
5 requested in accordance with the  
6 rules of the Senate.

7 “(dd) RULINGS OF THE  
8 CHAIR ON PROCEDURE.—Appeals  
9 from the decisions of the Chair  
10 relating to the application of the  
11 rules of the Senate, as the case  
12 may be, to the procedure relating  
13 to a joint resolution shall be de-  
14 cided without debate.

15 “(v) COORDINATION WITH ACTION BY  
16 OTHER HOUSE.—

17 “(I) IN GENERAL.—If, before the  
18 passage by one House of a joint reso-  
19 lution of that House, that House re-  
20 ceives from the other House a joint  
21 resolution, then the following proce-  
22 dures shall apply:

23 “(aa) The joint resolution of  
24 the other House shall not be re-  
25 ferred to a committee.

1 “(bb) With respect to a joint  
2 resolution of the House receiving  
3 the resolution—

4 “(AA) the procedure in  
5 that House shall be the  
6 same as if no joint resolu-  
7 tion had been received from  
8 the other House, but

9 “(BB) the vote on pas-  
10 sage shall be on the joint  
11 resolution of the other  
12 House.

13 “(II) TREATMENT OF JOINT RES-  
14 OLUTION OF OTHER HOUSE.—If one  
15 House fails to introduce or consider a  
16 joint resolution under this section, the  
17 joint resolution of the other House  
18 shall be entitled to expedited floor  
19 procedures under this section.

20 “(III) CONSIDERATION AFTER  
21 PASSAGE.—If, following passage of  
22 the joint resolution in the Senate, the  
23 Senate then receives the companion  
24 measure from the House of Rep-

1           representatives, the companion measure  
2           shall not be debatable.

3                   “(IV) VETOES.—If the President  
4           vetoes the joint resolution, the period  
5           beginning on the date the President  
6           vetoes the joint resolution and ending  
7           on the date the Congress receives the  
8           veto message with respect to the joint  
9           resolution shall be disregarded in com-  
10          puting the 30-calendar day period de-  
11          scribed in clause (i) and debate on a  
12          veto message in the Senate under this  
13          section shall be 1 hour equally divided  
14          between the majority and minority  
15          leaders or their designees.

16                   “(V) RULES OF HOUSE OF REP-  
17          RESENTATIVES AND SENATE.—This  
18          subparagraph is enacted by Con-  
19          gress—

20                           “(aa) as an exercise of the  
21                   rulemaking power of the Senate  
22                   and House of Representatives,  
23                   respectively, and as such it is  
24                   deemed a part of the rules of  
25                   each House, respectively, but ap-

1 applicable only with respect to the  
2 procedure to be followed in that  
3 House in the case of a joint reso-  
4 lution, and it supersedes other  
5 rules only to the extent that it is  
6 inconsistent with such rules; and

7 “(bb) with full recognition of  
8 the constitutional right of either  
9 House to change the rules (so far  
10 as relating to the procedure of  
11 that House) at any time, in the  
12 same manner, and to the same  
13 extent as in the case of any other  
14 rule of that House.

15 “(H) PENALTY RATE.—

16 “(i) IN GENERAL.—Not later than 6  
17 months after the date of enactment of this  
18 subparagraph, the Board shall, with re-  
19 spect to a recipient of any loan or other fi-  
20 nancial assistance under this paragraph,  
21 establish by rule a minimum interest rate  
22 on the principal amount of any loan or  
23 other financial assistance.

24 “(ii) MINIMUM INTEREST RATE DE-  
25 FINED.—In this subparagraph, the term

1 ‘minimum interest rate’ shall mean the  
2 sum of—

3 “(I) the average of the secondary  
4 discount rate of all Federal reserve  
5 banks over the most recent 90-day pe-  
6 riod; and

7 “(II) the average of the dif-  
8 ference between a distressed corporate  
9 bond yield index (as defined by rule of  
10 the Board) and a bond yield index of  
11 debt issued by the United States (as  
12 defined by rule of the Board) over the  
13 most recent 90-day period.

14 “(I) FINANCIAL INSTITUTION PARTICIPANT  
15 DEFINED.—For purposes of this paragraph, the  
16 term ‘financial institution participant’—

17 “(i) means a company that is pre-  
18 dominantly engaged in financial activities  
19 (as defined in section 102(a) of the Finan-  
20 cial Stability Act of 2010 (12 U.S.C.  
21 5311(a))); and

22 “(ii) does not include an agency de-  
23 scribed in subparagraph (W) of section  
24 5312(a)(2) of title 31, United States Code,

1 or an entity controlled or sponsored by  
2 such an agency.”.

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115<sup>TH</sup> CONGRESS  
2D Session

**H. R. 4302**

[Report No. 115-1010, Part I]

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To amend the Federal Reserve Act to create congressional accountability for emergency lending programs, and for other purposes.

DECEMBER 28, 2018

Committee on Rules discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed