AMENDMENTS ADOPTED TO THE FINANCIAL SERVICES
APPROPRIATIONS BILL FOR FY 2018

Full Committee Markup
House Appropriations Committee
Thursday, July 13, 2017
House Appropriations Committee

Fiscal Year 2018 Financial Services and General Government Appropriations Bill

Full Committee Mark Up

Managers’ Amendment offered by Mr. Graves

In the bill:

Page 5, line 14: Reduce amount by $1,000,000.

Page 14, lines 11-14: Strike all and insert,

“$8,890,000 shall be for the Tax Counseling for the Elderly Program; of which $12,000,000 shall be available for low-income taxpayer clinic grants; of which $15,000,000, to remain available until Sep”

Page 35, line 18: Increase amount by $3,000,000.

Page 51, line 9: Strike “$88,920,000” and insert “87,920,000”.

Page 53, line 3: Strike “3314(a)” and insert “3315(a)”.

Page 55, line 1: Strike “second” and insert “third”.

Page 55, line 2: Strike “13” and insert “14”.

Page 55, line 5: Strike “third” and insert “fourth”.

Page 55, line 6: Strike “12” and insert “13”.

Page 69, line 20: Strike “$4,000,000” and insert “$7,000,000”.

Page 69, line 23: Strike proviso through page 70, line 5.

Page 73, line 20: Strike the dollar amount and insert “$16,000,000”.

Page 74, line 6: Strike “$165,317,000” and insert “164,317,000”.

Page 83, lines 6-10: Strike all and insert –

“For carrying out the purposes of the Federal Assets Sale and Transfer Act of 2016 (Public Law 114 – 287), $10,000,000, to be deposited into the Asset Proceeds and Space Management Fund, to remain available until expended.”
Page 83, line 13: Strike “established pursuant to 42 U.S.C. 4370m-8(d)” and insert –

“established under section 41009(d) of the Fixing America’s Surface Transportation Act (42 U.S.C. 4370m – 8(d))”

Page 87, before line 9, insert the following:

“Harry S Truman Scholarship Foundation
Salaries and Expenses

For payment to the Harry S Truman Scholarship Foundation Trust Fund, established by section 10 of Public Law 93–642, $1,000,000, to remain available until expended.”

Page 89, after line 4, insert the following:

“National Historical Publications and Records Commission
Grants Program

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, $4,000,000, to remain available until expended.”

“National Credit Union Administration
Community Development Revolving Loan Fund

For the Community Development Revolving Loan Fund program as authorized by 42 U.S.C. 9812, 9822 and 9910, $2,000,000 shall be available until September 30, 2019, for technical assistance to low-income designated credit unions.”

Page 91, line 3: Strike “A” and insert “A-11”.

Page 96, line 5: Reduce the amount by $1,000,000.

Page 104, line 3: Strike “cancelled” and insert “rescinded”.

Page 104, line 4: Strike “cancelled” and insert “rescinded”.

Page 104, line 8: strike “, as amended”.

Page 104, line 9: Strike “cancelled” and insert “rescinded”.

Page 120, after line 19 insert:

“Sec.____. None of the funds made available in this Act may be used by a governmental entity to require the disclosure by a provider of electronic communication service to the public or remote computing service of the contents of a wire or electronic communication that is in electronic storage with or otherwise stored, held, or maintained by that service unless the
governmental entity obtains a warrant issued upon probable cause by a court of competent jurisdiction using the procedures described in the Federal Rules of Criminal Procedure."

Page 141, lines 18-19: Strike "(2 U.S.C 431 et seq.)" and insert "(52 U.S.C. 30101 et seq.)."

Page 252, after Title IX insert pages 3A-3DD.
AMENDMENT TO FINANCIAL SERVICES
APPROPRIATIONS BILL

After title IX, insert the following new title:

TITLE X—FINANCIAL
INSTITUTION BANKRUPTCY

SEC. 1001. SHORT TITLE.

This title may be cited as the "Financial Institution
Bankruptcy Act of 2017".

SEC. 2. GENERAL PROVISIONS RELATING TO COVERED FI-
NANCIAL CORPORATIONS.

(a) DEFINITION.—Section 101 of title 11, United
States Code, is amended by inserting the following after
paragraph (9):

"(9A) The term ‘covered financial corporation’
means any corporation incorporated or organized
under any Federal or State law, other than a stock-
broker, a commodity broker, or an entity of the kind
specified in paragraph (2) or (3) of section 109(b),
that is—

"(A) a bank holding company, as defined
in section 2(a) of the Bank Holding Company
Act of 1956; or"
“(B) a corporation that exists for the primary purpose of owning, controlling and financing its subsidiaries, that has total consolidated assets of $50,000,000,000 or greater, and for which, in its most recently completed fiscal year—

“(i) annual gross revenues derived by the corporation and all of its subsidiaries from activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, from the ownership or control of one or more insured depository institutions, represents 85 percent or more of the consolidated annual gross revenues of the corporation; or

“(ii) the consolidated assets of the corporation and all of its subsidiaries related to activities that are financial in nature (as defined in section 4(k) of the Bank Holding Company Act of 1956) and, if applicable, related to the ownership or control of one or more insured depository institutions, represents 85 percent or more
of the consolidated assets of the corporation.”.

(b) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended by adding at the end the following:

“(1) Subchapter V of chapter 11 of this title applies only in a case under chapter 11 concerning a covered financial corporation.”.

(c) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking “or” at the end;

(B) in paragraph (3)(B), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(4) a covered financial corporation.”; and

(2) in subsection (d)—

(A) by striking “and” before “an uninsured State member bank”;

(B) by striking “or” before “a corporation”; and

(C) by inserting “, or a covered financial corporation” after “Federal Deposit Insurance Corporation Improvement Act of 1991”.

(d) CONVERSION TO CHAPTER 7.—Section 1112 of

1 title 11, United States Code, is amended by adding at the
2 end the following:
3
4 "(g) Notwithstanding section 109(b), the court may
5 convert a case under subchapter V to a case under chapter
6 if—
7
8 "(1) a transfer approved under section 1185
9 has been consummated;
10
11 "(2) the court has ordered the appointment of
12 a special trustee under section 1186; and
13
14 "(3) the court finds, after notice and a hearing,
15 that conversion is in the best interest of the credi-
16 tors and the estate.”.
17
18 (e)(1) Section 726(a)(1) of title 11, United States
19 Code, is amended by inserting after “first,” the following:
20 “in payment of any unpaid fees, costs, and expenses of
21 a special trustee appointed under section 1186, and then”.
22
23 (2) Section 1129(a) of title 11, United States Code,
24 is amended by inserting after paragraph (16) the fol-
25 lowing:
26
27 "(17) In a case under subchapter V, all payable
28 fees, costs, and expenses of the special trustee have
29 been paid or the plan provides for the payment of
30 all such fees, costs, and expenses on the effective
31 date of the plan.
“(18) In a case under subchapter V, confirmation of the plan is not likely to cause serious adverse effects on financial stability in the United States.”.

(f) Section 322(b)(2) of title 11, United States Code, is amended by striking “The” and inserting “In cases under subchapter V, the United States trustee shall recommend to the court, and in all other cases, the”.

SEC. 3. LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION.

Chapter 11 of title 11, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION

§ 1181. Inapplicability of other sections

“Sections 303 and 321(c) do not apply in a case under this subchapter concerning a covered financial corporation. Section 365 does not apply to a transfer under section 1185, 1187, or 1188.

§ 1182. Definitions for this subchapter

“In this subchapter, the following definitions shall apply:

“(1) The term ‘Board’ means the Board of Governors of the Federal Reserve System.
"(2) The term 'bridge company' means a newly formed corporation to which property of the estate may be transferred under section 1185(a) and the equity securities of which may be transferred to a special trustee under section 1186(a).

"(3) The term 'capital structure debt' means all unsecured debt of the debtor for borrowed money for which the debtor is the primary obligor, other than a qualified financial contract and other than debt secured by a lien on property of the estate that is to be transferred to a bridge company pursuant to an order of the court under section 1185(a).

"(4) The term 'contractual right' means a contractual right of a kind defined in section 555, 556, 559, 560, or 561.

"(5) The term 'qualified financial contract' means any contract of a kind defined in paragraph (25), (38A), (47), or (53B) of section 101, section 741(7), or paragraph (4), (5), (11), or (13) of section 761.

"(6) The term 'special trustee' means the trustee of a trust formed under section 1186(a)(1)."
§1183. Commencement of a case concerning a covered financial corporation

(a) A case under this subchapter concerning a covered financial corporation may be commenced by the filing of a petition with the court by the debtor under section 301 only if the debtor states to the best of its knowledge under penalty of perjury in the petition that it is a covered financial corporation.

(b) The commencement of a case under subsection (a) constitutes an order for relief under this subchapter.

(c) The members of the board of directors (or body performing similar functions) of a covered financial corporation shall have no liability to shareholders, creditors, or other parties in interest for a good faith filing of a petition to commence a case under this subchapter, or for any reasonable action taken in good faith in contemplation of such a petition or a transfer under section 1185 or section 1186, whether prior to or after commencement of the case.

(d) Counsel to the debtor shall provide, to the greatest extent practicable without disclosing the identity of the potential debtor, sufficient confidential notice to the chief judge of the court of appeals for the circuit embracing the district in which such counsel intends to file a petition to commence a case under this subchapter regarding the potential commencement of such case. The chief judge of such court shall randomly assign to preside over such case...
a bankruptcy judge selected from among the bankruptcy judges designated by the Chief Justice of the United States under section 298 of title 28.

$1184. Regulators

"The Board, the Securities Exchange Commission, the Office of the Comptroller of the Currency of the Department of the Treasury, the Commodity Futures Trading Commission, and the Federal Deposit Insurance Corporation may raise and may appear and be heard on any issue in any case or proceeding under this subchapter.

$1185. Special transfer of property of the estate

"(a) On request of the trustee, and after notice and a hearing that shall occur not less than 24 hours after the order for relief, the court may order a transfer under this section of property of the estate, and the assignment of executory contracts, unexpired leases, and qualified financial contracts of the debtor, to a bridge company. Upon the entry of an order approving such transfer, any property transferred, and any executory contracts, unexpired leases, and qualified financial contracts assigned under such order shall no longer be property of the estate. Except as provided under this section, the provisions of section 363 shall apply to a transfer and assignment under this section.
"(b) Unless the court orders otherwise, notice of a request for an order under subsection (a) shall consist of electronic or telephonic notice of not less than 24 hours to—

"(1) the debtor;

"(2) the holders of the 20 largest secured claims against the debtor;

"(3) the holders of the 20 largest unsecured claims against the debtor;

"(4) counterparties to any debt, executory contract, unexpired lease, and qualified financial contract requested to be transferred under this section;

"(5) the Board;

"(6) the Federal Deposit Insurance Corporation;

"(7) the Secretary of the Treasury and the Office of the Comptroller of the Currency of the Treasury;

"(8) the Commodity Futures Trading Commission;

"(9) the Securities and Exchange Commission;

"(10) the United States trustee or bankruptcy administrator; and

"(11) each primary financial regulatory agency, as defined in section 2(12) of the Dodd-Frank Wall
Street Reform and Consumer Protection Act, with respect to any affiliate the equity securities of which are proposed to be transferred under this section.

"(c) The court may not order a transfer under this section unless the court determines, based upon a preponderance of the evidence, that—

"(1) the transfer under this section is necessary to prevent serious adverse effects on financial stability in the United States;

"(2) the transfer does not provide for the assumption of any capital structure debt by the bridge company;

"(3) the transfer does not provide for the transfer to the bridge company of any property of the estate that is subject to a lien securing a debt, executory contract, unexpired lease or agreement (including a qualified financial contract) of the debtor unless—

"(A)(i) the bridge company assumes such debt, executory contract, unexpired lease or agreement (including a qualified financial contract), including any claims arising in respect thereof that would not be allowed secured claims under section 506(a)(1) and after giving effect to such transfer, such property remains
subject to the lien securing such debt, executory contract, unexpired lease or agreement (including a qualified financial contract); and

"(ii) the court has determined that assumption of such debt, executory contract, unexpired lease or agreement (including a qualified financial contract) by the bridge company is in the best interests of the estate; or

"(B) such property is being transferred to the bridge company in accordance with the provisions of section 363;

"(4) the transfer does not provide for the assumption by the bridge company of any debt, executory contract, unexpired lease or agreement (including a qualified financial contract) of the debtor secured by a lien on property of the estate unless the transfer provides for such property to be transferred to the bridge company in accordance with paragraph (3)(A) of this subsection;

"(5) the transfer does not provide for the transfer of the equity of the debtor;

"(6) the trustee has demonstrated that the bridge company is not likely to fail to meet the obligations of any debt, executory contract, qualified fi-
nancial contract, or unexpired lease assumed and assigned to the bridge company;

“(7) the transfer provides for the transfer to a special trustee all of the equity securities in the bridge company and appointment of a special trustee in accordance with section 1186;

“(8) after giving effect to the transfer, adequate provision has been made for the fees, costs, and expenses of the estate and special trustee; and

“(9) the bridge company will have governing documents, and initial directors and senior officers, that are in the best interest of creditors and the estate.

“(d) Immediately before a transfer under this section, the bridge company that is the recipient of the transfer shall—

“(1) not have any property, executory contracts, unexpired leases, qualified financial contracts, or debts, other than any property acquired or executory contracts, unexpired leases, or debts assumed when acting as a transferee of a transfer under this section; and

“(2) have equity securities that are property of the estate, which may be sold or distributed in accordance with this title.
"§ 1186. Special trustee

(a)(1) An order approving a transfer under section 1185 shall require the trustee to transfer to a qualified and independent special trustee, who is appointed by the court, all of the equity securities in the bridge company that is the recipient of a transfer under section 1185 to hold in trust for the sole benefit of the estate, subject to satisfaction of the special trustee's fees, costs, and expenses. The trust of which the special trustee is the trustee shall be a newly formed trust governed by a trust agreement approved by the court as in the best interests of the estate, and shall exist for the sole purpose of holding and administering, and shall be permitted to dispose of, the equity securities of the bridge company in accordance with the trust agreement.

(2) In connection with the hearing to approve a transfer under section 1185, the trustee shall confirm to the court that the Board has been consulted regarding the identity of the proposed special trustee and advise the court of the results of such consultation.

(b) The trust agreement governing the trust shall provide—

(1) for the payment of the fees, costs, expenses, and indemnities of the special trustee from the assets of the debtor's estate;

(2) that the special trustee provide—
“(A) quarterly reporting to the estate, which shall be filed with the court; and

“(B) information about the bridge company reasonably requested by a party in interest to prepare a disclosure statement for a plan providing for distribution of any securities of the bridge company if such information is necessary to prepare such disclosure statement;

“(3) that for as long as the equity securities of the bridge company are held by the trust, the special trustee shall file a notice with the court in connection with—

“(A) any change in a director or senior officer of the bridge company;

“(B) any modification to the governing documents of the bridge company; and

“(C) any material corporate action of the bridge company, including—

“(i) recapitalization;

“(ii) a material borrowing;

“(iii) termination of an intercompany debt or guarantee;

“(iv) a transfer of a substantial portion of the assets of the bridge company; or
“(v) the issuance or sale of any securities of the bridge company;

“(4) that any sale of any equity securities of the bridge company shall not be consummated until the special trustee consults with the Federal Deposit Insurance Corporation and the Board regarding such sale and discloses the results of such consultation with the court;

“(5) that, subject to reserves for payments permitted under paragraph (1) provided for in the trust agreement, the proceeds of the sale of any equity securities of the bridge company by the special trustee be held in trust for the benefit of or transferred to the estate;

“(6) the process and guidelines for the replacement of the special trustee; and

“(7) that the property held in trust by the special trustee is subject to distribution in accordance with subsection (e).

“(e)(1) The special trustee shall distribute the assets held in trust—

“(A) if the court confirms a plan in the case, in accordance with the plan on the effective date of the plan; or
“(B) if the case is converted to a case under chapter 7, as ordered by the court.

“(2) As soon as practicable after a final distribution under paragraph (1), the office of the special trustee shall terminate, except as may be necessary to wind up and conclude the business and financial affairs of the trust.

“(d) After a transfer to the special trustee under this section, the special trustee shall be subject only to applicable nonbankruptcy law, and the actions and conduct of the special trustee shall no longer be subject to approval by the court in the case under this subchapter.

§1187. Temporary and supplemental automatic stay; assumed debt

“(a)(1) A petition filed under section 1183 operates as a stay, applicable to all entities, of the termination, acceleration, or modification of any debt, contract, lease, or agreement of the kind described in paragraph (2), or of any right or obligation under any such debt, contract, lease, or agreement, solely because of—

“(A) a default by the debtor under any such debt, contract, lease, or agreement; or

“(B) a provision in such debt, contract, lease, or agreement, or in applicable nonbankruptcy law, that is conditioned on—
“(i) the insolvency or financial condition of
the debtor at any time before the closing of the
case;
“(ii) the commencement of a case under
this title concerning the debtor;
“(iii) the appointment of or taking posses-
sion by a trustee in a case under this title con-
cerning the debtor or by a custodian before the
commencement of the case; or
“(iv) a credit rating agency rating, or ab-
sence or withdrawal of a credit rating agency
rating—
“(I) of the debtor at any time after
the commencement of the case;
“(II) of an affiliate during the period
from the commencement of the case until
48 hours after such order is entered;
“(III) of the bridge company while the
trustee or the special trustee is a direct or
indirect beneficial holder of more than 50
percent of the equity securities of—
“(aa) the bridge company; or
“(bb) the affiliate, if all of the di-
rect or indirect interests in the affil-
iate that are property of the estate
are transferred under section 1185; or
“(IV) of an affiliate while the trustee
or the special trustee is a direct or indirect
beneficial holder of more than 50 percent
of the equity securities of—
“(aa) the bridge company; or
“(bb) the affiliate, if all of the di-
rect or indirect interests in the affili-
ate that are property of the estate
are transferred under section 1185.
“(2) A debt, contract, lease, or agreement described
in this paragraph is—
“(A) any debt (other than capital structure
debt), executory contract, or unexpired lease of the
debtor (other than a qualified financial contract);
“(B) any agreement under which the debtor
issued or is obligated for debt (other than capital
structure debt);
“(C) any debt, executory contract, or unexpired
lease of an affiliate (other than a qualified financial
contract); or
“(D) any agreement under which an affiliate
issued or is obligated for debt.
“(3) The stay under this subsection terminates—
“(A) for the benefit of the debtor, upon the earliest of—

“(i) 48 hours after the commencement of the case;

“(ii) assumption of the debt, contract, lease, or agreement by the bridge company under an order authorizing a transfer under section 1185;

“(iii) a final order of the court denying the request for a transfer under section 1185; or

“(iv) the time the case is dismissed; and

“(B) for the benefit of an affiliate, upon the earliest of—

“(i) the entry of an order authorizing a transfer under section 1185 in which the direct or indirect interests in the affiliate that are property of the estate are not transferred under section 1185;

“(ii) a final order by the court denying the request for a transfer under section 1185;

“(iii) 48 hours after the commencement of the case if the court has not ordered a transfer under section 1185; or

“(iv) the time the case is dismissed.
“(4) Subsections (d), (e), (f), and (g) of section 362
apply to a stay under this subsection.

“(b) A debt, executory contract (other than a qualified financial contract), or unexpired lease of the debtor,
or an agreement under which the debtor has issued or is
obligated for any debt, may be assumed by a bridge com-
pany in a transfer under section 1185 notwithstanding
any provision in an agreement or in applicable nonbank-
ruptcy law that—

“(1) prohibits, restricts, or conditions the as-
ignment of the debt, contract, lease, or agreement;
or

“(2) accelerates, terminates, or modifies, or
permits a party other than the debtor to terminate
or modify, the debt, contract, lease, or agreement on
account of—

“(A) the assignment of the debt, contract,
lease, or agreement; or

“(B) a change in control of any party to
the debt, contract, lease, or agreement.

“(c)(1) A debt, contract, lease, or agreement of the
kind described in subparagraph (A) or (B) of subsection
(a)(2) may not be accelerated, terminated, or modified,
and any right or obligation under such debt, contract,
lease, or agreement may not be accelerated, terminated,
or modified, as to the bridge company solely because of a provision in the debt, contract, lease, or agreement or in applicable nonbankruptcy law—

"(A) of the kind described in subsection (a)(1)(B) as applied to the debtor;

"(B) that prohibits, restricts, or conditions the assignment of the debt, contract, lease, or agreement; or

"(C) that accelerates, terminates, or modifies, or permits a party other than the debtor to terminate or modify, the debt, contract, lease or agreement on account of—

"(i) the assignment of the debt, contract, lease, or agreement; or

"(ii) a change in control of any party to the debt, contract, lease, or agreement.

"(2) If there is a default by the debtor under a provision other than the kind described in paragraph (1) in a debt, contract, lease or agreement of the kind described in subparagraph (A) or (B) of subsection (a)(2), the bridge company may assume such debt, contract, lease, or agreement only if the bridge company—

"(A) shall cure the default;

"(B) compensates, or provides adequate assurance in connection with a transfer under section
1185 that the bridge company will promptly compensate, a party other than the debtor to the debt, contract, lease, or agreement, for any actual pecuniary loss to the party resulting from the default; and

"(C) provides adequate assurance in connection with a transfer under section 1185 of future performance under the debt, contract, lease, or agreement, as determined by the court under section 1185(c)(4).

"§1188. Treatment of qualified financial contracts and affiliate contracts

"(a) Notwithstanding sections 362(b)(6), 362(b)(7), 362(b)(17), 362(b)(27), 362(o), 555, 556, 559, 560, and 561, a petition filed under section 1183 operates as a stay, during the period specified in section 1187(a)(3)(A), applicable to all entities, of the exercise of a contractual right—

"(1) to cause the modification, liquidation, termination, or acceleration of a qualified financial contract of the debtor or an affiliate;

"(2) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with a qualified financial contract of the debtor or an affiliate; or
"(3) under any security agreement or arrange-
ment or other credit enhancement forming a part of
or related to a qualified financial contract of the
debtor or an affiliate.

"(b)(1) During the period specified in section
1187(a)(3)(A), the trustee or the affiliate shall perform
all payment and delivery obligations under such qualified
financial contract of the debtor or the affiliate, as the case
may be, that become due after the commencement of the
case. The stay provided under subsection (a) terminates
as to a qualified financial contract of the debtor or an
affiliate immediately upon the failure of the trustee or the
affiliate, as the case may be, to perform any such obliga-
tion during such period.

"(2) Any failure by a counterparty to any qualified
financial contract of the debtor or any affiliate to perform
any payment or delivery obligation under such qualified
financial contract, including during the pendency of the
stay provided under subsection (a), shall constitute a
breach of such qualified financial contract by the
counterparty.

"(e) Subject to the court's approval, a qualified finan-
cial contract between an entity and the debtor may be as-
signed to or assumed by the bridge company in a transfer
under, and in accordance with, section 1185 if and only if—

"(1) all qualified financial contracts between the entity and the debtor are assigned to and assumed by the bridge company in the transfer under section 1185;

"(2) all claims of the entity against the debtor in respect of any qualified financial contract between the entity and the debtor (other than any claim that, under the terms of the qualified financial contract, is subordinated to the claims of general unsecured creditors) are assigned to and assumed by the bridge company;

"(3) all claims of the debtor against the entity under any qualified financial contract between the entity and the debtor are assigned to and assumed by the bridge company; and

"(4) all property securing or any other credit enhancement furnished by the debtor for any qualified financial contract described in paragraph (1) or any claim described in paragraph (2) or (3) under any qualified financial contract between the entity and the debtor is assigned to and assumed by the bridge company.
“(d) Notwithstanding any provision of a qualified financial contract or of applicable nonbankruptcy law, a qualified financial contract of the debtor that is assumed or assigned in a transfer under section 1185 may not be accelerated, terminated, or modified, after the entry of the order approving a transfer under section 1185, and any right or obligation under the qualified financial contract may not be accelerated, terminated, or modified, after the entry of the order approving a transfer under section 1185 solely because of a condition described in section 1187(c)(1), other than a condition of the kind specified in section 1187(b) that occurs after property of the estate no longer includes a direct beneficial interest or an indirect beneficial interest through the special trustee, in more than 50 percent of the equity securities of the bridge company.

“(e) Notwithstanding any provision of any agreement or in applicable nonbankruptcy law, an agreement of an affiliate (including an executory contract, an unexpired lease, qualified financial contract, or an agreement under which the affiliate issued or is obligated for debt) and any right or obligation under such agreement may not be accelerated, terminated, or modified, solely because of a condition described in section 1187(c)(1), other than a condition of the kind specified in section 1187(b) that occurs
after the bridge company is no longer a direct or indirect beneficial holder of more than 50 percent of the equity securities of the affiliate, at any time after the commencement of the case if—

"(1) all direct or indirect interests in the affiliate that are property of the estate are transferred under section 1185 to the bridge company within the period specified in subsection (a);

"(2) the bridge company assumes—

"(A) any guarantee or other credit enhancement issued by the debtor relating to the agreement of the affiliate; and

"(B) any obligations in respect of rights of setoff, netting arrangement, or debt of the debtor or that directly arises out of or directly relates to the guarantee or credit enhancement; and

"(3) any property of the estate that directly serves as collateral for the guarantee or credit enhancement is transferred to the bridge company.

§ 1189. Licenses, permits, and registrations

"(a) Notwithstanding any otherwise applicable non-bankruptcy law, if a request is made under section 1185 for a transfer of property of the estate, any Federal, State, or local license, permit, or registration that the debtor or an affiliate had immediately before the commencement of
the case and that is proposed to be transferred under section 1185 may not be accelerated, terminated, or modified at any time after the request solely on account of—

"(1) the insolvency or financial condition of the debtor at any time before the closing of the case;

"(2) the commencement of a case under this title concerning the debtor;

"(3) the appointment of or taking possession by a trustee in a case under this title concerning the debtor or by a custodian before the commencement of the case; or

"(4) a transfer under section 1185.

"(b) Notwithstanding any otherwise applicable non-bankruptcy law, any Federal, State, or local license, permit, or registration that the debtor had immediately before the commencement of the case that is included in a transfer under section 1185 shall be valid and all rights and obligations thereunder shall vest in the bridge company.

§ 1190. Exemption from securities laws

"For purposes of section 1145, a security of the bridge company shall be deemed to be a security of a successor to the debtor under a plan if the court approves the disclosure statement for the plan as providing adequate information (as defined in section 1125(a)) about the bridge company and the security.
§ 1191. Inapplicability of certain avoiding powers

A transfer made or an obligation incurred by the debtor to an affiliate prior to or after the commencement of the case, including any obligation released by the debtor or the estate to or for the benefit of an affiliate, in contemplation of or in connection with a transfer under section 1185 is not avoidable under section 544, 547, 548(a)(1)(B), or 549, or under any similar nonbankruptcy law.

§ 1192. Consideration of financial stability

The court may consider the effect that any decision in connection with this subchapter may have on financial stability in the United States.”.

SEC. 4. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

(a) AMENDMENT TO CHAPTER 13.—Chapter 13 of title 28, United States Code, is amended by adding at the end the following:

§ 298. Judge for a case under subchapter V of chapter 11 of title 11

“(a)(1) Notwithstanding section 295, the Chief Justice of the United States shall designate not fewer than 10 bankruptcy judges to be available to hear a case under subchapter V of chapter 11 of title 11. Bankruptcy judges may request to be considered by the Chief Justice of the United States for such designation.
“(2) Notwithstanding section 155, a case under subchapter V of chapter 11 of title 11 shall be heard under section 157 by a bankruptcy judge designated under paragraph (1), who shall be randomly assigned to hear such case by the chief judge of the court of appeals for the circuit embracing the district in which the case is pending. To the greatest extent practicable, the approvals required under section 155 should be obtained.

“(3) If the bankruptcy judge assigned to hear a case under paragraph (2) is not assigned to the district in which the case is pending, the bankruptcy judge shall be temporarily assigned to the district.

“(b) A case under subchapter V of chapter 11 of title 11, and all proceedings in the case, shall take place in the district in which the case is pending.

“(e) In this section, the term ‘covered financial corporation’ has the meaning given that term in section 101(9A) of title 11.”.

(b) AMENDMENT TO SECTION 1334 OF TITLE 28.—

Section 1334 of title 28, United States Code, is amended by adding at the end the following:

“(f) This section does not grant jurisdiction to the district court after a transfer pursuant to an order under section 1185 of title 11 of any proceeding related to a special trustee appointed, or to a bridge company formed, in
connection with a case under subchapter V of chapter 11 of title 11.”.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections of chapter 13 of title 28, United States Code, is amended by adding at the end the following:

“298. Judge for a case under subchapter V of chapter 11 of title 11.”.

(2) The table of subchapters of chapter 11 of title 11, United States Code, is amended by adding at the end the following:

“SUBCHAPTER V—LIQUIDATION, REORGANIZATION, OR RECAPITALIZATION OF A COVERED FINANCIAL CORPORATION

“1181. Inapplicability of other sections.
“1182. Definitions for this subchapter.
“1184. Regulators.
“1185. Special transfer of property of the estate.
“1186. Special trustee.
“1187. Temporary and supplemental automatic stay; assumed debt.
“1188. Treatment of qualified financial contracts and affiliate contracts.
“1189. Licenses, permits, and registrations.
“1190. Exemption from securities laws.
“1191. Inapplicability of certain avoiding powers.
“1192. Consideration of financial stability.”.
In the report:

On page 7, after the *Iran Sanctions Act* paragraph insert:

“The Committee directs the Treasury Department to conduct a full review of all sanction designation removals related to Iran during the past 2 years and report to the Committees on Appropriations in writing for each such removal whether the entity has engaged in any prohibited activities since the removal of sanctions. If the Treasury Department determines an entity has engaged in any activities for which it should be sanctioned, the Department shall report not later than 15 days after any such determination to the Committees on Appropriations on the status of re-imposition of sanctions on any identified entity or provide a written justification for why sanctions have not been imposed.

The Committee directs the Treasury Department to provide a report to the Committee, within 180 days from enactment, on the number of non-nuclear related sanctions designations related to Iran issued for the each of the past 3 fiscal years. The report shall provide an overall number of designations, and the number for each sanctions program.

The Committee is concerned that investigations of entities for possible sanctions violations take considerable time and during the investigation period entities may continue to carry out sanctionable activities. The Committee directs the Department to begin tracking the time between the start of each investigation into possible sanctions violations and the issuance of sanctions or closure of the investigation. The Department shall provide a report to the Committees on Appropriations at the end of the fiscal year on the average investigation time, the number of investigations carried out, the number of investigations concluded, and the number of open investigations.”

On page 14, before the header “United States Mint” insert:

“*Craft Producers.*—The Committee recognizes the important function TTB plays in protecting the public and properly collecting tax revenue from the industries it oversees. The Committee encourages TTB to continue outreach to small craft producers and identify areas where the Bureau can minimize the regulatory burden on this industry.

On page 20, before the header “Business Systems Modernization” insert:

“*Taxpayer Receipt*—The Committee recognizes the importance of empowering Americans with information to hold the federal government accountable over how taxpayer dollars are being spent. The Committee encourages the IRS to create a written receipt for those filing paper tax returns and an electronic receipt for those that e-file that will include a breakdown of each individual’s contributions to Social Security, defense spending, Medicare and other federal programs, as well as the total amount of federal debt and how much the federal government has borrowed per citizen.”
On page 35, after the first paragraph insert:

“The Committee urges the Judiciary in coordination with GSA to consider practical and cost effective approaches to providing judicial services, as appropriate, in areas that lack a federal facility in which civil and criminal proceedings are held.”

On page 44, before the Voluntary Recall paragraph insert:

“Within the amount provided under this heading, $1,300,000 is for the Virginia Graeme Baker Pool and Spa Safety Act grant program. The Committee commends the CPSC for continuing to provide resources for the national and grassroots "Pool Safely" campaign, a safety information and education program designed to reduce child drownings and near drowning injuries and maintain a zero fatality rate for drain entrapments. This multifaceted initiative includes consumer and industry education efforts, press events, partnerships, outreach, and advertising. The committee expects the CPSC to maintain the fiscal year 2017 levels for the "Pool Safely" campaign.”

On page 50, replace the paragraph titled “Contact Lenses” with:

“Contact Lenses.—The Committee is aware of the FTC’s ongoing review of its contact lens rule and urges the agency to make modifications to the rule that prioritize patient safety, consumer accessibility, and strengthen enforcement mechanisms.”

On page 51, after the IT Modernization paragraph insert:

“FBI Headquarters.—The Committee directs the Administrator of the General Services Administration, not later than 60 days after the enactment of this Act, to develop an alternate plan for the consolidation of the Federal Bureau of Investigation headquarters within the National Capital Region.”

On page 69, before the header “Office of Inspector General” insert:

“The Committee recognizes SBA’s work in fostering regional innovation clusters which have provided business development services to high technology small businesses across the nation. These small businesses support a diverse group of sectors including manufacturing, energy and advanced defense technologies. The Committee encourages SBA to continue supporting these initiatives that promote the sustainment and creation of jobs in critical and emerging markets, and foster innovative entrepreneurship among high technology small businesses.”
AMENDMENT TO FINANCIAL SERVICES
APPROPRIATIONS BILL

OFFERED BY MR. MOOLENAAR OF MICHIGAN

At the end of title VI, insert the following:

SEC. _____. (a) No funds made available by this Act
shall be expended on any enforcement action that—

(1) concerns a pyramid promotional scheme
other than a scheme described in subsection (b); and

(2) begins after the date of enactment of this
section.

(b) The pyramid promotional scheme described in
this subsection is any plan or operation in which individ-
uals give consideration for the right to receive compensa-
tion that is primarily based upon recruiting other individ-
uals into such plan or operation rather than related to
the—

(1) sale of products or services to ultimate
users; or

(2) consumption by ultimate users.

(c) It is not evidence of a pyramid promotional
scheme described in subsection (b) if participants in the
plan or operation give consideration for the right to receive
compensation based upon purchases of products or serv-
ices by participants for personal use, consumption, or re-
sale, as long as the plan or operation—

(1) does not require inventory loading; and

(2) implements a bona fide inventory repur-
chase agreement.

(d) For purposes of this section—

(1) the term "bona fide inventory repurchase
agreement" means a program by which a plan or op-
eration—

(A) promises to repurchase, on com-
mmercially reasonable terms, current and marketable
inventory purchased and maintained by a par-
ticipant for use, consumption, or resale, upon
request at the termination of the participant’s
business relationship with the plan or operation;
and

(B) clearly communicates such terms in its
recruiting literature, sales manual, or contracts
with participants, including the manner in
which the repurchase is to be exercised and dis-
closure of any inventory not eligible for repur-
chase under the program;

(2) the term "commercially reasonable terms”
means, with respect to a repurchase of current and
marketable inventory, a repurchase within 12
months from the date of purchase at not less than
90 percent of the original net cost to the participant,
less appropriate set-offs and legal claims, if any;

(3) the term “inventory loading” means a prac-
tice in which a plan or operation—

(A) requires or encourages its participants
to purchase inventory in an amount exceeding
that which the participant can reasonably ex-
pect to use, consume, or resell to ultimate
users; and

(B) is not subject to a bona fide inventory
repurchase agreement; and

(4) the term “ultimate users” means individuals
who consume or use the products or services, wheth-
er or not they are participants in the plan or oper-
ation.
AMENDMENT TO FINANCIAL SERVICES
APPROPRIATIONS BILL
OFFERED BY MR. HARRIS OF MARYLAND

Insert at the appropriate place in title VIII the following:

1 Sec. 8 (a) No funds available for obligation or expenditure by the District of Columbia government under any authority may be used to enact any act, resolution, rule, regulation, guidance, or other law to permit any person to carry out any activity, or to reduce the penalties imposed with respect to any activity, to which subsection (a) of section 3 of the Assisted Suicide Funding Restriction Act of 1997 (42 U.S.C. 14402) applies (taking into consideration subsection (b) of such section).

(b) Effective February 18, 2017, the Death With Dignity Act of 2016 (D.C. Law 21-182) is hereby repealed.
AMENDMENT TO FINANCIAL SERVICES
APPROPRIATIONS BILL
OFFERED BY MRS. LOWEY OF NEW YORK

Page 89, line 15, after the dollar amount, insert "(increased by $349,000)".

Page 5, line 14, after the dollar amount, insert "(decreased by $349,000)".

On page 8 of the report, in the table relating to "Department-wide Systems and Capital Investments Programs"—

(1) in the subitem labeled "Recommended in the bill", strike "4,426,000" and insert "4,077,000"; and

(2) in the subitem labeled "Bill compared with: Appropriation, fiscal year 2017", strike "4,426,000" and insert "4,077,000".

On page 8 of the report, in the paragraph relating to "Department-wide Systems and Capital Investments Programs", strike the last sentence, "The Committee recommends an appropriation of $4,426,000 for Department-wide Systems and Capital Investments Programs (DSCIP).", and insert "The Committee recommends an
appropriation of $4,077,000 for Department-wide Systems and Capital Investments Programs (DSCIP)."
AMENDMENT TO FINANCIAL SERVICES
APPROPRIATIONS BILL
OFFERED BY MR. YOUNG OF IOWA

Page 87, after line 8, insert the following:

1  SEC. 519. The Administrator of General Services
2  shall make available to the public on the website of the
3  General Services Administration any draft environmental
4  assessment—
5       (1) prepared by the Administrator of General
6  Services under section 102(2)(C) of the National
7  Environmental Policy Act of 1969 (42 U.S.C.
8  4332(2)(C)); and
9       (2) for which the Administrator of General
10  Services has solicited public comment.
AMENDMENT TO FINANCIAL SERVICES
APPROPRIATIONS BILL
OFFERED BY MR. AGUILAR OF CALIFORNIA

At the appropriate place in title VII, insert the following:

1 Sec. ____ Notwithstanding any other provision of law or regulation, an alien who is authorized to be employed in the United States pursuant to the Deferred Action for Childhood Arrivals program established under the memorandum of the Secretary of Homeland Security dated June 15, 2012, shall be eligible for employment by the Government (including any entity the majority of the stock of which is owned by the Government).