

[DISCUSSION DRAFT]

117<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Federal Reserve Act to require the uniform treatment of nationally recognized statistical rating organizations when the Board of Governors of the Federal Reserve System makes use of the Board's unusual and exigent circumstances authority, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Ms. DEAN introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

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**A BILL**

To amend the Federal Reserve Act to require the uniform treatment of nationally recognized statistical rating organizations when the Board of Governors of the Federal Reserve System makes use of the Board's unusual and exigent circumstances authority, 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 "Uniform Treatment  
5 of NRSROs Act".

1 **SEC. 2. UNIFORM TREATMENT OF NRSROS.**

2 (a) IN GENERAL.—Section 13(3) of the Federal Re-  
3 serve Act (12 U.S.C. 347d(3)) is amended by adding at  
4 the end the following:

5 “(F) UNIFORM TREATMENT OF NRSROS.—

6 “(i) IN GENERAL.—If, in carrying out this  
7 paragraph, the Board of Governors of the Fed-  
8 eral Reserve System establishes a requirement  
9 for an entity, security, or other instrument to  
10 carry a minimum credit rating, the Board of  
11 Governors shall accept credit ratings provided  
12 by any nationally recognized statistical rating  
13 organization with respect to such entity, secu-  
14 rity, or other instrument, if the nationally rec-  
15 ognized statistical rating organization is reg-  
16 istered with the Securities and Exchange Com-  
17 mission to issue credit ratings with respect to  
18 the applicable asset class of the entity, security,  
19 or other instrument.

20 “(ii) EXCEPTION.—

21 “(I) IN GENERAL.—The Board of  
22 Governors may exclude a nationally recog-  
23 nized statistical rating organization from  
24 the application of clause (i) if, in consulta-  
25 tion with the Securities and Exchange  
26 Commission, the Board of Governors de-

1           termines that the nationally recognized  
2           statistical rating organization is unable to  
3           provide reliable and accurate ratings for a  
4           particular asset class and that such exclu-  
5           sion is in the public interest.

6           “(II) REPORT.—If the Board of Gov-  
7           ernors excludes a nationally recognized sta-  
8           tistical rating organization from the appli-  
9           cation of clause (i) pursuant to subclause  
10          (I), the Board of Governors shall, as soon  
11          as practicable after such exclusion, disclose  
12          to the public the reasoning for such exclu-  
13          sion.

14          “(iii) NATIONALLY RECOGNIZED STATIS-  
15          TICAL RATING ORGANIZATION.—In this sub-  
16          paragraph, the term ‘nationally recognized sta-  
17          tistical rating organization’ has the meaning  
18          given that term under section 3 of the Securi-  
19          ties Exchange Act of 1934 (15 U.S.C. 78c).”.

20          (b) GAO STUDY.—

21                  (1) STUDY.—The Comptroller General of the  
22          United States shall carry out a study on—

23                          (A) the quality of credit ratings across na-  
24                          tionally recognized statistical ratings organiza-  
25                          tions (as defined under section 3 of the Securi-

1           ties Exchange Act of 1934), including during  
2           the 2008 economic crisis;

3           (B) the effect of competition on the quality  
4           of credit ratings and on the ability of small-  
5           and mid-size companies and financial institu-  
6           tions to access the capital markets; and

7           (C) the implementation of the amendment  
8           made by subsection (a).

9           (2) REPORT.—Not later than one year after the  
10          date of enactment of this Act, the Comptroller Gen-  
11          eral shall issue a report to the Congress containing  
12          all finding and determinations made in carrying out  
13          the study required under paragraph (1).