

AMENDMENT TO H.R. 4173**OFFERED BY MRS. CAPITO OF WEST VIRGINIA**

Strike line 1 on page 274 and all that follows through page 436, line 11, and insert the following:

1 Subtitle A—No More Bailouts Act**2 SEC. 1601. SHORT TITLE.**

3 This subtitle may be cited as the “No More Bailouts
4 Act of 2009”.

**5 SEC. 1602. AMENDMENTS TO TITLE 28 OF THE UNITED
6 STATES CODE.**

7 Title 28 of the United States Code is amended—

8 (1) in section 1408 by striking “section 1410”
9 and inserting “sections 1409A and 1410”,

10 (2) by inserting after section 1409 the fol-
11 lowing:

**12 “§ 1409A. Venue of cases involving non-bank financial
13 institutions**

14 “A case under chapter 14 may be commenced in the
15 district court of the United States for the district—

16 “(1) in which the debtor has its principal place
17 of business in the United States, principal assets in
18 the United States, or in which there is pending a
19 case under title 11 concerning the debtor’s affiliate

1 or subsidiary, if a Federal Reserve Bank is located
2 in that district;

3 “(2) if venue does not exist under paragraph
4 (1), in which there is a Federal Reserve Bank and
5 in a Federal Reserve district in which the debtor has
6 its principal place of business in the United States,
7 principal assets in the United States, or in which
8 there is pending a case under title 11 concerning the
9 debtor’s affiliate or subsidiary; or

10 “(3) if venue does not exist under paragraph
11 (1) or (2), in which there is a Federal Reserve Bank
12 and in a Federal circuit adjacent to the Federal cir-
13 cuit in which the debtor has its principal place of
14 business or principal assets in the United States.”,
15 and

16 (3) by amending the table of sections of chapter
17 87 of such title to insert after the item relating to
18 section 1408 the following:

“1409A. Venue of cases involving non-bank financial institutions.”.

19 **SEC. 1603. AMENDMENTS TO TITLE 11 OF THE UNITED**
20 **STATES CODE.**

21 (a) **DEFINITIONS.**—Section 101 of title 11, United
22 States Code, is amended—

23 (1) by inserting after paragraph (26) the fol-
24 lowing:

1 “(26A) The term ‘functional regulator’ means
2 the Federal regulatory agency with the primary Fed-
3 eral regulatory authority over the debtor, such as an
4 agency listed in section 509 of the Gramm-Leach-
5 Bliley Act.”,

6 (2) by redesignating paragraphs (38A) and
7 (38B) as paragraphs (38B) and (38C), respectively,

8 (3) by inserting after paragraph (38) the fol-
9 lowing:

10 “(38A) the term ‘Market Stability and Capital
11 Adequacy Board’ means the entity established in
12 section 1606 of the No More Bailouts Act of 2009.”,
13 and

14 (4) by inserting after paragraph (40) the fol-
15 lowing:

16 “(40A) The term ‘non-bank financial institu-
17 tion’ means an institution the business of which is
18 engaging in financial activities that is not an insured
19 depository institution.”.

20 (b) APPLICABILITY OF CHAPTERS.—Section 103 of
21 title 11, United States Code, is amended—

22 (1) in subsection (a) by striking “13” and in-
23 serting “13, and 14”,

24 (2) by redesignating subsection (k) as sub-
25 section (l), and

1 (3) by inserting after subsection (j) the fol-
2 lowing:

3 “(k) Chapter 14 applies only in a case under such
4 chapter.”.

5 (c) WHO MAY BE A DEBTOR.—Section 109 of title
6 11, United States Code, is amended—

7 (1) in subsection (b)—

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

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

12 (C) by adding at the end the following:

13 “(4) a non-bank financial institution that has
14 not been a debtor under chapter 14 of this title.”,

15 (2) in subsection (d) by striking “or commodity
16 broker” and inserting “, commodity broker, or a
17 non-bank financial institution”, and

18 (3) by adding at the end the following:

19 “(i) Only a non-bank financial institution may be a
20 debtor under chapter 14 of this title.”.

21 (d) INVOLUNTARY CASES.—Section 303 of title 11,
22 the United States Code, is amended—

23 (1) in subsection (a) by striking “or 11” and
24 inserting “, 11, or 14”, and

1 (2) in subsection (b) by striking “or 11” and
2 inserting “, 11, or 14”.

3 (e) OBTAINING CREDIT.—Section 364 of title 11,
4 United States Code, is amended by adding at the end the
5 following:

6 “(g) Notwithstanding any other provision of this sec-
7 tion, the trustee may not, and the court may not authorize
8 the trustee to, obtain credit, if the source of that credit
9 either directly or indirectly is the United States.”.

10 (f) CHAPTER 14.—Title 11, United States Code, is
11 amended—

12 (1) by inserting the following after chapter 13:

13 **“CHAPTER 14—ADJUSTMENT TO THE**
14 **DEBTS OF A NON-BANK FINANCIAL IN-**
15 **STITUTION**

“1401. Inapplicability of other sections.

“1402. Applicability of chapter 11 to cases under this chapter.

“1403. Prepetition consultation.

“1404. Appointment of trustee.

“1405. Right to be heard.

“1406. Right to communicate.

“1407. Exemption with respect to certain contracts or agreements.

“1408. Conversion or dismissal.

16 **“§ 1401. Inapplicability of other sections**

17 “Except as provided in section 1407, sections
18 362(b)(6), 362(b)(7), 362(b)(17), 546(e), 546(f), 546(g),
19 555, 556, 559, 560, and 561 do not apply in a case under
20 this chapter.

1 **“§ 1402. Applicability of chapter 11 to cases under**
2 **this chapter**

3 “With the exception of sections 1104(d), 1109,
4 1112(a), 1115, and 1116, subchapters I, II, and III of
5 chapter 11 apply in a case under this chapter.

6 **“§ 1403. Prepetition consultation**

7 “(a) Subject to subsection (b)—

8 “(1) a non-bank financial institution may not
9 be a debtor under this chapter unless that institu-
10 tion has, at least 10 days prior to the date of the
11 filing of the petition by such institution, taken part
12 in the consultation described in subsection (c); and

13 “(2) a creditor may not commence an involun-
14 tary case under this chapter unless, at least 10 days
15 prior to the date of the filing of the petition by such
16 creditor, the creditor notifies the non-bank financial
17 institution, the functional regulator, and the Market
18 Stability and Capital Adequacy Board of its intent
19 to file a petition and requests a consultation as de-
20 scribed in subsection (c).

21 “(b) If the non-bank financial institution, the func-
22 tional regulator, and the Market Stability and Capital
23 Adequacy Board, in consultation with any agency charged
24 with administering a nonbankruptcy insolvency regime for
25 any component of the debtor, certify that the immediate
26 filing of a petition under section 301 or 303 is necessary,

1 or that an immediate filing would be in the interests of
2 justice, a petition may be filed notwithstanding subsection
3 (a).

4 “(c) The non-bank financial institution, the func-
5 tional regulator, the Market Stability and Capital Ade-
6 quacy Board, and any agency charged with administering
7 a nonbankruptcy insolvency regime for any component of
8 the debtor shall engage in prepetition consultation in order
9 to attempt to avoid the need for the non-bank financial
10 institution’s liquidation or reorganization in bankruptcy,
11 to make any liquidation or reorganization of the non-bank
12 financial institution under this title more orderly, or to
13 aid in the nonbankruptcy resolution of any of the non-
14 bank financial institution’s components under its non-
15 bankruptcy insolvency regime. Such consultation shall spe-
16 cifically include the attempt to negotiate forbearance of
17 claims between the non-bank financial institution and its
18 creditors if such forbearance would likely help to avoid the
19 commencement of a case under this title, would make any
20 liquidation or reorganization under this title more orderly,
21 or would aid in the nonbankruptcy resolution of any of
22 the non-bank financial institution’s components under its
23 nonbankruptcy insolvency regime. Additionally, the con-
24 sultation shall consider whether, if a petition is filed under

1 section 301 or 303, the debtor should file a motion for
2 an exemption authorized by section 1407.

3 “(d) The court may allow the consultation process to
4 continue for 30 days after the petition, upon motion by
5 the debtor or a creditor. Any post-petition consultation
6 proceedings authorized should be facilitated by the court’s
7 mediation services, under seal, and exclude ex parte com-
8 munications.

9 “(e) The Market Stability and Capital Adequacy
10 Board and the functional regulator shall publish and
11 transmit to Congress a report documenting the course of
12 any consultation. Such report shall be published and
13 transmitted to Congress within 30 days of the conclusion
14 of the consultation.

15 “(f) Nothing in this section shall be interpreted to
16 set aside any of the limitations on the use of Federal funds
17 set forth in the No More Bailouts Act of 2009 or the
18 amendments made by such Act.

19 **“§ 1404. Appointment of trustee**

20 “In applying section 1104 to a case under this chap-
21 ter, if the court orders the appointment of a trustee or
22 an examiner, if the trustee or an examiner dies or resigns
23 during the case or is removed under section 324, or if a
24 trustee fails to qualify under section 322, the functional
25 regulator, in consultation with the Market Stability and

1 Capital Adequacy Board, shall submit a list of five disin-
2 terested persons that are qualified and willing to serve as
3 trustees in the case and the United States trustee shall
4 appoint, subject to the court's approval, one of such per-
5 sons to serve as trustee in the case.

6 **“§ 1405. Right to be heard**

7 “(a) The functional regulator, the Market Stability
8 and Capital Adequacy Board, the Federal Reserve, the
9 Department of the Treasury, the Securities and Exchange
10 Commission, and any domestic or foreign agency charged
11 with administering a nonbankruptcy insolvency regime for
12 any component of the debtor may raise and may appear
13 and be heard on any issue in a case under this chapter,
14 but may not appeal from any judgment, order, or decree
15 entered in the case.

16 “(b) A party in interest, including the debtor, the
17 trustee, a creditors' committee, an equity security holders'
18 committee, a creditor, an equity security holder, or any
19 indenture trustee may raise, and may appear and be heard
20 on, any issue in a case under this chapter.

21 **“§ 1406. Right to communicate**

22 “The court is entitled to communicate directly with,
23 or to request information or assistance directly from, the
24 functional regulator, the Market Stability and Capital
25 Adequacy Board, the Board of Governors of the Federal

1 Reserve System, the Department of the Treasury, or any
2 agency charged with administering a nonbankruptcy insol-
3 vency regime for any component of the debtor, subject to
4 the rights of a party in interest to notice and participation.

5 **“§ 1407. Exemption with respect to certain contracts**
6 **or agreements**

7 “(a) Subject to subsection (b)—

8 “(1) upon motion of the debtor, consented to by
9 the Market Stability and Capital Adequacy Board—

10 “(A) the debtor and the estate shall be ex-
11 empt from the operation of sections 362(b)(6),
12 362(b)(7), 362(b)(17), 546(e), 546(f), 546(g),
13 555, 556, 559, 560, and 561;

14 “(B) if the Market Stability and Capital
15 Adequacy Board consents to the filing of such
16 motion by the debtor, the Board shall inform
17 the court of its reasons for consenting; and

18 “(C) the debtor may limit its motion, or
19 the board may limit its consent, to exempt the
20 debtor and the estate from the operation of sec-
21 tion 362(b)(6), 362(b)(7), 362(b)(17), 546(e),
22 546(f), 546(g), 555, 556, 559, 560, or 561, or
23 any combination thereof; and

24 “(2) if the Market Stability and Capital Ade-
25 quacy Board does not consent to the filing of a mo-

1 tion by the debtor under paragraph (1), the debtor
2 may file a motion to exempt the debtor and the es-
3 tate from the operation of sections 362(b)(6),
4 362(b)(7), 362(b)(17), 546(e), 546(f), 546(g), 555,
5 556, 559, 560, and 561, or any combination thereof.

6 “(b) The court shall commence a hearing on a motion
7 under subsection (a) not later than 5 days after the filing
8 of the motion to determine whether to maintain, termi-
9 nate, annul, modify, or condition the exemption under sub-
10 section (a)(1) or, in the case of a motion under subsection
11 (a)(2), grant the exemption. The court shall request the
12 filing or briefs by the functional regulator and the Market
13 Stability and Capital Adequacy Board. The court shall de-
14 cide the motion not later than 5 days after commencing
15 such hearing unless—

16 “(1) the parties in interest consent to a exten-
17 sion for a specific period of time; or

18 “(2) except with respect to an exemption from
19 the operation of section 559, the court sua sponte
20 extends for 5 additional days the period for decision
21 if such extension would be in the interests of justice
22 or is required by compelling circumstances.

23 “(c) The court shall maintain, terminate, annul, mod-
24 ify, or condition the exemption under subsection (a)(1),
25 or, in the case of a motion under subsection (a)(2), grant

1 the exemption only upon showing of good cause. In deter-
2 mining whether good cause has been shown, the court
3 shall balance the interests of both debtor and creditors
4 while attempting to preserve the debtor's assets for repay-
5 ment and reorganization of the debtors obligations, or to
6 provide for a more orderly liquidation.

7 “(d) For purposes of timing under section 562 of this
8 title, if a motion is filed under subsection (a)(1) or if a
9 motion is granted under subsection (a)(2), the date or
10 dates of liquidation, termination, or acceleration shall be
11 measured from the earlier of—

12 “(1) the actual date or dates of liquidation, ter-
13 mination, or acceleration; or

14 “(2) the date on which a forward contract mer-
15 chant, stockbroker, financial institution, securities
16 clearing agency, repo participant, financial partici-
17 pant, master netting agreement participant, or swap
18 participant files a notice with the court that it would
19 have liquidated, terminated, or accelerated a con-
20 tract or agreement covered by section 562 of this
21 title had a stay under this section not been in place.

22 **“§ 1408. Conversion or dismissal**

23 “**In applying section 1112 to a case under this chap-**
24 **ter, the debtor may convert a case under this chapter to**
25 **a case under chapter 7 of this title if the debtor may be**

1 a debtor under such chapter unless the debtor is not a
2 debtor in possession.”, and

3 (2) by amending the table of chapters of such
4 title by adding at the end the following:

“14. Adjustment to the Debts of a Non-Bank Financial Institution 1401”.

5 **SEC. 1604. ESTABLISHMENT OF MARKET STABILITY AND**
6 **CAPITAL ADEQUACY BOARD.**

7 (a) IN GENERAL.—There is hereby established the
8 Market Stability and Capital Adequacy Board (hereafter
9 in this subtitle referred to as the “Board”) as an inde-
10 pendent establishment in the Executive Branch.

11 (b) CONSTITUTION OF BOARD.—Subject to para-
12 graph (4), the Board shall have 12 members as follows:

13 (1) PUBLIC MEMBERS.—The following shall be
14 members of the Board—

15 (A) The Secretary of the Treasury.

16 (B) The Chairman of the Board of Gov-
17 ernors of the Federal Reserve System.

18 (C) The Chairman of the Securities and
19 Exchange Commission.

20 (D) The Chairperson of the Federal De-
21 posit Insurance Corporation.

22 (E) The Chairman of the Commodity Fu-
23 tures Trading Commission.

24 (F) The Comptroller of the Currency.

1 (G) The Director of the Office of Thrift
2 Supervision.

3 (2) PRIVATE MEMBERS.—The Board shall also
4 have 5 members appointed by the President, by and
5 with the advice and consent of the Senate, who shall
6 be appointed from among individuals who—

7 (A) are specially qualified to serve on the
8 Board by virtue of their education, training,
9 and experience; and

10 (B) are not officers or employees of the
11 Federal Government, including the Board of
12 Governors of the Federal Reserve System.

13 (3) CHAIRPERSON.—The Secretary of the
14 Treasury shall serve as the Chairperson of the
15 Board.

16 (4) DIRECTOR OF FHFA AS INTERIM MEM-
17 BER.—Until such time as the charters of the Fed-
18 eral National Mortgage Association and the Federal
19 Home Loan Mortgage Corporation are both repealed
20 pursuant to section 7006(d), the Board shall consist
21 of 13 members with the Director of the Federal
22 Housing Finance Agency serving as a public member
23 under paragraph (1).

24 (c) APPOINTMENTS.—

25 (1) TERM.—

1 (A) IN GENERAL.—Each appointed mem-
2 ber shall be appointed for a term of 5 years.

3 (B) STAGGERED TERMS.—Of the members
4 of the Board first appointed under subsection
5 (b)(2), as designated by the President at the
6 time of appointment—

7 (i) 1 shall be appointed for a term of
8 5 years;

9 (ii) 1 shall be appointed for a term of
10 4 years;

11 (iii) 1 shall be appointed for a term of
12 3 years;

13 (iv) 1 shall be appointed for a term of
14 2 years; and

15 (v) 1 shall be appointed for a term of
16 1 year.

17 (2) INTERIM APPOINTMENTS.—Any member ap-
18 pointed to fill a vacancy occurring before the expira-
19 tion of the term for which such member's prede-
20 cessor was appointed shall be appointed only for the
21 remainder of such term.

22 (3) CONTINUATION OF SERVICE.—Each ap-
23 pointed member may continue to serve after the ex-
24 piration of the term of office to which such member

1 was appointed until a successor has been appointed
2 and qualified.

3 (4) REAPPOINTMENT TO A 2ND TERM.—Each
4 member appointed to a term on the Board under
5 subsection (b)(2), including an interim appointment
6 under paragraph (2), may be reappointed by the
7 President to serve 1 additional term.

8 (d) VACANCY.—

9 (1) IN GENERAL.—Any vacancy on the Board
10 shall be filled in the manner in which the original
11 appointment was made.

12 (2) ACTING OFFICIALS MAY SERVE.—In the
13 event of a vacancy in any position listed in sub-
14 section (b)(1) and pending the appointment of a suc-
15 cessor, or during the absence or disability of the in-
16 dividual serving in such position, any acting official
17 in such position shall be a member of the Board
18 while such vacancy, absence or disability continues
19 and the acting official continues acting in such posi-
20 tion.

21 (e) INELIGIBILITY FOR OTHER OFFICES.—

22 (1) POSTSERVICE RESTRICTION.—No member
23 of the Board may hold any office, position, or em-
24 ployment in any financial institution or affiliate of a
25 financial institution during—

1 (A) the time such member is in office; and

2 (B) the 2-year period beginning on the
3 date such member ceases to serve on the Board.

4 (2) CERTIFICATION.—Upon taking office, each
5 member of the Board shall certify under oath that
6 such member has complied with this subsection and
7 such certification shall be filed with the secretary of
8 the Board.

9 (f) QUALIFICATIONS; INITIAL MEETING.—

10 (1) POLITICAL PARTY AFFILIATION.—Not more
11 than 3 members of the Board appointed under sub-
12 section (b)(2) shall be from the same political party.

13 (2) QUALIFICATIONS GENERALLY.—It is the
14 sense of the Congress that individuals appointed to
15 the Commission should be prominent United States
16 citizens, with national recognition and significant
17 depth of experience commensurate with the duties of
18 the Board.

19 (3) SPECIFIC APPOINTMENT QUALIFICATIONS
20 FOR CERTAIN APPOINTED MEMBERS.—

21 (A) STATE BANK.—Of the members ap-
22 pointed to the Board under subsection (b)(2),
23 at least 1 shall be appointed from among indi-
24 viduals who have had experience as a State

1 bank supervisor or senior management execu-
2 tive with a State depository institution.

3 (B) INSURANCE COMMISSIONER.—Of the
4 members appointed to the Board under sub-
5 section (b)(2), at least 1 shall be appointed
6 from among individuals who have served as a
7 State insurance commissioner or supervisor.

8 (4) INITIAL MEETING.—The Board shall meet
9 and begin the operations of the Board as soon as
10 practicable but not later than the end of the 180-day
11 period beginning the date of the enactment of this
12 subtitle.

13 (g) QUORUM.—Four of the members of the Board
14 designated under subsection (b)(1) and 3 members of the
15 Board appointed under (b)(2) shall constitute a quorum.

16 (h) QUARTERLY MEETINGS.—The Board shall meet
17 upon the call of the chairperson or a majority of the mem-
18 bers at least once in each calendar quarter.

19 **SEC. 1605. FUNCTIONS OF BOARD.**

20 (a) PRINCIPAL FUNCTIONS.—The principal functions
21 of the Board shall be to—

22 (1) monitor the interactions of various sectors
23 of the financial system; and

24 (2) identify risks that could endanger the sta-
25 bility and soundness of the system.

1 (b) SPECIFIC REVIEW FUNCTIONS INCLUDED.—In
2 carrying out the functions described in subsection (a), the
3 Board shall—

4 (1) review financial industry data collected from
5 the appropriate functional regulators;

6 (2) review insurance industry data, in coordina-
7 tion with State insurance supervisors, for all lines of
8 insurance other than health insurance;

9 (3) monitor government policies and initiatives;

10 (4) review risk management practices within fi-
11 nancial regulatory agencies;

12 (5) review capital standards set by the appro-
13 priate functional regulators and make recommenda-
14 tions to ensure capital and leverage ratios match
15 risks regulated entities are taking on;

16 (6) review transparency and regulatory under-
17 standing of risk exposures in the over-the-counter
18 derivatives markets and make recommendations re-
19 garding the appropriate clearing of trades in those
20 markets through central counterparties;

21 (7) make recommendations regarding any gov-
22 ernment or industry policies and practices that are
23 exacerbating systemic risk; and

1 (8) take such other actions and make such
2 other recommendations as the Board, in the discre-
3 tion of the Board, determines to be appropriate.

4 (c) REPORTS TO FEDERAL FUNCTIONAL REGU-
5 LATORS AND THE CONGRESS.—The Board shall periodi-
6 cally make a report to the Congress and the functional
7 regulators on the findings, conclusions, and recommenda-
8 tions of the Board in a manner and within a time frame
9 that allows the Congress and such regulators to act to con-
10 tain risks posed by specific firms, industry practices, ac-
11 tivities and interactions of entities under different regu-
12 latory regimes, or government policies.

13 (d) TESTIMONY TO CONGRESS.—Not later than Feb-
14 ruary 20 and July 20 of each year, the Chairperson of
15 the Board shall testify to the Congress at semiannual
16 hearings before the Committee on Banking, Housing, and
17 Urban Affairs of the Senate and the Committee on Finan-
18 cial Services of the House of Representatives, about the
19 state of systemic risk in the financial services industry and
20 proposals or recommendations by the Board to address
21 any undue risk.

22 (e) RULE OF CONSTRUCTION.—No provision of this
23 subtitle shall be construed as giving the Board any en-
24 forcement authority over any financial institution.

1 **SEC. 1606. POWERS OF BOARD.**

2 (a) CONTRACTING.—The Board may, to such extent
3 and in such amounts as are provided in appropriation
4 Acts, enter into contracts to enable the Board to discharge
5 its duties under this subtitle.

6 (b) INFORMATION FROM FEDERAL AGENCIES.—

7 (1) IN GENERAL.—The Board may secure di-
8 rectly from any executive department, agency, or
9 independent establishment, or any other instrumen-
10 tality of the United States information and rec-
11 ommendations for the purposes of this subtitle.

12 (2) DELIVERY OF REQUESTED INFORMATION.—

13 Each executive department, agency, or independent
14 establishment, or any other instrumentality of the
15 United States shall, to the extent authorized by law,
16 furnish any information and recommendations re-
17 quested under paragraph (1) directly to the Board,
18 upon request made by the chairperson or any mem-
19 ber designated by a majority of the Commission.

20 (3) RECEIPT, HANDLING, STORAGE, AND DIS-
21 SEMINATION.—Information shall only be received,
22 handled, stored, and disseminated by members of
23 the Board and its staff consistent with all applicable
24 statutes, regulations, and Executive orders.

25 (c) ASSISTANCE FROM FEDERAL AGENCIES.—

1 (1) GENERAL SERVICES ADMINISTRATION.—

2 The Administrator of General Services shall provide
3 to the Board on a reimbursable basis administrative
4 support and other services for the performance of
5 the Commission's functions.

6 (2) OTHER DEPARTMENTS AND AGENCIES.—In

7 addition to the assistance prescribed in paragraph
8 (1), departments and agencies of the United States
9 may provide to the Commission such services, funds,
10 facilities, staff, and other support services as they
11 may determine advisable and as may be authorized
12 by law, including agencies represented on the Board
13 under section 1604(b)(1).

14 **SEC. 1607. RESPONSIBILITIES OF FEDERAL FUNCTIONAL**
15 **REGULATORS.**

16 (a) FEDERAL FUNCTIONAL REGULATOR DEFINED.—

17 For purposes of this subtitle, the term "Federal functional
18 regulator" has the same meaning as in section 509(2) of
19 the Gramm-Leach-Bliley Act, except that such term in-
20 cludes the Commodity Futures Trading Commission.

21 (b) ASSESSMENTS AND REVIEWS.—In order to ad-
22 dress current regulatory gaps, each Federal functional
23 regulator shall, before each quarterly meeting of the
24 Board—

1 (1) assess the effects on macroeconomic sta-
2 bility of the activities of financial institutions that
3 are subject to the jurisdiction of such agency;

4 (2) review how such financial institutions inter-
5 act with entities outside the jurisdiction of such
6 agency; and

7 (3) report the results of such assessment and
8 review to the Board, together with such rec-
9 ommendations for administrative action as the agen-
10 cy determines to be appropriate.

11 **SEC. 1608. STAFF OF BOARD.**

12 (a) APPOINTMENT AND COMPENSATION.—The chair-
13 person, in accordance with rules agreed upon by the Board
14 and title 5, United States Code, may appoint and fix the
15 compensation of a staff director and such other personnel
16 as may be necessary to enable the Board to carry out its
17 functions.

18 (b) DETAILEES.—Any Federal Government employee
19 may be detailed to the Board and such detailee shall retain
20 the rights, status, and privileges of his or her regular em-
21 ployment without interruption.

22 (c) CONSULTANT SERVICES.—The Board may pro-
23 cure the services of experts and consultants in accordance
24 with section 3109 of title 5, United States Code, but at
25 rates not to exceed the daily rate paid a person occupying

1 a position at level IV of the Executive Schedule under sec-
2 tion 5315 of title 5, United States Code.

3 **SEC. 1609. COMPENSATION AND TRAVEL EXPENSES.**

4 (a) COMPENSATION.—Each member of the Board ap-
5 pointed under section 1604(b)(2) may be compensated at
6 not to exceed the daily equivalent of the annual rate of
7 basic pay in effect for a position at level IV of the Execu-
8 tive Schedule under section 5315 of title 5, United States
9 Code, for each day during which that member is engaged
10 in the actual performance of the duties of the Board.

11 (b) TRAVEL EXPENSES.—While away from their
12 homes or regular places of business in the performance
13 of services for the Board, members of the Board shall be
14 allowed travel expenses, including per diem in lieu of sub-
15 sistence, in the same manner as persons employed inter-
16 mittently in the Government service are allowed expenses
17 under section 5703(b) of title 5, United States Code.

