

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4516

To provide stability in the financial services industry by promoting transparency, simplicity, fairness, accountability, and equal access in the market for consumer financial products or services and ensuring that no financial company becomes too big to fail, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2010

Mr. DINGELL introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

To provide stability in the financial services industry by promoting transparency, simplicity, fairness, accountability, and equal access in the market for consumer financial products or services and ensuring that no financial company becomes too big to fail, 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; DEFINITIONS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Financial Services Industry Stability Act of 2010”.

1 (b) DEFINITIONS.—For purposes of this Act, the fol-  
2 lowing definitions shall apply:

3 (1) CHAIRPERSON.—The term “Chairperson”  
4 means the Chairman of the Board of Governors of  
5 the Federal Reserve System.

6 (2) FINANCIAL COMPANY.—The term “financial  
7 company” means a company or other entity—

8 (A) that is—

9 (i) incorporated or organized under  
10 the laws of the United States or any State,  
11 territory, or possession of the United  
12 States, the District of Columbia, Common-  
13 wealth of Puerto Rico, Commonwealth of  
14 Northern Mariana Islands, Guam, Amer-  
15 ican Samoa, or the United States Virgin  
16 Islands; or

17 (ii) a company incorporated in or or-  
18 ganized in a country other than the United  
19 States that has significant operations in  
20 the United States through—

21 (I) a Federal or State branch or  
22 agency of a foreign bank (as such  
23 terms are defined in the International  
24 Banking Act of 1978 (12 U.S.C. 3101  
25 et seq.)); or

1 (II) a United States affiliate or  
2 other United States operating entity  
3 of a company that is incorporated or  
4 organized in a country other than the  
5 United States; and

6 (B) that is, in whole or in part, directly or  
7 indirectly, engaged in financial activities.

8 **SEC. 2. FEDERAL AGENCY ACTIONS AND CONSULTATIONS;**  
9 **REPORT.**

10 (a) REVIEW OF PROGRAMS TO PROMOTE THE PUB-  
11 LIC INTEREST.—

12 (1) FEDERAL RESERVE BOARD REVIEW.—The  
13 Chairperson shall—

14 (A) review all programs administered by  
15 the Board of Governors of the Federal Reserve  
16 System; and

17 (B) utilize such programs in furtherance of  
18 the purposes of this Act.

19 (2) OTHER AGENCY ACTION.—Each Federal de-  
20 partment, agency, and independent establishment in  
21 the Executive branch shall, in consultation with, and  
22 with the assistance of, the Chairperson, utilize any  
23 authority of such department, agency, or establish-  
24 ment, under any provision of law, in furtherance of  
25 the purposes of this Act by carrying out programs

1 to promote transparency, simplicity, fairness, ac-  
2 countability, and equal access in the market for con-  
3 sumer financial products or services.

4 (b) ENSURE NO FINANCIAL COMPANY BECOMES TOO  
5 BIG TO FAIL.—The head of each Federal department,  
6 agency, and independent establishment in the Executive  
7 branch shall, in consultation with, and with the assistance  
8 of, the Chairperson, take such steps as may be necessary  
9 to ensure that no financial company is able to pose a sys-  
10 temic risk to the health of the United States economy by  
11 becoming too large to fail.

12 (c) DEFINITIONS AND RULEMAKING.—

13 (1) IN GENERAL.—The Chairperson shall, in  
14 accordance with section 553 of title 5, United States  
15 Code, and in consultation with all departments,  
16 agencies, and independent establishments in the Ex-  
17 ecutive branch, prescribe regulations which, at a  
18 minimum, shall—

19 (A) define the terms “systemic risk” and  
20 “too large to fail”, consistent with the best fi-  
21 nancial and commercial data available;

22 (B) enumerate procedures that specify  
23 when and how the Chairperson and the head of  
24 any other Federal department, agency, or inde-

1           pendent establishment in the Executive branch  
2           shall—

3                   (i) cause financial companies that, in  
4                   accordance with such regulations, are de-  
5                   termined to be too large to fail to restruc-  
6                   ture themselves in size and scope of oper-  
7                   ations so as not to pose a systemic risk to  
8                   the health of the United States economy;  
9                   and

10                   (ii) impose increased capital reserve  
11                   requirements upon any financial company  
12                   which has been ordered to restructure  
13                   under clause (i), the appropriate levels of  
14                   which shall be determined by regulations  
15                   prescribed under this section;

16                   (C) define the criteria to be used by the  
17                   Chairperson and the head of any other Federal  
18                   department, agency, or independent establish-  
19                   ment in the Executive branch in causing the re-  
20                   structuring of financial companies under sub-  
21                   paragraph (B)(i); and

22                   (D) establish a fund comprised of annual  
23                   levies on financial companies at levels deemed  
24                   appropriate by the Chairperson and the head of  
25                   each Federal department, agency, or inde-

1           pendent establishment in the Executive branch  
2           for the purpose of financing restructurings pur-  
3           suant to subparagraph (B)(i).

4           (2) REGULATIONS.—The Chairperson shall  
5           commence the process for prescribing the regulations  
6           required under this subsection before the end of the  
7           30-day period beginning on the date of the enact-  
8           ment of this Act.

9           (d) REPORT TO THE CONGRESS.—The Chairperson  
10          and the head of each Federal department, agency, and  
11          independent establishment in the Executive branch shall  
12          submit an annual report to the Congress not later than  
13          January 1st of each year detailing the activities of the  
14          Board of Governors of the Federal Reserve System or such  
15          department, agency, or establishment in carrying out the  
16          requirements of this section.

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