

AMENDMENT TO H.R. 2764
OFFERED BY MR. LEACH, MR. LAFALCE, MR.
LAZIO, AND MR. KANJORSKI

Page 2, line 3, strike “continue to miss out on” and insert “have not benefited adequately from”.

Page 3, line 13, strike “must be” and insert “is”.

Page 3, strike lines 21 through 23 and insert the following:

1 (6) QUALIFIED DEBENTURE.—The term “quali-
2 fied debenture” means a debt instrument having
3 terms that meet the requirements established pursu-
4 ant to section 106(c)(1).

Page 4, strike lines 3 through 9 and insert the following (and redesignate succeeding paragraphs and any references to such paragraphs, accordingly):

5 (8) LICENSE.—The term “license” means a li-
6 cense issued by HUD as provided in section 104.

7 (9) LOW-INCOME COMMUNITY.—The term “low-
8 income community” means a census tract or tracts
9 that have—

10 (A) a poverty rate of 20 percent or great-
11 er, based on the most recent census data; or

1 (B) a median family income that does not
2 exceed 80 percent of the greater of (i) the me-
3 dian family income for the metropolitan area in
4 which such census tract or tracts are located, or
5 (ii) the median family income for the State in
6 which such census tract or tracts are located.

7 (10) LOW-INCOME PERSON.—The term “low-in-
8 come person” means a person who is a member of
9 a low-income family, as such term is defined in sec-
10 tion 104 of the Cranston-Gonzalez National Afford-
11 able Housing Act (42 U.S.C. 12704).

12 (11) PRIVATE EQUITY CAPITAL.—

13 (A) IN GENERAL.—The term “private eq-
14 uity capital”—

15 (i) in the case of a corporate entity,
16 the paid-in capital and paid-in surplus of
17 the corporate entity;

18 (ii) in the case of a partnership entity,
19 the contributed capital of the partners of
20 the partnership entity;

21 (iii) in the case of a limited liability
22 company entity, the equity investment of
23 the members of the limited liability com-
24 pany entity; and

1 (iv) earnings from investments of the
2 entity that are not distributed to investors
3 and are available for reinvestment by the
4 entity.

5 (B) EXCLUSIONS.—Such term does not in-
6 clude any—

7 (i) funds borrowed by an entity from
8 any source or obtained through the
9 issuance of leverage; except that this clause
10 may not be construed to exclude amounts
11 evidenced by a legally binding and irrev-
12 ocable investment commitment in the enti-
13 ty, or the use by an entity of a pledge of
14 such investment commitment to obtain
15 bridge financing from a private lender to
16 fund the entity's activities on an interim
17 basis; or

18 (iii) funds obtained directly or indi-
19 rectly from any Federal, State, or local
20 government or any government agency, ex-
21 cept for—

22 (I) funds invested by an employee
23 welfare benefit plan or pension plan;
24 and

4

1 (II) credits against any Federal,
2 State, or local taxes.

Page 4, strike lines 12 and 13 and insert the following:

3 (A) that, at the time that an investment is
4 made in the business or trade, is deriving at
5 least 50 percent of its gross income from the
6 conduct of trade or

Page 5, lines 5 and 6, strike “located in low-income communities”.

Page 5, line 14, strike “is authorized to” and insert “shall”.

Page 5, strike lines 19 through 22 and insert the following:

7 Secretary. The Secretary shall issue such regulations as
8 are necessary to carry out the licensing and regulatory and
9 other duties under this Act, and may issue notices and
10 other guidance or directives as the Secretary determines
11 are appropriate to carry out such duties.

Page 5, strike line 24, and all that follows through page 6, line 12, and insert the following:

1 (1) NUMBER OF LICENSES.—The number of
2 APICs licensed at any one time may not exceed the
3 lesser of—

4 (A) the number that may be supported by
5 the amount of budget authority appropriated in
6 accordance with the Federal Credit Reform Act
7 of 1990 for the subsidy cost and the investment
8 strategies of such APICs; or

9 (B) to the extent the limitation under sec-
10 tion 105(d)(1) applies, the number authorized
11 under such section.

12 (2) USE OF ADDITIONAL CREDIT SUBSIDY.—
13 Subject to the limitation under paragraph (1), the
14 Secretary may use any budget authority available
15 after credit subsidy has been allocated for the APICs
16 initially licensed pursuant to section 105 as follows:

17 (A) ADDITIONAL LICENSES.—To license
18 additional APICs.

19 (B) CREDIT SUBSIDY INCREASES.—To in-
20 crease the credit subsidy allocated to an APIC,
21 except that in using budget authority under this
22 subparagraph, the Secretary may only allocate
23 such authority on a pro rata basis, based on the
24 amount requested, among APICs that have re-
25 quested such an increase and that the Secretary

1 determines can reasonably use such amount re-
2 quested and are in compliance with the require-
3 ments under this Act.

Page 6, after line 21, insert the following (and re-
designate the succeeding paragraph and any references to
such paragraph, accordingly):

4 (2) FINANCIAL SOUNDNESS REQUIREMENTS.—
5 The Secretary shall consult with the Administrator
6 and the Secretary of the Treasury, and may consult
7 with such other heads of agencies as the Secretary
8 may consider appropriate, in establishing any regu-
9 lations, requirements, guidelines, or standards for fi-
10 nancial soundness or management practices of
11 APICs or entities applying for licensing as APICs.
12 In implementing and monitoring compliance with
13 any such regulations, requirements, guidelines, and
14 standards, the Secretary shall enter into such agree-
15 ments and memoranda of understanding with the
16 Administrator and the Secretary of the Treasury as
17 may be appropriate to provide for such officials to
18 provide any assistance that may be agreed to.

Page 8, line 3, strike “5 years” and insert “until ex-
pended”.

Page 8, strike line 17 and all that follows through page 11, line 3, and insert the following (and redesignate succeeding subsections and any references to such subsections, accordingly):

1 (a) ELIGIBLE APPLICANTS.—An entity shall be eligi-
2 ble to be selected for licensing under section 104 as an
3 APIC only if the entity submits an application in compli-
4 ance with the requirements established pursuant to sub-
5 section (b) and the entity meets or complies with the fol-
6 lowing requirements:

7 (1) ORGANIZATION.—The entity shall be a pri-
8 vate, for profit entity that qualifies as a community
9 development entity for the purposes of the New Mar-
10 kets Tax Credits, to the extent such credits are es-
11 tablished under Federal law.

12 (2) MINIMUM PRIVATE EQUITY CAPITAL.—The
13 amount of private equity capital reasonably available
14 to the entity, as determined by the Secretary, at the
15 time that a license is approved may not be less than
16 \$25,000,000.

17 (3) QUALIFIED MANAGEMENT.—The manage-
18 ment of the entity shall, in the determination of the
19 Secretary, meet such standards as the Secretary
20 shall establish to ensure that the management of the
21 APIC is qualified, and has the financial expertise,

1 knowledge, experience, and capability necessary, to
2 make investments for community and economic de-
3 velopment in low-income communities.

4 (4) CONFLICT OF INTEREST.—The entity shall
5 demonstrate that, in accordance with sound financial
6 management practices, the entity is structured to
7 preclude financial conflict of interest between the
8 APIC and a manager or investor.

9 (5) INVESTMENT STRATEGY.—The entity shall
10 prepare and submit to the Secretary an investment
11 strategy that includes benchmarks for evaluation of
12 its progress and that fulfills the specific public pur-
13 pose goals of the entity.

14 (6) STATEMENT OF PUBLIC PURPOSE GOALS.—
15 The entity shall prepare and submit to the Secretary
16 a statement of the public purpose goals of the entity,
17 which shall—

18 (A) set forth goals that shall promote com-
19 munity and economic development, which shall
20 include—

21 (i) making investments in low-income
22 communities that further economic devel-
23 opment objectives by targeting such invest-
24 ments in businesses or trades that comply
25 with the requirements under subpara-

1 graphs (A) through (C) of section 103(12)
2 relating to low-income communities in a
3 manner that benefits low-income persons;

4 (ii) creating jobs in low-income com-
5 munities for residents of such commu-
6 nities;

7 (iii) involving community-based orga-
8 nizations and residents in community de-
9 velopment activities;

10 (iv) such other goals as the Secretary
11 shall specify; and

12 (v) such elements as the entity may
13 set forth to achieve specific public purpose
14 goals;

15 (B) include such elements as the Secretary
16 shall specify; and

17 (C) include proposed measurements and
18 strategies for meeting the goals.

19 (7) COMPLIANCE WITH LAWS.—The entity shall
20 agree to comply with applicable laws, including Fed-
21 eral executive orders, Office of Management and
22 Budget circulars, and requirements of the Depart-
23 ment of the Treasury, and such operating and regu-
24 latory requirements as the Secretary may impose
25 from time to time.

1 (8) OTHER.—The entity shall satisfy any other
2 application requirements that the Secretary may im-
3 pose by regulation or Federal Register notice.

4 (b) COMPETITIONS.—The Secretary shall select eligi-
5 ble entities under subsection (a) to be licensed under sec-
6 tion 104 as APICs on the basis of competitions. The Sec-
7 retary shall announce each such competition by causing
8 a notice to be published in the Federal Register that in-
9 vites applications for licenses and sets forth the require-
10 ments for application and such other terms of the competi-
11 tion not otherwise provided for, as determined by the Sec-
12 retary.

13 (c) SELECTION.—In competitions under subsection
14 (b), the Secretary shall select eligible entities under sub-
15 section (a) for licensing as APICs on the basis of—

16 (1) the extent to which the entity is expected to
17 achieve the goals of this Act by meeting or exceeding
18 criteria established under subsection (d); and

19 (2) to the extent practicable and subject to the
20 existence of approvable applications, ensuring geo-
21 graphical diversity among the applicants selected
22 and diversity of APICs investment strategies, so that
23 urban and rural communities are both served, in the
24 determination of the Secretary, by the program
25 under this Act.

1 (d) SELECTION CRITERIA.—The Secretary shall es-
2 tablish selection criteria for competitions under subsection
3 (b), which shall include the following criteria:

4 (1) CAPACITY.—

5 (A) MANAGEMENT.—The extent to which
6 the entity's management has the quality, expe-
7 rience, and expertise to make and manage suc-
8 cessful investments for community and eco-
9 nomic development in low-income communities.

10 (B) STATE AND LOCAL COOPERATION.—

11 The extent to which the entity demonstrates a
12 capacity to cooperate with States or units of
13 general local government and with community-
14 based organizations and residents of low-income
15 communities.

16 (2) INVESTMENT STRATEGY.—The quality of
17 the entity's investment strategy submitted in accord-
18 ance with subsection (a)(5) and the extent to which
19 the investment strategy furthers the goals of this
20 Act pursuant to paragraph (3) of this subsection.

21 (3) PUBLIC PURPOSE GOALS.—With respect to
22 the statement of public purpose goals of the entity
23 submitted in accordance with subsection (a)(6), and
24 the strategy and measurements included therein—

1 (A) the extent to which such goals promote
2 community and economic development;

3 (B) the extent to which such goals provide
4 for making qualified investments in low-income
5 communities that further economic development
6 objectives, such as—

7 (i) creating job opportunities within a
8 low-income community within 2 years of
9 the completion of the initial investment;

10 (ii) improving the economic vitality of
11 a low-income community, including stimu-
12 lating other business development;

13 (iii) bringing new income into a low-
14 income community and assisting in the re-
15 vitalization of such community;

16 (iv) converting real property for the
17 purpose of creating a site for business in-
18 cubation and location, or business district
19 revitalization;

20 (v) enhancing economic competition,
21 including the advancement of technology;

22 (vi) rural development;

23 (vii) mitigating, rehabilitating, and
24 reusing real property considered subject to
25 the Solid Waste Disposal Act (42 U.S.C.

1 6901 et seq.; commonly referred to as the
2 Resource Conservation and Recovery Act)
3 or restoring coal mine-scarred land; and

4 (viii) any other objective that the Sec-
5 retary may establish to further the pur-
6 poses of this Act;

7 (C) the quality of jobs to be created, tak-
8 ing into consideration such factors as the pay-
9 ment of higher wages, job security, opportunity
10 for advancement, and personal asset building;

11 (D) the extent to which achievement of
12 such goals will involve community-based organi-
13 zations and residents in community develop-
14 ment activities; and

15 (E) the extent to which the investments re-
16 ferred to in subparagraph (B) are likely to ben-
17 efit existing small business in low-income com-
18 munities or will encourage the growth of small
19 business in such communities.

20 (4) OTHER.—Any other criteria that the Sec-
21 retary may establish to carry out the purposes of
22 this Act.

23 (d) FIRST YEAR REQUIREMENTS.—

24 (1) NUMERICAL LIMITATION.—The number of
25 APICs may not, at any time during the 1-year pe-

1 riod that begins upon the Secretary awarding the
2 first license for an APIC under this Act, exceed 15.

3 (2) LIMITATION ON ALLOCATION OF AVAILABLE
4 CREDIT SUBSIDY.—Of the amount of budget author-
5 ity initially made available for allocation under this
6 Act for APICs, the amount allocated for any single
7 APIC may not exceed 20 percent.

8 (3) NATIVE AMERICAN PRIVATE INVESTMENT
9 COMPANY.—Subject only to the absence of an ap-
10 provable application from an entity, during the 1-
11 year period referred to in paragraph (1), of the enti-
12 ties selected and licensed by the Secretary as an
13 APICs at least one shall be an entity that has as its
14 primary purpose the making of qualified low-income
15 community investments in areas that are within In-
16 dian country (as such term is defined in section
17 1151 of title 18, United States Code) or within
18 lands that have the status as Hawaiian home land
19 under section 204 of the Hawaiian Homes Commis-
20 sion Act, 1920 (42 Stat. 108) or are acquired pursu-
21 ant to such Act. The Secretary may establish spe-
22 cific selection criteria for applicants under this para-
23 graph.

Page 11, line 11, strike “, on the one hand,”.

Page 11, lines 8 and 9, strike “on the other hand,”.

Page 14, lines 3, 10, and 24, insert “private” before “equity capital” each place such term appears.

Page 14, strike lines 16 through 18 and insert the following:

1 (1) ISSUANCE.—An APIC may issue qualified
2 debentures. The Secretary shall, by regulation, speci-
3 fy the terms and requirements for debentures to be
4 considered qualified debentures for purposes of this
5 Act, except that the term to maturity of any quali-
6 fied debenture may not exceed 21 years and each
7 qualified debenture shall bear interest during all or
8 any part of that time period at a rate or rates ap-
9 proved by the Secretary.

Page 15, strike the colon in line 1 and all that follows through “APICs” in line 4.

Page 16, line 24, insert “private” before “equity capital”.

Page 17, line 17, insert “private” before “equity capital”.

Page 18, line 11, strike “Consistent” and insert the following:

10 (1) AUTHORITY.—To the extent consistent

Page 18, strike line 15, and all that follows through page 19, line 6, and insert the following:

1 Such commitments and guarantees may only be
2 made in accordance with the terms and conditions
3 established under paragraph (2).

4 (2) TERMS AND CONDITIONS.—The Secretary
5 shall establish such terms and conditions as the Sec-
6 retary determines to be appropriate for commit-
7 ments and guarantees under this subsection, includ-
8 ing terms and conditions relating to amounts, expi-
9 ration, number, priorities of repayment, security,
10 collateral, amortization, payment of interest (includ-
11 ing the timing thereof), and fees and charges. The
12 terms and conditions applicable to any particular
13 commitment or guarantee may be established in doc-
14 uments that the Secretary approves for such com-
15 mitment or guarantee.

16 (3) SENIORITY.—Notwithstanding any other
17 provision of Federal law or any law or the constitu-
18 tion of any State, qualified debentures guaranteed
19 under this subsection by the Secretary shall be sen-
20 ior to any other debt obligation, equity contribution
21 or earnings, or the distribution of dividends, inter-
22 est, or other amounts of an APIC.

Page 22, strike line 12 and all that follows through page 23, line 7, and insert the following:

1 (a) IN GENERAL.—The Secretary may issue a guar-
2 antee under this Act for a qualified debenture that an
3 APIC intends to issue only pursuant to a request to the
4 Secretary by the APIC for such guarantee that is made
5 in accordance with regulations governing the content and
6 procedures for such requests, that the Secretary shall pre-
7 scribe. Such regulations shall provide that each such re-
8 quest shall include—

9 (1) a description of the manner in which the
10 APIC intends to use the proceeds from the qualified
11 debenture;

12 (2) a certification by the APIC that the APIC
13 is in substantial compliance with—

14 (A) this Act and other applicable laws, in-
15 cluding any requirements established under this
16 Act by the Secretary;

17 (B) all terms and conditions of its license
18 and of any penalty or condition that may have
19 arisen from examination or monitoring by the
20 Secretary or otherwise, including the satisfac-
21 tion of any financial audit exception that may
22 have been outstanding; and

1 (C) all requirements relating to the alloca-
2 tion and use of New Markets Tax Credits, to
3 the extent such credits are established under
4 Federal law; and
5 (3) any other information or certification that
6 the Secretary considers appropriate.

Page 27, line 7, strike “The” and insert “Subject to compliance by the APIC with the requirements of this title, the”.

Page 27, line 10, strike “APICs” and insert “an APIC”.

Page 29, line 21, strike “may” and insert “shall”.

Page 29, line 23, strike “independent audits, and”.

Page 30, after line 5, insert the following new paragraph (and redesignate succeeding paragraphs and any references to such paragraphs, accordingly):

7 (2) ANNUAL AUDITS.—The Secretary shall re-
8 quire each APIC to have an independent audit con-
9 ducted annually of the operations of the APIC. The
10 Secretary, in consultation with the Administrator
11 and the Secretary of the Treasury, shall establish re-
12 quirements and standards for such audits, including
13 requirements that such audits be conducted in ac-

1 cordance with generally accepted accounting prin-
2 ciples, that the APIC submit the results of the audit
3 to Secretary, and that specify the information to be
4 submitted.

Page 30, line 13, strike “The” and insert “In ac-
cordance with section 104(d)(2), the”.

Page 30, line 20, strike “The” and insert “In ac-
cordance with section 104(d)(2), the”.

Page 31, after line 6, insert the following:

5 (c) INSPECTOR GENERAL RESPONSIBILITY.—In car-
6 rying out monitoring of HUD’s responsibilities under this
7 Act and for purposes of ensuring that the program under
8 this Act is operated in accordance with sound financial
9 management practices, the Inspector General of the De-
10 partment of Housing and Urban Development shall con-
11 sult with the Inspector General of the Department of the
12 Treasury and the Inspector General of the Small Business
13 Administration, as appropriate, and may enter into such
14 agreements and memoranda of understanding as may be
15 necessary to obtain the cooperation of the Inspectors Gen-
16 eral of the Department of the Treasury and the Small
17 Business Administration in carrying out such function.

18 (d) ANNUAL REPORT BY SECRETARY.—The Sec-
19 retary shall submit a report to the Congress annually re-

1 guarding the operations, activities, financial health, and
2 achievements of the APIC program under this Act. The
3 report shall list each investment made by an APIC and
4 include a summary of the examinations conducted under
5 section 109(b)(2), the guarantee actions of HUD, and any
6 regulatory or policy actions taken by HUD. The report
7 shall distinguish recently licensed APICs from APICs that
8 have held licenses for a longer period for purposes of indi-
9 cating program activities and performance.

10 (e) GAO REPORT.—

11 (1) REQUIREMENT.—Not later than 2 years
12 after the date of the enactment of this Act, the
13 Comptroller General of the United States shall sub-
14 mit a report to the Congress regarding the operation
15 of the program under this Act for licensing and
16 guarantees for APICs.

17 (2) CONTENTS.—The report shall include—

18 (A) an analysis of the operations and mon-
19 itoring by HUD of the APIC program under
20 this Act;

21 (B) the administrative and capacity needs
22 of HUD required to ensure the integrity of the
23 program;

24 (C) the extent and adequacy of any credit
25 subsidy appropriated for the program; and

1 (D) the management of financial risk and
2 liability of the Federal Government under the
3 program.

Page 31, strike line 7 and all that follows through
page 35, line 13, and insert the following:

4 **SEC. 110. PENALTIES.**

5 (a) VIOLATIONS SUBJECT TO PENALTY.—The Sec-
6 retary may impose a penalty under this subsection on any
7 APIC or manager of an APIC that, by any act, practice,
8 or failure to act, engages in fraud, mismanagement, or
9 noncompliance with this Act, the regulations under this
10 Act, or a condition of the APIC's license under this Act.
11 The Secretary shall, by regulation, identify, by generic de-
12 scription of a role or responsibilities, any manager of an
13 APIC that is subject to a penalty under this subsection.

14 (b) PENALTIES REQUIRING NOTICE AND AN OPPOR-
15 TUNITY TO RESPOND.—If, after notice in writing to an
16 APIC or the manager of an APIC that the APIC or man-
17 ager has engaged in any action, practice, or failure to act
18 that, under subsection (a), is subject to a penalty, and
19 an opportunity for the APIC or manager to respond to
20 the notice, the Secretary determines that the APIC or
21 manager engaged in such action or failure to act, the Sec-
22 retary may, in addition to other penalties imposed—

1 (1) assess a civil money penalty, except than
2 any civil money penalty under this subsection shall
3 be in an amount not exceeding \$10,000;

4 (2) issue an order to cease-and-desist with re-
5 spect to such action, practice, or failure to act of the
6 APIC or manager;

7 (3) suspend, or condition the use, of the APIC's
8 license, including deferring, for the period of the
9 suspension, any commitment to guarantee any new
10 qualified debenture of the APIC, except that any
11 suspension or condition under this paragraph may
12 not exceed 90 days; and

13 (4) impose any other penalty that the Secretary
14 determines to be less burdensome to the APIC than
15 a penalty under subsection (c).

16 (c) PENALTIES REQUIRING NOTICE AND HEAR-
17 ING.—If, after notice in writing to an APIC or the man-
18 ager of an APIC that an APIC or manager has engaged
19 in any action, practice, or failure to act that, under sub-
20 section (a), is subject to a penalty, and an opportunity
21 for administrative hearing, the Secretary determines that
22 the APIC or manager engaged in such action or failure
23 to act, the Secretary may—

24 (1) assess a civil money penalty against the
25 APIC or a manager in any amount;

1 (2) require the APIC to divest any interest in
2 an investment, on such terms and conditions as the
3 Secretary may impose; or

4 (3) revoke the APIC's license.

5 (c) EFFECTIVE DATE OF PENALTIES.—

6 (1) PRIOR NOTICE REQUIREMENT.—Except as
7 provided in paragraph (2) of this subsection, a pen-
8 alty under subsection (b) or (c) shall not be due and
9 payable and shall not otherwise take effect or be
10 subject to enforcement by an order of a court, before
11 notice of the penalty is published in the Federal
12 Register.

13 (2) CEASE-AND-DESIST ORDERS AND SUSPEN-
14 SION OR CONDITIONING OF LICENSE.—In the case of
15 a cease-and-desist order under subsection (b)(2) or
16 the suspension or conditioning of an APIC's license
17 under subsection (b)(3), the following procedures
18 shall apply:

19 (A) ACTION WITHOUT PUBLISHED NO-
20 TICE.—The Secretary may order an APIC or
21 manager to cease-and-desist from an action,
22 practice, or failure to act or may suspend or
23 condition an APIC's license, for not more than
24 45 days without prior publication of notice in
25 the Federal Register, but such cease-and-desist

1 order or suspension or conditioning shall take
2 effect only after the Secretary has issued a
3 written notice (which may include a writing in
4 electronic form) of such action to the APIC.
5 Notwithstanding subsection (b), such written
6 notice shall be effective without regard to
7 whether the APIC has been accorded an oppor-
8 tunity to respond. Upon such notice, such
9 cease-and-desist order or suspension or condi-
10 tioning shall be subject to enforcement by an
11 order of a court.

12 (B) PUBLICATION OF NOTICE OF SUSPEN-
13 SION OR CONDITIONING OF LICENSE.—Upon a
14 suspension or conditioning of a license taking
15 effect pursuant to subparagraph (A), the Sec-
16 retary shall promptly cause a notice of suspen-
17 sion or conditioning of such license for a period
18 of not more than 90 days to be published in the
19 Federal Register. The Secretary shall provide
20 the APIC an opportunity to respond to such no-
21 tice. For purposes of the determining the dura-
22 tion of the period of any suspension or condi-
23 tioning under this subparagraph, the first day
24 of such period shall be the day of issuance of

1 the written notice under this paragraph of the
2 suspension or conditioning.

3 (C) REVOCATION OF LICENSE.—During
4 the period of the suspension or conditioning of
5 an APIC's license, the Secretary may take ac-
6 tion under subsection (c)(3) to revoke the li-
7 cense of the APIC, in accordance with the pro-
8 cedures applicable to such subsection. Notwith-
9 standing any other provision of this section, if
10 the Secretary takes such action, the Secretary
11 may extend the suspension or conditioning of
12 the APIC's license, for one or more periods of
13 not more than 90 days each, by causing notice
14 of such action to be published in the Federal
15 Register—

16 (i) for the first such extension, before
17 the expiration of the period under subpara-
18 graph (B); and

19 (ii) for any subsequent extension, be-
20 fore the expiration of the preceding exten-
21 sion period under this subparagraph.

22 (D) TERM OF EFFECTIVENESS.—A cease-and-
23 desist order or the suspension or conditioning of an
24 APIC's license by the Secretary under this para-
25 graph shall remain in effect in accordance with the

1 terms of the order, suspension, or conditioning until
2 final adjudication in any action undertaken to chal-
3 lenge the order, or the suspension or conditioning, or
4 the revocation, of an APIC's license.

5 **SEC. 111. EFFECTIVE DATE.**

6 (a) IN GENERAL.—Except as provided in subsection
7 (b), this Act shall take effect upon the expiration of the
8 6-month period beginning on the date of the enactment
9 of this Act.

10 (b) ISSUANCE OF REGULATIONS AND GUIDELINES.—
11 Any authority under this Act of the Secretary, the Admin-
12 istrator, and the Secretary of the Treasury to issue regula-
13 tions, standards, guidelines, or licensing requirements,
14 and any authority of such officials to consult or enter into
15 agreements or memoranda of understanding regarding
16 such issuance, shall take effect on the date of the enact-
17 ment of this Act.

Insert “qualified” before “debenture” or “deben-
tures”, as applicable, in each of the following places:

Page 13, line 25.

Page 14, line 15.

Page 14, line 21.

Page 15, line 6.

Page 17, line 3.

Page 17, line 19.

Page 18, line 10.

Page 18, line 14.

Page 19, line 10.

Page 19, line 20.

Page 19, line 24 (the first place such term appears).

Page 20, line 2.

Page 20, line 6.

Page 20, line 8.

Page 20, line 11.

Page 20, line 12.

Page 20, line 17.

Page 21, line 21.

Page 22, line 6.

Page 22, line 9.

Page 23, line 8.

Page 23, line 14.

Page 24, line 13.

Page 24, line 19.

Page 25, line 6.

Page 27, line 8.

Page 27, line 17.

Page 28, line 2.