

AMENDMENT TO H.R. 5823
OFFERED BY MS. BEAN OF ILLINOIS

Page 17, line 4, strike "If an" and insert the following:

1 (A) If an

Page 17, after line 14, insert the following:

2 (B) If the Corporation is appointed as con-
3 servator or receiver of an issuer within 30 days
4 of the creation of such estate as provided in
5 subparagraph (A), the Corporation as conser-
6 vator or receiver shall have the right to cure
7 any default, as defined under subsection (a),
8 and exercise all rights, powers and duties as de-
9 scribed in subsection (c). The exercise of such
10 power to cure the default shall result in the dis-
11 solution of the estate created under subpara-
12 graph (A).

Page 17, line 18, after "bond," insert the following:
"except as provided in this section,".

Page 18, after line 4, insert the following new paragraph (and redesignate subsequent paragraphs accordingly):

1 (3) Except as provided in paragraph (6), the
2 creation of an estate under paragraph (1)(A) shall
3 release the conservator, receiver, liquidating agent,
4 or trustee in bankruptcy from any further claims by
5 the estate, and such parties shall have no other obligations
6 to the estate or any other party to the covered
7 bond transaction. Consistent with paragraph
8 (6), the issuer and any conservator, receiver, liquidating
9 agent, or trustee in bankruptcy shall continue
10 to reasonably cooperate with the estate's trustee to
11 facilitate the transfer of the covered bond program
12 to the estate.

Page 19, line 2, before the period insert the following: “, which shall be freely transferrable and shall be enforceable by any immediate or subsequent transferee”.

Page 19, beginning on line 6, strike “covered bond regulator, or a designee of the covered bond regulator,” and insert “trustee”.

Page 19, beginning on line 11, strike “covered bond regulator, or a designee of the covered bond regulator,” and insert “trustee”.

Page 20, line 2, after “subsection (b)” insert “or with respect to any estate created during the 30 days prior to appointment and for which the Corporation has cured the default pursuant to subsection (b)(1)(B)”.

Page 21, line 10, insert after “(A),” the following: “such transfer shall not be considered an event of default or permitting acceleration of the covered bonds, and”.

Page 21, after line 13, insert the following new subparagraph:

1 (D) FURTHER OBLIGATIONS WITHIN 180-
2 DAY PERIOD.—During the 180-day period de-
3 scribed in subparagraph (A), the Corporation as
4 conservator or receiver must take one of the fol-
5 lowing actions:

6 (i) Commit that it will not repudiate
7 the covered bonds and will either transfer
8 the covered bond program to another eligi-
9 ble issuer or enforce and perform all obli-
10 gations under the covered bond transaction
11 documents, including the payment of prin-
12 ciple and interest on such covered bonds
13 and any actions necessary to cure any
14 breaches or defaults, notwithstanding any
15 provisions of such documents providing for

1 termination, default, acceleration, or exer-
2 cise of rights upon, or solely by reason of,
3 on solvency, the appointment of or the ex-
4 ercise of rights or powers by the Corpora-
5 tion as conservator or receiver.

6 (ii) Repudiate the covered bonds se-
7 cured by a covered pool and turn over the
8 cover pool in full satisfaction of all out-
9 standing obligations, and upon such action,
10 an estate shall be created by operation of
11 law to be administered separate and apart
12 from the conservatorship or receivership of
13 the issuer in the manner set forth in para-
14 graphs (3), (4), (5), and (6).

15 In making its determination, the Corporation
16 may exercise its right in its sole discretion for
17 each cover pool separately, and actions gov-
18 erning one cover pool shall not limit the power
19 of the Corporation with respect to another cover
20 pool by the same or another issuer.

21 (E) If the Corporation, as conservator or
22 receiver, defaults in the performance of the obli-
23 gations set forth in this section and such de-
24 fault remains uncured during the longer of any
25 cure period specified in the transaction docu-

1 ments or 10 business days after actual delivery
2 of a written notice of default, a separate estate
3 shall be created by operation of law and the re-
4 sidual interest issued pursuant to this section
5 shall be issued to the Corporation.

Page 22, line 5, after “does not”, insert “either per-
form or”.

Page 22, beginning on line 7, strike “within the
180-period described in paragraph (1)(A)”.

Page 24, line 13, before the period insert the fol-
lowing: “which shall be freely transferrable at the sole
discretion of the Corporation and enforceable by any im-
mediate or subsequent transferee”.



