

**AMENDMENT TO H.R. 940**  
**OFFERED BY MRS. MALONEY OF NEW YORK**

Page 4, line 11, strike “the” and insert “for any eligible issuer that is subject to the jurisdiction of an”.

Page 4, beginning on line 13, strike “; and” and insert “, the appropriate Federal banking agency;”.

Page 4, line 15, insert after “that is” the following: “described in paragraph (9)(D), that is”.

Page 4, line 17, strike “, the Secretary.” and insert “and that is sponsored by only 1 eligible issuer, the covered bond regulator for the sponsor;”.

Page 4, after line 17, insert the following new subparagraphs:

1           (C) for any eligible issuer that is described  
2           in paragraph (9)(D), that is not subject to the  
3           jurisdiction of an appropriate Federal banking  
4           agency, and that is sponsored by more than 1  
5           eligible issuer, the covered bond regulator for  
6           the sponsor whose covered bonds constitute the  
7           largest share of the cover pool of the issuer;  
8           and

1 (D) for any other eligible issuer that is not  
2 subject to the jurisdiction of an appropriate  
3 Federal banking agency, the Secretary.

Page 7, strike line 24 (and redesignate subsequent subparagraphs accordingly).

Page 11, line 24, insert after the period the following: “Each covered bond regulator also shall take into account relevant supervisory factors, including safety and soundness considerations, in evaluating a covered bond program that has been submitted for approval.”.

Page 12, after line 21, insert the following new subparagraph:

4 (E) CEASE AND DESIST AUTHORITY.—The  
5 applicable covered bond regulator may direct an  
6 eligible issuer to cease issuing covered bonds  
7 under an approved covered bond program if the  
8 covered bond program is not maintained in a  
9 manner that is consistent with this Act and the  
10 oversight program and if, after notice that is  
11 reasonable under the circumstances, the issuer  
12 does not remedy all deficiencies identified by  
13 the applicable covered bond regulator.

Page 43, strike lines 11 through 20 and insert the following:

1 (a) EXISTING EXEMPTIONS APPLICABLE TO COV-  
2 ERED BONDS.—

3 (1) TREATMENT OF CERTAIN BANKS AND  
4 OTHER ENTITIES.—Any covered bond issued or  
5 guaranteed by a bank or by an eligible issuer de-  
6 scribed in section 2(9)(D) and sponsored solely by 1  
7 or more banks is and shall be treated as a security  
8 issued or guaranteed by a bank under section  
9 3(a)(2) of the Securities Act of 1933 (15 U.S.C.  
10 77c(a)(2)), section 3(c)(3) of the Investment Com-  
11 pany Act of 1940 (15 U.S.C. 80a-3(c)(3)), and sec-  
12 tion 304(a)(4)(A) of the Trust Indenture Act of  
13 1939 (15 U.S.C. 77ddd(a)(4)(A)). No covered bond  
14 issued or guaranteed by a bank or by an eligible  
15 issuer described in section 2(9)(D) and sponsored  
16 solely by 1 or more banks shall be treated as an  
17 asset-backed security (as defined in section 3 of the  
18 Securities and Exchange Act of 1934 (15 U.S.C.  
19 78c)). Each covered bond regulator for 1 or more  
20 banks may adopt, as part of the securities regula-  
21 tions of the covered bond regulator, a separate  
22 scheme of registration, disclosure, and reporting ob-  
23 ligations and exemptions for covered bond programs.

24 (2) TREATMENT OF CERTAIN ASSOCIATIONS  
25 AND COOPERATIVE BANKS.—Any covered bond

1 issued by an entity described in section 3(a)(5)(A)  
2 of the Securities Act of 1933 (15 U.S.C.  
3 77c(a)(5)(A)) or by an eligible issuer described in  
4 section 2(9)(D) and sponsored solely by 1 or more  
5 such entities is and shall be treated as a security  
6 issued by such an entity under section 3(a)(5)(A) of  
7 the Securities Act of 1933 (15 U.S.C. 77c(a)(5)(A)),  
8 section 3(c)(3) of the Investment Company Act of  
9 1940 (15 U.S.C. 80a-3(c)(3)), and section  
10 304(a)(4)(A) of the Trust Indenture Act of 1939  
11 (15 U.S.C. 77ddd(a)(4)(A)). No covered bond issued  
12 by an entity described in section 3(a)(5)(A) of the  
13 Securities Act of 1933 (15 U.S.C. 77c(a)(5)(A)) or  
14 by an eligible issuer described in section 2(9)(D) and  
15 sponsored solely by 1 or more such entities shall be  
16 treated as an asset-backed security (as defined in  
17 section 3 of the Securities and Exchange Act of  
18 1934 (15 U.S.C. 78c)). Each covered bond regulator  
19 for 1 or more entities described in section 3(a)(5)(A)  
20 of the Securities Act of 1933 (15 U.S.C.  
21 77c(a)(5)(A)) may adopt, as part of the securities  
22 regulations of the covered bond regulator, a separate  
23 scheme of registration, disclosure, and reporting ob-  
24 ligations and exemptions for covered bond programs.

1           (3) CONSTRUCTION.—No provision of this Act,  
2           including paragraph (1) or (2), may be construed or  
3           applied in a manner that impairs or limits any other  
4           exemption that is available under applicable securi-  
5           ties laws.

Page 46, line 7, strike “, the home equity asset  
class,”.

