112TH CONGRESS
1ST SESSION **H. R. 1723**

To permit certain current loans that would otherwise be treated as non-accrual loans as accrual loans for certain purposes.

————————————————

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2011

Mr. POSEY (for himself, Mr. PAUL, Mr. WESTMORELAND, Mr. ISSA, Mr. WEBSTER, Mr. JONES, Mr. MANZULLO, Mr. MILLER of Florida, Mrs. HARTZLER, Mr. PITTS, Mr. FLORES, Mr. GOHMERT, Mr. BARTLETT, Mr. PEARCE, Mr. GINGREY of Georgia, Mr. MCCOTTER, Mr. LUETKEMEYER, and Mr. THOMPSON of Pennsylvania) introduced the following bill; which was referred to the Committee on Financial Services

————————————————

A BILL

To permit certain current loans that would otherwise be treated as non-accrual loans as accrual loans for certain 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.**

4   This Act may be cited as the "Common Sense Eco-

5 nomic Recovery Act of 2011".

6 **SEC. 2. TREATMENT OF CERTAIN LOANS.**

7   (a) IN GENERAL.—For purposes of determining cap-

8 ital requirements or measuring capital of an insured de-

1 pository institution under section 38 of the Federal De-
2 posit Insurance Act (12 U.S.C. 1831o) or any other provi-
3 sion of law or regulatory guidance, an insured depository
4 institution that would otherwise be required to treat a loan
5 as a non-accrual loan may treat such loan as an accrual
6 loan, if—

7   (1) the loan is current;

8   (2) during the previous 6-month period, no
9   monthly payment on the loan has been more than 30
10   days delinquent;

11   (3) the loan is an amortizing loan; and

12   (4) the payments being made on the loan are
13   not being funded through an interest reserve ac-
14   count.

15 (b) EQUALITY OF TREATMENT FOR MODIFIED
16 MORTGAGE LOANS.—Subsection (a) shall apply to modi-
17 fied mortgage loans, including those loans that meet the
18 criteria for troubled debt restructuring, to the same extent
19 as non-modified mortgage loans, as long as the modified
20 mortgage loans also meet the requirements under para-
21 graphs (1) through (4) of subsection (a).

22 (c) NO ADDITIONAL ADVERSE TREATMENT.—With
23 respect to a loan held by an insured depository institution
24 and treated as an accrual loan by reason of subsection
25 (a), an appropriate Federal banking agency may not im-

1 pose any additional accounting requirements on such insti-
2 tution with respect to such loan compared to the require-
3 ments that would otherwise have been placed on such in-
4 stitution with respect to such loan if such loan were not
5 being treated as an accrual loan by reason of subsection
6 (a), if the result of such additional requirement would ad-
7 versely impact the measurement of capital of the institu-
8 tion.

9 **SEC. 3. STUDY.**

10   (a) IN GENERAL.—The Financial Stability Oversight
11 Council shall conduct a study of how best to prevent con-
12 tradictory guidance from being issued by appropriate Fed-
13 eral banking agencies to insured depository institutions
14 with respect to loan classifications and capital require-
15 ments.

16   (b) REPORT.—Not later than the end of the 60-day
17 period beginning on the date of the enactment of this Act,
18 the Financial Stability Oversight Council shall issue a re-
19 port to the Congress containing—

20   (1) all determinations and conclusions made by
21   the Council in carrying out the study required under
22   subsection (a); and

23   (2) legislative recommendations that the Coun-
24   cil believe will prevent contradictory guidance from
25   being issued by appropriate Federal banking agen-

1 cies to insured depository institutions with respect to

2 loan classifications and capital requirements.

SEC. 4. DEFINITIONS.

4 For purposes of this Act, the terms "appropriate

5 Federal banking agency" and "insured depository institu-

6 tion" shall have the meaning given those terms, respec-

7 tively, under section 3 of the Federal Deposit Insurance

8 Act (12 U.S.C. 1813).

SEC. 5. SUNSET.

10 Effective after the end of the 2-year period beginning

11 on the date of the enactment of this Act, this Act shall

12 cease to have any force or effect.

○