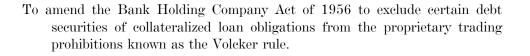
[DISCUSSION DRAFT]

H.R.

113TH CONGRESS 2D Session



IN THE HOUSE OF REPRESENTATIVES

Mr. BARR introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Bank Holding Company Act of 1956 to exclude certain debt securities of collateralized loan obligations from the proprietary trading prohibitions known as the Volcker rule.

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. RULES OF CONSTRUCTION RELATING TO 4 COLLATERALIZED LOAN OBLIGATIONS.

5 Section 13(g) of the Bank Holding Company Act of
6 1956 (12 U.S.C. 1851(g)) is amended by adding at the
7 end the following new paragraphs:

 $\mathbf{2}$

"(4) INAPPLICABILITY TO CERTAIN
 COLLATERALIZED LOAN OBLIGATIONS.—Nothing in
 this section shall be construed to require the divesti ture of any debt securities of collateralized loan obli gations, if such collateralized loan obligations were
 issued before December 31, 2013.

7 "(5) Ownership interest with respect to 8 COLLATERALIZED LOAN OBLIGATIONS.—A banking 9 entity shall not be considered to have an ownership 10 interest in a collateralized loan obligation if there is 11 no indicia of ownership other than the right of the 12 banking entity to fire or remove for cause, or to par-13 ticipate in the selection or removal of, a general 14 partner, managing member, member of the board of 15 directors or trustees, investment manager, invest-16 ment adviser, or commodity trading advisor of the 17 fund, provided that the collateralized loan obligation 18 is predominantly backed by loans.".