

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1624
OFFERED BY MR. MESSER OF INDIANA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Municipal Finance
3 Support Act of 2017”.

**4 SEC. 2. TREATMENT OF CERTAIN MUNICIPAL OBLIGA-
5 TIONS.**

6 (a) IN GENERAL.—Section 18 of the Federal Deposit
7 Insurance Act (12 U.S.C. 1828) is amended—

8 (1) by moving subsection (z) so that it appears
9 after subsection (y); and

10 (2) by adding at the end the following:

11 “(aa) TREATMENT OF CERTAIN MUNICIPAL OBLIGA-
12 TIONS.—

13 “(1) IN GENERAL.—For purposes of the final
14 rule titled ‘Liquidity Coverage Ratio: Liquidity Risk
15 Measurement Standards; Final Rule’ (79 Fed. Reg.
16 61439; published October 10, 2014) (the ‘Final
17 Rule’) and any other regulation which incorporates
18 a definition of the term ‘high-quality liquid asset’,

1 the appropriate Federal banking agencies shall treat
2 a municipal obligation that is both liquid and readily
3 marketable (as defined in the Final Rule) and in-
4 vestment grade as of the calculation date as a high-
5 quality liquid asset that is no lower than a level 2B
6 liquid asset.

7 “(2) DEFINITIONS.—For purposes of this sub-
8 section:

9 “(A) INVESTMENT GRADE.—With respect
10 to an obligation, the term ‘investment grade’
11 has the meaning given that term under part 1
12 of title 12, Code of Federal Regulations.

13 “(B) MUNICIPAL OBLIGATION.—The term
14 ‘municipal obligation’ means an obligation of a
15 State or any political subdivision thereof, or any
16 agency or instrumentality of a State or any po-
17 litical subdivision thereof.”.

18 (b) AMENDMENT TO LIQUIDITY COVERAGE RATIO
19 REGULATIONS.—Not later than the end of the 3-month
20 period beginning on the date of the enactment of this Act,
21 the Federal Deposit Insurance Corporation, the Board of
22 Governors of the Federal Reserve System, and the Comp-
23 troller of the Currency shall amend the final rule titled
24 “Liquidity Coverage Ratio: Liquidity Risk Measurement
25 Standards; Final Rule” (79 Fed. Reg. 61439; published

1 October 10, 2014) to implement the amendments made
2 by this Act.

Amend the title so as to read: “A bill to require the appropriate Federal banking agencies to treat certain municipal obligations as no lower than level 2B liquid assets, and for other purposes.”.

