

AMENDMENT TO H.R. 5297

OFFERED BY MR. GUTIÉRREZ, ~~OF ILLINOIS~~

Mr. Perlmutter and Mr. Klein

Add at the following new section:

1 **SEC. 13. TEMPORARY AMORTIZATION AUTHORITY.**

2 (a) IN GENERAL.—For purposes of capital calcula-
3 tion under the Financial Institutions Examination Coun-
4 cil's Consolidated Reports of Condition, an eligible institu-
5 tion may choose to amortize any loss or write-down, rat-
6 ably over the 10-year period beginning with the month in
7 which such loss or write-down occurs, resulting from the
8 application of FASB Statement 114 or 144 to—

9 (1) other real estate owned (as defined under
10 section 34.81 of title 12, Code of Federal Regula-
11 tions), or

12 (2) an impaired loan secured by real estate,
13 provided that the institution discloses the difference in the
14 amount of the institution's capital, when calculated taking
15 into account the temporary amortization, from the amount
16 of the institution's capital when calculated without taking
17 into account the temporary amortization on the Financial
18 Institutions Examination Council's Consolidated Reports
19 of Condition.

1 (b) ELIGIBLE INSTITUTION DEFINED.—For pur-
2 poses of this section, the term “eligible institution” means
3 an insured depository institution, as defined in section
4 3(c) of the Federal Deposit Insurance Act—

5 (1) the securities of which are not registered
6 under section 12 of the Securities Exchange Act of
7 1934;

8 (2) with assets of less than \$10,000,000,000;
9 and

10 (3) which is adequately capitalized, as defined
11 in section 38 of the Federal Deposit Insurance Act.

12 (c) EFFECTIVE DATE.—The provisions of this section
13 shall apply to loan originations that occurred on or after
14 January 1, 2003, and before January 1, 2008.

