

AMENDMENT TO H.R. 940
OFFERED BY MR. GARRETT OF NEW JERSEY

Page 3, line 17, insert “perfected” before “lien”.

Page 4, beginning on line 24, strike “and that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan at the time of loan origination”.

Page 5, beginning on line 5, strike “and that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan at the time of loan origination”.

Page 5, beginning on line 11, strike “and that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan at the time of loan origination”.

Page 5, strike lines 15 through 20 (and redesignate subsequent subparagraphs accordingly).

Page 5, beginning on line 23, strike “that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan at the time of loan origination”.

Page 6, beginning on line 18, strike “that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan or lease at the time of loan or lease origination”.

Page 6, beginning on line 24, strike “that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan at the time of loan origination”.

Page 7, beginning on line 5, strike “that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the extension of credit at the time the extension is made”.

Page 7, beginning on line 12, strike “and that is in compliance with any rule or supervisory guidance of a Federal agency applicable to the loan at the time of loan origination”.

Page 8, line 15, strike “either” and insert “any”.

Page 14, strike lines 3 and 4 and insert the following:

1 (1) REQUIREMENTS ESTABLISHED.—The Sec-
2 retary, by rule

Page 14, strike line 18 and all that follows through page 15, line 9.

Page 17, after line 19, insert the following:

1 (1) REQUIREMENTS.—

Page 17, beginning on line 20, redesignate paragraph (1) as subparagraph (A) and move such redesignated subparagraph 2ems to the right.

Page 17, beginning on line 23, redesignate paragraph (2) as subparagraph (B) and move such redesignated subparagraph 2ems to the right.

Page 18, after line 2, insert the following new subparagraph:

2 (C) ORIGINATION.—An asset shall not
3 qualify as an eligible asset if the asset was not
4 originated in compliance with any rule or super-
5 visory guidance of a Federal agency applicable
6 to the asset at the time of origination.

Page 18, beginning on line 3, redesignate paragraph (3) as subparagraph (D) and move such redesignated subparagraph 2ems to the right.

Page 18, line 6, after “other” insert the following:
“prior perfected”.

Page 18, line 8, after “other” insert the following:
“prior perfected”.

Page 18, strike lines 9 through 11.

Page 18, after line 11, insert the following new paragraph:

1 (2) FAILURE TO MEET REQUIREMENTS.—If an
2 asset in a cover pool does not satisfy any applicable
3 requirement described in paragraph (1) or any other
4 applicable standard or criterion described in this
5 Act, the oversight program, or the related trans-
6 action documents, the asset shall not qualify as an
7 eligible asset for purposes of the asset coverage test
8 described in subsection (b)(2). A disqualified asset
9 shall remain in the cover pool unless and until re-
10 moved by the issuer in compliance with the provi-
11 sions of this Act, the oversight program, and the re-
12 lated transaction documents. No disqualified asset
13 may be removed from the cover pool after an estate
14 has been created for the related covered bond pro-
15 gram under section 4(b)(1) or 4(c)(2), except in con-
16 nection with the management of the cover pool
17 under section 4(d)(1)(E).

Page 18, after line 23, insert the following new paragraph:

18 (3) SINGLE ELIGIBLE ASSET CLASS.—No cover
19 pool described in section 2(3)(A) may include eligible

1 assets from more than 1 eligible asset class. No
2 cover pool described in section 2(3)(B) may include
3 covered bonds backed by more than 1 eligible asset
4 class.

Page 19, line 22, after “cover pool” insert the following: “(including over-collateralization in the cover pool)”.

Page 20, line 6, after “other” insert the following: “perfected”.

Page 20, line 10, after “other” insert the following: “perfected”.

Page 20, line 24, after the period insert the following: “If the issuer enters conservatorship, receivership, liquidation, or bankruptcy, any contingent claim for such a deficiency shall be allowed as a provable claim in the conservatorship, receivership, liquidating agency, or bankruptcy case. The contingent claim shall be estimated by the conservator, receiver, liquidating agent, or bankruptcy court for purposes of allowing the claim as a provable claim if awaiting the fixing of the contingent claim would unduly delay the resolution of the conservatorship, receivership, liquidating agency, or bankruptcy case.”.

Page 23, line 12, after “other” insert the following: “perfected”.

Page 23, line 15, after the period insert the following: “The Corporation as conservator or receiver may not remove any asset from the cover pool, except to the extent otherwise agreed by a transferee that has assumed the covered bond program pursuant to subparagraph (C).”.

Page 24, line 22, after “other” insert the following: “perfected”.

Page 26, line 13, after “cover pool” insert the following: “(including over-collateralization in the cover pool)”.

Page 26, line 24, after “other” insert the following: “perfected”.

Page 27, line 2, after “other” insert the following: “perfected”.

Page 42, line 12, strike “a guarantee” and insert “an indemnity”.

Page 42, line 13, after the comma insert the following: “assuring”.

Page 43, beginning on line 5, strike “the Corporation may recover an amount equal to those losses through an increase in deposit insurance assessments on insured depository institutions with approved covered bond pro-

grams” and insert “the Corporation may exercise the powers available under section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) to recover an amount equal to those losses after consulting with the Secretary”.

