

[DISCUSSION DRAFT]

113TH CONGRESS
2^D SESSION

H. R. _____

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.

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:

1 “(4) INAPPLICABILITY TO CERTAIN
2 COLLATERALIZED LOAN OBLIGATIONS.—Nothing in
3 this section shall be construed to require the divesti-
4 ture of any debt securities of collateralized loan obli-
5 gations, if such collateralized loan obligations were
6 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.”.