[DISCUSSION DRAFT]

H. R. _____

To apply certain terms and conditions on making direct loans under the CARES Act to certain purchases of debt by the Federal Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. SHerman introduced the following bill; which was referred to the Committee on ___________

A BILL

To apply certain terms and conditions on making direct loans under the CARES Act to certain purchases of debt by the Federal Government, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. APPLICATION OF TERMS AND CONDITIONS TO
CERTAIN DEBT ISSUANCES.

(a) IN GENERAL.—If one or more Federal agencies
including the Board of Governors of the Federal Reserve
System) cumulatively purchase 50 percent or more of the
initial issuance of any bond or other debt security, and
50 percent or more of the funds used to make such pur-
chase are provided under, or authorized by, a COVID–19 relief Act—

(1) the issuer of such bond or other debt secu-

rity shall be subject to the requirements of section 4003(c)(3)(A) of the CARES Act (15 U.S.C. 9042(c)(3)(A)) to the same extent as such subpara-

graph applies to applicable eligible businesses;

(2) the requirements described under subpara-

graph (B) and (C) of such section 4003(c)(3) shall apply to such purchase to the same extent as they apply to investments made under such section 4003;

and

(3) during the period beginning on the date on

which such purchase is made and ending on the date

that is 1 year after the date on which the bond or

other debt security is no longer owned 50 percent or

more, cumulatively, by any Federal agencies, the re-

quirements under section 4004 of the CARES Act

(15 U.S.C. 9043) shall apply to the issuer of such

bond or other debt security.

(b) COVID–19 RELIEF ACT.—The term “COVID–19 relief Act” means the CARES Act and any other Act that the [Secretary of the Treasury] determines was en-