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1ST SESSION

S. 591

To authorize the President to suspend the application of laws and regulations that impede economic revitalization and growth.

IN THE SENATE OF THE UNITED STATES

MARCH 16 (legislative day, MARCH 3), 1993

Mr. D'AMATO (for himself, Mr. SHELBY, Mr. DOLE, Mr. MACK, Mr. THURMOND, and Mr. DOMENICI) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

A BILL

To authorize the President to suspend the application of laws and regulations that impede economic revitalization and growth.

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. SHORT TITLE.**

4 This Act may be cited as the “Presidential Credit
5 Availability and Economic Recovery Act”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds and declares that:

8 (1) Adequate credit is necessary for the revital-
9 ization and growth for all sectors of our economy.

1 (2) Financial institutions are subject to layers
2 of unnecessary regulations, some of which, impose
3 large costs without increasing the safety and sound-
4 ness of our financial system.

5 (3) The regulatory burden amounts to a tax on
6 our financial systems that has been estimated by the
7 Federal Financial Institutions Examination Council
8 to be as high as \$17,000,000,000.

9 (4) This regulatory burden cost is draining cap-
10 ital from financial institutions and significantly con-
11 tributing to the lack of available credit for small
12 business.

13 (5) The lack of available credit for small busi-
14 nesses hampers the growth of small businesses and
15 is directly contributing to the high rate of unemploy-
16 ment in the United States.

17 (6) The overwhelming majority of new jobs are
18 created by small businesses in the United States.

19 (7) The President should be given the authority
20 to provide financial institutions with relief from this
21 regulatory burden in order to provide immediate
22 credit relief to all sectors of the economy, especially
23 credit worthy small businesses and to sustain eco-
24 nomic growth.

1 **SEC. 3. PURPOSE.**

2 The purposes of this Act are—

3 (1) to authorize the President to increase the
4 availability of credit,

5 (2) to enhance the economic recovery, and

6 (3) to provide sustained noninflationary eco-
7 nomic growth,

8 through the immediate suspension of laws, rules, regula-
9 tions, and guidelines that impose unnecessarily burden-
10 some costs on insured depository institutions.

11 **SEC. 4. DEFINITION.**

12 As used in this Act, the term “insured depository in-
13 stitution” has the same meaning as in section 3 of the
14 Federal Deposit Insurance Act.

15 **SEC. 5. PRESIDENTIAL RESPONSIBILITY AND AUTHORITY.**

16 (a) **IN GENERAL.**—Not later than 30 days after the
17 date of enactment of this Act, the President shall conduct
18 a thorough review and evaluation of all statutory and reg-
19 ulatory provisions affecting insured depository institu-
20 tions. This review shall include—

21 (1) an analysis of the purposes of the provision;

22 (2) the effectiveness of the provision in achiev-
23 ing such purposes;

24 (3) whether any other provision provides an al-
25 ternative or duplicative means of achieving those
26 purposes;

1 (4) the cost imposed by compliance with such
2 provisions upon insured depository institutions and
3 consumers; and

4 (5) the relationship between such provision, its
5 compliance costs, and the availability of credit in the
6 United States.

7 (b) AUTHORITY TO SUSPEND.—The President may,
8 by executive order, suspend the applicability of—

9 (1) any Federal law affecting insured depository
10 institutions or depository institution holding compa-
11 nies (or any portion thereof); and

12 (2) any regulation or guideline promulgated by
13 a Federal banking agency (or any portion thereof);
14 if the President makes a determination described in sub-
15 section (c).

16 (c) DETERMINATION.—For the purpose of subsection
17 (b), a determination is described in this subsection if it
18 is a determination that—

19 (1) the law, regulation, or guideline has already
20 accomplished its goal and the law, regulation, or
21 guideline is therefore no longer necessary;

22 (2) the law, regulation, or guideline is not as ef-
23 fective in achieving its intended purpose as other
24 available alternatives that would impose lesser costs

1 on financial institutions, their customers, or the
2 economy;

3 (3) the cost of compliance with the law, regula-
4 tion, or guideline outweighs the potential benefits
5 sought to be accomplished by the law, regulation, or
6 guideline; or

7 (4) the law, regulation, or guideline has a nega-
8 tive impact on the availability of credit in the United
9 States which outweighs the benefits sought to be ac-
10 complished by the law, regulation, or guideline.

11 (d) PUBLICATION AND EFFECTIVE DATE.—A Presi-
12 dential order issued pursuant to this section shall be pub-
13 lished in the Federal Register, and shall become effective
14 30 days after such publication, unless the President, for
15 good cause, determines that a shorter period is necessary
16 and in the public interest.

17 **SEC. 6. CONSULTATION AND NOTIFICATION.**

18 (a) CONSULTATION.—Prior to making a finding
19 under section 5 that a law, regulation, or guideline is to
20 be suspended, the President shall consult with the Sec-
21 retary of the Treasury, the Chairperson of the Federal De-
22 posit Insurance Corporation, the Chairman of the Board
23 of Governors of the Federal Reserve System, the Comp-
24 troller of the Currency, and the Director of the Office of
25 Thrift Supervision.

1 (b) NOTIFICATION.—The President shall notify the
2 Committee on Banking, Housing, and Urban Affairs of
3 the Senate and the Committee on Banking, Finance and
4 Urban Affairs of the House of Representatives prior to
5 issuing any order under section 5.

6 **SEC. 7. RESTRICTIONS.**

7 Nothing in this Act authorizes the President to sus-
8 pend any law, regulation, or guideline—

9 (1) that is necessary for the safe and sound op-
10 eration of insured depository institutions; or

11 (2) that—

12 (A) prohibits discrimination in the provi-
13 sion of financial services based on race, sex,
14 national origin, marital status, or age;

15 (B) relates directly to the conduct of mon-
16 etary policy; or

17 (C) pertains to an enforcement proceeding
18 or supervisory action with respect to a particu-
19 lar institution or party.

20 **SEC. 8. EFFECTIVE DATE.**

21 This Act shall be effective on the date of its enact-
22 ment.

1 **SEC. 9. SUNSET.**

2 The authority of the President to suspend any law,
3 regulation, or guideline under this Act shall terminate on
4 January 1, 1997.

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