

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. GARRETT) that the House suspend the rules and pass the bill, H.R. 6079, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. BISHOP of Utah (during consideration of H.R. 6079), from the Committee on Rules, submitted a privileged report (Rept. No. 109-690) on the resolution (H. Res. 1045) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. BISHOP of Utah (during consideration of H.R. 6079), from the Committee on Rules, submitted a privileged report (Rept. No. 109-691) on the resolution (H. Res. 1046) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4772, PRIVATE PROPERTY RIGHTS IMPLEMENTATION ACT OF 2006

Mr. BISHOP of Utah (during consideration of H.R. 6079), from the Committee on Rules, submitted a privileged report (Rept. No. 109-692) on the resolution (H. Res. 1047) providing for consideration of the bill (H.R. 4772) providing for consideration of the bill (H.R. 4772) to simplify and expedite access to the Federal courts for injured parties whose rights and privileges under the United States Constitution have been deprived by final actions of Federal agencies or other government officials or entities acting under color of State law, and for other purposes, which was referred to the House Calendar and ordered to be printed.

FINANCIAL NETTING IMPROVEMENTS ACT OF 2006

Mr. MCHENRY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5585) to improve the netting process for financial contracts, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5585

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Financial Netting Improvements Act of 2006".

SEC. 2. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR RECEIVERS OF DEPOSITORY INSTITUTIONS.

(a) DEFINITION OF SECURITIES CONTRACT.—

(1) FDIC-INSURED DEPOSITORY INSTITUTIONS.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended—

(A) in subclause (I)—

(i) by striking "mortgage loan, or" and inserting "mortgage loan."; and

(ii) by inserting before the semicolon "(whether or not such repurchase or reverse repurchase transaction is a 'repurchase agreement', as defined in clause (v))";

(B) in subclause (IV)—

(i) by inserting "(including by novation)" after "the guarantee"; and

(ii) by inserting before the semicolon "(whether or not such settlement is in connection with any agreement or transaction referred to in subclauses (I) through (XII) (other than subclause (II))";

(C) in subclause (IX), by striking "or (VIII)" each place such term appears and inserting "(VIII), (IX), or (X)";

(D) by redesignating subclauses (VI), (VII), (VIII), (IX), and (X) as subclauses (VIII), (IX), (X), (XI), and (XII), respectively; and

(E) by inserting after subclause (V) the following new subparagraphs:

"(VI) means any extension of credit for the clearance or settlement of securities transactions;

"(VII) means any loan transaction coupled with a securities collar transaction, any prepaid securities forward transaction, or any total return swap transaction coupled with a securities sale transaction;"

(2) INSURED CREDIT UNIONS.—Section 207(c)(8)(D)(ii) of the Federal Credit Union Act (12 U.S.C. 1787(c)(8)(D)(ii)) is amended—

(A) in subclause (I)—

(i) by striking "mortgage loan, or" and inserting "mortgage loan."; and

(ii) by inserting before the semicolon "(whether or not such repurchase or reverse repurchase transaction is a 'repurchase agreement', as defined in clause (v))";

(B) in subclause (IV)—

(i) by inserting "(including by novation)" after "the guarantee"; and

(ii) by inserting before the semicolon "(whether or not such settlement is in connection with any agreement or transaction referred to in subclauses (I) through (XII) (other than subclause (II))";

(C) in subclause (IX), by striking "or (VIII)" each place such term appears and inserting "(VIII), (IX), or (X)";

(D) by redesignating subclauses (VI), (VII), (VIII), (IX), and (X) as subclauses (VIII), (IX), (X), (XI), and (XII), respectively; and

(E) by inserting after subclause (V) the following new subparagraphs:

"(VI) means any extension of credit for the clearance or settlement of securities transactions;

"(VII) means any loan transaction coupled with a securities collar transaction, any prepaid securities forward transaction, or any total return swap transaction coupled with a securities sale transaction;"

(b) DEFINITION OF FORWARD CONTRACT.—

(1) FDIC-INSURED DEPOSITORY INSTITUTIONS.—Section 11(e)(8)(D)(iv)(I) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)(I)) is amended by striking "transaction, reverse repurchase trans-

action" and inserting "or reverse repurchase transaction (whether or not such repurchase or reverse repurchase transaction is a 'repurchase agreement', as defined in clause (v))".

(2) INSURED CREDIT UNIONS.—Section 207(c)(8)(D)(iv)(I) of the Federal Credit Union Act (12 U.S.C. 1787(c)(8)(D)(iv)(I)) is amended by striking "transaction, reverse repurchase transaction" and inserting "or reverse repurchase transaction (whether or not such repurchase or reverse repurchase transaction is a 'repurchase agreement', as defined in clause (v))".

(c) DEFINITION OF SWAP AGREEMENT.—

(1) FDIC-INSURED DEPOSITORY INSTITUTIONS.—Section 11(e)(8)(D)(vi) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended—

(A) in subclause (I)—

(i) by striking "or precious metals" and inserting "precious metals, or other commodity"; and

(ii) by striking "or a weather swap, weather derivative, or weather option" and inserting "weather swap, option, future, or forward agreement; an emissions swap, option, future, or forward agreement; or an inflation swap, option, future, or forward agreement";

(B) in subclause (II)—

(i) by inserting "or other derivatives" after "dealings in the swap"; and

(ii) by striking "future, or option" and inserting "future, option, or spot transaction"; and

(C) by striking "the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, the Gramm-Leach-Bliley Act, and the Legal Certainty for Bank Products Act of 2000" and inserting "the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934) and the Commodity Exchange Act".

(2) INSURED CREDIT UNIONS.—Section 207(c)(8)(D)(vi) of the Federal Credit Union Act (12 U.S.C. 1787(c)(8)(D)(vi)) is amended—

(A) in subclause (I)—

(i) by striking "or precious metals" and inserting "precious metals, or other commodity"; and

(ii) by striking "or a weather swap, weather derivative, or weather option" and inserting "weather swap, option, future, or forward agreement; an emissions swap, option, future, or forward agreement; or an inflation swap, option, future, or forward agreement";

(B) in subclause (II)—

(i) by inserting "or other derivatives" after "dealings in the swap"; and

(ii) by striking "future, or option" and inserting "future, option, or spot transaction"; and

(C) by striking "the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, the Gramm-Leach-Bliley Act, and the Legal Certainty for Bank Products Act of 2000" and inserting "the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934) and the Commodity Exchange Act".

SEC. 3. CLARIFYING AMENDMENTS RELATING TO DEFINITION OF PERSON.

(a) FDIC-INSURED DEPOSITORY INSTITUTIONS DEFINITION OF PERSON.—Section 11(e)(8)(D) of the Federal Deposit Insurance

Act (12 U.S.C. 1821(e)(8)(D)) is amended by adding at the end the following:

“(ix) PERSON.—The term ‘person’ includes any governmental entity in addition to any entity included in the definition of such term in section 1 of title 1, United States Code.”

(b) INSURED CREDIT UNIONS DEFINITION OF PERSON.—Section 207(c)(8)(D) of the Federal Credit Union Act (12 U.S.C. 1787(c)(8)(D)) is amended by adding at the end the following:

“(ix) PERSON.—The term ‘person’ includes any governmental entity in addition to any entity included in the definition of such term in section 1 of title 1, United States Code.”

SEC. 4. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.

(a) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—

(1) in each of subsections (a) and (f), by striking “paragraphs (8)(E), (8)(F), and (10)(B) of” each place such term appears; and

(2) in subsection (a), by inserting “terminated, liquidated, accelerated, and” after “institutions shall be”.

(b) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—

(1) in each of subsections (a) and (h), by striking “paragraphs (8)(E), (8)(F), and (10)(B) of” each place such term appears; and

(2) in subsection (a), by inserting “terminated, liquidated, accelerated, and” after “organization shall be”.

SEC. 5. CONFORMING AMENDMENTS.

(a) CLARIFYING DEFINITIONS.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (22)(A)—

(i) by striking “(domestic or foreign)” after “an entity”; and

(ii) by inserting “(whether or not a ‘customer’, as defined in section 741)” after “custodian for a customer”;

(B) in paragraph (22A)—

(i) by striking “on any day during the previous 15-month period” each place it appears and inserting “at such time or on any day during the 15-month period preceding the date of the filing of the petition”; and

(ii) by inserting “(aggregated across counterparties)” after “principal amount outstanding”;

(C) in paragraph (25)(A)—

(i) by inserting “, as defined in section 761” after “commodity contract”; and

(ii) by striking “repurchase transaction, reverse repurchase transaction,” and inserting “repurchase or reverse repurchase transaction (whether or not such repurchase or reverse repurchase transaction is a ‘repurchase agreement’, as defined in this section)”;

(D) in paragraph (53B)(A)—

(i) in clause (i)—

(I) in subclause (II), by striking “or precious metals” and inserting “, precious metals, or other commodity”;

(II) in subclause (VII), by striking “or” at the end;

(III) in subclause (VIII), by striking “weather derivative, or weather option” and inserting “option, future, or forward agreement”; and

(IV) by adding at the end the following:

“(IX) an emissions swap, option, future, or forward agreement; or

“(X) an inflation swap, option, future, or forward agreement;”;

(ii) in clause (ii)—

(I) in subclause (I), by inserting “or other derivatives” after “dealings in the swap”; and

(II) in subclause (II), by striking “future, or option” and inserting “future, option, or spot transaction”; and

(E) in paragraph (53B)(B), by striking “the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, the Gramm-Leach-Bliley Act, and the Legal Certainty for Bank Products Act of 2000” and inserting “the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934) and the Commodity Exchange Act”;

(2) in section 362(b)—

(A) by striking paragraphs (6) and (7) and inserting the following:

“(6) under subsection (a) of this section, of the exercise by a commodity broker, forward contract merchant, stockbroker, financial institution, financial participant, or securities clearing agency of any contractual right (as defined in section 555 or 556) under any security agreement or arrangement or other credit enhancement forming a part of or related to any commodity contract, forward contract or securities contract, or of any contractual right (as defined in section 555 or 556) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more such contracts, including any master agreement for such contracts;

“(7) under subsection (a) of this section, of the exercise by a repo participant or financial participant of any contractual right (as defined in section 559) under any security agreement or arrangement or other credit enhancement forming a part of or related to any repurchase agreement, or of any contractual right (as defined in section 559) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more such agreements, including any master agreement for such agreements;”;

(B) by striking paragraph (17) and inserting the following:

“(17) under subsection (a) of this section, of the exercise by a swap participant or financial participant of any contractual right (as defined in section 560) under any security agreement or arrangement or other credit enhancement forming a part of or related to any swap agreement, or of any contractual right (as defined in section 560) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more such agreements, including any master agreement for such agreements;”;

(C) by striking paragraph (27) and inserting the following:

“(27) under subsection (a) of this section, of the exercise by a master netting agreement participant of any contractual right (as defined in section 555, 556, 559, or 560) under any security agreement or arrangement or other credit enhancement forming a part of or related to any master netting agreement, or of any contractual right (as defined in section 555, 556, 559, or 560) to offset or net out any termination value, payment amount, or other transfer obligation arising under or in connection with 1 or more such master netting agreements to the extent that such participant is eligible to exercise such rights under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue; and”;

(3) in section 741(7)(A)—

(A) in clause (i)—

(i) by striking “mortgage loan or” and inserting “mortgage loan;”;

(ii) by inserting before the semicolon “(whether or not such repurchase or reverse repurchase transaction is a ‘repurchase agreement’, as defined in section 101)”;

(B) in clause (iii)—

(i) by inserting “(including by novation)” after “the guarantee”; and

(ii) by inserting before the semicolon “(whether or not such settlement is in connection with any agreement or transaction referred to in clauses (i) through (xi))”;

(C) in clause (viii), by striking “or (vii)” each place it appears and inserting “(vii), (viii), or (ix)”;

(D) by redesignating clauses (v) through (ix) as clauses (vii) through (xi), respectively; and

(E) by inserting after clause (iv) the following:

“(v) any extension of credit for the clearance or settlement of securities transactions;

“(vi) any loan transaction coupled with a securities collar transaction, any prepaid forward securities transaction, or any total return swap transaction coupled with a securities sale transaction;”.

(b) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (e)—

(A) by inserting “(or for the benefit of)” before “a commodity broker”; and

(B) by inserting “or that is a transfer made by or to (or for the benefit of) a commodity broker, forward contract merchant, stockbroker, financial institution, financial participant, or securities clearing agency, in connection with a securities contract, as defined in section 741(7), commodity contract, as defined in section 761(4), or forward contract,” after “securities clearing agency;”;

(2) in subsection (f)—

(A) by striking “that is a margin payment, as defined in section 741 or 761 of this title, or settlement payment, as defined in section 741 of this title;”;

(B) by inserting “(or for the benefit of)” before “a repo participant”;

(3) in subsection (g), by inserting “(or for the benefit of)” before “a swap participant”; and

(4) in subsection (j), by inserting “(or for the benefit of)” after “made by or to”.

(c) SIPC STAY.—Section 5(b)(2)(C)(iii) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)(C)(iii)) is amended—

(1) by inserting “a derivatives clearing organization (as defined in the Commodity Exchange Act), a multilateral clearing organization (as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991),” after “rule or bylaw of”; and

(2) by striking “or a securities clearance agency, a right set forth in a bylaw of a clearing organization or contract market” and inserting “a securities clearing agency, a contract market designated under the Commodity Exchange Act, a derivatives transaction execution facility registered under the Commodity Exchange Act, or a board of trade (as defined in the Commodity Exchange Act).”

(d) SAVINGS CLAUSE.—Title IX of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Public Law 109-8, 119 Stat. 146) is amended by adding at the end the following:

“SEC. 912. SAVINGS CLAUSE.

“The meanings of terms used in this title are applicable for the purposes of this title only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any similar

terms under any other statute, regulation, or rule, including the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000, the securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934), and the Commodity Exchange Act.”.

SEC. 6. WALKAWAY CLAUSES.

(a) FDIC-INSURED DEPOSITORY INSTITUTIONS.—Section 11(e)(8)(G) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(G)) is amended by striking clause (ii) and inserting the following new clause:

“(ii) LIMITED SUSPENSION OF CERTAIN OBLIGATIONS.—In the case of a qualified financial contract referred to in clause (i), any payment or delivery obligations otherwise due from a party pursuant to the qualified financial contract shall be suspended from the time the receiver is appointed until the earlier of—

“(I) the time such party receives notice that such contract has been transferred pursuant to subparagraph (A); or

“(II) 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver.

“(iii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term ‘walkaway clause’ means any provision in a qualified financial contract that suspends, conditions, or extinguishes a payment obligation of a party, in whole or in part, or does not create a payment obligation of a party that would otherwise exist, solely because of such party’s status as a nondefaulting party in connection with the insolvency of an insured depository institution that is a party to the contract or the appointment of or the exercise of rights or powers by a conservator or receiver of such depository institution, and not as a result of a party’s exercise of any right to offset, setoff, or net obligations that exist under the contract, any other contract between those parties, or applicable law.”.

(b) INSURED CREDIT UNIONS.—Section 207(c)(8)(G) of the Federal Credit Union Act 12 U.S.C. 1787(c)(8)(G)) is amended by striking clause (ii) and inserting the following new clauses:

“(ii) LIMITED SUSPENSION OF CERTAIN OBLIGATIONS.—In the case of a qualified financial contract referred to in clause (i), any payment or delivery obligations otherwise due from a party pursuant to the qualified financial contract shall be suspended from the time the liquidating agent is appointed until the earlier of—

“(I) the time such party receives notice that such contract has been transferred pursuant to subparagraph (A); or

“(II) 5:00 p.m. (eastern time) on the business day following the date of the appointment of the liquidating agent.

“(iii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term ‘walkaway clause’ means any provision in a qualified financial contract that suspends, conditions, or extinguishes a payment obligation of a party, in whole or in part, or does not create a payment obligation of a party that would otherwise exist, solely because of such party’s status as a nondefaulting party in connection with the insolvency of an insured credit union or the appointment of or the exercise of rights or powers by a conservator or liquidating agent of such credit union, and not as a result of a party’s exercise of any right to offset, setoff, or net obligations that exist under the contract, any other contract between those parties, or applicable law.”.

SEC. 7. COMPENSATION OF CHAPTER 7 TRUSTEES; CHAPTER 7 FILING FEES.

(a) AMENDMENTS TO TITLE 11 OF THE UNITED STATES CODE.—

(1) COMPENSATION OF CHAPTER 7 TRUSTEES.—Section 330(b)(1) of title 11, United States Code, is amended—

(A) by striking “\$45” and inserting “\$100”, and

(B) by inserting before the period at the end the following:

“, except that such amount shall be adjusted by the amount (if any) of such filing fee waived under the 2d sentence of section 1930(f)(1) of title 28”.

(2) RELATED AMENDMENTS.—Section 330(b) of title 11, United States Code, is amended—

(A) by striking “(1)”, and

(B) by striking paragraph (2).

(b) AMENDMENTS TO TITLE 28 OF THE UNITED STATES CODE.—

(1) CHAPTER 7 FILING FEE.—Section 1930 of title 28 of the United States Code, as amended by section 10101 of Public Law 109-171, is amended—

(A) in subsection (a)(1)(A) by striking “\$245” and inserting “\$300”, and

(B) in subsection (f)(1) by inserting after the 1st sentence the following:

“Under the procedures prescribed by the Judicial Conference of the United States, the district court or the bankruptcy court shall waive \$40 of the filing fee required by subsection (a) in a case under chapter 7 of title 11 for an individual if the court determines that such individual has income not less than 150 percent, and not more than 175 percent, of the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.”.

(2) UNITED STATES TRUSTEE FUND.—Section 589a(b)(1)(A) of title 28, United States Code, is amended by striking “40.46 percent of the fees collected under section 1930(a)(1)(A)” and inserting “29.67 percent of the sum of the amount of fees collected under section 1930(a)(1)(A) and the amount of fees waived under the 2d sentence of section 1930(f)(1)”.

(c) RELATED AMENDMENT REGARDING COLLECTIONS AND DEPOSITS OF MISCELLANEOUS BANKRUPTCY FEES.—Section 406(b) of the Judiciary Appropriations Act, 1990 (28 U.S.C. 1931 note) is amended by striking “28.87 percent of the fees collected under section 1930(a)(1)(A) of that title” and inserting “21.17 percent of the sum of the amount of fees collected under section 1930(a)(1)(A) of that title and the amount of fees waived under the 2d sentence of section 1930(f)(1) of that title”.

(d) CONFORMING AMENDMENT.—Section 10101(a) of Public Law 109-171 is amended by striking paragraph (2).

(e) EFFECTIVE DATE; APPLICATION OF AMENDMENTS.—The amendments made by this section shall take effect 120 days after the date of the enactment of this Act and shall not apply with respect to cases commenced under title 11 of the United States Code before the date such amendments take effect.

SEC. 8. SCOPE OF APPLICATION.

Subject to section 7(e), the amendments made by this Act shall not apply to any cases commenced under title 11, United States Code, or appointments made under any Federal or State law, before the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. MCHENRY) and the gentlewoman from Florida (Ms. WASSERMAN SCHULTZ) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. MCHENRY. Madam Speaker, I certainly appreciate the opportunity to

speaking about the Financial Netting Improvement Act of 2006, a piece of legislation that I, along with my colleague from Florida, DEBBIE WASSERMAN SCHULTZ, have sponsored and have brought through the committee process to the floor here today.

I first want to commend both the chairman of the Financial Services Committee, MIKE OXLEY, for his leadership on this important issue, as well as the ranking Democrat, BARNEY FRANK of Massachusetts, for his leadership and support on this issue as well.

It is certainly an interesting opportunity, Madam Speaker, for a freshman Member of the House to be on this floor and sponsoring a piece of legislation with a colleague from across the aisle who is also a freshman.

And it is also personally interesting to me because, on the opening day of Congress, we were described as the Yin and the Yang of the 109th Congress. At that point, I thought it would be an interesting opportunity to sponsor legislation with what USA Today deemed my polar opposite.

While we may be opposites on a number of issues, we do have similar values, and that is the value of good government. We do serve on the Financial Services Committee together as well. And she, as well as I, had the conversation earlier on that it would be exciting for us to sponsor legislation together. This is a wonderful opportunity. I want to thank her for her friendship and help.

Having said those things about her, some of her liberal colleagues may find her suspect. But I would say that she has been a fantastic leader for the other party and a strong legislator here in the House as well as her previous experience in Florida.

The Financial Netting Improvement Act of 2006 makes technical changes to the netting and financial contracts safe harbor provisions of the Federal Deposit Insurance Act, the Federal Credit Union Act, the Federal Deposit Insurance Corporation Improvement Act, and the Bankruptcy Code.

Broadly speaking, these safe harbor provisions allow certain types of creditors to exercise their self-help rights to terminate defined financial market contracts like swap agreements and exercise their offset rights and choose on how to deal with the foreclosure on collateral free from the power of a receiver or bankruptcy trustee that would otherwise impair the exercise of those rights.

Certainly after explaining the bill, it is a technical bill; and, broadly speaking, this is a necessarily technical correction that the other side of the aisle, as well as our side of the aisle, the President’s Working Group on Financial Markets and all of the stakeholders have come to agreement on. I look very much forward to the House approving this measure tonight.

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Madam Speaker, I reserve the balance of my time.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I yield myself as much time as I may consume, and first, let me thank Chairman OXLEY and Ranking Member FRANK for their stalwart leadership on this and many other issues that have come before the Financial Services Committee in the 109th Congress. Chairman OXLEY has heard us say many times, but we will truly miss him after he retires. I believe that the combined leadership that he and my good friend, Ranking Member FRANK, have displayed have set the tone for the rest of us on the Financial Services Committee, as well as the staff.

I, too, am pleased to stand here with my good friend and fellow freshman colleague, the gentleman from North Carolina (Mr. MCHENRY). I made the mistake of telling him that I was going to try to have a little bit of fun in the back and forth here, and I think I could best characterize our professional relationship as being the odd couple. So it is a great day that we have the opportunity to come together on this netting legislation.

I can tell you that we want to make sure on our side that Ranking Member FRANK has suggested that we make sure the people understand that even though we have the next generation of Members managing the time on this bill, people should understand we are not high school kids. We are actually real live Members of Congress, you and I, and came here like everybody else.

I am pleased to join Mr. MCHENRY as an original cosponsor of H.R. 5585, and I am very pleased that we were able to come together on legislation because we have talked about that for a long time.

We could not have brought this bill to the floor without the support of the House Judiciary Committee on which I also sit, and I want to especially thank Subcommittee Ranking Member MEL WATT for working with us, also a gentleman from North Carolina, and for agreeing to help us move this bill forward.

As you know, as the gentleman from North Carolina has said, netting is simply the manner in which debts and credits are calculated between parties, and it is a critically important tool to unravel complex financial transactions which have, until now, been denied to our Nation's financial institutions.

This is in spite of broad-based, bipartisan support. In fact, the origin of this legislation is grounded in the collapse of the infamous hedge fund, Long Term Capital Management, after which former Federal Reserve Board Chairman Alan Greenspan implored Congress to pass the netting provision. Netting was also supported by the former Clinton and the current Bush administrations.

The primary goal of our legislation is to minimize systemic risks in situations when the procedure for resolving a single insolvency could trigger other failures elsewhere in the market.

H.R. 5585 protects the rights of market participants to terminate complex financial agreements. It also ensures that the Federal Government, like private entity creditors, will be able to enforce and net out qualified contracts with financial institutions during insolvency proceedings.

Additionally, this bill includes a fee increase provision in order to pay bankruptcy trustees.

I want to thank my good friend and colleague Congressman WATT for working us with. At his request, this bill was modified in two respects, and as a result of those modifications, Madam Speaker, more debtors will be eligible for the fee waiver.

However, the fundamental issue before to us today is support for netting provisions in the bankruptcy settlement of major market participants.

I encourage my colleagues to support this bill, and I ask our colleagues in the Senate to act on this before the end of the 109th Congress. This bill would codify commonsense business practices. These provisions have a long bipartisan legislative history in Congress, which continues today.

It is a privilege to work with Mr. MCHENRY, and there is no reason for us to stall any further. I know you join me in urging the Senate to take action on this bill after we do.

Madam Speaker, I reserve the balance of my time.

GENERAL LEAVE

Mr. MCHENRY. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MCHENRY. Madam Speaker, I am prepared to yield back. I have no further speakers on this side, but before I close, I simply want to commend my colleague from Florida. It has been a delight working with her and resolving some of the more technical issues in this piece of legislation that popped up late in the committee process, but she was very adept at handling those issues, and I want to thank her for her leadership.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I, too, have no further requests for time, and I want to reiterate the comments of my colleague from North Carolina. It has been a pleasure to work with him, and I look forward to this being the first of many opportunities to do that.

Mr. CANNON. Mr. Speaker, the Committee on the Judiciary recognizes that the courts, United States Trustees, and chapter 7 trustees have responsibilities in all chapter 7 cases, including cases where the filing fees are waived under 28 U.S.C. section 1930(f). The bill before the House would amend the act to permit a court to waive an additional \$40 of the filing fee designated for payment to the trustee, under specified circumstances. This would be

in addition to provisions under current law that permit a court to waive the entire filing fee for qualified low income debtors under specified circumstances. The committee is aware that such waivers could have an impact on the courts, the United States Trustees, and chapter 7 trustees. Accordingly, the courts and U.S. Trustees should closely monitor the impact of such waivers on those entities dependent on fee income and should report to the Congress.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I yield back the balance of my time.

Mr. MCHENRY. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. MCHENRY) that the House suspend the rules and pass the bill, H.R. 5585, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COMMUNITY DEVELOPMENT INVESTMENT ENHANCEMENTS ACT OF 2006

Mr. MCHENRY. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 6062) to enhance community development investments by financial institutions, and for other purposes.

The Clerk read as follows:

H.R. 6062

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Development Investment Enhancements Act of 2006".

SEC. 2. ENHANCING THE AUTHORITY FOR NATIONAL BANKS TO MAKE COMMUNITY DEVELOPMENT INVESTMENTS.

(a) NATIONAL BANKS.—The last sentence in the paragraph designated as the "Eleventh." of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended—

(1) by striking "10 percent" each place such term appears and inserting "15 percent"; and

(2) by adding at the end the following new sentence: "The preceding standards and limitations apply to each investment under this paragraph made by a national bank directly and by its subsidiaries."

(b) STATE MEMBER BANKS.—The last sentence of the 23rd undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended—

(1) by striking "10 percent" each place such term appears and inserting "15 percent"; and

(2) by adding at the end the following new sentence: "The preceding standards and limitations apply to each investment under this paragraph made by a State member bank directly and by its subsidiaries."

SEC. 3. INVESTMENTS BY FEDERAL SAVINGS ASSOCIATIONS AUTHORIZED TO PROMOTE THE PUBLIC WELFARE.

(a) IN GENERAL.—Section 5(c)(3) of the Home Owners' Loan Act (12 U.S.C. 1464(c)) is amended by adding at the end the following new subparagraph:

"(D) DIRECT INVESTMENTS TO PROMOTE THE PUBLIC WELFARE.—