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## Amendment to H.R. 1375, As Reported

### Offered by Mr. Oxley of Ohio

Page 9, strike line 3 and all that follows through page 10, line 2 (and redesignate subsequent sections and any cross reference to any such section and conform the table of contents accordingly).

Page 31, line 2, strike "main" and insert "home".

Page 31, strike line 3 and all that follows through page 32, line 13 (and conform the table of contents accordingly).

Page 37, strike lines 16 and 17 and insert the following new heading:

1       “(b) ADDITIONAL INVESTMENT AUTHORITY.—

Page 37, line 18, strike “A Federal” and insert “In addition to any investments otherwise authorized, a Federal”.



Page 47, after line 5, insert the following new paragraphs (and redesignate the subsequent paragraph accordingly):

1           (2) INTERSTATE BRANCHING BY SUBSIDIARIES  
2           OF COMMERCIAL FIRMS PROHIBITED.—Section  
3           18(d)(3)) of the Federal Deposit Insurance Act (12  
4           U.S.C. 1828(d)(3)) is amended by adding at the end  
5           the following new subparagraph:

6                   “(C) INTERSTATE BRANCHING BY SUBSIDI-  
7                   ARIES OF COMMERCIAL FIRMS PROHIBITED.—

8                           “(i) IN GENERAL.—If the appropriate  
9                           State bank supervisor of the home State of  
10                           any industrial loan company, industrial  
11                           bank, or other institution described in sec-  
12                           tion 2(e)(2)(H) of the Bank Holding Com-  
13                           pany Act of 1956, or the appropriate State  
14                           bank supervisor of any host State with re-  
15                           spect to such company, bank, or institu-  
16                           tion, determines that such company, bank,  
17                           or institution is controlled, directly or indi-  
18                           rectly, by a commercial firm, such com-  
19                           pany, bank, or institution may not acquire,  
20                           establish, or operate a branch in such host  
21                           State.



1                   “(ii) COMMERCIAL FIRM DEFINED.—  
2                   For purposes of this subsection, the term  
3                   ‘commercial firm’ means any entity at least  
4                   15 percent of the annual gross revenues of  
5                   which on a consolidated basis, including all  
6                   affiliates of the entity, were derived from  
7                   engaging, on an on-going basis, in activi-  
8                   ties that are not financial in nature or inci-  
9                   dental to a financial activity during at  
10                   least 3 of the prior 4 calendar quarters.

11                   “(iii) GRANDFATHERED INSTITU-  
12                   TIONS.—Clause (i) shall not apply with re-  
13                   spect to any industrial loan company, in-  
14                   dustrial bank, or other institution de-  
15                   scribed in section 2(e)(2)(H) of the Bank  
16                   Holding Company Act of 1956—

17                   “(I) which became an insured de-  
18                   pository institution before October 1,  
19                   2003 or pursuant to an application  
20                   for deposit insurance which was ap-  
21                   proved by the Corporation before such  
22                   date; and

23                   “(II) with respect to which there  
24                   is no change in control, directly or in-  
25                   directly, of the company, bank, or in-



1                   stitution after September 30, 2003,  
2                   that requires an application under  
3                   subsection (e), section 7(j), section 3  
4                   of the Bank Holding Company Act of  
5                   1956, or section 10 of the Home  
6                   Owners' Loan Act.

7                   “(iv) TRANSITION PROVISION.—Any  
8                   divestiture required under this subpara-  
9                   graph of a branch in a host State shall be  
10                  completed as quickly as is reasonably possible.  
11                  sible.

12                  “(v) CORPORATE REORGANIZATIONS  
13                  PERMITTED.—The acquisition of direct or  
14                  indirect control of the company, bank, or  
15                  institution referred to in clause (iii)(II)  
16                  shall not be treated as a ‘change in con-  
17                  trol’ for purposes of such clause if the  
18                  company acquiring control is itself directly  
19                  or indirectly controlled by a company that  
20                  was an affiliate of such company, bank, or  
21                  institution on the date referred to in clause  
22                  (iii)(II), and remained an affiliate at all  
23                  times after such date.”.



1           (3) TECHNICAL AND CONFORMING AMEND-  
2           MENTS.—Section 18(d)(4) of the Federal Deposit  
3           Insurance Act (12 U.S.C. 1828(d)(4)) is amended—  
4                   (A) in subparagraph (A) by striking “Sub-  
5                   ject to subparagraph (B)” and inserting “Sub-  
6                   ject to subparagraph (B) and paragraph  
7                   (3)(C)”; and  
8                   (B) in subparagraphs (D) and (E), by  
9                   striking “The term” and inserting “For pur-  
10                  poses of this subsection, the term”.

Page 47, line 21, insert “or are applicable to an in-  
sured State nonmember bank under section 18(d)(3) of  
the Federal Deposit Insurance Act” after “Revised Stat-  
utes of the United States”.

Page 51, line 4, insert before the semicolon at the  
end “and inserting the following new paragraph”.

Page 51, after line 4, insert the following new para-  
graph:



11           “(5) APPLICABILITY TO INDUSTRIAL LOAN  
12           COMPANIES.—No provision of this section shall be  
13           construed as authorizing the approval of any trans-  
14           action involving a industrial loan company, indus-  
15           trial bank, or other institution described in section

1       2(c)(2)(H) of the Bank Holding Company Act of  
2       1956, or the acquisition, establishment, or operation  
3       of a branch by any such company, bank, or institu-  
4       tion, that is not allowed under section 18(d)(3).”.

Page 58, line 19, insert “(i)” after “section  
38(e)(2)(E)”.

Page 88, strike line 1 and all that follows through  
the 2 items following line 15 on page 94 (and redesignate  
subsequent sections and any cross reference to any such  
section and conform the table of contents accordingly).

