

111TH CONGRESS
1ST SESSION

H. R. 4118

To prohibit the Federal Government from holding security interests, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2009

Mr. KIRK (for himself and Mr. ROSKAM) introduced the following bill; which
was referred to the Committee on Financial Services

A BILL

To prohibit the Federal Government from holding security
interests, and for other purposes.

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 “Taxpayer Investment
5 Protection Act of 2009”.

6 **SEC. 2. DEFINITION.**

7 For purposes of this Act, the following definitions
8 shall apply:

9 (1) OWNERSHIP INTEREST.—The term “owner-
10 ship interest” means an interest in a troubled asset

1 described in section 3(9)(B) of the Emergency Eco-
 2 nomic Stabilization Act of 2008 (12 U.S.C.
 3 5202(a)(1)), as in effect on the day before the date
 4 of the enactment of this Act, that was purchased by
 5 the Secretary under section 101(a)(1) of such Act
 6 (12 U.S.C. 5211(a)(1)).

7 (2) SECRETARY.—The term “Secretary” means
 8 the Secretary of the Treasury.

9 **SEC. 3. SALE OF FEDERAL CORPORATE PROPERTY.**

10 (a) DIVESTITURE.—Except as provided in subsection
 11 (b), the Secretary shall divest the Federal Government of
 12 any ownership interest not later than December 31, 2010.

13 (b) CONFORMING AMENDMENT.—Section 3(9) of the
 14 Emergency Economic Stabilization Act of 2008 (12
 15 U.S.C. 5202(9)) is amended—

16 (1) in subparagraph (A), by striking “; and” at
 17 the end and inserting a period;

18 (2) by striking “means—” and all that follows
 19 through “residential” in subparagraph (A) and in-
 20 serting “means residential”; and

21 (3) by striking subparagraph (B).

22 (c) DEPOSIT OF FUNDS.—

23 (1) IN GENERAL.—Section 115(a)(3) of the
 24 Emergency Economic Stabilization Act of 2008 (12

1 U.S.C. 5225(a)(3)) is amended by striking “out-
2 standing at any one time”.

3 (2) DEPOSIT OF FUNDS INTO TREASURY.—

4 (A) IN GENERAL.—On and after the date
5 of enactment of this Act, all repayments of obli-
6 gations arising under the Emergency Economic
7 Stabilization Act of 2008 (12 U.S.C. 5201 et
8 seq.), and all proceeds from the sale of assets
9 acquired by the Federal Government under that
10 Act, shall be paid into the general fund of the
11 Treasury for reduction of the public debt, in ac-
12 cordance with section 106(d) of that Act (12
13 U.S.C. 5216(d)), as amended by this sub-
14 section.

15 (B) CONFORMING AMENDMENT.—Section
16 106(d) of the Emergency Economic Stabiliza-
17 tion Act of 2008 (12 U.S.C. 5216(d)) is amend-
18 ed by inserting “, and repayments of obligations
19 arising under this Act,” after “section 113”.

20 (d) FEDERAL DEPOSIT INSURANCE CORPORATION.—

21 No provision of this Act may be construed so as to impede
22 the ability of the Federal Deposit Insurance Corporation
23 to maintain the stability of the banking system.

1 **SEC. 4. OVERSIGHT BY FINANCIAL STABILITY OVERSIGHT**
2 **BOARD.**

3 Section 104(a) of the Emergency Economic Stabiliza-
4 tion Act of 2008 (12 U.S.C. 5214(a)) is amended—

5 (1) in paragraph (2), by striking “and” at the
6 end;

7 (2) in paragraph (3), by striking the semicolon
8 at the end and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(4) reviewing the implementation of section 3
11 of the Taxpayer Investment Protection Act of
12 2009.”.

13 **SEC. 5. REPORTS REQUIRED.**

14 (a) REPORTS ON WINDING DOWN OR DIVESTMENT
15 REQUIRED.—The Secretary shall submit to the Congress
16 periodic reports on the plans of the Secretary for compli-
17 ance with this Act, providing detail on equity divestiture
18 plans and return of capital for the following corporate in-
19 vestments:

20 (1) Bank of America: \$35,000,000,000 in notes
21 and preferred stock.

22 (2) Chrysler: \$12,500,000,000 in common eq-
23 uity and notes.

24 (3) General Motors: \$49,500,000,000 in com-
25 mon and preferred equity, notes.

1 (4) Citigroup: \$45,000,000,000 in common
2 stock and notes.

3 (5) AIG: \$40,000,000,000 applied to acquire
4 79.9 percent of equity, plus amounts outstanding on
5 a \$30,000,000,000 line of credit.

6 (6) Hartford Financial Services:
7 \$3,400,000,000 in preferred stock.

8 (7) Lincoln National Corporation:
9 \$950,000,000 in preferred stock.

10 (8) GMAC: \$884,000,000 in common equity.

11 (b) TIMING OF REPORTS.—The Secretary shall sub-
12 mit the reports under subsection (a)—

13 (1) not later than January 1, 2010; and

14 (2) each month thereafter until all ownership
15 interests are divested under section 3(a).

○