

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 932, Page 2, Section 370.230, Line 23,
2 by inserting after all of said section and line the following:

3
4 "375.971. 1. As used in this section, the following terms mean:

5 (1) "Federal home loan bank", a federal home loan bank established under the federal Home
6 Loan Bank Act, 12 U.S.C. Section 1421, et seq.;

7 (2) "Insurer-member", an insurer who is a member of a federal home loan bank.

8 2. Notwithstanding any other provision to the contrary, no federal home loan bank shall be
9 stayed or prohibited from exercising its rights regarding collateral pledged by an insurer-member.

10 3. If a federal home loan bank exercises its rights regarding collateral pledged by an insurer-
11 member who is subject to a delinquency proceeding, the federal home loan bank shall repurchase
12 any outstanding capital stock that is in excess of that amount of federal home loan bank stock that
13 the insurer-member is required to hold as a minimum investment, to the extent the federal home
14 loan bank in good faith determines the repurchase to be permissible under applicable laws,
15 regulations, regulatory obligations, and the federal home loan bank's capital plan, and consistent
16 with the federal home loan bank's current capital stock practices applicable to its entire membership.

17 4. Following the appointment of a receiver for an insurer-member, the federal home loan
18 bank shall, within ten business days after a request from the receiver, provide a process and establish
19 a timeline for the following:

20 (1) The release of collateral that exceeds the amount required to support secured obligations
21 remaining after any repayment of loans as determined in accordance with the applicable agreements
22 between the federal home loan bank and the insurer-member;

23 (2) The release of any of the insurer-member's collateral remaining in the federal home loan
24 bank's possession following repayment of all outstanding secured obligations of the insurer-member
25 in full;

26 (3) The payment of fees owed by the insurer-member and the operation of deposits and
27 other accounts of the insurer-member with the federal home loan bank; and

28 (4) The possible redemption or repurchase of federal home loan bank stock or excess stock
29 of any class that an insurer-member is required to own.

30 5. Upon request from a receiver, the federal home loan bank shall provide any available
31 options for an insurer-member subject to a delinquency proceeding to renew or restructure a loan to

Standing Action Taken _____ Date _____

Select Action Taken _____ Date _____

1 defer associated prepayment fees, subject to market conditions, the terms of any loans outstanding
2 to the insurer-member, the applicable policies of the federal home loan bank, and the federal home
3 loan bank's compliance with federal laws and regulations.

4 6. Notwithstanding any other provision of law to the contrary, the receiver for an insurer-
5 member shall not void any transfer of, or any obligation to transfer, money or any other property
6 arising under or in connection with any federal home loan bank security agreement, or any pledge,
7 security, collateral, or guarantee agreement, or any other similar arrangement or credit enhancement
8 relating to a federal home loan bank security agreement made in the ordinary course of business and
9 in compliance with the applicable federal home loan bank agreement. However, a transfer may be
10 avoided under this subsection if the transfer was made with intent to hinder, delay, or defraud the
11 insurer-member, the receiver for the insurer-member, or existing or future creditors. This
12 subsection shall not affect a receiver's rights regarding advances to an insurer-member in
13 delinquency proceedings under 12 CFR Part 1266.4."; and

14
15 Further amend said bill by amending the title, enacting clause, and intersectional references
16 accordingly.