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Amendments to H.R. 1664— Pay for Performance Act

H.R. 1664, the Pay for Performance Act (sponsored by *Rep. Grayson, D-FL*), is scheduled to be considered on the House floor on Wednesday, April 1, 2009, subject to a structured rule (H.Res. 306), making in order the following amendments.

The rule waives all points of order against consideration of the bill, except earmark and “pay-go” violations. The rule allows one motion to recommit with or without instructions.

Note: The summaries below are based on RSC staff review of *actual amendment text*. For a summary of the underlying bill, see a separate RSC document released last night.

AMENDMENTS MADE IN ORDER UNDER THE RULE

1. **Frank (D-MA).** Clarifies that a financial institution is not bound by the restrictions of H.R. 1664 simply because is a result of doing business with another financial institution that has received TARP funding. In addition, exempts severance pay from H.R. 1664 as long as it is less than \$250,000 and the employee was with the institution for five years prior to dismissal. Finally, the amendment establishes a commission to study executive compensation and provide recommendations to Congress within 90 days to examine legislative action, executive action, and TARP recipient voluntary actions. The Commission is to be made up of 9 participants - 5 appointed by Democrats, 4 appointed by Republicans.
2. **Cardoza (D-CA).** Defines the term “community financial institution” to exempt financial institutions that have received a bailout valued at less that \$250,000,000.
3. **Meeks (D-NY).** Exempts any institution from being subject to the provisions of H.R. 1664 if it received a bailout before the enactment date of this bill.
4. **Bean (D-IL)/McMahon (D-NY).** Exempts financial institutions that enter into payment schedules with the Department of the Treasury from the compensation restrictions created by the Act. The underlying legislation allows a financial institution to be free of compensation restrictions when it retires the entire taxpayer investment.

5. **Bilirakis (R-FL).** Clarifies that a financial institution is not bound by the restrictions of H.R. 1664 simply because of doing business with another financial institution that has received TARP funding.
6. **DeFazio (D-OR).** Makes an executive compensation package subject to a shareholder vote, binding on the board of directors.
7. **Dahlkemper (D-PA).** Defines executive compensation as payments made *anytime* to a qualifying employee by a financial institution. Additionally, the amendment requires the Secretary to include payment of money, transfer of property, and provision of services in the definition of excessive compensation.

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