

penetration of particular individuals. Nothing in this section shall be construed to require a covered financial institution that does not have an incentive-based payment arrangement to make the disclosures required under this subsection.

(b) Prohibition on certain compensation arrangements

Not later than 9 months after July 21, 2010, the appropriate Federal regulators shall jointly prescribe regulations or guidelines that prohibit any types of incentive-based payment arrangement, or any feature of any such arrangement, that the regulators determine encourages inappropriate risks by covered financial institutions—

(1) by providing an executive officer, employee, director, or principal shareholder of the covered financial institution with excessive compensation, fees, or benefits; or

(2) that could lead to material financial loss to the covered financial institution.

(c) Standards

The appropriate Federal regulators shall—

(1) ensure that any standards for compensation established under subsections (a) or (b) are comparable to the standards established under section 1831p-1¹ of this title for insured depository institutions; and

(2) in establishing such standards under such subsections, take into consideration the compensation standards described in section 1831p-1(c) of this title.

(d) Enforcement

The provisions of this section and the regulations issued under this section shall be enforced under section 505 of the Gramm-Leach-Bliley Act [15 U.S.C. 6805] and, for purposes of such section, a violation of this section or such regulations shall be treated as a violation of subtitle A of title V of such Act [15 U.S.C. 6801 et seq.].

(e) Definitions

As used in this section—

(1) the term “appropriate Federal regulator” means the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision, the National Credit Union Administration Board, the Securities and Exchange Commission, the Federal Housing Finance Agency; and

(2) the term “covered financial institution” means—

(A) a depository institution or depository institution holding company, as such terms are defined in section 1813 of this title;

(B) a broker-dealer registered under section 780 of title 15;

(C) a credit union, as described in section 461(b)(1)(A)(iv) of this title;

(D) an investment advisor, as such term is defined in section 80b-2(a)(11) of title 15;

(E) the Federal National Mortgage Association;

(F) the Federal Home Loan Mortgage Corporation; and

(G) any other financial institution that the appropriate Federal regulators, jointly, by rule, determine should be treated as a covered financial institution for purposes of this section.

(f) Exemption for certain financial institutions

The requirements of this section shall not apply to covered financial institutions with assets of less than \$1,000,000,000.

(Pub. L. 111-203, title IX, §956, July 21, 2010, 124 Stat. 1905.)

REFERENCES IN TEXT

Section 1831p-1 of this title, referred to in subsec. (c)(1), was in the original “section of the Federal Deposit Insurance Act (12 U.S.C. 2 1831p-1)”, and was translated as reading “section 39 of the Federal Deposit Insurance Act”, which is classified to section 1831p-1 of this title, to reflect the probable intent of Congress.

The Gramm-Leach-Bliley Act, referred to in subsec. (d), is Pub. L. 106-102, Nov. 12, 1999, 113 Stat. 1338. Subtitle A (§§501-510) of title V of the Act is classified principally to subchapter I (§6801 et seq.) of chapter 94 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title of 1999 Amendment note set out under section 1811 of this title and Tables.

EFFECTIVE DATE

Section effective 1 day after July 21, 2010, except as otherwise provided, see section 4 of Pub. L. 111-203, set out as a note under section 5301 of this title.

CHAPTER 54—STATE SMALL BUSINESS CREDIT INITIATIVE

Sec. 5701.	Definitions.
5702.	Federal funds allocated to States.
5703.	Approving States for participation.
5704.	Approving State capital access programs.
5705.	Approving collateral support and other innovative credit access and guarantee initiatives for small businesses and manufacturers.
5706.	Reports.
5707.	Remedies for State program termination or failures.
5708.	Implementation and administration.
5709.	Regulations.
5710.	Oversight and audits.

§ 5701. Definitions

In this chapter, the following definitions shall apply:

(1) Appropriate committees of Congress

The term “appropriate committees of Congress” means—

(A) the Committee on Small Business and Entrepreneurship, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Budget, and the Committee on Appropriations of the Senate; and

(B) the Committee on Small Business, the Committee on Agriculture, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Budget, and the Committee on Appropriations of the House of Representatives.

¹ See References in Text note below.