

**AMENDMENT TO THE AMENDMENT TO H.R. 5297,
AS REPORTED
OFFERED BY MR. PERLMUTTER OF COLORADO**

Add at the end of title I the following new section:

1 SEC. 14. TEMPORARY AMORTIZATION AUTHORITY.

2 (a) PURPOSE.—The purpose this section is to address
3 the ongoing effects of the financial crisis on small busi-
4 nesses by providing temporary authority to amortize losses
5 or write-downs in order to increase the availability of cred-
6 it for small businesses.

7 (b) IN GENERAL.—For purposes of capital calcula-
8 tion under the Financial Institutions Examination Coun-
9 cil’s Consolidated Reports of Condition, an eligible institu-
10 tion may choose to amortize any loss or write-down, on
11 a quarterly straight line basis over a period determined
12 under subsection (c), beginning with the month in which
13 such loss or write-down occurs, resulting from the applica-
14 tion of FASB Statement 114 or 144 to—

15 (1) other real estate owned (as defined under
16 section 34.81 of title 12, Code of Federal Regula-
17 tion), or

18 (2) an impaired loan secured by real estate,

1 provided that the institution discloses the difference in the
2 amount of the institution's capital, when calculated taking
3 into account the temporary amortization, from the amount
4 of the institution's capital when calculated without taking
5 into account the temporary amortization on the Financial
6 Institutions Examination Council's Consolidated Reports
7 of Condition.

8 (c) AMORTIZATION REQUIREMENTS.—During the ini-
9 tial 2-year period referred to in section 4(d)(4), an eligible
10 institution's amortization period shall be adjusted to re-
11 flect the following schedule based on the institution's
12 change in the amount of small business lending relative
13 to the baseline:

14 (1) If the amount of small business lending has
15 increased by less than 2.5 percent, the amortization
16 period shall be 6 years.

17 (2) If the amount of small business lending has
18 increased by 2.5 percent or greater, but by less than
19 5.0 percent, the amortization period shall be 7 years.

20 (3) If the amount of small business lending has
21 increased by 5.0 percent or greater, but by less than
22 7.5 percent, the amortization period shall be 8 years.

23 (4) If the amount of small business lending has
24 increased by 7.5 percent or greater, but by less than

1 10.0 percent, the amortization period shall be 9
2 years.

3 (5) If the amount of small business lending has
4 increased by 10 percent or greater, the amortization
5 period shall be 10 years.

6 (d) MINIMUM UNDERWRITING STANDARDS.—The
7 appropriate Federal banking agency for an eligible institu-
8 tion that chooses to amortize any loss or write-down as
9 permitted under subsection (b) shall, within 60 days of
10 the date of the enactment of this title, issue regulations
11 defining minimum underwriting standards that must be
12 used for loans made by the eligible institution.

13 (e) EFFECTIVE DATE.—The provisions of this section
14 shall apply to loan origination that occurred on or after
15 January 1, 2003, and before January 1, 2008.

