

**MEMO# 6145**

August 19, 1994

# **CONGRESS APPROVES LEGISLATION TO PREVENT FTC OVERSIGHT OF MONEY FUNDS**

August 19, 1994 TO: BOARD OF GOVERNORS NO. 82-94 FEDERAL LEGISLATION COMMITTEE NO. 25-94 FEDERAL LEGISLATION MEMBERS NO. 22-94 RE: CONGRESS APPROVES LEGISLATION TO PREVENT FTC OVERSIGHT OF MONEY FUNDS

On August 19, Congress approved the Conference Committee report on H.R. 4603, FY 1995 Appropriations for The Departments of Commerce, Justice, State, the Judiciary, and Related Agencies. Among other things, this legislation contains language which prevents the Federal Trade Commission from making expenditures for the enforcement of Section 151 of the Federal Deposit Insurance Company Improvement Act of 1991 (FDICIA). As we have previously reported, Section 151 of FDICIA contains language which requires the FTC to oversee non-insured depository institutions. The FTC maintains that it has the authority to include oversight of money market mutual funds pursuant to this requirement -- a determination with which the Institute takes strong exception. The inclusion of prohibitory language in H.R. 4603 means that the FTC is enjoined from enforcing this Section with respect to any entities, money funds included. The Institute strongly supported the inclusion of this language in H.R. 4603. The legislation will be sent to the President's desk for signature in the near future. We will keep you informed of further developments. If you wish additional information, please contact the Legislative Affairs Department at 202/326-5890. This memo can also be found on FUNDS, the Institute's Fund User Network and Delivery System, under "Legislative Affairs; Washington Update." Julie Domenick Senior Vice President Legislative Affairs