

MEMO# 11387

November 5, 1999

CONGRESS SENDS FINANCIAL SERVICES REFORM BILL TO PRESIDENT

1 See Memorandum to the Board of Governors No. 65-99, Federal Legislation Members No. 23-99, Primary Contacts - Member Complex No. 95-99 and Public Information Committee No. 44-99 dated October 27, 1999. [11387] November 5, 1999 TO: BOARD OF GOVERNORS No. 70-99 FEDERAL LEGISLATION MEMBERS No. 25-99 PRIMARY CONTACTS - MEMBER COMPLEX No. 98-99 PUBLIC INFORMATION COMMITTEE No. 46-99 RE: CONGRESS SENDS FINANCIAL SERVICES REFORM BILL TO PRESIDENT

_____ Last night, the Senate approved the conference report on S. 900, the "Gramm-Leach-Bliley Financial Modernization Act," 1 by a 90-8 vote. A few hours later, the House of Representatives passed the conference report by a 362-57 vote. The votes are historic steps for financial modernization legislation, which has been considered in Congress for more than 20 years. The President is expected to sign S. 900 shortly. S. 900 repeals the Glass-Steagall Act's restrictions on bank and securities firm affiliations and amends the Bank Holding Company Act to permit affiliations among financial services companies, including banks, registered investment companies, securities firms and insurance companies. It also imposes privacy requirements and disclosure obligations on all financial firms, even if they are not affiliated with a bank or thrift. This historic legislation reflects what has been more than 20 years of work by the Institute and its members. Again, I would like to thank the many Institute members who participated in this longstanding effort. We will advise you of the President's action. Matthew P. Fink President