

7. RTC Debt Limit/Full Faith and Credit

--To H. R. 1278 (Delete amendatory language adopted on House floor):

On page ~~357~~, line 20, delete the text through page 361, line 22 and <sup>^</sup>insert the following new subsection:

<sup>(x)</sup>  
~~(x)~~ MAXIMUM AMOUNT LIMITATION ON OUTSTANDING OBLIGATIONS.--

"(1) IN GENERAL.--Notwithstanding any other provision of this section --

"(A) The aggregate amount of outstanding obligations of the Corporation, including notes, debentures, bonds or similar financial instruments, and the expected loss from any guarantees or other contingent liability, may not exceed --

"(B) the sum of --

"(i) the aggregate amount of contributions that may be authorized to be received by the Corporation from the Resolution Funding Corporation for which the Corporation may issue capital certificates pursuant to subsection (1);

"(ii) the amount of funds made available by the Secretary of the Treasury pursuant to subsection (x)(1);

"(iii) the estimated market value of assets held by the Corporation as a result of case resolution activities, less expenses expected to be incurred by the Corporation prior to the sale of assets; and

"(iv) the sum of the amount of cash, and investments that are readily converted into cash, held by the Corporation.

"(2) FULL FAITH AND CREDIT.-- The full faith and credit of the United States is pledged to the payment of all notes, debentures, bonds and other similar obligations, including guarantees and similar liabilities, of the Corporation, with respect to both principal and interest."

--Same change to S. 774